

SBEC SYSTEMS
(INDIA) LIMITED

Sugar Bio-Energy & Control Systems

23.08.2021

To,

The Manager
Listing Centre
The BSE Limited
P.J.Towers, Dalal Street
Mumbai - 400 001.

SUB:- ANNUAL REPORT FOR THE FINANCIAL YEAR 2020-21

SCRIP CODE:- 517360

Dear Sir,

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, please find attached herewith the Annual Report of the Company for the financial year 2020-21. The Notice & Annual Report is being sent by email only to those members whose email addresses are registered with the Company/RTA/Depository Participant. The requirements of sending physical copies of AGM Notice and Annual Report have been dispensed vide "MCA" and "SEBI" Circular(s).

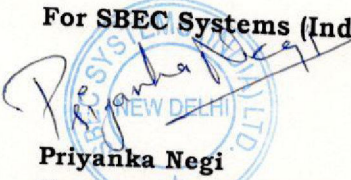
The Annual Report and Notice of 32nd Annual General Meeting are also being uploaded on the Company's website i.e. www.sbecosystems.com.

Kindly take the same on record.

Thanking You,

Yours Faithfully

For SBEC Systems (India) Limited


Priyanka Negi
Company Secretary & Compliance Officer

Encl: As above

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.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

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.sbecosystems.com.

INTERNAL FINANCIAL CONTROLS

The Company has adequate Internal Financial Controls with proper checks to ensure that transactions are properly authorised, recorded and reported apart from safeguarding its assets. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis. The internal auditors of the Company reviews the controls across the key processes and submits reports periodically to the Management and significant observations are also presented to the Audit Committee for review. Follow up mechanism is in place to monitor the implementation of the various recommendations.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES.

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company i.e. (a) net worth of the Company to be Rs. 500 crore or more; or (b) turnover of the company to be Rs. 1,000 crore or more; or (c) net profit of the company to be Rs.5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of Section 135 are not applicable to the Company.

RELATED PARTY TRANSACTIONS

The transactions entered with related parties during the year under review were on Arm's Length basis and in the ordinary course of business. The provisions of Section 188 of the Companies Act, 2013 are therefore, not attracted. All related party transactions were approved by the Audit Committee and the Board. The relevant information regarding related party transactions has been set out in Note No. 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.sbecosystems.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.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 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 | | Public | Member | |
| 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 |

c. Board Meetings

The Board meets at least once in a quarter to review the financial results and other items on the agenda. The Agenda of Board Meeting is circulated to all the Directors well in advance and contains all relevant information which is distributed to the Directors in advance.

The Board met Six times during the financial year 2020-21. The Directors met on July 29, 2020, August 29, 2020, September 15, 2020, November 11, 2020, February 01, 2021 and February 12, 2021. The intervening gap between the two Board Meetings did not exceed 120 days. Necessary quorum was present for all meetings.

None of the Non-Executive Directors have any material pecuniary relationship or transaction with the Company.

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

d. Disclosures of relationships between Directors inter-se

None of the Directors is related to each other on the Board of the Company and to the Key Managerial Personnel of the Company.

e. Familiarization programmes for Independent Directors

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

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

f. Skills/Expertise/Competence of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

1. Knowledge on Company's businesses (Manufacturing sugar form sucrose from sugar cane) policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2. Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3. Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making.
4. Financial and Management skills.
5. Technical / Professional skills and specialized knowledge in relation to Company's business.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted.

| Name of Director | Areas of Skills, Expertise and Competencies | | | | |
|---|---|--------------------|--|---------------------------------|--------------------------------|
| | Knowledge on Company's business, policies & Culture | Behavioural Skills | Business Strategy, Sales & Marketing etc., | Financial and Management Skills | Technical/ Professional skills |
| Mr. Vijay Kumar Modi, Chairman & Director | YES | YES | YES | YES | YES |
| Mr. Shiv Shankar Agarwal, CEO & Director | YES | YES | YES | YES | YES |
| Mr. Rohit Garg, Director | YES | YES | YES | YES | YES |
| Mr. Jagdish Chander Chawla, Director | YES | YES | YES | YES | YES |
| Mr. Shyam Babu Vyas, Director | YES | YES | YES | YES | YES |
| Ms. Ritu Sikka, Director | YES | YES | YES | YES | YES |
| Mr. Anupam Bansal, Director | YES | YES | YES | YES | YES |
| Ms. Asha Agarwal, Director | YES | YES | YES | YES | YES |

g. Information supplied to the Board

The Company provides the information to the Board and Board Committees as set out in Regulation 17 read with Part A of Schedule II of Listing Regulations, 2015 to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers of the respective meetings or by way of presentations and discussions during the meeting.

h. Formal annual evaluation

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

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

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

3. AUDIT COMMITTEE

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

As on 31st March, 2021, the Audit Committee comprise of four Directors out of which three Directors are Non-Executive and Independent and one is Executive Director. All the Committee members have sound knowledge of finance and accounting.

Lt. Mr. R.K.Agarwal, Chairman of the Audit Committee was present at the Annual General meeting of the Company held on September 28th, 2020 to answer queries from the shareholders.

The Company Secretary acts as the Secretary of the Committee. The Head of Finance, Internal Auditors and Statutory Auditors attend the meetings of the Committee on the invitation of the Company.

During the financial year ended March 31, 2021, the Audit Committee met four times on 29.07.2020, 15.09.2020, 11.11.2020, and 12.02.2021 and the maximum gap between the two Audit Committee Meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

The Composition of the Audit Committee and their attendance at the Committee meetings held during the period are as under:

| Name of the Director | Designation | Category | Number of meetings during the year 2020-21 | |
|------------------------|-------------------|----------------------|--|----------|
| | | | held | attended |
| Mr. R.K. Agarwal* | Chairman / Member | Independent Director | 4 | 3 |
| Mr. J.C. Chawla** | Chairman/Member | Independent Director | 4 | 4 |
| Mr. S.S Agarwal | Member | Executive Director | 4 | 4 |
| Mr. Shyam Babu Vyas*** | Member | Independent Director | 4 | 1 |
| Ms. Asha Agarwal**** | Member | Independent Director | 4 | NA |

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

**Mr. J.C.Chawla, Independent Director appointed as Chairman of Audit Committee in the meeting of Board of Directors held on February 01, 2021.

*** Mr. Shyam Babu Vyas, Independent Director has added as a member in Audit Committee w.e.f February 01, 2021

****Ms. Asha Agarwal, Independent Director has added as a member in Audit Committee w.e.f February 12, 2021

4. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

During the period ended March 31, 2021, 2 meetings of the Committee were held on August 29, 2020 and February 12, 2021.

The Composition of the Nomination & Remuneration Committee and their attendance at the Committee meetings held during the period is as under:

| Name of the Director | Designation | Category | Number of meetings during the year 2020-21 | |
|------------------------|-----------------|------------------------|--|----------|
| | | | held | attended |
| Mr. R.K. Agarwal* | Chairman | Independent Director | 2 | 1 |
| Mr. J.C. Chawla** | Chairman/Member | Independent Director | 2 | 2 |
| Mr. V.K. Modi | Member | Non-Executive Director | 2 | 2 |
| Mr. Shyam Babu Vyas*** | Member | Independent Director | 2 | 1 |
| Ms. Asha Agarwal**** | Member | Independent Director | 2 | NA |

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

**Mr. J.C.Chawla, Independent Director appointed as Chairman of Nomination & Remuneration Committee in the meeting of Board of Directors held on February 01, 2021.

*** Mr. Shyam Babu Vyas, Independent Director has added as a member in Nomination & Remuneration Committee w.e.f February 01, 2021.

****Ms. Asha Agarwal, Independent Director is added as a member in Nomination & Remuneration Committee w.e.f February 12, 2021.

Performance Evaluation of Independent Directors

The criteria as well as process for evaluation of the Independent Directors are given below:

Criteria

- Fulfillment of functions
- Participation in the Board in terms of adequacy (time & content)
- Contribution at meetings
- Guidance / support to the management outside the Board / the Committee meetings
- Independent views and judgement

Process

- i. The Chairperson of the Board to discuss self and peer evaluation on a One-on-One basis with each Director.
- ii. The Chairperson to consolidate the comments and give the feedback to individual Directors.

5. Stakeholders Relationship Committee

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

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

During the financial year ended March 31, 2021, the Stakeholders' Relationship Committee met 2 times on 29.07.2020, and 15.09.2020.

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

| Name of the Director | Designation | Category | Number of meetings during the year 2020-21 | |
|----------------------|-------------|------------------------|--|----------|
| | | | held | attended |
| Mr. V.K. Modi | Chairman | Non-Executive Director | 2 | 2 |
| Mr. J.C. Chawla | Member | Independent Director | 2 | 2 |
| Mr. S.S. Agarwal | Member | Executive Director | 2 | 2 |
| Ms. Asha Agarwal* | Member | Independent Director | 2 | NA |

*Ms. Asha Agarwal, Independent Director is added as a member in Nomination & Remuneration Committee w.e.f February 12, 2021

During the year, the Company has received 1 complaint from the shareholders. The details of the complaint received and redressed during the financial year 2020-21 are given below:

| Particulars | Status |
|---------------------------------|--------|
| Complaints as on April 1, 2020 | 0 |
| Received during the year | 1 |
| Resolved during the year | 1 |
| Complaints as on March 31, 2021 | Nil |

Name, Designation and address of Grievance Redressal Officer:

Ms. Priyanka Negi

Company Secretary & Compliance Officer

SBEC Systems (India) Limited

1400, Modi Tower

98, Nehru Place

New Delhi - 110019

Email: sbecsystems@rediffmail.com

6. Remuneration of Directors

The Company has adopted a Remuneration Policy for executive and non-executive directors and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration as approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be. The remuneration policy of the Company is also placed on the website: www.sbecsystems.com.

(i) Remuneration/Sitting fee to Directors:

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

The Company does not provide any fixed component and performance linked incentives to its Directors.

The Company does not have any service contracts with its Directors and no policy regarding notice period & severance fees.

The Company does not have any Employees Stock Option Scheme.

7. GENERAL BODY MEETINGS:**(a) Annual General Meetings**

Location and time of the last three Annual General Meetings:-

| Financial year | Date | Time | Special Resolution Passed (Yes/No) | Venue |
|----------------|--------------------|------------|------------------------------------|---|
| 2019-20 | September 28, 2020 | 01.00 p.m. | YES | In compliance with the applicable provisions of the Act, and the Listing Regulations read with the MCA Circulars and SEBI Circular, the 31st AGM of the Company was convened through Video Conferencing / Other Audio Visual Means. |
| 2018-19 | September 26, 2019 | 11.30 a.m. | NO | Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074 |
| 2017-18 | September 26, 2018 | 11.30 a.m. | YES | Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074 |

(b) Extraordinary General Meetings

No Extraordinary General Meeting of the Members was held during the year 2020-21.

(c) Postal Ballot

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

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

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

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

(b) Website

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

9. General Shareholder Information:**(a) 32nd Annual General Meeting**

Date & Time: September 28, 2021 at 01.00 p.m.

Mode: Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)

(b) Financial Year of the Company: 1st April, 2020 to 31st March 2021**(c) Particulars of Dividend payment:** No dividend is declared during the year.**(d) Name and Address of Stock Exchange at which listed entity's securities are listed:**

| Name & Address of Stock Exchange | Stock Code |
|---|------------|
| The BSE Limited 25th Floor, P.J. Towers, Dalal Street Fort, Mumbai-400001 | 517360 |

(e) Market Price Data:

The Company was suspended from the stock exchange due to penal provisions, subsequently, after complying with all the formalities with the BSE, the Company had received approval for revocation of suspension in trading of equity shares from the BSE on 23rd December, 2019. There was no trading since the revocation i.e. from 23rd December, 2019; they were last quoted on the Bombay Stock Exchange on 6th September 2001 at Rs. 2.30 per share.

(f) Performance in comparison to broad based indices such as BSE sensx, CRISIL Index, etc: Not Applicable**(g) Registrar and Share Transfer Agent:**

The physical transfer of Equity Shares and Electronic Connectivity for the Depository mode for CDSL is being provided M/s Beetal Financial & Computer Services Pvt., Registrar & Transfer Agents of the Company whose address is given below:

M/s Beetal Financial & Computer Services (P) Ltd.

Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
New Delhi-110062
Ph.No-011-2996181-83
e-mail: beetalrta@gmail.com

(h) Share transfer system:

The share transfer requests sent by shareholders are manually checked. If the transfer deed and enclosures are valid, the shares are transferred within 15 days with the approval of the Share Transfer Committee, otherwise objection memo is sent to the transferor with necessary advice to take the required steps. The process is done within 15 days of receipt of request.

The Company seeks to ensure that all transfers are approved for registration within the stipulated period. Pursuant to Regulation 40 (9) & (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on half-yearly basis have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company.

With a view to expediting the approval process, the Board of Directors has severally authorized the Chairman of the Board of Directors, the Chairman of the Stakeholders Relationship Committee and the Company Secretary to approve the transfer of shares.

(i) **Distribution of shareholding as on March 31,2021:**

| No of Shares | Number of Shareholders | Number of Shares | % of total Shares |
|------------------|------------------------|------------------|-------------------|
| Upto 5000 | 18592 | 3054154 | 94.20 |
| 5001 - 10000 | 746 | 589311 | 3.78 |
| 10001 – 20000 | 272 | 399286 | 1.37 |
| 20001- 30000 | 55 | 137742 | 0.27 |
| 30001 - 40000 | 25 | 89197 | 0.12 |
| 40001 – 50000 | 13 | 59649 | 0.06 |
| 50001 - 100000 | 15 | 100968 | 0.07 |
| 100000 and above | 17 | 5569693 | 0.08 |
| Total | 19735 | 10000000 | 100.00 |

(j) **Shareholding Pattern as on March 31, 2021:**

| SI No. | Category of Shareholder | Total No. of Shares | % of Shareholding |
|-----------|------------------------------------|---------------------|-------------------|
| A | PROMOTER AND PROMOTER GROUP | 5099760 | 51.00 |
| | Sub Total (A) | 5099760 | 51.00 |
| B | PUBLIC SHAREHOLDING | | |
| I | INSTITUTIONS | | |
| | A FDI | - | - |
| II | NON-INSTITUTIONS | | |
| | A Bodies Corporate | 300457 | 3.00 |
| | B Individuals | 4596568 | 45.97 |
| | C NRI/ OCB | 909 | 0.01 |
| | D Huf | 2306 | 0.02 |
| | Sub-Total [B=(BI + BII)] | 4900240 | 49.00 |
| | Total (A+B) | 10000000 | 100.00 |

(k) **Dematerialization of shares and liquidity:**

The ISIN (**INE689V01018**) of the Company has been made live in the system of Central Depository Services (India) Limited (CDSL). The shareholders of the Company can now avail the depository services and dematerialize the equity shares of the Company with any of the Depository participants registered with CDSL.

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

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

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

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

(n) **Plant Locations:** Not Applicable(o) **Address for Correspondence:**

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

10. Other Disclosures(i) **Related Party Transactions**

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

The Company has formulated a policy on Related Party Transactions in terms of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee accorded its omnibus approval for the said related party transactions. The said policy has been uploaded on the Company's website viz. www.sbecosystems.com. The transactions with the related parties are being placed before the Audit Committee and the Board on quarterly basis for it to review the same in terms of Regulation 23(3)(d) of the said Regulations.

(ii) **Disclosure of Accounting Treatment**

The financial statements have been prepared in accordance with applicable Indian Accounting Standards (Ind AS) and relevant presentational requirements of the Companies Act, 2013, as applicable.

(iii) **Insider Trading**

As required under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of practices and procedures for fair disclosures of unpublished price sensitive information, to inter alia, prevent insider trading in the shares of the Company

(iv) Details of Non-compliance

- (a) 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 Appeals before the Hon'ble Supreme Court of India have been connected and the pleadings therein are complete. The said Civil Appeal are now listed before the Hon'ble Supreme Court of India on August 4, 2021 for further proceedings.

No penalty or fine is imposed on your Company individually other than being mentioned above

- (b) The BSE Limited had imposed a penalty of Rs. 11,800/- (Eleven Thousand Eight Hundred Only) on a Company for delay filing of its Financial Results for the quarter and nine months ended on 31st December 2019, as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

The Company has paid the said penalty amount within the time period prescribed in the BSE letter.

(v) Vigil Mechanism

In compliance of Section 177(9) & (10) of the Companies Act, 2013 and in terms of Regulation 22 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has established a Whistle Blower Policy and the same has been uploaded in the Company's website www.sbecosystems.com. The said policy has also been made available at the Office of the Company to enable the employees to report concerns, if any, directly to the Chairman of the Board and to the Chairman of the Audit Committee. All the employees are given direct access to the Audit Committee Chairman to report their concerns, if any. The employees are also apprised of the availability of the whistle blower policy at the time of their induction into the Company. There were no occasions during the year under review where any concerns were reported under the said policy.

(vi) Compliance with the Mandatory and Non-Mandatory Requirements. Shareholder Rights

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

The Company does not have any subsidiary for the financial year ended 31 March, 2021.

(vii) Details of Utilization of fund through preferential allotment

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

(viii) Compliance certificate from company secretary in practice

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

(ix) Recommendations of any Committee

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

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

An amount of INR 77,290/- (including tax) was paid to M/s Doogar & Associates, Statutory Auditors for rendering all their services during the year.

(xi) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- a. number of complaints filed during the financial year 2020-21: Nil
- b. number of complaints disposed of during the financial year 2020-21: Nil
- c. number of complaints pending as on end of the financial year 2020-21: Nil

11. CODE OF CONDUCT

The Company has adopted the code of conduct for all Board members and Senior Management as required under Regulation 17 of the Listing Regulations. The Code is posted on the Company's website: www.sbecosystems.com. All Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis and a declaration to this effect signed by Mr. S.S. Agarwal, Chief Executive Officer forms part of this Report.

Declaration

I, S.S. Agarwal, Director & Chief Executive Officer of SBEC Systems (India) Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors under Schedule V sub-clause (D) Regulation 34 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for the year ended March 31, 2021.

Place: New Delhi

Date: 13.08.2021

S.S. Agarwal
Chief Executive Officer**12. CEO/CFO CERTIFICATION**

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

To,

**The Board of Directors
SBEC Systems (India) Limited
1400, Modi Tower, 98,
Nehru Place, New Delhi-110019**

We, Shiv Shankar Agarwal, Chief Executive Officer of the Company, and Luv Gupta, Chief Financial officer of the Company, to the best of our knowledge and belief, hereby certify that:

- (a) We have reviewed the financial statements as on 31st March, 2021 and the cash flow statement for the year along with all its schedule, and notes to the accounts for the period ended 31st March, 2021 and based on our knowledge and information, confirms that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) Based on our knowledge and information, there are no transactions entered into by the company during the year are fraudulent, illegal or violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps have been taken to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant change in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
 - (ii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 13.08.2021
Place: New DelhiShiv Shankar Agarwal
Chief Executive OfficerLuv Gupta
Chief Financial OfficerPlace: New Delhi
Date: 13.08.2021

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

"ANNEXURE-D"

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SBEC SYSTEMS (INDIA) LIMITED** having **CIN: L74210DL1987PLC029979** and having registered office at 1400, Hemkunt Tower 98, Nehru Place, New Delhi, 110019 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of Appointment |
|---------|------------------------|----------|---------------------|
| 1 | Vijay Kumar Modi | 00004606 | 29.09.2004 |
| 2 | Shiv Shankar Agarwal | 00004840 | 22.01.2008 |
| 3 | Shyam Babu Vyas | 02025415 | 21.05.2015 |
| 4 | Rohit Garg | 03296571 | 12.02.2021 |
| 5 | Jagdish Chander Chawla | 05316202 | 21.05.2015 |
| 6 | Ritu Sikka | 06953465 | 24.09.2014 |
| 7 | Asha Agarwal | 09026835 | 12.02.2021 |

Ensuring the eligibility of the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency 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. 029599
UDIN: A029599C000767481

Dated: 13.08.2021
Place: Meerut

AUDITORS' CERTIFICATE

To

The Members of SBEC Systems (India) Limited

We have examined the compliance of conditions of Corporate Governance by SBEC Systems (India) Limited ("the Company") for the year ended on March 31, 2021 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R.Singhal & Associates
Company Secretaries
Sd/-
Rahul Singhal
Proprietor
M.No. 29599
UDIN: A029500C000767479

Date: 13.08.2021
Place: Meerut

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

Report on the Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of M/s. **SBEC SYSTEMS (INDIA) LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified Opinion** section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, the loss and total comprehensive income(loss), changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note No. 25 of the financial statements, the Company has not complied with the Ind AS requirements, regarding reversal of provision for diminution of a current quoted investment aggregating to Rs. 167.83 Lacs. Had the company reversed the existing provision as per IND AS requirements the loss for the quarter would have been lower by an even amount and its consequent impact on EPS.

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

Emphasis of Matters

We draw attention to Note No. 24 to the financial statement according to which the company has prepared its accounts on a going concern basis even though the net worth of the Company has been fully eroded. These facts cast significant doubts above the Company's ability to continue as a going concern.

Key Audit Matters

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

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the Directors as on 31 March, 2021 taken on record by the Board of directors, none of the Directors is disqualified as on 31 March, 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub section (11) of Section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DOOGAR & ASSOCIATES
Chartered Accounts
FRN: 000561N
Sd/-
Mukesh Goyal
Partner
M. No.: 081810
UDIN: 21081810AAAACP3199

Place: New Delhi
Date: 17th May, 2021

Annexure 'A' to Independent Auditors' Report

(Referred to in paragraph (1) (f) under the head 'Report on Other Legal and Regulatory Requirements' of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, ("the Act") to the members of SBEC SYETEMS (INDIA) LIMITED on the financial statements for the year ended March 31, 2021

We have audited the internal financial control with reference to financial statement of SBEC SYSTEMS (INDIA) LIMITED ("the Company") as of March, 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

- The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements, criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

- Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

- A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
 - pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
 - provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

- Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

- In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria, established by the Company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi
Date: 17th May, 2021

For DOOGAR & ASSOCIATES
Chartered Accounts
FRN: 000561N
Sd/-
Mukesh Goyal
Partner
M. No.: 081810
UDIN: 21081810AAAACP3199

Annexure "B" to the Independent Auditors' Report

Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of even date to the member on the financial statements of **SBEC SYSTEMS (INDIA) LIMITED** for the year ended 31 March, 2021.

| | |
|-------|---|
| i) | Fixed Assets: |
| a) | The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. |
| b) | The Company has a programme of physical verification to ensure that all the assets are verified at reasonable intervals which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As per the information and explanation given to us, management is unable to conduct physical verification of fixed assets as on the date of financial statements due to Government imposed lockdown and hence, discrepancies, if any, have not been ascertain for the necessary adjustments in the books of accounts. |
| ii) | Inventories: The Company has no stock. |
| iii) | Transactions with parties u/s 189 of the Companies Act, 2013 |
| | The company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties during the year covered in the register maintained under Section 189 of the Companies Act, 2013 |
| iv) | In our opinion, the Company has not entered in to any transaction covered under Sections 185 of the Act. |
| v) | In our opinion, the Company has complied with provisions of Sections 186 of the Act. |
| vi) | The Company does not have any loans or borrowing from any financial institution, banks government or debenture holders during the year. Accordingly, paragraph 3 (Viii) of the order is not applicable. |
| vii) | Cost records as prescribed by the central government under clause (d) of sub section (1) of Section 148 of the Act is not applicable to the company. |
| viii) | Deposits |
| | The Company has not accepted any deposits during the year or in earlier years which are covered under the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. |
| ix) | Statutory Dues |
| a) | According to the books and records, examined by us and information and explanations given to us, the Company is regular in depositing the undisputed statutory dues, including Provident Funds, Income tax, Tax deducted at source and other statutory dues, as applicable, with the appropriate authorities during the year. |
| b) | According to the books and records, examined by us and information and explanations given to us, there were no undisputed dues as on 31 March, 2021. |
| x) | The Company has not raised any money by way of initial public offer or further public offer (including debts instruments) and term loans and hence the application of such money for the specified purposes does not arise. |
| xi) | Based upon the audit procedures performed and on the basis of information and explanations provided by the management, we report that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year under audit. |
| xii) | The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013. |
| xiii) | The company is not a Nidhi Company and hence the clause is not applicable. |
| xiv) | According to the records of the company and information and explanation provided to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards. |
| xv) | The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review as such the requirement of Section 42 of the Companies Act as covered under the clause is not applicable to the company. |
| xvi) | As per the records of the company and information and explanation provided to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause is not applicable. |
| xvii) | The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. |

Place: New Delhi
Date: 17th May, 2021

For DOOGAR & ASSOCIATES
Chartered Accounts
FRN: 000561N
Sd/-
Mukesh Goyal
Partner
M. No.: 081810
UDIN: 21081810AAAACP3199

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(in Rs.)

| Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------------|----------|---------------------------|---------------------------|
| A ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, Plant and Equipment | 3 | 28,667 | 28,667 |
| (b) Non Current Investment | 4 | 68,602,183 | 68,602,183 |
| | | 68,630,850 | 68,630,850 |
| 2 Current assets | | | |
| (a) Cash and cash equivalents | 5 | 200,054 | 96,272 |
| (b) Bank balances other than (a)above | 6 | 40,000 | 40,000 |
| (b) Short-term loans and advances | 7 | 1,302,500 | 1,300,000 |
| (c) Other current assets | 8 | 1,357,841 | 1,201,841 |
| | | 2,900,395 | 2,638,113 |
| TOTAL | | 71,531,245 | 71,268,963 |
| B EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 9 | 100,000,000 | 100,000,000 |
| (b) Other Equity | 10 | (215,225,275) | (214,863,410) |
| | | (115,225,275) | (114,863,410) |
| 2 Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| -Borrowings | 11 | 88,731,843 | 90,858,807 |
| (b) Long-term provisions | 12 | 198,194 | 167,809 |
| | | 88,930,037 | 91,026,616 |
| 3 Current liabilities | | | |
| (a) Financial Liabilities | | | |
| -Borrowings | 13 | 97,423,201 | 94,799,201 |
| (b) Other current liabilities | 14 | 403,282 | 306,556 |
| | | 97,826,483 | 95,105,757 |
| TOTAL | | 71,531,245 | 71,268,963 |

Significant Accounting Policies

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

For DOOGAR & ASSOCIATES

Chartered Accountants
Firm Reg.No.000561N

Sd/-

Mukesh Goyal

Partner
Membership No.081810

Place: New Delhi

Date: 17.05.2021

Sd/-

S.S.Agarwal
Director & CEO
DIN-00004840

Sd/-

J.C. Chawla
Director
DIN-05316202

Sd/-

Priyanka Negi
Company Secretary
M.No 36819

Sd/-

Vijay K.Modi
Director
DIN-00004606

Sd/-

Luv Gupta
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(in Rs.)

| Sr No | Particulars | Note No. | Year Ended 31.03.2021 | Year ended 31.03.2020 |
|-------|--|----------|--------------------------|--------------------------|
| I | Revenue from operations | 15 | - | - |
| II | Other income | 16 | 2,282,964 | 156,000 |
| III | Total revenue (I+II) | | 2,282,964 | 156,000 |
| IV | Expenses: | | | |
| | Employee benefits expense | 17 | 1,077,820 | 1,145,595 |
| | Finance costs | 18 | 7,857 | 7,487 |
| | Depreciation and amortisation expense | 19 | - | 236 |
| | Other Expenses | 20 | 1,559,152 | 8,764,334 |
| | Total expenses (IV) | | 2,644,829 | 9,917,652 |
| V | Profit / (Loss) before exceptional items and tax (III-IV) | | (361,865) | (9,761,652) |
| VI | Exceptional Items Income/(Expenses) | 21 | - | (1,409,064) |
| VII | Profit / (Loss) after exceptional items and before tax (V-VI) | | (361,865) | (11,170,716) |
| VIII | Tax expense: | | | |
| | - Tax for Earlier Years | | - | 185,300 |
| | - Current Tax (MAT) | | - | - |
| | - Deferred Tax | | - | - |
| | Total | | - | 185,300 |
| IX | Profit / (Loss) for the year (VII-VIII) | | (361,865) | (11,356,016) |
| | Earning per equity shares: | 22 | | |
| | (i) Basic | | (0.04) | (1.14) |
| | (ii) Diluted | | (0.04) | (1.14) |

Significant Accounting Policies

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

For DOOGAR & ASSOCIATES

Chartered Accountants
Firm Reg.No.000561N

Sd/-

Mukesh Goyal

Partner
Membership No.081810

Place: New Delhi

Date: 17.05.2021

Sd/-

S.S.Agarwal
Director & CEO
DIN-00004840

Sd/-

J.C. Chawla
Director
DIN-05316202

Sd/-

Priyanka Negi
Company Secretary
M.No 36819

Sd/-

Vijay K.Modi
Director
DIN-00004606

Sd/-

Luv Gupta
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(in Rs.)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit/(Loss) before tax | (361,865) | (11,170,716) |
| Adjustments for: | | |
| Depreciation | - | 236 |
| Interest Expense | 7,857 | 7,487 |
| Interest Income | (156,000) | (156,000) |
| Foreign Exchange fluctuation(net) | (2,126,964) | 5,797,622 |
| Interest for Earlier Years written back(Net) | - | 1,409,064 |
| Services Tax (Cenvat Credit)Written off | - | 82,400 |
| | (2,275,107) | 7,140,809 |
| Operating profit/(Loss) before working capital changes | (2,636,972) | (4,029,907) |
| Change in working Capital: | | |
| (Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances excluding TDS | (2,500) | 7,200 |
| (Increase)/Decrease in Inventories | - | - |
| Increase /(Decrease) in Trade Payable and Provisions | 127,111 | (77,685) |
| | 124,611 | (70,485) |
| Cash (used in) / Generated from operations | (2,512,361) | (4,100,392) |
| Income Tax/ TDS Paid/Refund | - | - |
| Net Cash (used) in / generation from operating activities | (2,512,361) | (4,100,392) |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | - | - |
| Purchase of fixed assets | - | - |
| Proceeds from Sales of fixed assets | - | - |
| Net Cash (used) in/flow from investing activities | - | - |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of share capital | - | - |
| Proceeds from Long/Short term borrowings | 2,624,000 | 4,004,400 |
| Interest paid | (7,857) | (7,487) |
| Repayment of long /Short term borrowings | - | - |
| NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES | 2,616,143 | 3,996,913 |
| Net increase/(decrease) in Cash and Cash Equivalents (A+B+C) | 103,782 | (103,479) |
| Cash and Cash equivalents at beginning of period | 96,272 | 199,751 |
| Cash and Cash equivalents at end of the period (Note No 5) | 200,054 | 96,272 |

*Figures in bracket indicate cash outflow.

As per our report of even date attached.**For DOOGAR & ASSOCIATES**Chartered Accountants
Firm Reg.No.000561N**Sd/-**
Mukesh Goyal
Partner
Membership No.081810**Place: New Delhi**
Date: 17.05.2021**Sd/-**
S.S.Agarwal
Director & CEO
DIN-00004840**Sd/-**
J.C. Chawla
Director
DIN-05316202**Sd/-**
Priyanka Negi
Company Secretary
M.No 36819**Sd/-**
Vijay K.Modi
Director
DIN-00004606**Sd/-**
Luv Gupta
Chief Financial Officer

ACCOUNTING POLICIES OF THE FINANCIAL INFORMATION

NOTE NO: 1 Corporate Information

SBEC Systems (India) Limited is an engineering and consultancy company primarily engaged in render scientific, technical, engineering, professional, commercial and all other types of skilled services and deal in designs, plans and specifications of all type of contracts turnkey or otherwise, assignments, process and undertake fabrication, erection, commissioning of projects and providing high-tech equipment to sugar and power industries.

NOTE NO: 2 Significant Accounting Policies

1. Basis of preparation of financial information

- a. The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.
- b. The financial statements have been prepared under the historical cost convention on accrual basis.

2. Use of Estimates

The preparation of financial statements require the management to make some estimates and assumptions which affect the reported amount of assets and liabilities and the disclosures relating the contingent liabilities as at the date of the financial statements and the reported amount of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefit, provision for tax & duties (including interest on arrear statutory dues/liabilities), the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to change in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known/ materialized.

3. Revenue Recognition:

- a) Consultancy Contracts/Works Contracts are recognized on percentage of completion method.
- b) Sales are recognized on dispatch of goods by the Company to its customers. Sales values are inclusive of Sales Tax/GST.

4. Inventory Valuation

Stores, Spare Parts and Components are valued at Cost. For this purpose, cost is ascertained on FIFO basis. Goods purchased for resale are valued at lower of cost or realizable value. Provision for obsolescence is made on the stocks, wherever required.

5. Fixed Assets

- a) Fixed Assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to acquisition and installation of fixed assets.
- b) Fixed assets acquired under Hire Purchase Scheme are capitalized at their principal value and interest implicit in the hire rental is charged off as revenue expense.
- c) Depreciation on Fixed Assets is provided to the extent of depreciable amount on the written down value (WDV) method over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

6. Foreign Currency Transactions

Transactions in Foreign Currency are recognized at rates prevailing on the date of transactions.

Monetary foreign currency assets & liabilities remaining unsettled at the balance sheet date are translated at exchange rate prevailing on that date. Gain/loss arising on account of realization/settlement of foreign currency transactions and on translation of foreign currency assets and liabilities are recognized in the Profit & loss account.

7. Employee Benefits

- a) Short Term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss account of the year in which the related service is rendered.
- b) Post employment and other long-term employee benefits are recognized as an expense in the Profit & Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses of the post employment and other long term benefits are charged to the Profit & Loss account of the year.

8. Investments

- a) Long Term quoted investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.
- b) Unquoted Investments are stated at cost.
- c) Current investments are valued at carrying value without any adjustment for increase/diminution, if any is accounted at the time of sale of such investments.
- d) Where long term investments are reclassified as current investments, transfers are made at the lower of cost or carrying amount at the date of transfer. Where investments are reclassified from current to long term, transfers are made at the lower of cost or fair value at the date of transfer. Thereafter, the investments are valued at that transfer price less provision for any diminution.

9. Taxation

- a. Provision for current tax is made on the basis of applicable Income Tax Act, 1961
- b. Deferred tax assets and liabilities are accounted for in accordance with Ind AS 12.

10. Miscellaneous Expenditure

Technicians Fees and Expenditure on acquisition of technical Know How are written off over a period of five years.

11. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication exists, the recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

12. Provisions and Contingent Liabilities

Provisions are recognized by present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow or resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non- occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

13. Cash and Cash Equivalent

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at Bank, cash in hand and demand deposits with bank with an original maturity of three months or less than the date of acquisition.

14. Earning Per Share

The earnings considered in accounting the Company's Earning per Share (EPS) comprise the net profit after tax and includes the post tax effect of any exceptional items. The number of shares used in computing basic & diluted EPS is the weighted average number of shares outstanding during the periods and adjusted for all events.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive shares.

15. Cash Flow Statement

Cash flow are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

Notes to Financial Statement for the Period ended 31st March, 2021

NOTE 3: FIXED ASSETS

Tangible assets

(in Rs.)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET CARRYING AMOUNT | | |
|--------------------------------|---------------------|-----------|-------------------------|-------------------|---------------------|-----------|-------------------------|-------------------|---------------------|-------------------|--|
| | As At 01.04.2020 | Additions | Deductions/ Disposal | As at 31.03.21 | As At 01.04.2020 | Additions | Deductions/ Disposal | As at 31.03.21 | As at 31.03.21 | As at 31.03.20 | |
| Plant & Machinery | 17,591 | - | - | 17,591 | 16,789 | - | - | 16,789 | 802 | 802 | |
| Furniture, Fixtures & Fittings | 632,848 | - | - | 632,848 | 608,158 | - | - | 608,158 | 24,690 | 24,690 | |
| Office Equipment | 63,530 | - | - | 63,530 | 60,355 | - | - | 60,355 | 3,175 | 3,175 | |
| Total | 713,969 | - | - | 713,969 | 685,302 | - | - | 685,302 | 28,667 | 28,667 | |
| Previous Year | 713,969 | - | - | 713,969 | 685,066 | 236 | - | 685,302 | 28,667 | | |

NOTE 4: NON-CURRENT INVESTMENT

(in Rs.)

| Particulars | As at 31.03.2021 | | As at 31.03.2020 | |
|--|---------------------|-------------------|---------------------|-------------------|
| Trade Investment (Quoted, Valued at Cost) | | | | |
| Investment | | | | |
| 31,57,716 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share | 31,577,160 | | 31,577,160 | |
| Less: Provision for Diminution (Refer Note No.25) | 8,928,624 | 22,648,536 | 8,928,624 | 22,648,536 |
| 1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share | 110,731,680 | | 110,731,680 | |
| Less: Provision for Diminution (Refer Note No.25) | 64,778,033 | 45,953,647 | 64,778,033 | 45,953,647 |
| Total | | 68,602,183 | | 68,602,183 |
| Market value of quoted Investments (Based on closing rate of Rs. 6.00 at BSE on 31.03.2021 Previous year @ Rs. 3.69 per share) | | 85,385,304 | | 52,511,962 |

NOTE 5: CASH & BANK BALANCES

Cash and Cash Equivalents

Balance with Scheduled Banks in -

-- Current Accounts

Cash & Stamps in hand

198,813

92,185

1,241

4,087

200,054

96,272

NOTE 6: OTHER BANK BALANCES

Other bank balances

Fixed deposit with banks *

40,000

40,000

TOTAL

40,000

40,000

* Fixed Deposit Matured But Pledged with Sales Tax Authority

NOTE 7: SHORT TERM LOAN & ADVANCES

Unsecured considered good

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

2,500

-

Loans - Dinesh Rajvanshi

1,300,000

1,300,000

TOTAL

1,302,500

1,300,000

NOTE 8: OTHER CURRENT ASSETS

Interest receivable

1,357,841

1,201,841

TOTAL

1,357,841

1,201,841

NOTE 9: SHARE CAPITAL

(in Rs.)

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| AUTHORISED CAPITAL | | |
| 15,000,000 Equity Shares of Rs.10/- each. | 150,000,000 | 150,000,000 |
| ISSUED, SUBSCRIBED & PAID UP CAPITAL | | |
| 10,000,000 Equity Shares of Rs.10/- each fully paid-up (Previous year 10,000,000 Equity Shares of Rs.10/- each fully paid-up) | 100,000,000 | 100,000,000 |
| TOTAL | 100,000,000 | 100,000,000 |

- a. Reconciliation of number of shares (nos.)
- | | | |
|--|-------------------|------------|
| Outstanding at the beginning of the year | 10,000,000 | 10,000,000 |
| Outstanding at the end of the year | 10,000,000 | 10,000,000 |
- b. (1) The company has only one class of issued shares i.e. Equity shares having par value of Rs. 10 per share . Each holder of equity shares is entitled to one vote per and equal right for dividend. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing general meeting, except in case of interim dividend . in the event of liquidation the entity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.
- (2) No member shall exercise any voting rights in respect of any share on which any calls payable, or in respect of which the company has exercise its right of lien.
- (3) The Company shall have a first and paramount lien upon all partly paid shares registered in the name of any member either alone or jointly with other person and such lien shall extend to all dividend from time to time, subject to section 205A of the Act, provided that the board of directors may at any time, declare shares to be exempted wholly or partly from the provision of articles.
- c. Detail of shareholders holding more than 5 percent of equity shares:

| Name of shareholders | As at 31st March, 2021 | | As at 31st March, 2021 | |
|--------------------------------|------------------------|--------------|------------------------|-------|
| Mr. Umesh Kumar Modi | 2079560 | 20.8% | 2079560 | 20.8% |
| SBEC Systems Limited | 2040000 | 20.4% | 2040000 | 20.4% |
| Longwell Investments Pvt. Ltd. | 550000 | 5.50% | 550000 | 5.50% |

- d. None of shares have been reserved for issue under options and contracts/commitments for sale of shares/disinvestment as at the balance sheet date.
- e. None of the securities are convertible into shares at the end of the reporting period.
- f. No calls are unpaid by any director or officer of the company during the year.

NOTE 10: OTHER EQUITY

(in Rs.)

| | As at 31.03.2021 | As at 31.03.2020 |
|---|----------------------|---------------------|
| Share Premium Reserve | | |
| Opening balance | 19,261,774 | 19,261,774 |
| Add:Addition during the year | - | - |
| Closing Balance | 19,261,774 | 19,261,774 |
| Surplus /(Deficit) | | |
| Opening balance | (234,125,184) | (222,769,168) |
| Profit(loss) for the year | (361,865) | (11,356,016) |
| Net surplus in the statement of Profit and loss account | (234,487,049) | (234,125,184) |
| TOTAL | (215,225,275) | (214,863,410) |

NOTE 11: BORROWINGS**Unsecured****Foreign Currency Loan From Overseas**

| | | |
|------------------------------------|-------------------|------------|
| Corporate Body (Refer Note No.24) | 73,565,418 | 75,692,382 |
|------------------------------------|-------------------|------------|

Rupee Loans

| | | |
|------------------|-------------------|------------|
| - Body Corporate | 15,166,425 | 15,166,425 |
|------------------|-------------------|------------|

| | | |
|--------------|-------------------|------------|
| Total | 88,731,843 | 90,858,807 |
|--------------|-------------------|------------|

NOTE 12: LONG TERM PROVISIONS

(in Rs.)

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| Provision for Employee Benefits: | | |
| For Gratuity | 198,194 | 167,809 |
| TOTAL | 198,194 | 167,809 |

NOTE 13: SHORT TERM BORROWINGS**Unsecured**

| | | |
|--|-------------------|-------------------|
| Loans repayable on demand From Corporate | 97,423,201 | 94,799,201 |
| Total | 97,423,201 | 94,799,201 |

NOTE 14: OTHER CURRENT LIABILITIES

| | | |
|-------------------------|----------------|----------------|
| Salaries, wages & bonus | 77,104 | 76,254 |
| Other liabilities* | 305,358 | 206,268 |
| Statutory dues payable | 20,820 | 24,034 |
| TOTAL | 403,282 | 306,556 |

NOTE 15: REVENUE FROM OPERATIONS

| | | |
|----------|---|---|
| Sales | - | - |
| Less:GST | - | - |

NOTE 16: OTHER INCOME

| | | |
|------------------------------|------------------|----------------|
| Interest | 156,000 | 156,000 |
| Foreign Exchange fluctuation | 2,126,964 | - |
| TOTAL | 2,282,964 | 156,000 |

NOTE 17: EMPLOYEE BENEFIT EXPENSES

| | | |
|---|------------------|------------------|
| Salary, Wages, Bonus & other allowances | 988,865 | 1,043,235 |
| Company's Contribution To Provident & Other Funds | 58,570 | 60,782 |
| Gratuity | 30,385 | 41,578 |
| TOTAL | 1,077,820 | 1,145,595 |

NOTE 18: FINANCE COST

| | | |
|-------------------|--------------|--------------|
| Interest - Others | 1,519 | 7,273 |
| Bank Charges | 6,338 | 214 |
| TOTAL | 7,857 | 7,487 |

NOTE 19: DEPRECIATION & AMORTIZATION EXPENSES

| | | |
|-----------------------------|----------|------------|
| Depreciation & Amortization | - | 236 |
| TOTAL | - | 236 |

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| NOTE 20: OTHER EXPENSES | | |
| Auditor's Remuneration | | |
| -As Audit Fee | 59,000 | 59,000 |
| -Certification and Company Law | 18,290 | 18,290 |
| Telephone, Postage & Telegram | 16,854 | 27,051 |
| Legal & Professional Charges | 181,740 | 1,558,558 |
| Travelling & Conveyance | - | 4,230 |
| Printing & Stationery | - | 5,879 |
| Filing Fee | 6,600 | 5,500 |
| Misc. Expenses | 11,291 | 29,537 |
| Vehicle Running Expenses | 46,830 | 55,302 |
| Foreign Exchange fluctuation | - | 5,797,622 |
| Services Tax (Cenvat Credit)Written off | - | 82,400 |
| Secretarial & AGM Expenses | 1,218,547 | 1,120,965 |
| | 1,559,152 | 8,764,334 |

NOTE 21: EXCEPTIONAL ITEMS INCOME/(EXPENDITURE)

| | | |
|--|----------|------------------|
| Interest for Earlier Years written off (Net) | - | 1,409,064 |
| TOTAL | - | 1,409,064 |

NOTE 22: EARNING PER SHARE(EPS)

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

| | | |
|--|------------|--------------|
| Profit /(Loss) after tax for the year | (361,865) | (11,356,016) |
| Weighted Average number of equity shares of Rs.10/- each fully paid up | 10,000,000 | 10,000,000 |
| Basic & Diluted Earnings per share | (0.04) | (1.14) |

NOTE NO.: 23 Contingent liabilities not provided for in respect of:-

| Particulars | Current Year | Previous Year |
|-----------------------------------|--------------|---------------|
| Interest on Foreign Currency Loan | 2,06,41,483@ | 2,12,38,282@ |

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

NOTE NO.: 24 The accounts of the Company for the year ending 31.03.21 have been prepared on going concern basis. The management is confident to revive the business activities in near future depending upon more favourable conditions prevailing in the market bearing unforeseen circumstances.

NOTE NO.: 25 Reversal of diminution of Current Quoted investment aggregating Rs. 7,37,06,657/- (Previous Year Rs. Rs. 7,37,06,657/-) has been provided. Resulting of such non reversal of diminution the loss for the year are shown higher and investment are shown lower by Rs. 1,67,83,121/- (Previous Year Rs. Rs. 1,60,90,221/-).

NOTE NO.: 26 Segment Reporting

The Company operates in a single business and geographical segment and the requirements of Ind AS-108 on Segment Reporting are not relevant.

NOTE NO.: 27 Related Parties Disclosures

Pursuant to compliance of Ind AS-24 on "Related Party Disclosures", the related parties were as under:

- a) **Enterprises Where Control Exists**
SBEC Sugar Limited (Substantial Interest Exist)
- b) **Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises.**
SBEC System limited (United Kingdom)
- c) **Key Managerial Personnel**
Mr. Luv Gupta - Chief Financial Officer
Mrs. Priyanka Negi - Company Secretary

d) **Individual owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise:**

Mr.U.K.Modi

e) **Relative of individual owning substantial interest and their Enterprises:**

Mrs.Kumkum Modi, Mr.Abhishek Modi, Ms.Meghna modi, Ms. Himani Modi, Mr.Jayesh Modi, Mrs Shreepriya Modi, Modi Arts Pvt Ltd., Modi Goods and Retail Services Pvt Ltd., Jai Abhishek Investments Pvt Ltd., Modi Diagnostics Pvt Ltd., Modi –Mundipharma Beauty Products Pvt.Ltd., Modi Senator (India) Pvt Ltd., First Move Management Services Pvt Ltd., Beauty Products Lanka Pvt Ltd., Umesh Modi Corp Pvt Ltd., Modi-Mundipharma Healthcare Pvt. Ltd.(formerly known as Modi Omega Pharma (India) Pvt Ltd.), Modi Illva India Pvt Ltd., A to Z Holding Pvt Ltd., Longwell Investment Pvt Ltd., SBEC Sugar Limited*, Bihar Sponge Iron Ltd., Modi Mundipharma Pvt Ltd. *, Modiline Travel Service Pvt Ltd., Modi Industries Ltd., Modi Hitech India Ltd., Win Medicare Pvt Ltd*, H.M.Tubes & Containers Pvt Ltd., Modi Motors Pvt Ltd*, M.G.Mobile India Pvt Ltd., Bangladesh Beauty Products Pvt. Ltd, SBEC Bio Energy Ltd*, Meghna AutoWorks Pvt. Ltd., Mundipharma (Bangladesh) Pvt. Ltd., Jayesh Tradex Pvt. Ltd*, Mundipharma Trading Bangladesh Pvt. Ltd., SBEC Stockholding & Investment Ltd., Abhikum Leasing & Investments Pvt. Ltd., ABC Holding Pvt. Ltd., Kumabhi Investments Pvt. Ltd., Meghkum Leasing & Investment Pvt. Ltd., Technicast Engineers Ltd., M First Trading Pvt. Ltd.

* Indicates that during the period, there is transaction with these relatives and enterprises.

f) **Transactions carried out with related parties referred in 1 above, in the ordinary course of business**

(In Rs.)

| Nature of Transactions | Referred in 1(a) above | Referred in 1(b) above | Referred in 1(c) above | Referred in 1(e) above |
|---|--------------------------------|------------------------|--------------------------|--------------------------|
| Remuneration | - (-) | - (-) | 10,46,543 (11,03,107) | - - |
| Expenses Paid | - | - | - | 57,201 |
| Secretarial Expenses/Printing & Stationery etc. | (-) | (-) | (-) | (1,49,439) |
| Out standing Payable | 128,37,523 (128,37,523) | - (-) | 77,104 (76,254) | 23,37,325 (23,37,050) |
| Equity Contribution | 14,23,08,840 (14,23,08,840) | - | - | - |

NOTE NO.: 28 Deferred Taxation

The Company has no deferred tax liability. There are deferred tax assets on account of unabsorbed depreciation and carried forward business losses, which as a matter of prudence have not been recognised.

NOTE NO.: 29 Employee Benefits

The company has adopted Ind AS- 19 'Employee Benefits

Contributions to Defined Benefit /Contribution Plan, recognized as expense for the year are as under:

a) **Defined Contribution Plan**

(In Rs.)

| | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|---|---------|---------|---------|---------|---------|
| | Year | Year | Year | Year | Year |
| Employer's contribution to provident fund | 58,570 | 60,782 | 63,341 | 64,721 | 59,490 |

b) **Defined Benefit Plan**

The employees' gratuity fund scheme is a Defined Benefit Plan (DBP). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

1. **Reconciliation of opening and closing balances of DBP**

| | Gratuity For The Year Ending 31.03.21 | Gratuity For The Year Ending 31.03.20 | Gratuity For The Year Ending 31.03.19 | Gratuity For The Year Ending 31.03.18 | Gratuity For The Year Ending 31.03.17 |
|-----------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| DBP at the beginning of the year | 1,67,809 | 1,26,231 | 1,26,231 | 85,709 | 75,672 |
| Interest Cost | - | - | - | - | - |
| Current Service Cost | 30,385 | 41,578 | - | 40,522 | 10,037 |
| Benefits Paid/written back | Nil | Nil | Nil | Nil | Nil |
| Actuarial (gain)/loss | Nil | Nil | Nil | Nil | Nil |
| DBP at the end of the year | 1,98,194 | 1,67,809 | 1,26,231 | 1,26,231 | 85,709 |

2. Reconciliation of opening and closing balances of Fair Value of Plan Assets

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Fair value of plan assets as at the beginning of the year | Nil | Nil | Nil | Nil | Nil |
| Expected return | Nil | Nil | Nil | Nil | Nil |
| Actuarial (gain / loss) | Nil | Nil | Nil | Nil | Nil |
| Contribution by employer | Nil | Nil | Nil | Nil | Nil |
| Benefits paid | Nil | Nil | Nil | Nil | Nil |
| Settlement cost | Nil | Nil | Nil | Nil | Nil |
| Fair value of plan assets as at the end of the year | Nil | Nil | Nil | Nil | Nil |
| Actual return on plan assets | Nil | Nil | Nil | Nil | Nil |

3. Reconciliation of amount recognized in Balance Sheet

| | | | | | |
|---|----------|----------|----------|----------|--------|
| Fair Value of Plan Assets | Nil | Nil | Nil | Nil | Nil |
| Present value of obligation | 1,98,194 | 1,67,809 | 1,26,231 | 1,26,231 | 85,709 |
| Net asset/(liability) recognized in the Balance Sheet | 1,98,194 | 1,67,809 | 1,26,231 | 1,26,231 | 85,709 |

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

| | | | | | |
|--|--------|--------|-----|--------|--------|
| Interest Cost | Nil | Nil | Nil | Nil | Nil |
| Current Service Cost | 30,385 | 41,578 | Nil | 40,522 | 10,037 |
| Expected Return on Plan Assets | Nil | Nil | Nil | Nil | Nil |
| Net Actuarial (Gain) / Loss recognised during the year | Nil | Nil | Nil | Nil | Nil |
| Expenses recognised in the statement of Profit & Loss | 30,385 | 41,578 | Nil | 40,522 | 10,037 |

5. Actual Return on Plan Assets

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Expected return on Plan Assets | Nil | Nil | Nil | Nil | Nil |
| Actuarial (Gain) / Loss recognised during the year | Nil | Nil | Nil | Nil | Nil |
| Actual return on plan assets | Nil | Nil | Nil | Nil | Nil |

6. Principal Actuarial Assumptions

| | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Mortality table (LIC) | 1994-96 Duly Modified | 1994-96 Duly Modified | 1994-96 Duly Modified | 1994-96 Duly Modified | 1994-96 Duly Modified |
| Discount Rate | 8% | 8% | 8% | 8% | 8% |
| Future Salary Increased | 10% | 10% | 10% | 10% | 10% |
| Expected rate of return on plan assets | Nil | Nil | Nil | Nil | Nil |
| Withdrawal Rates | | | | | |
| Up to 30 Years | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Up to 44 Years | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Above 44 Years | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

NOTE NO: 30 Notes Related to Indian Accounting Standards**(A) Statement of changes in Equity**

| Particulars | Previous 01.04.2020 | Effect of Changes in Share Capital | IND As 31.03.2020 | Effect of Changes in Share Capital | IND As 31.03.2021 |
|-----------------|------------------------|---------------------------------------|-------------------|---------------------------------------|-------------------|
| Opening Balance | 10,00,00,000 | - | 10,00,00,000 | - | 10,00,00,000 |
| Closing Balance | 10,00,00,000 | - | 10,00,00,000 | - | 10,00,00,000 |

(B) Statement of changes in other Equity

| Particulars | Share Premium Reserve | Retained Earning | Total |
|---|-----------------------|------------------|-----------------------|
| Opening Balance as on 01.04.2019 | 1,92,61,774 | (22,27,69,168) | (203,5,07,394) |
| Add: Addition During the year | | (1,13,56,016) | (1,13,56,016) |
| : Loss for the Year | | | |
| Closing Balance as on 31.03.2020 | 1,92,61,774 | (23,41,25,184) | (21,48,63,410) |
| Opening Balance as on 01.04.2020 | 1,92,61,774 | (23,41,25,184) | (21,48,63,410) |
| Add: Addition During the year | | (,3,61,865) | (,3,61,865) |
| : Loss for the Year | | | |
| Closing Balance as on 31.03.2021 | 1,92,61,774 | (23,44,87,049) | (21,52,25,275) |

NOTE NO.: 31 Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 2013 (to the extent applicable):

| Particulars | (In Rs.) |
|--|--------------|
| (a) STOCK, PURCHASES AND SALES OF GOODS TRADED IN: | Nil (Nil) |
| b) EXPENDITURE IN FOREIGN CURRENCY (On cash basis) | Nil |
| Interest Payment | (Nil) |
| c) EARNINGS IN FOREIGN EXCHANGE | Nil (Nil) |
| d) CIF VALUE OF IMPORTS | Nil (Nil) |

NOTE NO.: 32 Previous Year figures are given in brackets and have been regrouped / rearranged wherever required.

In terms of our attached report of even date,

For DOOGAR & ASSOCIATES

Chartered Accountants
Firm Reg.No.000561N

Sd/-
Mukesh Goyal
Partner
Membership No.081810

Place: New Delhi

Date: 17.05.2021

Sd/-
S.S.Agarwal
Director & CEO
DIN-00004840

Sd/-
J.C. Chawla
Director
DIN-05316202

Sd/-
Priyanka Negi
Company Secretary
M.No 36819

Sd/-
Vijay K.Modi
Director
DIN-00004606

Sd/-
Luv Gupta
Chief Financial Officer

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

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of M/s SBEC SYSTEMS (INDIA) LIMITED (hereinafter referred to as the "Holding Company") and its associate, which comprise the Consolidated Balance Sheet as at 31 March, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of other auditors as referred in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner, so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its Associates as at 31 March, 2021, the consolidated loss, consolidated Total Comprehensive Income, the consolidated Statement of Changes in Equity and the consolidated Cash Flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw attention to Note No. 24 to the financial statement according to which the company has prepared its accounts on a going concern basis even though the net worth of the Company has been fully eroded. These facts cast significant doubts above the Company's ability to continue as a going concern.

Key Audit Matter

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

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance, Consolidated Total Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows of the Company including its Associates in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The Board of Directors of the Company and of its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Company.

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

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements include the Company's share of total comprehensive loss of Rs. NIL for the year ended 31 March, 2021, as considered in the consolidated financial statements, in respect of one Associate, whose financial statements/financial information have not been audited by us. That financial statements/ financial information have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of that Associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid Associate, is based solely on the reports of the other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of accounts as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors of the Company and the reports of the Statutory Auditors of its Associate Companies incorporated in India, none of the Directors of the Company and its Associate Companies incorporated in India is disqualified as on 31 March, 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; which is based on the auditor's reports of the Company and its Associate Companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those Companies, for reasons stated therein.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors, the remuneration paid by the Company and its Associate Companies to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors:
 - i. The company and its Associates does not have any pending litigations which would impact its financial statements
 - ii. The Company and its Associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company and its Associate Companies.

Place: New Delhi
Date: 17th May, 2021

For DOOGAR & ASSOCIATES
Chartered Accounts
FRN: 000561N
Sd/-
Mukesh Goyal
Partner
M. No.: 081810
UDIN: 21081810AAAACQ9943

Annexure 'A' to Independent Auditors' Report

(Referred to in paragraph (1)(f) under the head 'Report on Other Legal and Regulatory Requirements' of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, ("the Act") to the members of Bihar Sponge Iron Ltd. on the financial statements for the year ended March 31, 2021

We have audited the internal financial control over financial reporting of SBEC SYSTEMS (INDIA) LIMITED ("the Company") and its Associate company Incorporated in India as of March, 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

- The management of the Company and its Associates incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements, criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

- Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

- A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
 - pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
 - provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

- Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of other auditors as referred in other matters paragraph, the Company and its Associate Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

Other Matters

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

Place: New Delhi
Date: 17th May, 2021

For DOOGAR & ASSOCIATES
Chartered Accounts
FRN: 000561N
Sd/-
Mukesh Goyal
Partner
M. No.: 081810
UDIN: 21081810AAAACQ9943

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(in Rs.)

| Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------------|----------|---------------------------|---------------------------|
| A ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, Plant and Equipment | 3 | 28,667 | 28,667 |
| (b) Non Current Investment | 4 | - | - |
| | | 28,667 | 28,667 |
| 2 Current assets | | | |
| (a) Cash and cash equivalents | 5 | 200,054 | 96,272 |
| (b) Bank balances other than (a)above | 6 | 40,000 | 40,000 |
| (b) Short-term loans and advances | 7 | 1,302,500 | 1,300,000 |
| (c) Other current assets | 8 | 1,357,841 | 1,201,841 |
| | | 2,900,395 | 2,638,113 |
| TOTAL | | 2,929,062 | 2,666,780 |
| B EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 9 | 100,000,000 | 100,000,000 |
| (b) Other Equity | 10 | (283,827,458) | (283,465,593) |
| | | (183,827,458) | (183,465,593) |
| 2 Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| -Borrowings | 11 | 88,731,843 | 90,858,807 |
| (b) Long-term provisions | 12 | 198,194 | 167,809 |
| | | 88,930,037 | 91,026,616 |
| 3 Current liabilities | | | |
| (a) Financial Liabilities | | | |
| -Borrowings | 13 | 97,423,201 | 94,799,201 |
| (b) Other current liabilities | 14 | 403,282 | 306,556 |
| | | 97,826,483 | 95,105,757 |
| TOTAL | | 2,929,062 | 2,666,780 |

Significant Accounting Policies

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

For DOOGAR & ASSOCIATES

Chartered Accountants
Firm Reg.No.000561N

Sd/-
Mukesh Goyal
Partner
Membership No.081810

Sd/-
S.S.Agarwal
Director & CEO
DIN-00004840

Sd/-
J.C. Chawla
Director
DIN-05316202

Sd/-
Priyanka Negi
Company Secretary
M.No 36819

Sd/-
Vijay K.Modi
Director
DIN-00004606

Sd/-
Luv Gupta
Chief Financial Officer

Place: New Delhi

Date: 17.05.2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(in Rs.)

| Sr No | Particulars | Note No. | Year Ended 31.03.2021 | Year ended 31.03.2020 |
|-------------|--|----------|--------------------------|--------------------------|
| I | Revenue from operations | 15 | - | - |
| II | Other income | 16 | 2,282,964 | 156,000 |
| III | Total revenue (I+II) | | 2,282,964 | 156,000 |
| IV | Expenses: | | | |
| | Employee benefits expense | 17 | 1,077,820 | 1,145,595 |
| | Finance costs | 18 | 7,857 | 7,487 |
| | Depreciation and amortisation expense | 19 | - | 236 |
| | Other Expenses | 20 | 1,559,152 | 8,764,334 |
| | Total expenses (IV) | | 2,644,829 | 9,917,652 |
| V | Profit / (Loss) before exceptional items and tax (III-IV) | | (361,865) | (9,761,652) |
| VI | Exceptional Items Income/(Expenses) | 21 | - | (1,409,064) |
| VII | Profit / (Loss) after exceptional items and before tax (V-VI) | | (361,865) | (11,170,716) |
| VIII | Share of Profit /(Loss) of Associates | | - | - |
| VIII | Tax expense: | | | |
| | - Tax for Earlier Years | | - | 185,300 |
| | - Current Tax (MAT) | | - | - |
| | - Deferred Tax | | - | - |
| | Total | | - | 185,300 |
| IX | Profit / (Loss) for the year (VII-VIII) | | (361,865) | (11,356,016) |
| | Earning per equity shares: | 22 | | |
| | (i) Basic | | (0.04) | (1.14) |
| | (ii) Diluted | | (0.04) | (1.14) |

Significant Accounting Policies

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

For DOOGAR & ASSOCIATES

Chartered Accountants
Firm Reg.No.000561N

Sd/-

Mukesh Goyal

Partner
Membership No.081810

Sd/-

S.S.Agarwal
Director & CEO
DIN-00004840

Sd/-

J.C. Chawla
Director
DIN-05316202

Sd/-

Vijay K.Modi
Director
DIN-00004606

Sd/-

Priyanka Negi
Company Secretary
M.No 36819

Sd/-

Luv Gupta
Chief Financial Officer

Place: New Delhi

Date: 17.05.2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(in Rs.)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit/(Loss) before tax | (361,865) | (11,170,716) |
| Adjustments for: | | |
| Depreciation | - | 236 |
| Interest Expense | 7,857 | 7,487 |
| Interest Income | (156,000) | (156,000) |
| Foreign Exchange fluctuation(net) | (2,126,964) | 5,797,622 |
| Interest for Earlier Years written back(Net) | - | 1,409,064 |
| Share of Profit /(Loss) of Associates | - | - |
| Services Tax (Cenvat Credit)Written off | - | 82,400 |
| | (2,275,107) | 7,140,809 |
| Operating profit/(Loss) before working capital changes | (2,636,972) | (4,029,907) |
| Change in working Capital: | | |
| (Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances excluding TDS | (2,500) | 7,200 |
| (Increase)/Decrease in Inventories | - | - |
| Increase /(Decrease) in Trade Payable and Provisions | 127,111 | (77,685) |
| | 124,611 | (70,485) |
| Cash (used in) / Generated from operations | (2,512,361) | (4,100,392) |
| Income Tax/ TDS Paid/Refund | - | - |
| Net Cash (used) in / generation from operating activities | (2,512,361) | (4,100,392) |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | - | - |
| Purchase of fixed assets | - | - |
| Proceeds from Sales of fixed assets | - | - |
| Net Cash (used) in/flow from investing activities | - | - |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of share capital | - | - |
| Proceeds from Long/Short term borrowings | 2,624,000 | 4,004,400 |
| Interest paid | (7,857) | (7,487) |
| Repayment of long /Short term borrowings | - | - |
| NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES | 2,616,143 | 3,996,913 |
| Net increase/(decrease) in Cash and Cash Equivalents (A+B+C) | 103,782 | (103,479) |
| Cash and Cash equivalents at beginning of period | 96,272 | 199,751 |
| Cash and Cash equivalents at end of the period (Note No 5) | 200,054 | 96,272 |

*Figures in bracket indicate cash outflow.

ACCOUNTING POLICIES OF THE FINANCIAL INFORMATION

NOTE NO: 1 Corporate Information

SBEC Systems (India) Limited is an engineering and consultancy company primarily engaged in render scientific, technical, engineering, professional, commercial and all other types of skilled services and deal in designs, plans and specifications of all type of contracts turnkey or otherwise, assignments, process and undertake fabrication, erection, commissioning of projects and providing high-tech equipment to sugar and power industries.

NOTE NO: 2 Significant Accounting Policies

1. Basis of preparation of financial information

- a. The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.
- b. The financial statements have been prepared under the historical cost convention on accrual basis.

2. Use of Estimates

The preparation of financial statements require the management to make some estimates and assumptions which affect the reported amount of assets and liabilities and the disclosures relating the contingent liabilities as at the date of the financial statements and the reported amount of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefit, provision for tax & duties (including interest on arrear statutory dues/liabilities), the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to change in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known/ materialized.

3. Revenue Recognition:

- a) Consultancy Contracts/Works Contracts are recognized on percentage of completion method.
- b) Sales are recognized on dispatch of goods by the Company to its customers. Sales values are inclusive of Sales Tax/GST.

4. Inventory Valuation

Stores, Spare Parts and Components are valued at Cost. For this purpose, cost is ascertained on FIFO basis. Goods purchased for resale are valued at lower of cost or realizable value. Provision for obsolescence is made on the stocks, wherever required.

5. Fixed Assets

- a) Fixed Assets are stated at cost less accumulated depreciation. The Company capitalizes all costs relating to acquisition and installation of fixed assets.
- b) Fixed assets acquired under Hire Purchase Scheme are capitalized at their principal value and interest implicit in the hire rental is charged off as revenue expense.
- c) Depreciation on Fixed Assets is provided to the extent of depreciable amount on the written down value (WDV) method over the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

6. Foreign Currency Transactions

Transactions in Foreign Currency are recognized at rates prevailing on the date of transactions.

Monetary foreign currency assets & liabilities remaining unsettled at the balance sheet date are translated at exchange rate prevailing on that date. Gain/loss arising on account of realization/settlement of foreign currency transactions and on translation of foreign currency assets and liabilities are recognized in the Profit & loss account.

7. Employee Benefits

- a) Short Term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss account of the year in which the related service is rendered.
- b) Post employment and other long-term employee benefits are recognized as an expense in the Profit & Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses of the post employment and other long term benefits are charged to the Profit & Loss account of the year.

8. Investments

- a) Long Term quoted investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such investments.
- b) Unquoted Investments are stated at cost.
- c) Current investments are valued at carrying value without any adjustment for increase/diminution, if any is accounted at the time of sale of such investments.
- d) Where long term investments are reclassified as current investments, transfers are made at the lower of cost or carrying amount at the date of transfer. Where investments are reclassified from current to long term, transfers are made at the lower of cost or fair value at the date of transfer. Thereafter, the investments are valued at that transfer price less provision for any diminution.

9. Taxation

- a. Provision for current tax is made on the basis of applicable Income Tax Act, 1961
- b. Deferred tax assets and liabilities are accounted for in accordance with Ind AS 12.

10. Miscellaneous Expenditure

Technicians Fees and Expenditure on acquisition of technical Know How are written off over a period of five years.

11. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indication exists, the recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

12. Provisions and Contingent Liabilities

Provisions are recognized by present obligations, of uncertain timing or amount, arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow or resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non- occurrence of one or more uncertain future events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

13. Cash and Cash Equivalent

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at Bank, cash in hand and demand deposits with bank with an original maturity of three months or less than the date of acquisition.

14. Earning Per Share

The earnings considered in accounting the Company's Earning per Share (EPS) comprise the net profit after tax and includes the post tax effect of any exceptional items. The number of shares used in computing basic & diluted EPS is the weighted average number of shares outstanding during the periods and adjusted for all events.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive shares.

15. Cash Flow Statement

Cash flow are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

Notes to Consolidated Financial Statement for the Period ended 31st March, 2021

NOTE 3: FIXED ASSETS

Tangible assets

(in Rs.)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET CARRYING AMOUNT | | |
|--------------------------------|---------------------|-----------|-------------------------|-------------------|---------------------|-----------|-------------------------|-------------------|---------------------|-------------------|--|
| | As At 01.04.2020 | Additions | Deductions/ Disposal | As at 31.03.21 | As At 01.04.2020 | Additions | Deductions/ Disposal | As at 31.03.21 | As at 31.03.21 | As at 31.03.20 | |
| Plant & Machinery | 17,591 | - | - | 17,591 | 16,789 | - | - | 16,789 | 802 | 802 | |
| Furniture, Fixtures & Fittings | 632,848 | - | - | 632,848 | 608,158 | - | - | 608,158 | 24,690 | 24,690 | |
| Office Equipment | 63,530 | - | - | 63,530 | 60,355 | - | - | 60,355 | 3,175 | 3,175 | |
| Total | 713,969 | - | - | 713,969 | 685,302 | - | - | 685,302 | 28,667 | 28,667 | |
| Previous Year | 713,969 | - | - | 713,969 | 685,066 | 236 | - | 685,302 | 28,667 | | |

NOTE 4: NON-CURRENT INVESTMENT

(in Rs.)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| Trade Investment (Quoted, Valued at Cost) | | |
| Investment | | |
| 31,57,716 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share | - | - |
| Less: Provision for Diminution (Refer Note No.25) | - | - |
| 1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share | - | - |
| Less: Provision for Diminution (Refer Note No.25) | - | - |
| Total | - | - |
| Market value of quoted Investments (Based on closing rate of Rs. 6.00 at BSE on 31.03.2021 Previous year @ Rs. 3.69 per share) | 85,385,304 | 52,511,962 |

NOTE 5: CASH & BANK BALANCES

Cash and Cash Equivalents

Balance with Scheduled Banks in -

-- Current Accounts

Cash & Stamps in hand

198,813

92,185

1,241

4,087

200,054**96,272**

NOTE 6: OTHER BANK BALANCES

Other bank balances

Fixed deposit with banks *

40,000

40,000

TOTAL

40,000**40,000**

* Fixed Deposit Matured But Pledged with Sales Tax Authority

NOTE 7: SHORT TERM LOAN & ADVANCES

Unsecured considered good

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

2,500

-

Loans - Dinesh Rajvanshi

1,300,000

1,300,000

TOTAL

1,302,500**1,300,000**

NOTE 8: OTHER CURRENT ASSETS

Interest receivable

1,357,841

1,201,841

TOTAL

1,357,841**1,201,841**

NOTE 9: SHARE CAPITAL

(in Rs.)

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| AUTHORISED CAPITAL | | |
| 15,000,000 Equity Shares of Rs.10/- each. | 150,000,000 | 150,000,000 |
| ISSUED, SUBSCRIBED & PAID UP CAPITAL | | |
| 10,000,000 Equity Shares of Rs.10/- each fully paid-up (Previous year 10,000,000 Equity Shares of Rs.10/- each fully paid-up) | 100,000,000 | 100,000,000 |
| TOTAL | 100,000,000 | 100,000,000 |

- a. Reconciliation of number of shares (nos.)
- | | | |
|--|-------------------|------------|
| Outstanding at the beginning of the year | 10,000,000 | 10,000,000 |
| Outstanding at the end of the year | 10,000,000 | 10,000,000 |
- b. (1) The company has only one class of issued shares i.e. Equity shares having par value of Rs. 10 per share . Each holder of equity shares is entitled to one vote per and equal right for dividend. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing general meeting, except in case of interim dividend . in the event of liquidation the entity shareholders are eligible to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholding.
- (2) No member shall exercise any voting rights in respect of any share on which any calls payable, or in respect of which the company has exercise its right of lien.
- (3) The Company shall have a first and paramount lien upon all partly paid shares registered in the name of any member either alone or jointly with other person and such lien shall extend to all dividend from time to time, subject to section 205A of the Act, provided that the board of directors may at any time, declare shares to be exempted wholly or partly from the provision of articles.
- c. Detail of shareholders holding more than 5 percent of equity shares:

| Name of shareholders | As at 31st March, 2021 | | As at 31st March, 2021 | |
|--------------------------------|------------------------|--------------|------------------------|-------|
| | | | | |
| Mr. Umesh Kumar Modi | 2079560 | 20.8% | 2079560 | 20.8% |
| SBEC Systems Limited | 2040000 | 20.4% | 2040000 | 20.4% |
| Longwell Investments Pvt. Ltd. | 550000 | 5.50% | 550000 | 5.50% |

- d. None of shares have been reserved for issue under options and contracts/commitments for sale of shares/disinvestment as at the balance sheet date.
- e. None of the securities are convertible into shares at the end of the reporting period.
- f. No calls are unpaid by any director or officer of the company during the year.

NOTE 10: OTHER EQUITY

(in Rs.)

| | As at 31.03.2021 | As at 31.03.2020 |
|---|----------------------|---------------------|
| Share Premium Reserve | | |
| Opening balance | 19,261,774 | 19,261,774 |
| Add: Addition during the year | - | - |
| Closing Balance | 19,261,774 | 19,261,774 |
| Surplus /(Deficit) | | |
| Opening balance | (302,727,367) | (291,371,351) |
| Profit(loss) for the year | (361,865) | (11,356,016) |
| Net surplus in the statement of Profit and loss account | (303,089,232) | (302,727,367) |
| TOTAL | (283,827,458) | (283,465,593) |

NOTE 11: BORROWINGS**Unsecured****Foreign Currency Loan From Overseas**

| | | |
|--------------------|-------------------|------------|
| Corporate Body | 73,565,418 | 75,692,382 |
| Rupee Loans | | |
| -Body Corporate | 15,166,425 | 15,166,425 |
| Total | 88,731,843 | 90,858,807 |

NOTE 12: LONG TERM PROVISIONS

(in Rs.)

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| Provision for Employee Benefits: | | |
| For Gratuity | 198,194 | 167,809 |
| TOTAL | 198,194 | 167,809 |

NOTE 13: SHORT TERM BORROWINGS**Unsecured**

| | | |
|--|-------------------|-------------------|
| Loans repayable on demand From Corporate | 97,423,201 | 94,799,201 |
| Total | 97,423,201 | 94,799,201 |

NOTE 14: OTHER CURRENT LIABILITIES

| | | |
|-------------------------|----------------|----------------|
| Salaries, wages & bonus | 77,104 | 76,254 |
| Other liabilities* | 305,358 | 206,268 |
| Statutory dues payable | 20,820 | 24,034 |
| TOTAL | 403,282 | 306,556 |

NOTE 15: REVENUE FROM OPERATIONS

| | | |
|-----------|---|---|
| Sales | | |
| Less: GST | - | - |
| | - | - |

NOTE 16: OTHER INCOME

| | | |
|------------------------------|------------------|----------------|
| Interest | 156,000 | 156,000 |
| Foreign Exchange fluctuation | 2,126,964 | - |
| TOTAL | 2,282,964 | 156,000 |

NOTE 17: EMPLOYEE BENEFIT EXPENSES

| | | |
|---|------------------|------------------|
| Salary, Wages, Bonus & other allowances | 988,865 | 1,043,235 |
| Company's Contribution To Provident & Other Funds | 58,570 | 60,782 |
| Gratuity | 30,385 | 41,578 |
| TOTAL | 1,077,820 | 1,145,595 |

NOTE 18: FINANCE COST

| | | |
|-------------------|--------------|--------------|
| Interest - Others | 1,519 | 7,273 |
| Bank Charges | 6,338 | 214 |
| TOTAL | 7,857 | 7,487 |

NOTE 19: DEPRECIATION & AMORTIZATION EXPENSES

| | | |
|-----------------------------|----------|------------|
| Depreciation & Amortization | - | 236 |
| TOTAL | - | 236 |

(in Rs.)

| | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| NOTE 20: OTHER EXPENSES | | |
| Auditor's Remuneration | | |
| -As Audit Fee | 59,000 | 59,000 |
| -Certification and Company Law | 18,290 | 18,290 |
| Telephone, Postage & Telegram | 16,854 | 27,051 |
| Legal & Professional Charges | 181,740 | 1,558,558 |
| Travelling & Conveyance | - | 4,230 |
| Printing & Stationery | - | 5,879 |
| Filing Fee | 6,600 | 5,500 |
| Misc. Expenses | 11,291 | 29,537 |
| Vehicle Running Expenses | 46,830 | 55,302 |
| Foreign Exchange fluctuation | - | 5,797,622 |
| Services Tax (Cenvat Credit)Written off | - | 82,400 |
| Secretarial & AGM Expenses | 1,218,547 | 1,120,965 |
| | 1,559,152 | 8,764,334 |

NOTE 21: EXCEPTIONAL ITEMS INCOME/(EXPENDITURE)

| | | |
|--|----------|------------------|
| Interest for Earlier Years written off (Net) | - | 1,409,064 |
| TOTAL | - | 1,409,064 |

NOTE 22: EARNING PER SHARE(EPS)

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

| | | |
|--|------------|--------------|
| Profit /(Loss) after tax for the year | (361,865) | (11,356,016) |
| Weighted Average number of equity shares of Rs.10/- each fully paid up | 10,000,000 | 10,000,000 |
| Basic & Diluted Earnings per share | (0.04) | (1.14) |

NOTE NO.: 23 Contingent liabilities not provided for in respect of:-

| Particulars | Current Year | Previous Year |
|-----------------------------------|--------------|---------------|
| Interest on Foreign Currency Loan | 2,06,41,483@ | 2,12,38,282@ |

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

NOTE NO.: 24 The accounts of the Company for the year ending 31.03.21 have been prepared on going concern basis. The management is confident to revive the business activities in near future depending upon more favourable conditions prevailing in the market bearing unforeseen circumstances.

NOTE NO: 25 Investment in Associates:

| Name of the Company | Country of Incorporation | % Holding |
|--|--------------------------|--------------------|
| SBEC Sugar Limited | India | 29.86% |
| Carrying cost of Investment in associates | - | SBEC Sugar Limited |
| No. of Equity Shares held 29.86% of Holding | | 1,42,30,884 |
| Cost of Investment | | 14,23,08,840 |
| Goodwill/ (Capital Reserve) included in Cost of Investment | | (6,86,02,183) |
| Share in accumulated profit/(Losses) Rs. | | 14,23,08,840 |
| Share of Profit/ (Loss) of Associates Rs. | | (8,95,77,379) |
| Carrying Cost | | Nil |

NOTE NO.: 26 Segment Reporting

The Company operates in a single business and geographical segment and the requirements of Ind AS-108 on Segment Reporting are not relevant.

NOTE NO.: 27 Related Parties Disclosures

Pursuant to compliance of Ind AS-24 on "Related Party Disclosures", the related parties were as under:

- a) **Enterprises Where Control Exists**
SBEC Sugar Limited (Substantial Interest Exist)
- b) **Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises.**
SBEC System limited (United Kingdom)
- c) **Key Managerial Personnel**
Mr. Luv Gupta - Chief Financial Officer
Mrs. Priyanka Negi - Company Secretary
- d) **Individual owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise:**
Mr. U.K. Modi
- e) **Relative of individual owning substantial interest and their Enterprises:**
Mrs. Kumkum Modi, Mr. Abhishek Modi, Ms. Meghna Modi, Ms. Himani Modi, Mr. Jayesh Modi, Mrs. Shreepriya Modi, Modi Arts Pvt Ltd., Modi Goods and Retail Services Pvt Ltd., Jai Abhishek Investments Pvt Ltd., Modi Diagnostics Pvt Ltd., Modi – Mundipharma Beauty Products Pvt. Ltd., Modi Senator (India) Pvt Ltd., First Move Management Services Pvt Ltd., Beauty Products Lanka Pvt Ltd., Umesh Modi Corp Pvt Ltd., Modi-Mundipharma Healthcare Pvt. Ltd.(formerly known as Modi Omega Pharma (India) Pvt Ltd.), Modi Illva India Pvt Ltd., A to Z Holding Pvt Ltd., Longwell Investment Pvt Ltd., SBEC Sugar Limited*, Bihar Sponge Iron Ltd., Modi Mundipharma Pvt Ltd.*, Modiline Travel Service Pvt Ltd., Modi Industries Ltd., Modi Hitech India Ltd., Win Medicare Pvt Ltd*, H.M. Tubes & Containers Pvt Ltd., Modi Motors Pvt Ltd*, M.G. Mobile India Pvt Ltd., Bangladesh Beauty Products Pvt. Ltd, SBEC Bio Energy Ltd*, Meghna AutoWorks Pvt. Ltd., Mundipharma (Bangladesh) Pvt. Ltd., Jayesh Tradex Pvt. Ltd*, Mundipharma Trading Bangladesh Pvt. Ltd., SBEC Stockholding & Investment Ltd., Abhikum Leasing & Investments Pvt. Ltd., ABC Holding Pvt. Ltd., Kumabhi Investments Pvt. Ltd., Meghkum Leasing & Investment Pvt. Ltd., Technicast Engineers Ltd., M First Trading Pvt. Ltd.

* Indicates that during the period, there is transaction with these relatives and enterprises.

f) Transactions carried out with related parties referred in 1 above, in the ordinary course of business

(In Rs.)

| Nature of Transactions | Referred in 1(a) above | Referred in 1(b) above | Referred in 1(c) above | Referred in 1(e) above |
|---|--------------------------------|------------------------|--------------------------|--------------------------|
| Remuneration | - (-) | - (-) | 10,46,543 (11,03,107) | - - |
| Expenses Paid | - | - | - | 57,201 |
| Secretarial Expenses/Printing & Stationery etc. | (-) | (-) | (-) | (1,49,439) |
| Out standing Payable | 128,37,523 (128,37,523) | - (-) | 77,104 (76,254) | 23,37,325 (23,37,050) |
| Equity Contribution | 14,23,08,840 (14,23,08,840) | - | - | - |

NOTE NO.: 28 Deferred Taxation

The Company has no deferred tax liability. There are deferred tax assets on account of unabsorbed depreciation and carried forward business losses, which as a matter of prudence have not been recognised.

NOTE NO.: 29 Employee Benefits

The company has adopted Ind AS- 19 'Employee Benefits

Contributions to Defined Benefit /Contribution Plan, recognized as expense for the year are as under:

a) Defined Contribution Plan

(In Rs.)

| | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|---|---------|---------|---------|---------|---------|
| | Year | Year | Year | Year | Year |
| Employer's contribution to provident fund | 58,570 | 60,782 | 63,341 | 64,721 | 59,490 |

b) Defined Benefit Plan

The employees' gratuity fund scheme is a Defined Benefit Plan (DBP). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

1. Reconciliation of opening and closing balances of DBP

| | | | | | |
|----------------------------------|----------|----------|----------|----------|--------|
| DBP at the beginning of the year | 1,67,809 | 1,26,231 | 1,26,231 | 85,709 | 75,672 |
| Interest Cost | - | - | - | - | - |
| Current Service Cost | 30,385 | 41,578 | - | 40,522 | 10,037 |
| Benefits Paid/written back | Nil | Nil | Nil | Nil | Nil |
| Actuarial (gain)/loss | Nil | Nil | Nil | Nil | Nil |
| DBP at the end of the year | 1,98,194 | 1,67,809 | 1,26,231 | 1,26,231 | 85,709 |

2. Reconciliation of opening and closing balances of Fair Value of Plan Assets

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Fair value of plan assets as at the beginning of the year | Nil | Nil | Nil | Nil | Nil |
| Expected return | Nil | Nil | Nil | Nil | Nil |
| Actuarial (gain / loss) | Nil | Nil | Nil | Nil | Nil |
| Contribution by employer | Nil | Nil | Nil | Nil | Nil |
| Benefits paid | Nil | Nil | Nil | Nil | Nil |
| Settlement cost | Nil | Nil | Nil | Nil | Nil |
| Fair value of plan assets as at the end of the year | Nil | Nil | Nil | Nil | Nil |
| Actual return on plan assets | | | | | |

3. Reconciliation of amount recognized in Balance Sheet

| | | | | | |
|---|----------|----------|----------|----------|--------|
| Fair Value of Plan Assets | Nil | Nil | Nil | Nil | Nil |
| Present value of obligation | 1,98,194 | 1,67,809 | 1,26,231 | 1,26,231 | 85,709 |
| Net asset/(liability) recognized in the Balance Sheet | 1,98,194 | 1,67,809 | 1,26,231 | 1,26,231 | 85,709 |

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

| | | | | | |
|--|--------|--------|-----|--------|--------|
| Interest Cost | Nil | Nil | Nil | Nil | Nil |
| Current Service Cost | 30,385 | 41,578 | Nil | 40,522 | 10,037 |
| Expected Return on Plan Assets | Nil | Nil | Nil | Nil | Nil |
| Net Actuarial (Gain) / Loss recognised during the year | Nil | Nil | Nil | Nil | Nil |
| Expenses recognised in the statement of Profit & Loss | 30,385 | 41,578 | Nil | 40,522 | 10,037 |

5. Actual Return on Plan Assets

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Expected return on Plan Assets | Nil | Nil | Nil | Nil | Nil |
| Actuarial (Gain) / Loss recognised during the year | Nil | Nil | Nil | Nil | Nil |
| Actual return on plan assets | Nil | Nil | Nil | Nil | Nil |

6. Principal Actuarial Assumptions

| | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Mortality table (LIC) | 1994-96 Duly Modified | 1994-96 Duly Modified | 1994-96 Duly Modified | 1994-96 Duly Modified | 1994-96 Duly Modified |
| Discount Rate | 8% | 8% | 8% | 8% | 8% |
| Future Salary Increased | 10% | 10% | 10% | 10% | 10% |
| Expected rate of return on plan assets | Nil | Nil | Nil | Nil | Nil |
| Withdrawal Rates | | | | | |
| Up to 30 Years | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Up to 44 Years | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Above 44 Years | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

NOTE NO: 30 Notes Related to Indian Accounting Standards**(A) Statement of changes in Equity**

| Particulars | Previous 01.04.2020 | Effect of Changes in Share Capital | IND As 31.03.2020 | Effect of Changes in Share Capital | IND As 31.03.2021 |
|-----------------|------------------------|---------------------------------------|-------------------|---------------------------------------|-------------------|
| Opening Balance | 10,00,00,000 | - | 10,00,00,000 | - | 10,00,00,000 |
| Closing Balance | 10,00,00,000 | - | 10,00,00,000 | - | 10,00,00,000 |

(B) Statement of changes in other Equity

| Particulars | Share Premium Reserve | Retained Earning | Total |
|--|-----------------------|------------------|-----------------------|
| Opening Balance as on 01.04.2019 | 1,92,61,774 | (29,13,71,351) | (27,21,09,577) |
| Add: Addition During the year : Loss for the Year | | (1,13,56,016) | (1,13,56,016) |
| Closing Balance as on 31.03.2020 | 1,92,61,774 | (30,27,27,367) | (28,34,65,593) |
| Opening Balance as on 01.04.2020 | 1,92,61,774 | (30,27,27,367) | (28,34,65,593) |
| Add: Addition During the year : Loss for the Year | | (3,61,865) | (3,61,865) |
| Closing Balance as on 31.03.2021 | 1,92,61,774 | (30,30,89,232) | (28,38,27,458) |

NOTE NO.: 31 Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable):

| Particulars | (In Rs.) |
|--|--------------|
| (a) STOCK, PURCHASES AND SALES OF GOODS TRADED IN: | Nil (Nil) |
| b) EXPENDITURE IN FOREIGN CURRENCY (On cash basis) | Nil |
| Interest Payment | (Nil) |
| c) EARNINGS IN FOREIGN EXCHANGE | Nil (Nil) |
| d) CIF VALUE OF IMPORTS | Nil (Nil) |

NOTE NO.: 32 Previous Year figures are given in brackets and have been regrouped / rearranged wherever required.

In terms of our attached report of even date,

For DOOGAR & ASSOCIATESChartered Accountants
Firm Reg.No.000561N**Sd/-**
Mukesh Goyal
Partner
Membership No.081810**Sd/-**
S.S.Agarwal
Director & CEO
DIN-00004840**Sd/-**
J.C. Chawla
Director
DIN-05316202**Sd/-**
Priyanka Negi
Company Secretary
M.No 36819**Sd/-**
Vijay K.Modi
Director
DIN-00004606**Sd/-**
Luv Gupta
Chief Financial Officer**Place: New Delhi****Date: 17.05.2021**

SBEC SYSTEMS (INDIA) LIMITED

CIN: L74210DL1987PLC029979

Regd Offc: 1400, Hemkunt Tower, 98, Nehru Place, New Delhi-110019
T.: 011-42504954, Email id: sbecsystems@rediffmail.com, Website: www.sbecsystems.com

NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Shareholders of **SBEC SYSTEMS (INDIA) LIMITED** will be held on Friday, 17th September 2021 at 11.00 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

1. To Consider and adopt:-

- a) The Audited Standalone financial statements of the Company for the financial period ended 31st March, 2021, the reports of the Board of Directors and Auditors thereon; and
- b) The Audited Consolidated financial statements of the Company for the financial period ended 31st March, 2021 and the Auditors Reports thereon.

2. To appoint Ms. Rittu Sikka (DIN: 06953465), who retires by rotation and being eligible, offers herself for re-appointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, **Ms. Rittu Sikka (DIN: 06953465)**, who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re- appointed as a Non-Executive Director of the Company, liable to retire by rotation.

SPECIAL BUSINESS

3. To consider the appointment of Ms. Asha Agarwal (DIN; 09026835) as an Independent Director of the Company and pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149,150,152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as recommend by the Nomination and Remuneration Committee and Board of Directors, consent of the members of the company be and is hereby accorded to appoint Ms. Asha Agarwal (DIN; 09026835), who was appointed as an Additional Director of the Company w.e.f 12th February 2021 in terms of Section 161(1) of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act signifying her intention to propose her candidature for the office of the Director and declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and hereby appointed as an Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for five (5) consecutive years for the maximum period upto 11th February 2026."

"RESOLVED FURTHER THAT the Board of Directors or Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To consider the appointment of Mr. Rohit Garg (DIN-03296571) as Director of the Company and pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Rohit Garg (DIN-03296571) who was appointed as an Additional Director of the Company subject to the approval of shareholder w.e.f. 12th February, 2021 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Article of Association of the Company, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act signifying his intention to propose his candidature for the office of the Director, be and is hereby appointed as a Non-executive, Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors or Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Place: New Delhi
Date: 13.08.2021

By order of the Board
For SBEC Systems (India) Limited
Sd/-
Vijay Kumar Modi
Chairman

NOTES:

1. Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA), Government of India, has vide its General Circular No. 14/ 2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively and by General Circular No. 02/2021 dated 13th January 2021, allowed companies whose AGMs were due to be held in the year 2020 or become due in the year 2021, to conduct their AGMs on or before 31st December, 2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 ("MCA Circulars"). The Securities and Exchange Board of India ("SEBI") also issued Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 the validity of which has been extended till December 31, 2021 by SEBI, vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 ("SEBI Circulars"). In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 32nd AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 32nd AGM shall be the Registered Office of the Company.
3. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 32nd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 32nd AGM through VC/OAVM Facility and e-Voting during the 32nd AGM.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
6. Corporate Members intending to appoint their authorized representatives to attend the AGM through VC or OAVM and to vote thereat through remote e-Voting are requested to send a certified copy of the Board Resolution to the Company by email through registered email address to sbecsystems@rediffmail.com.
7. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sbecsystems.com. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com).
10. The Register of Members & Share Transfer Books of the Company will remain closed from 11th September, 2021 to 17th September, 2021 (both days inclusive).
11. Members, who hold shares in dematerialized form, are requested to notify, changes, if any, in their address, to their respective Depository Participant and those, who hold shares in physical form, may intimate the same to the Company.
12. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Beetal Financial & Computer Services Pvt. Ltd for assistance in this regard.
13. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Beetal Financial & Computer Services Pvt. Ltd, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by Member holding shares in:

- a) Demat form to submit the PAN to their Depository Participants with whom they are maintaining their demat account and
 - b) Physical form to submit copies of PAN of all shareholders and original cancelled cheque of first shareholder along with copy of Pass Book or Bank Statements to the RTA.
15. Members desiring any information as regards to accounts are requested to address their questions to the Company Secretary at least 7 days before the date of the meeting so that the required information is made available at the meeting.
 16. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Beetal Financial & Computer Services Pvt. Ltd Company.
 17. Members holding shares in physical form are advised to make nomination in Form SH-13 in respect of their shareholding in the Company. The nomination form will be made available by the Company on request.
 18. Members desiring inspection of statutory registers during the AGM may send their request in writing to the Company at sbecsystems@rediffmail.com and Members who wish to inspect the relevant documents referred to in the notice can send email to sbecsystems@rediffmail.com upto the date of the AGM.
 19. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 20. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice of the AGM along with the Annual Report 2020-2021 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, the same also has been uploaded on the website of the Company at www.sbecsystems.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
 21. The Board of Directors has appointed Ms. Soniya Gupta & Associates, Practicing Company Secretaries, 135, Palam-Dabri Road, Mahavir Enclave, New Delhi-110045 (Membership No-7493) as Scrutinizer to scrutinize voting process in a fair and transparent manner.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period begins on Tuesday, 14th Day of September, 2021 at 09:00 a.m. (IST) and ends on Thursday, 16th Day of September, 2021 at 05:00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 10th Day of September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL** is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. |
| | 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL, so that the user can visit the e-Voting service providers' website directly. |
| | 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration |
| | 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |

(v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|--|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant SBEC SYSTEMS (INDIA) LIMITED on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address sbecsystems@rediffmail.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least Seven (7) Days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company's email id i.e. sbecsystems@rediffmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance Seven (7) days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company's email id i.e. sbecsystems@rediffmail.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) by email to Company/RTA email id.
2. For Demat shareholders- Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders- Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**By order of the Board
For SBEC Systems (India) Limited
Sd/-
Vijay Kumar Modi
Chairman**

**Place: New Delhi
Date: 13.08.2021**

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

On recommendation of the Nomination and Remuneration Committee, Ms. Asha Agarwal (DIN: 09026835), was appointed as an Additional Independent Director on the Board of the Company, on 12th February, 2021. Your directors have proposed the appointment of Ms. Asha Agarwal, as a Non-Executive Independent Director of the Company for a period of 5 years, w.e.f. 12th February, 2021, and a resolution to that effect has been set out as Item No. 3 of this Notice.

Ms. Asha Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. She has also submitted a declaration of independence under Section 149(6) of the Companies Act, 2013 and under Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, she fulfils the conditions specified in the Act and the rules made thereunder and also under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Independent Director and is independent of the Management.

A brief profile of the Independent Director to be appointed is given in **Annexure 'A'**.

Your Board recommends the resolution at set out in Item No. 3 for approval of the members as Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives, in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

ITEM NO. 4:

Mr. Rohit Garg (DIN: 03296571) who was appointed as additional Director of the Company with effect from 12th February, 2021 by the Board of Directors under Section 161 of the Act and Company's Articles of Association.

In terms of Section 161(1) of the Act, Mr. Rohit Garg (DIN: 03296571), holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director.

The Directors are of the view that the appointment of Mr. Rohit Garg (DIN: 03296571), as Director will be beneficial to the operations of the Company and hence said resolution is being placed before the members for their approval.

A brief profile of the Director to be appointed is given in **Annexure 'A'**.

Your Board recommends the resolution at set out in Item No. 4 for approval of the members as Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives, in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Place: New Delhi
Date: 13.08.2021

By order of the Board
For SBEC Systems (India) Limited
Sd/-
Vijay Kumar Modi
Chairman

ANNEXURE A

INFORMATION ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT (PURSUANT TO REGULATION 36(3) OF THE LISTING REGULATIONS & SECRETARIAL STANDARD - 2)

| | | | |
|---|---|--|--|
| Name of the Director | Ritu Sikka | Asha Agarwal | Rohit Garg |
| DIN | 06953465 | 09026835 | 03296571 |
| Date of Birth | 07/12/1969 | 20/01/1951 | 16/12/1979 |
| Age | 51 years | 70 years | 41 years |
| Qualification | PG Diploma in Business & Management | B.ED | M.B.B.S from University of Pune, M.D. from Chattarpati Sahu Ji Maharaj Medical University |
| No. of Shares Held | Nil | Nil | Nil |
| Other Companies Directorship | Nil | <ol style="list-style-type: none"> 1. Madras Holdings Private Limited 2. Bombay Holdings Private Limited 3. T. C. Health Care Private Limited | <ol style="list-style-type: none"> 1. SBEC Sugar Ltd. 2. Bihar Sponge Iron Limited 3. Chandil Power Limited 4. Techhealth Care Solutions Private Limited 5. Elpis Pharmaceuticals Private Limited 6. Eazy Healthcare Solutions Private Limited 7. Gg Wellness Retreat Private Limited |
| Chairmanship /Membership of other Companies Committees | Nil | Nil | Nil |
| Expertise | She is having experience of more than 20 years in the field of HR & personnel | She is having experience in HR & Administration | He has rich experience in the area of Administration and Managements |
| Relationship with other Directors, and Key Managerial Personnel of the company | None | None | None |

*Directorships and Committee memberships in SBEC Systems (India) Ltd are not included in the aforesaid disclosure. Also directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committees, Nomination & Remuneration committee and Stakeholders' relationship Committees of only public Companies have been included in the aforesaid table.

If undelivered, please return to:

SBEC SYSTEMS (INDIA) LIMITED

1400, Modi Tower,

98, Nehru Place,

New Delhi-110019