

**SBEC SYSTEMS**  
(INDIA) LIMITED

Sugar Bio-Energy & Control Systems

29.06.2021

To,  
The Manager  
BSE Limited  
25<sup>th</sup> Floor, P.J. Towers,  
Dalal Street,  
Mumbai-400001

**Sub: Submission of Annual Secretarial Compliance Report for the year ended March 31, 2021.**

**Scrip Code: 517360**

Dear Sir(s),

Pursuant to Regulation 24(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with **SEBI Circular No. CIR/CFD/CMD1/27/2019** dated 8<sup>th</sup> February 2019, please find attached herewith the Annual Secretarial Compliance Report of the Company for the year ended March 31, 2021, issued by Mr. Rahul Singhal, Proprietor of M/s R. Singhal & Associates Practicing Company Secretaries.

Request you to please take the same on your records.

Thanking You,

Yours faithfully

**For SBEC Systems (India) Limited**

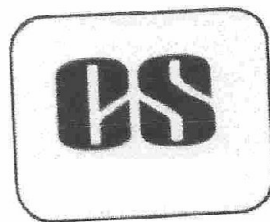


**Priyanka Negi**  
Company Secretary & Compliance Office

Encl. as above

# R. SINGHAL & ASSOCIATES

COMPANY SECRETARIES  
95, SARASWATI MANDIR  
S.K. ROAD, MEERUT-250001  
MOB. (+91) 98084 83964



Date:

Ref.

## SECRETARIAL COMPLIANCE REPORT OF SBEC SYSTEMS (INDIA) LIMITED FOR THE YEAR ENDED ON 31.03.2021

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

We have examined:

- (a) all the documents and records made available to us and explanation provided by SBEC SYSTEMS (INDIA) LIMITED ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) all other document/filing, as may be relevant, which have been relied upon to make this certification, For the year ended on 31.03.2021 ("Review Period") in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there-under; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there-under and the Regulations, circulars, guidelines issued there-under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there-under, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable during the Review Period)
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;(Not Applicable during the Review Period)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;(Not Applicable during the Review Period)
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not Applicable during the Review Period)
- (g) Securities and Exchange Board of India(Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations,2013;(Not Applicable during the Review Period)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Circular / guidelines issued there-under and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there-under, except in respect of matters specified below:-

| S.No. | Compliance Requirement (Regulations, guidelines specific clause)  | Deviations  | Unit Comment  |
|-------|---|---|---|
| 1.    | As per the Cir/ISD/ 3/2011, the shareholding of promoters and group of promoters to be 100% in dematerialized form. | The Shareholding of promoters and the promoter's group are dematerialized only to the extent of 60% shares as on 31.03.2021 | Management informed us that M/s SBEC Systems Ltd. (U.K.) has dissolved on 19.06.2001. The dissolution certificate issued by the Registrar of Companies (UK) has been taken on record. |

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there-under in so far as it appears from our examination of those records.
- (c) There are no actions taken against the listed entity/ its promoters / directors/ material subsidiaries either by SEBI or by stock Exchange ( including under the Standing Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and Circulars/ guidelines issued thereunder, except:-

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.

(d) the listed entity has taken the following actions to comply with the observations made in the previous report-

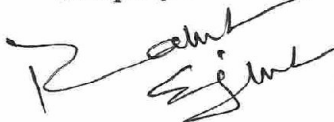
| S.No. | Compliance Requirement (Regulations! guidelines | Requirement circulars! including | Deviations | Observations of the practising Company Secretary |
|-------|---|----------------------------------|------------|--|
|       |   |                                  |            |  |



|    | specific clause)  |   |  |
|----|---|---|--|
| 1. | Regulation 3(5) of the SEBI (Prohibition of Insider Trading) Regulations, 2015                                      | As per the examination of records and information available to us, the company has not maintained the structured digital database as on the date of signing the report for the previous year 2019-20. | The company has maintained the software for digitisation the database of the Company w.e.f. 31.03.2021.          |
| 2. | As per the Cir/ISD/ 3/2011, the shareholding of promoters and group of promoters to be 100% in dematerialized form. | The Shareholding of promoters and the promoter's group are dematerialized only to the extent of 60% shares as on 31.03.2021.  | The 100% Shareholding of Promoters and Promoter's Group has not been dematerialised in the year 2020-21 as well. |

The observation/deviations reported in the previous years are persisting as on date of reporting for the year ending 31.03.2021. The Company is advised to initiate action for due compliance at the earliest.

For R. Singhal & Associates  
Company Secretaries



(Rahul Singhal)  
Proprietor  
M. No.: 29599  
C P No.: 10699



Place: Meerut  
Date: 29.06.2021  
UDIN: A029599C000533586