

**SBEC**

**31st Annual Report - 2020**

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

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Mr Luv Gupta

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms Priyanka Negi

**AUDITORS**

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

**BANKERS**

HDFC Bank

**REGISTERED OFFICE**

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

**SHARE TRANSFER AGENT**

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

**Contents**

|   |       |
|---|-------|
| Directors' Report.....                                | 1-12  |
| Corporate Governance Report.....                      | 13-19 |
| Auditor's Certificate on Corporate<br>Governance..... | 20-20 |
| Auditor's Report.....                                 | 21-23 |
| Balance Sheet.....                                    | 24-24 |
| Profit and Loss Account.....                          | 25-25 |
| Cash Flow Statement.....                              | 26-26 |
| Notes to Accounts.....                                | 27-34 |
| Consolidated Accounts.....                            | 35-49 |

**DIRECTORS' REPORT**

To,  
The Shareholders,  
SBEC Systems (India) Limited

Dear Members,

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

**FINANCIAL RESULT**

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

(Rs. In Lacs)

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

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

**DIVIDEND & RESERVES**

In view of the losses incurred, your Board is unable to recommend any dividend for the financial year ended March 31, 2020.

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

**SHARE CAPITAL**

The paid up equity capital as on March 31, 2020 was Rs.1000 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

**ASSOCIATE/SUBSIDIARY/JOINT VENTURE COMPANY**

As on March 31st 2020, the Company has one Associate Company i.e. SBEC Sugar Limited. Investment in the Associate is dealt with in accordance with Indian Accounting Standard (Ind-AS) 28, the consolidation of accounts of the Company with its associate are combined by using "Equity Method".

Further, a statement containing the salient features of the financial statements of the Associate company are prescribed in AOC-1 and appended as **Annexure-A** to the Board's Report.

There is no subsidiary company within the meaning of Section 2(87) of the Companies Act, 2013 ("Act").

**MATERIAL CHANGES AND COMMITMENTS**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

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

**DIRECTORS**

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

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

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

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

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

All the Directors have made necessary disclosures as required under various provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the provisions contained in Section 134 (5) of the Companies Act, 2013, your Directors to the best of their knowledge and belief and according to

information and explanations obtained from the management, confirm that:

- in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis;
- The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### KEY MANAGERIAL PERSONNEL (KMP)

During the financial period ended 31.03.2020, following persons are Whole Time Key Managerial Personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013.

| S.No. | Name                     | Designation                            |
|-------|--------------------------|--|
| 1.    | Mr. Shiv Shanker Agarwal | Chief Executive Officer                |
| 2.    | Mr. Luv Gupta            | Chief Financial Officer                |
| 3.    | Ms. Priyanka Negi        | Company Secretary & Compliance Officer |

#### BOARD MEETING

The Board met Five times during the financial year 2019-20, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### COMMITTEES OF THE BOARD

Presently the Company has the following mandatory Committees::

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

The details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in the "Report on Corporate Governance" forming part of this Annual Report.

#### POLICY ON DIRECTOR'S APPOINTMENT & REMUNERATION AND OTHER DETAILS

The Board on recommendation of the Nomination & Remuneration Committee, has framed a policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters specified under said section. The policy is available on the website of the Company [www.sbecosystems.com](http://www.sbecosystems.com).

#### BOARD EVALUATION:

As required under Section 134(3)(p) of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board of Directors had already approved the evaluation criteria for evaluating the performance of the Board of Directors, its Committees, namely, Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee, the Directors individually and the performance of Independent Directors.

The manner in which the evaluation was carried out and the process adopted has been mentioned in the Corporate Governance Report.

#### STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS

As required under Section 149 (7) of the Companies Act, 2013, all the Independent Directors have given declarations that they meet the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015.

#### STATUTORY AUDITORS

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

The report from the Auditors on the financial statements of the Company forms part of this Annual Report.

#### STATUTORY AUDITORS REPORT

The Statutory Audit Report contains qualifications and the Company has given its comments on Audit Qualified Opinion for the Financial Year 2019-20, the details are mentioned below:

**Response to Qualified Opinion in Standalone Financial Statement**

Non reversal of diminution of current quoted investment, it is hereby clarified that the company is holding 1,42,30,884 Equity Shares of SBEC Sugar Limited and the Company is not intending to sale/ transfer/ otherwise dispose off these shares, the management has decided not to make any provision of diminution or reversal thereof.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

**SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s R.K. Singhal & Associates, Company Secretaries in practice as the Secretarial Auditor to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is given in **Annexure-B** to this Report.

The observations in secretarial audit report are self-explanatory and therefore not call for any further explanation.

**RISK MANAGEMENT POLICY**

As required under Section 134(n) of the Companies Act, 2013, the Company has laid down the policy on risk management stating therein the objectives and purpose of the said policy.

The Risk Management Policy of the Company can be viewed on the Company's website [www.sbcsystems.com](http://www.sbcsystems.com).

**INTERNAL FINANCIAL CONTROLS**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES.**

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

**RELATED PARTY TRANSACTIONS**

The transactions entered with related parties during the year under review were on Arm's Length basis and in the ordinary course of business. The provisions of Section 188 of the Companies Act, 2013 are therefore, not attracted. All related party transactions were approved by the Audit Committee and the Board. The relevant information regarding related party transactions has been set out in Note No. 27 of the Financial Statements for the financial year ended 31.03.2020.

Thus, disclosure in Form AOC-2 is not required.

As required under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a policy on related party transactions and the same was approved by the Audit Committee and the Board of Directors. The said policy has been uploaded at the investors section of the Company's website at [www.sbcsystems.com](http://www.sbcsystems.com)

**FIXED DEPOSITS**

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

**CORPORATE GOVERNANCE**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Corporate Governance Report along with a certificate from M/s R.K. Singhal & Associates, Company Secretaries in practice and Management Discussion and Analysis Report forms part of this Annual Report.

The declaration by the Chief Executive Officer and Chief Financial Officer addressed to the Members of the Company pursuant to Clause D of Schedule V Read with Regulation 34(3) and Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct by the Members of the Board and by the Members of the Senior Management Personnel of the Company is also attached to the Corporate Governance report.

**VIGIL MECHANISM & WHISTLE BLOWER POLICY**

The Company has a vigil mechanism and a whistle blower policy. The same has been posted on the Company's website and the details of the same are given in the Corporate Governance Report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in **Annexure-C** to this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the financial year 2019-20, the Company has not made any investment nor given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

**PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to

the ratio of the Remuneration of each Director to the median employees remuneration shall not apply because none of the Directors has drawn any remuneration from the Company for the financial year 2019-20. In terms of the Provisions of Section 197(12) of the Companies act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. None of the employees of the Company were in receipt of remuneration of more than limit specified as set out in the above said Rules.

#### **COST AUDITOR**

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

#### **EXTRACT OF ANNUAL RETURN**

As provided under Section 92(3) of the Companies Act, 2013, extract of the Annual Return prepared in form MGT 9 pursuant to Rule 12 of the Companies (Management and Administration Rules), 2014 is furnished in **Annexure-D** which form a part of this report.

#### **SECRETARIAL STANDARD**

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

#### **DEPOSITS**

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

#### **LISTING WITH STOCK EXCHANGES**

The Equity Shares of the Company are listed with BSE Limited. The annual fees for the Bombay Stock Exchange have been paid promptly for the year 2019-2020.

#### **REVOCAION OF SUSPENSION OF SHARES**

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

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

#### **SEXUAL HARASSMENT**

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20:

|  |   |     |
|--|---|-----|
| No. of complaints received                             | : | NIL |
| No. of complaints disposed off                         | : | NIL |
| No. of complaints pending on end of the financial year | : | NIL |

#### **PERSONNEL RELATIONS**

Your directors hereby place on record their appreciation for the services rendered by the executives, staff and workers of the Company for their hard work, dedication and commitment. During the year under review, relations between the employees and the management continued to remain cordial.

#### **APPRECIATION**

Your directors thank the various Central and State Government Authorities and Agencies for the continued help and cooperation extended by them. The Directors gratefully acknowledge all stakeholders of the Company viz., customers, members, dealers, vendors and banks for their excellent support during the year. The Directors also place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued cooperation to the Company.

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

sd/-

**Vijay Kumar Modi  
Chairman  
DIN: 00004606**

**Place: New Delhi  
Date: 29.08.2020**

**ANNEXURE-A TO THE BOARD'S REPORT**

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of Associates   | SBEC SUGAR LIMITED  |
|--|---|
| <b>1. Latest audited Balance Sheet Date</b>  | <b>March 31,2020</b>  |
| <b>2. Date on which the Associate was associated or acquired</b>                     | <b>1996-1997</b>  |
| <b>3. Shares of Associate held by the Company on the year end;</b>                   |   |
| No. of Shares  | 14230884  |
| Amount of Investment in Associates   | 142308840   |
| Extend of Holding%   | 29.86%  |
| <b>4. Description of how there is significant influence</b>                          | There is significant influence due to (%) of share Capital. |
| <b>5. Reason why the associate/joint venture is not consolidated</b>                 | Not Applicable  |
| <b>6. Net worth attributable to shareholding as per latest audited Balance Sheet</b> | (2,43,01,829)   |
| <b>7. Profit/Loss for the year</b>   |   |
| i. Considered in Consolidation   | -   |
| ii. Not Considered in Consolidation  | (4,66,98,324)   |

**ANNEXURE-B TO THE BOARD'S REPORT**

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2020

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,

The Members

**SBEC SYSTEM (INDIA) LIMITED**

1400, Modi Tower

98, Nehru Place

NEW DELHI – 110 019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SBEC SYSTEMS (INDIA) LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [not applicable to the company during the audit period]
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (i) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015.
- (vi) OTHER APPLICABLE ACTS,
  - (a) The Payment of Wages Act, 1936, and rules made there-under,
  - (b) The Minimum Wages Act, 1948, and rules made there-under,
  - (c) The Payment of Gratuity Act, 1972
  - (d) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
  - (e) The Payment of Bonus Act, 1965, and rules made there-under,
  - (f) The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013,

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent as mentioned below:

1. That a loan of Rs. 756.92 Lakh is a Foreign Currency Loan from Overseas Corporate Body M/s Occident Orient Company Ltd. Mauritius, taken by the Company subject to the approval of RBI/Finance Ministry, pertaining to period prior to 1999 outstanding in the books of accounts of the Company. This is an undisputed liability that the Company has been unable to pay due to its continuous losses. Further interest of USD 281974 for earlier year is payable by the company on above mentioned loan, pending approval of RBI, this liability is being shown as contingent liability.
2. The Shareholding of promoters and the promoter's group are dematerialized only to the extent of 60% shares as on 31.03.2020.
3. The Company has received a show cause notice from Securities and Exchange Board of India ("SEBI") under section 11 and 11 B of the Securities and Exchange Board of India Act, 1992 in the matter of the SBEC Sugar Limited (Target Company) as a part of the promoter group of SBEC Sugar Limited. As per the said impugned order, the Promoter Group have violated the provisions of Regulation 3(2) of the Takeover Regulations, 2011 by acquiring shares in excess of the prescribed limit without making a public announcement under the Takeover Regulations. The management of SBEC Systems (India) Ltd. confirmed that they did not acquire even a single share nor acted as persons acting in concert with the other promoters in above-mentioned acquisition. The Company had filed an appeal before the Securities Appellant Tribunal, Mumbai; it was heard by SAT on 14th December, 2018, 08th February, 2019, 28th March, 2019, 13th June, 2019 and 1st August, 2019. Against the said impugned SEBI order, the Company had filed appeal No.1 (No.443/2018) before the Securities Appellate Tribunal, Mumbai. The Securities Appellate Tribunal vide its order dated 29.01.2020, has allowed the Appeal No.1 (No.443/2018) filed by M/s. SBEC Systems (India) Limited and also set aside the directions issued by the SEBI qua open offer.
4. The Company has not confirmed in its Board Report that it has constituted any separate 'Internal Complaints Committee' under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. However, they have taken note and confirmed that no complaint of sexual harassment of women at workplace was received during the year under review.
5. During the course of verification, it was observed that the BSE Limited had imposed a penalty of Rs. 11,800/- (Eleven Thousand Eight Hundred Only) on the Company for delay in filing of its Financial Results for the quarter ended 31st December 2019, as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The meeting of the Board of Director of the Company was scheduled on 14th February, 2020 to consider and approve the unaudited Financial Results for the quarter and nine months ended 31st December 2019 and intimation and publication of Board Meeting was also submitted on the BSE Limited site. However, due to want of quorum the Board Meeting had to be adjourned and with the approval of all the Directors present. It was decided to hold the adjourned meeting on 18th February, 2020. The Company has paid the penalty levied on it.
6. As per examination of records and information available to us, the Company has not maintained the structured digital database as on the date of the signing of this report. However, the Company has maintained all requisite documents and registers manually and is in the process of its digitalization.
7. That SBEC Systems Limited (UK) is directly/indirectly under common control with the reporting enterprises. It holds 20.4% share capital of the Company. As informed by the management and as per the dissolution certificate the said company has been dissolved as on 19.06.2001. However, neither shares held by it were transferred and nor any document was available with the Company to verify how the shares were dealt with at the time of its dissolution.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report as under:

1. That there were no operations during the year under review. The company is having negative net worth of Rs 1148.64 Lakhs after incurring loss of Rs. 113.56 Lakhs during the year ended on 31.03.2020. This indicates the existence of uncertainty that may cast doubt about the company's ability to continue as a going concern. However the company has prepared its financial statements on a going concern basis. The management is confident to revive the business activities in near future.
2. The Company has one Associate Company i.e. SBEC Sugar Limited.

For R. Singhal & Associates  
Company Secretaries

Sd/-  
(Rahul Singhal)

Prop.

M. No. 29599

UDIN : A029599B000575903

Place : New Delhi  
Dated : 13.08.2020



**Note: This report is to be read with the notes given below, which forms an integral part of this report.**

- 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.
- 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.
- We have relied on the audited financial statements for the year ended on 31.03.2020 for the correctness and appropriateness of financial records and Books of Accounts of the company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For R. Singhal & Associates**  
**Company Secretaries**  
 Sd/-  
 (Rahul Singhal)  
 Prop.  
 M. No. 29599  
 UDIN : A029599B000575903

Place : New Delhi  
 Dated : 13.08.2020

#### ANNEXURE- C TO THE BOARD'S REPORT

Information to be given under Section 134 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

##### (A) CONSERVATION OF ENERGY

|      |  |             |
|------|--|-------------|
| i)   | The steps taken or impact on conservation of energy                      | <u>N.A.</u> |
| ii)  | The steps taken by the Company for utilizing alternate sources of energy | <u>N.A.</u> |
| iii) | The Capital investment on energy conservation equipment                  | <u>N.A.</u> |

##### (B) TECHNOLOGY ABSORPTION

|      |   |             |
|------|---|-------------|
| i)   | The efforts made towards technology absorption  | <u>N.A.</u> |
| ii)  | The benefits derived like product improvement, cost reduction, product development or import substitution                 | <u>N.A.</u> |
| iii) | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - | <u>N.A.</u> |
| (a)  | The details of technology imported  | <u>None</u> |
| (b)  | The year of import  | <u>N.A.</u> |
| (c)  | Whether the technology been fully absorbed  | <u>N.A.</u> |
| (d)  | If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and                           | <u>N.A.</u> |
| (e)  | The expenditure incurred on Research and Development  | <u>N.A.</u> |

##### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lacs)

|  | 2019-20 | 2018-19 |
|--|---------|---------|
| The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows. |         |         |
| Foreign Exchange earned  | NIL     | NIL     |
| Foreign Exchange outgo   | NIL     | NIL     |

#### ANNEXURE- D TO THE BOARD'S REPORT

| <b>FORM NO. MGT 9</b><br><b>EXTRACT OF ANNUAL RETURN</b><br><b>as on financial year ended on 31.03.2020</b><br><b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b> |  |                               |
|---|--|-------------------------------|
| <b>I</b>  | <b>REGISTRATION &amp; OTHER DETAILS:</b> |                               |
| i   | CIN                                      | L74210DL1987PLC029979         |
| ii  | Registration Date                        | 15-12-1987                    |
| iii   | Name of the Company                      | SBEC SYSTEMS ( INDIA) LIMITED |

|     |  |   |
|-----|--|---|
| iv  | Category/Sub-category of the Company                                       | Public Company Limited by Shares  |
| v   | Address of the Registered office & contact details                         | 1400, Modi Tower 98, Nehru Place, New Delhi-110019.   |
| vi  | Whether listed company   | Yes   |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s. Beetal Financial & Computer Services Pvt. Ltd<br>Beetal House, 3rd Floor, Behind Local Shopping Complex,<br>99, Madangir, New Delhi-110062 |

|   |  |   |   |
|---|--|---|---|
| <b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>  |  |   |   |
| All the business activities contributing 10% or more of the total turnover of the company shall be stated |  |   |   |
| <b>Sl No</b>  | <b>Name &amp; Description of main products/services</b>  | <b>NIC Code of the Product /service</b> | <b>% to total turnover of the company</b> |
| 1   | Engineering activities and related technical Consultancy | 7110                                    | -   |

|  |  |                       |                                       |                         |                           |
|--|--|-----------------------|---------------------------------------|-------------------------|---------------------------|
| <b>III PARTICULARS OF HOLDING , SUBSIDIARY &amp; ASSOCIATE COMPANIES</b> |  |                       |                                       |                         |                           |
| <b>Sl No</b>   | <b>Name &amp; Address of the Company</b> | <b>CIN/GLN</b>        | <b>HOLDING/ SUBSIDIARY/ ASSOCIATE</b> | <b>% OF SHARES HELD</b> | <b>APPLICABLE SECTION</b> |
| 1  | SBEC SUGAR LIMITED                       | L15421UP1991PLC019160 | Associate                             | 29.86                   | Section 2(6)              |

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

i) Category-wise Shareholdings

| Category of Share-holders                                | No. of Shares held at the beginning of the year |                |                |                   | No. of Shares held at the end of the year |                |                |                   | % change during the year |
|--|---|----------------|----------------|-------------------|---|----------------|----------------|-------------------|--------------------------|
|  | Demat   | Physical       | Total          | % of Total Shares | Demat                                     | Physical       | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>                                      |   |                |                |                   |   |                |                |                   |                          |
| (1) Indian   |   |                |                |                   |   |                |                |                   |                          |
| a) Individual/HUF  | 0   | 200            | 200            | 0                 | 0   | 200            | 200            | 0                 | -                        |
| b) Central Govt.or State Govt.                           | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| c) Bodies Corporates                                     | 980000  | -              | 980000         | 9.8               | 980000                                    | -              | 980000         | 9.80              | -                        |
| d) Bank/FI   | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| e) Any other   | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| <b>SUB TOTAL:(A) (1)</b>                                 | <b>980200</b>                                   | <b>200</b>     | <b>980200</b>  | <b>9.8</b>        | <b>980000</b>                             | <b>200</b>     | <b>980200</b>  | <b>9.8</b>        |                          |
| <b>(2) Foreign</b>                                       |   |                |                |                   |   |                |                |                   |                          |
| a) NRI- Individuals                                      | 2079560   | -              | 2079560        | 20.8              | 2079560                                   | -              | 2079560        | 20.8              | -                        |
| b) Other Individuals                                     | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| c) Bodies Corp.  | -   | 2040000        | 2040000        | 20.4              | -   | 2040000        | 2040000        | 20.4              | -                        |
| d) Banks/FI  | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| e) Any other...  | -   | -              | -              | -                 | -   | -              | -              | -                 | -                        |
| <b>SUB TOTAL (A) (2)</b>                                 | <b>2079560</b>                                  | <b>2040000</b> | <b>4119560</b> | <b>41.2</b>       | <b>2079560</b>                            | <b>2040000</b> | <b>4119560</b> | <b>41.2</b>       | <b>-</b>                 |
| <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b> | <b>3059560</b>                                  | <b>2040000</b> | <b>5099760</b> | <b>51</b>         | <b>3059560</b>                            | <b>2040200</b> | <b>5099760</b> | <b>51</b>         | <b>0</b>                 |

**B. PUBLIC SHAREHOLDING**

|                         |   |   |   |   |   |   |   |   |   |
|-------------------------|---|---|---|---|---|---|---|---|---|
| <b>(1) Institutions</b> |   |   |   |   |   |   |   |   |   |
| a) Mutual Funds         | - | - | - | - | - | - | - | - | - |
| b) Banks/FI             | - | - | - | - | - | - | - | - | - |
| c) Cenntral govt        | - | - | - | - | - | - | - | - | - |
| d) State Govt.          | - | - | - | - | - | - | - | - | - |

|   |                |                |                 |            |                |                |                 |            |          |
|---|----------------|----------------|-----------------|------------|----------------|----------------|-----------------|------------|----------|
| e) Venture Capital Fund   | -              | -              | -               | -          | -              | -              | -               | -          | -        |
| f) Insurance Companies  | -              | -              | -               | -          | -              | -              | -               | -          | -        |
| g) FIIS   | -              | -              | -               | -          | -              | -              | -               | -          | -        |
| h) Foreign Venture Capital Funds  | -              | -              | -               | -          | -              | -              | -               | -          | -        |
| i) Others (specify)   | -              | -              | -               | -          | -              | -              | -               | -          | -        |
| <b>SUB TOTAL (B)(1):</b>  | <b>-</b>       | <b>-</b>       | <b>-</b>        | <b>-</b>   | <b>-</b>       | <b>-</b>       | <b>-</b>        | <b>-</b>   | <b>-</b> |
| <b>(2) Non Institutions</b>   |                |                |                 |            |                |                |                 |            |          |
| a) Bodies corporates  |                |                |                 |            |                |                |                 |            |          |
| i) Indian   | 1890           | 298567         | 300457          | 3.00       | 156890         | 143567         | 300457          | 3.00       | -        |
| ii) Overseas  | -              | -              | -               | -          | -              | -              | -               | -          | -        |
| b) Individuals  | -              | -              | -               | -          | -              | -              | -               | -          | -        |
| i) Individual shareholders holding nominal share capital upto Rs.2 lakhs            | 77843          | 4320073        | 4397916         | 43.98      | 95168          | 4301839        | 4397007         | 43.97      | -        |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs | 0              | 199561         | 199561          | 2.00       | -              | 199561         | 199561          | 2.00       | -        |
| c) Others (specify)   | -              | -              | -               | -          | -              | -              | -               | -          | -        |
| (i) NRI   | -              | -              | -               | -          | 909            | -              | 909             | 0.01       | -        |
| (ii) HUF  | -              | 2306           | 2306            | 0.02       | -              | 2306           | 2306            | 0.02       | -        |
| (iii) Clearing Members  | -              | -              | -               | -          | -              | -              | -               | -          | -        |
| <b>SUB TOTAL (B)(2):</b>  | <b>79733</b>   | <b>4820507</b> | <b>4900240</b>  | <b>49</b>  | <b>252967</b>  | <b>4647273</b> | <b>4900240</b>  | <b>49</b>  | <b>0</b> |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                                 | <b>79733</b>   | <b>4820507</b> | <b>4900240</b>  | <b>49</b>  | <b>252967</b>  | <b>4647273</b> | <b>4900240</b>  | <b>49</b>  | <b>0</b> |
| C. Shares held by Custodian for GDRs & ADRs   | 0              | 0              | 0               | 0          | 0              | 0              | 0               | 0          | 0        |
| <b>Grand Total (A+B+C)</b>  | <b>3139293</b> | <b>6860707</b> | <b>10000000</b> | <b>100</b> | <b>3312527</b> | <b>6687473</b> | <b>10000000</b> | <b>100</b> | <b>0</b> |

| <b>(ii) SHAREHOLDING OF PROMOTERS</b> |                                      |   |                                  |                                     |                                  |  |   |  |  |
|---------------------------------------|--------------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|--|---|--|--|
| Sr. No.                               | Shareholders Name                    | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  | % of shares pledged encumbered to total shares | % change in share holding during the year |  |  |
|                                       |                                      | No. of shares                             | % of total shares of the company | No. of shares                       | % of total shares of the company |  |   |  |  |
| 1                                     | Mr. U.K.Modi                         | 2079560                                   | 20.8                             | 2079560                             | 20.8                             | 0  | 0   |  |  |
| 2                                     | Ms. Meghna Modi                      | 200                                       | 0.002                            | 200                                 | 0.0020                           | 0  | 0   |  |  |
| 3                                     | SBEC Systems limited                 | 2040000                                   | 20.4                             | 2040000                             | 20.4                             | 0  | 0   |  |  |
| 4                                     | Kumabhi Investment Pvt Ltd           | 210000                                    | 2.1                              | 210000                              | 2.1                              | 0  | 0   |  |  |
| 5                                     | Abhikum Leasing & Investment Pvt Ltd | 220000                                    | 2.2                              | 220000                              | 2.2                              | 0  | 0   |  |  |
| 6                                     | Longwell Investments Pvt Ltd         | 550000                                    | 5.5                              | 550000                              | 5.5                              | 0  | 0   |  |  |
|                                       | <b>TOTAL</b>                         | <b>5099760</b>                            | <b>51</b>                        | <b>5099760</b>                      | <b>51</b>                        | <b>0</b>                                       | <b>0</b>                                  |  |  |

| (iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE) |                        |   |                                  |   |                                  |
|--|------------------------|---|----------------------------------|---|----------------------------------|
| Sr. No.  |                        | Shareholding at the beginning of the Year |                                  | Cumulative Shareholding during the year |                                  |
|  |                        | No. of Shares                             | % of total shares of the company | No. of Shares                           | % of total shares of the company |
|  |                        | NO CHANGE                                 |                                  | NO CHANGE                               |                                  |
|  | At the end of the year |   |                                  |   |                                  |

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

| Sr. No | For Each of the Top 10 Shareholders     | Shareholding at the end of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|---|-------------------------------------|----------------------------------|---|----------------------------------|
|        |   | No. of shares                       | % of total shares of the company | No of shares                            | % of total shares of the company |
| 1      | ABC Holding Pvt. Ltd.                   | 84200                               | 0.84                             | 84200                                   | 0.84                             |
| 2      | Bharat Janmadas dattani                 | 109700                              | 1.097                            | 109700                                  | 1.097                            |
| 3      | Moderate Leasing & Capital Services Ltd | 71400                               | 0.71                             | 71400                                   | 0.71                             |
| 4      | Suresh Raj Pal                          | 61900                               | 0.62                             | 61900                                   | 0.62                             |
| 5      | Rai Investments Limited                 | 55500                               | 0.55                             | 55500                                   | 0.55                             |
| 6      | Prakash G Nayak                         | 32051                               | 0.32                             | 32051                                   | 0.32                             |
| 7      | ABR Finlease & Holding Pvt. Ltd.        | 26100                               | 0.26                             | 26100                                   | 0.26                             |
| 8      | Prakash A Shah                          | 12072                               | 0.12                             | 12072                                   | 0.12                             |
| 9      | Vittu Bajranglal Agarwal                | 11200                               | 0.11                             | 11200                                   | 0.11                             |
| 10     | Medium Investment Co. Pvt. Ltd.         | 10600                               | 0.11                             | 10600                                   | 0.11                             |

## (iv) Shareholding of Directors &amp; KMP

| SI.No. | For Each of the Directors & KMP   | Shareholding at the end of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|---|-------------------------------------|----------------------------------|---|----------------------------------|
|        |   | No. of shares                       | % of total shares of the company | No of shares                            | % of total shares of the company |
| 1      | Vijay Kumar Modi  |                                     |                                  |   |                                  |
|        | At the beginning of the year  | 0                                   | 0                                | 0                                       | 0                                |
|        | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A                                 | N.A                              | N.A                                     | N.A                              |
|        | At the end of the year  | 0                                   | 0                                | 0                                       | 0                                |
| 2      | Mr. R.K Agarwal   |                                     |                                  |   |                                  |
|        | At the beginning of the year  | 0                                   | 0                                | 0                                       | 0                                |
|        | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A                                 | N.A                              | N.A                                     | N.A                              |
|        | At the end of the year  | 0                                   | 0                                | 0                                       | 0                                |
| 3      | Mr. S.S. Agarwal – CEO  |                                     |                                  |   |                                  |
|        | At the beginning of the year  | 0                                   | 0                                | 0                                       | 0                                |
|        | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A                                 | N.A                              | N.A                                     | N.A                              |
|        | At the end of the year  | 0                                   | 0                                | 0                                       | 0                                |
| 4      | Mr. J.C. Chawla   |                                     |                                  |   |                                  |
|        | At the beginning of the year  | 0                                   | 0                                | 0                                       | 0                                |
|        | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A                                 | N.A                              | N.A                                     | N.A                              |

|    |   |     |     |     |     |
|----|---|-----|-----|-----|-----|
|    | At the end of the year  | 0   | 0   | 0   | 0   |
| 5  | Mr. Shyam Babu Vyas   |     |     |     |     |
|    | At the beginning of the year  | 0   | 0   | 0   | 0   |
|    | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A | N.A | N.A | N.A |
|    | At the end of the year  | 0   | 0   | 0   | 0   |
| 6  | Mr. Anupam Bansal   |     |     |     |     |
|    | At the beginning of the year  | 0   | 0   | 0   | 0   |
|    | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A | N.A | N.A | N.A |
|    | At the end of the year  | 0   | 0   | 0   | 0   |
| 7  | Mr. Ritu Sikka  |     |     |     |     |
|    | At the beginning of the year  | 0   | 0   | 0   | 0   |
|    | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A | N.A | N.A | N.A |
|    | At the end of the year  | 0   | 0   | 0   | 0   |
| 8  | Mr. Luv Gupta - CFO   |     |     |     |     |
|    | At the beginning of the year  | 0   | 0   | 0   | 0   |
|    | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A | N.A | N.A | N.A |
|    | At the end of the year  | 0   | 0   | 0   | 0   |
| 12 | Ms. Priyanka Negi –CS   |     |     |     |     |
|    | At the beginning of the year  | 0   | 0   | 0   | 0   |
|    | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | N.A | N.A | N.A | N.A |
|    | At the end of the year  | Nil | Nil | Nil | Nil |

**(v) Indebtness****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

|   | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|---|-------------------------------------|--------------------|----------|-----------------------|
| Indebtness at the beginning of the financial year |                                     |                    |          |                       |
| i) Principal Amount                               | -                                   | 175855986          | -        | 175855986             |
| ii) Interest due but not paid                     | -                                   | -                  | -        | -                     |
| iii) Interest accrued but not due                 | -                                   | -                  | -        | -                     |
| Total (i+ii+iii)                                  | -                                   | 175855986          | -        | 175855986             |
| Change in Indebtedness during the financial year  |                                     |                    |          |                       |
| Additions   | -                                   | 9802022            | -        | 9802022               |
| Reduction   | -                                   | -                  | -        | -                     |
| Net Change  | -                                   | 9802022            | -        | 9802022               |
| Indebtedness at the end of the financial year     |                                     |                    |          |                       |
| i) Principal Amount                               | -                                   | 185658008          | -        | 185658008             |
| ii) Interest due but not paid                     | -                                   | -                  | -        | -                     |
| iii) Interest accrued but not due                 | -                                   | -                  | -        | -                     |
| Total (i+ii+iii)                                  | -                                   | 185658008          | -        | 185658008             |

**(vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director and/or Manager: NIL**

**B. Remuneration to other directors: NIL**

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| Sl. No. | Particulars of Remuneration  | Key Managerial Personnel |                  |               |                |
|---------|--|--------------------------|------------------|---------------|----------------|
|         |  | CEO                      | CS               | CFO           | Total          |
| 1       | Gross Salary   | Mr. S.S.Agarwal          | Ms. Priyank Negi | Mr. Luv Gupta |                |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | -                        | 277200           | 221736        | 498936         |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | -                        | 249099           | 295200        | 544299         |
|         | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961        | -                        |                  |               | -              |
| 2       | Stock Option   | -                        |                  |               | -              |
| 3       | Sweat Equity   | -                        |                  |               | -              |
| 4       | Commission   | -                        |                  |               | -              |
|         | as % of profit   | -                        |                  |               | -              |
|         | others, specify  | -                        |                  |               | -              |
| 5       | Others, please specify   | -                        |                  |               | -              |
|         | <b>Total</b>   |                          | <b>526299</b>    | <b>516936</b> | <b>1043235</b> |

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

Sd/-  
Vijay Kumar Modi  
Chairman  
DIN: 00004606

Place: New Delhi  
Date: 29.08.2020

## 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 about 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.

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

Sd/-  
Vijay Kumar Modi  
Chairman  
DIN: 00004606

Place: New Delhi  
Date: 29.08.2020

**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.

**BOARD OF DIRECTORS****a. Composition of Board:**

As on March 31, 2020, 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, is a woman director 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, 2020 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.

| SI No. | Name of the Directors | Category of Director                   | No. of Board Meetings Attended |          | No of Directorship including this listed entity (as on March 31, 2020) | Number of membership/ Chairmanship in committee including this listed entity Board as on March 31, 2020 |        | Attendance at Last AGM |
|--------|-----------------------|--|--------------------------------|----------|--|---|--------|------------------------|
|        |                       |  | Held                           | Attended |  | Public  | Member |                        |
| 1      | Mr. Vijay Kumar Modi  | Chairman and Non-Executive Director    | 5                              | 3        | 3  | 2   | 1      | Present                |
| 2      | Mr. S.S. Agarwal      | Executive Director                     | 5                              | 4        | 5  | 3   | Nil    | Present                |
| 3      | Mr. Anupam Bansal     | Non – Executive Director               | 5                              | 1        | 1  | Nil   | Nil    | Not Present            |
| 4      | Ms. Ritu Sikka        | Non-Executive Director                 | 5                              | 1        | 1  | Nil   | Nil    | Not Present            |
| 5      | Mr. R.K. Agarwal      | Non – Executive & Independent Director | 5                              | 5        | 8  | 6   | 5      | Present                |
| 6      | Mr. J.C. Chawla       | Non – Executive & Independent Director | 5                              | 5        | 4  | 7   | 1      | Present                |
| 7      | Mr. Shyam Babu Vyas   | Non – Executive & Independent Director | 5                              | 1        | 3  | 3   | Nil    | Not Present            |

**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                              | Non-Executive Independent Director                                       |
| 2       | Mr. S.S. Agarwal     | Bihar Sponge Iron Limited                       | Non-Executive Independent Director                                       |
| 3       | Mr. Anupam Bansal    | -   | -  |
| 4       | Ms. Ritu Sikka       | -   | -  |
| 5       | Mr. R.K. Agarwal     | SBEC Sugar Limited<br>Bihar Sponge Iron Limited | Non-Executive Independent Director<br>Non-Executive Independent Director |
| 6       | Mr. J.C. Chawla      | SBEC Sugar Limited<br>Bihar Sponge Iron Limited | Non-Executive Independent Director<br>Non-Executive Independent Director |
| 7       | Mr. Shyam Babu Vyas  | SBEC Sugar Limited<br>Bihar Sponge Iron Limited | Non-Executive Independent Director<br>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 five times during the financial year 2019-20. The Directors met on May 28, 2019, August 14, 2019, November 14, 2019, February 14, 2020, and February 18, 2020. 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](http://www.sbecosystems.com).

**f. 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.

**g. 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 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. Rajeev Kumar Agarwal, 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                            |

**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 31<sup>st</sup> March, 2020, the Audit Committee comprise of three Directors out of which two Directors are Non-Executive and Independent and one is Executive Director. All the Committee members have sound knowledge of finance and accounting.

Mr. Rajeev Kumar Agarwal, Chairman of the Audit Committee was present at the Annual General meeting of the Company held on September 26<sup>th</sup>, 2019 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, 2020, the Audit Committee met five times on 28.05.2019, 14.08.2019, 14.11.2019, 14.02.2020, and 18.02.2020 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 2019-20 |          |
|----------------------|-------------|----------------------|--|----------|
|                      |             |                      | held                                       | attended |
| Mr. R.K. Agarwal     | Chairman    | Independent Director | 5  | 5        |
| Mr. J.C. Chawla      | Member      | Independent Director | 5  | 4        |
| Mr. S.S. Agarwal     | Member      | Executive Director   | 5  | 4        |

### 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 attended the last Annual General Meeting. The Company Secretary acts as the Secretary of the Committee.

During the period ended March 31, 2020, 1 meeting of the Committee was held on May 28, 2019.

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 2019-20 |          |
|----------------------|-------------|------------------------|--|----------|
|                      |             |                        | Held                                       | attended |
| Mr. R.K. Agarwal     | Chairman    | Independent Director   | 1  | 1        |
| Mr. J.C. Chawla      | Member      | Independent Director   | 1  | 1        |
| Mr. V.K. Modi        | Member      | Non-Executive Director | 1  | 0        |

### Remuneration Policy

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.sbcsystems.com](http://www.sbcsystems.com).

### Remuneration to Directors

The Company does not pay any sitting fees/ remuneration to the 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 and Mr. J.C. Chawla. The Company Secretary of the Company acts as the Compliance Officer of the Committee.

During the financial year ended March 31, 2020, the Stakeholders' Relationship Committee met 4 times on 28.05.2019, 14.08.2019, 14.11.2019 and 18.02.2020.

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

| Name of the Member | Designation | Category               | Number of meetings during the year 2019-20 |          |
|--------------------|-------------|------------------------|--|----------|
|                    |             |                        | held                                       | attended |
| Mr. V.K. Modi      | Chairman    | Non-Executive Director | 4  | 3        |
| Mr. J.C. Chawla    | Member      | Non-Executive Director | 4  | 4        |
| Mr. S.S. Agarwal   | Member      | Executive Director     | 4  | 4        |

During the year, the Company has received 1 complaint from the shareholders. The details of the complaint received and redressed during the financial year 2019-20 are given below:

| Particulars                     | Status |
|---------------------------------|--------|
| Complaints as on April 1, 2019  | 0      |
| Received during the year        | 1      |
| Resolved during the year        | 1      |
| Complaints as on March 31, 2020 | 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](mailto:sbecsystems@rediffmail.com)

**6. 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   |
|----------------|--------------------|------------|------------------------------------|---|
| 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 |
| 2016-17        | September 28, 2017 | 11.30 a.m. | No                                 | 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 2019-20.

**(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 ensuing Annual General Meeting.

**7. 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.sbecsystems.com](http://www.sbecsystems.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.

**8. General Shareholder Information:**

**(a) 31<sup>st</sup> Annual General Meeting**

Date & Time : September 28, 2020 at 01.00 p.m.

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

(b) Financial Year of the Company: 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March 2020

(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:

| <b>Name &amp; Address of Stock Exchange</b>   | <b>Stock Code</b> |
|---|-------------------|
| The BSE Limited<br>25 <sup>th</sup> Floor, P.J. Towers,<br>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 23<sup>rd</sup> December, 2019. There was no trading since the revocation i.e. from 23<sup>rd</sup> December, 2019; they were last quoted on the Bombay Stock Exchange on 6<sup>th</sup> September 2001 at Rs. 2.30 per share.

**(f) Performance in comparison to broad based indices such as BSE sensex, 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, 3<sup>rd</sup> 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, 2020:**

| No of Shares     | Number of Shareholders | Number of Shares | % of total Shares |
|------------------|------------------------|------------------|-------------------|
| Upto 5000        | 18593                  | 3054154          | 94.20             |
| 5001 - 10000     | 746                    | 589311           | 3.77              |
| 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            | 19736                  | 10000000         | 100.00            |

**(j) Shareholding Pattern as on March 31, 2020:**

| 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  |
|  | <b>Total (A+B)</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

**9. 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](http://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 Company had received a show cause notice from Securities and Exchange Board of India ("SEBI") under section 11 and 11 B of the Securities and Exchange Board of India Act, 1992 on 17<sup>th</sup> September, 2018 in the matter of the SBEC Sugar Limited as our Company is a part of the promoter group of SBEC Sugar Limited.**

As per the said impugned order, the Promoter Group have violated the provisions of Regulation 3(2) of the Takeover Regulations, 2011 by acquiring shares in excess of the prescribed limit without making an public announcement under the Takeover Regulations. Although SBEC Systems (India) Ltd., did not acquired even a single share nor acted as persons acting in concert with the other promoters regarding above mentioned acquisition/adjustment of loan against the Target Company's shares.

Against the said impugned SEBI order, the Company had filed appeal No.1 (No.443/2018) before the Securities Appellate Tribunal, Mumbai. Whereas, the Promoter Group namely (Shri. Umesh Kumar Modi, Smt. Kumkum Modi, Shri Jayesh Modi, Longwell Investments Pvt. Ltd, A to Z Holdings Pvt. Ltd and Moderate Leasing and Capital Services Limited) had filed appeal No.2 (No.444/2018) before the Securities Appellate Tribunal, Mumbai

The Securities Appellate Tribunal vide its order dated 29.01.2020, has allowed the Appeal No.1 (No.443/2018) filed by M/s. SBEC Systems (India) Limited and also set aside the directions issued by the SEBI qua open offer.

Further, the Securities Appellate Tribunal has partly allowed Appeal No.2 (No.444/2018), whereby, the directions issued by SEBI for open offer qua Appellant nos. 1-4 i.e. Shri. Umesh Kumar Modi, Smt. Kumkum Modi, Shri. Jayesh Modi and M/s. Longwell Investment Private Limited has been set aside and the directions for Open Offer issued qua the Appellants no. 5 & 6 i.e. 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 have 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 29.01.2020.

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 31<sup>st</sup> 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.sbectsystems.com](http://www.sbectsystems.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.**

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.

**(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-E

**(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.**

- number of complaints filed during the financial year 2019-20: Nil
- number of complaints disposed of during the financial year 2019-20: Nil
- number of complaints pending as on end of the financial year 2019-20: Nil

**10. 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.sbectsystems.com](http://www.sbectsystems.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, 2020.

Place: New Delhi  
Date: 29.08.2020

sd/-  
S.S. Agarwal  
Chief Executive Officer

**11. 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.

Place: New Delhi  
Date: 29.08.2020

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

**Annexure-E****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, 2020 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       | Anupam Bansal          | 00004318 | 14.12.2005          |
| 2       | Vijay Kumar Modi       | 00004606 | 29.09.2004          |
| 3       | Rajeev Kumar Agarwal   | 00298252 | 21.05.2005          |
| 4       | Shiv Shankar Agarwal   | 00004840 | 22.01.2008          |
| 5       | Shyam Babu Vyas        | 02025415 | 21.05.2015          |
| 6       | Jagdish Chander Chawla | 05316202 | 21.05.2015          |
| 7       | Ritu Sikka             | 06953465 | 24.09.2014          |

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 : A029599B000580545

Place: Meerut  
Dated: 14.08.2020

**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, 2020 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)  
Prop.  
M. No. 029599  
UDIN : A029599B000580556

Place: Meerut  
Dated: 14.08.2020

**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 31st March, 2020, 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 31st March, 2020, 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. 26 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. 160.90 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. 25 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 31st March, 2020 taken on record by the Board of directors, none of the Directors is disqualified as on 31st March, 2020 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 Accountants

FRN: 000561N

sd/-

Mukesh Goyal

Partner

M. No. : 081810

UDIN:20081810AAAACR4303

Place: New Delhi

Date: 29.07.2020

#### 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, 2020

- We have audited the internal financial control with reference to financial statement of SBEC SYSTEMS (INDIA) LIMITED ("the Company") as of March 31, 2020 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
  - (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (2) 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
  - (3) 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, 2020, 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.

**For DOOGAR & ASSOCIATES**  
Chartered Accountants  
FRN: 000561N  
sd/-  
Mukesh Goyal  
Partner  
M. No. : 081810  
UDIN:20081810AAAACR4303

Place: New Delhi

Date: 29.07.2020

**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 31st March, 2020.

|       |   |
|-------|---|
| 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, 2020.  |
| 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.  |

**For DOOGAR & ASSOCIATES**  
Chartered Accountants  
FRN: 000561N  
sd/-  
Mukesh Goyal  
Partner  
M. No. : 081810  
UDIN:20081810AAAACR4303

Place: New Delhi

Date: 29.07.2020

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(in Rs.)

| Particulars                           | Note No. | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|---------------------------------------|----------|---------------------------|---------------------------|
| <b>A. ASSETS</b>                      |          |                           |                           |
| <b>1. Non-current assets</b>          |          |                           |                           |
| (a) Property, Plant and Equipment     | 3        | 28,667                    | 28,903                    |
| (b) Non Current Investment            | 4        | 6,86,02,183               | 6,86,02,183               |
|                                       |          | <b>6,86,30,850</b>        | 6,86,31,086               |
| <b>2. Current assets</b>              |          |                           |                           |
| (a) Cash and cash equivalents         | 5        | 96,272                    | 1,99,751                  |
| (b) Bank balances other than (a)above | 6        | 40,000                    | 40,000                    |
| (b) Short-term loans and advances     | 7        | 13,00,000                 | 13,07,200                 |
| (c) Other current assets              | 8        | 12,01,841                 | 57,79,446                 |
|                                       |          | <b>26,38,113</b>          | 73,26,397                 |
| <b>TOTAL</b>                          |          | <b>7,12,68,963</b>        | 7,59,57,483               |
| <b>B. EQUITY AND LIABILITIES</b>      |          |                           |                           |
| <b>1 Shareholders' funds</b>          |          |                           |                           |
| (a) Share capital                     | 9        | 10,00,00,000              | 10,00,00,000              |
| (b) Other Equity                      | 10       | (21,48,63,410)            | (20,35,07,394)            |
|                                       |          | <b>(11,48,63,410)</b>     | (10,35,07,394)            |
| <b>2. Non-current liabilities</b>     |          |                           |                           |
| (a) Financial Liabilities             |          |                           |                           |
| -Borrowings                           | 11       | 9,08,58,807               | 8,50,61,185               |
| (b) Long-term provisions              | 12       | 1,67,809                  | 1,26,231                  |
|                                       |          | <b>9,10,26,616</b>        | 8,51,87,416               |
| <b>3. Current liabilities</b>         |          |                           |                           |
| (a) Financial Liabilities             |          |                           |                           |
| -Borrowings                           | 13       | 9,47,99,201               | 9,07,94,801               |
| (b) Other current liabilities         | 14       | 3,06,556                  | 34,82,660                 |
|                                       |          | <b>9,51,05,757</b>        | 9,42,77,461               |
| <b>TOTAL</b>                          |          | <b>7,12,68,963</b>        | 7,59,57,483               |

**Significant Accounting Policies**

1-2

The accompanying notes are integral part of the Financial Statements.

As per our report of even date attached

sd/-  
For Doogar & Associates  
Chartered Accountants  
Firm Reg. No. 000561N

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

sd/-  
R.K. Agarwal  
Director  
DIN : 00298252

sd/-  
J.C. Chawla  
Director  
DIN: 05316202

sd/-  
Mukesh Goyal  
Partner  
Membership No. : 081810

sd/-  
Priyanka Negi  
Company Secretary  
M.No. 36819

sd/-  
Luv Gupta  
Chief Financial officer

Place : New Delhi  
Date : 29.07.2020

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(In Rs.)

| Particulars  | Note No. | Year ended<br>31.03.2020 | Year ended<br>31.03.2019 |
|--|----------|--------------------------|--------------------------|
| I Revenue from operations  | 15       | -                        | -                        |
| II Other income  | 16       | 1,56,000                 | 84,18,496                |
| III <b>Total revenue (I+II)</b>                                    |          | <b>1,56,000</b>          | <b>84,18,496</b>         |
| IV <b>Expenses:</b>  |          |                          |                          |
| Employee benefits expense  | 17       | 11,45,595                | 9,68,185                 |
| Finance costs  | 18       | 7,487                    | 11,553                   |
| Depreciation and amortisation expense                              | 19       | 236                      | 612                      |
| Other Expenses   | 20       | 87,64,334                | 72,91,515                |
| <b>Total expenses (IV)</b>   |          | <b>99,17,652</b>         | <b>82,71,865</b>         |
| V <b>Profit / (Loss) before exceptional items and tax (III-IV)</b> |          | <b>(97,61,652)</b>       | <b>1,46,631</b>          |
| VI Exceptional Items Income/(Expenses)                             | 21       | (14,09,064)              | (11,80,000)              |
| VII Profit / (Loss) after exceptional items and before tax (V-VI)  |          | (1,11,70,716)            | (10,33,369)              |
| VIII <b>Tax expense:</b>   |          |                          |                          |
| - Tax for Earlier Years  |          | 1,85,300                 | -                        |
| - Current Tax  |          | -                        | -                        |
| - Deferred Tax   |          | -                        | -                        |
| <b>Total</b>   |          | <b>1,85,300</b>          | <b>-</b>                 |
| IX <b>Profit / (Loss) for the year (VII-VIII)</b>                  |          | <b>(1,13,56,016)</b>     | <b>(10,33,369)</b>       |
| Earning per equity shares:   | 22       |                          |                          |
| (i) Basic  |          | (1.14)                   | (0.10)                   |
| (ii) Diluted   |          | (1.14)                   | (0.10)                   |

The accompanying notes are integral part of the financial Statements

As per our report of even date attached

For Doogar & Associates  
Chartered Accountants  
Firm Reg. No. 000561N

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

sd/-  
R.K. Agarwal  
Director  
DIN : 00298252

sd/-  
J.C. Chawla  
Director  
DIN: 05316202

sd/-  
Mukesh Goyal  
Partner  
Membership No. : 081810

sd/-  
Priyanka Negi  
Company Secretary  
M.No. 36819

sd/-  
Luv Gupta  
Chief Financial officer

Place : New Delhi  
Date : 29.07.2020

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(in Rs.)

|  | As At<br>March 31, 2020 | As At<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>  |                         |                         |
| Net Profit/(Loss) before tax and extraordinary items   | (1,11,70,716)           | (10,33,369)             |
| Adjustments for :  |                         |                         |
| Depreciation   | 236                     | 612                     |
| Interest Expense   | 7,487                   | 11,553                  |
| Interest Income  | (1,56,000)              | (1,56,000)              |
| Foreign Exchange fluctuation(net)  | 57,97,622               | 46,55,806               |
| Written back-Perdiem Charges   | -                       | (82,60,816)             |
| Interest for Earlier Years written back(Net)   | 14,09,064               | -                       |
| Service Tax (Cenvat Credit) Written off  | 82,400                  | -                       |
|  | <b>71,40,809</b>        | <b>(37,48,845)</b>      |
| <b>Operating profit/(Loss) before working capital changes</b>                                | <b>(40,29,907)</b>      | <b>(47,82,214)</b>      |
| Change in working Capital :  |                         |                         |
| (Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances excluding TDS | 7,200                   | (7,200)                 |
| (Increase)/Decrease in Inventories   | -                       | -                       |
| Increase /(Decrease) in Trade Payable and Provisions   | (77,685)                | 87,171                  |
|  | <b>(70,485)</b>         | <b>79,971</b>           |
| <b>Cash (used in) / Generated from operations</b>  | <b>(41,00,392)</b>      | <b>(47,02,243)</b>      |
| Income Tax/ TDS Paid/Refund  | -                       | -                       |
| <b>Net Cash (used) in / generation from operating activities</b>                             | <b>(41,00,392)</b>      | <b>(47,02,243)</b>      |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                         |                         |
| Interest received  | -                       | -                       |
| Purchase of fixed assets   | -                       | -                       |
| Proceeds from Sales of fixed assets  | -                       | -                       |
| <b>Net Cash (used) in/flow from investing activities</b>                                     | <b>-</b>                | <b>-</b>                |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |                         |                         |
| Proceeds from issue of share capital   | -                       | -                       |
| Proceeds from Long/Short term borrowings   | 40,04,400               | 47,42,428               |
| Interest paid  | (7,487)                 | (11,553)                |
| Repayment of long /Short term borrowings   | -                       | -                       |
| <b>NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES</b>                                   | <b>39,96,913</b>        | <b>47,30,875</b>        |
| <b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>                          | <b>(1,03,479)</b>       | <b>28,632</b>           |
| Cash and Cash equivalents at beginning of period   | 1,99,751                | 171,119                 |
| <b>Cash and Cash equivalents at end of the period (Note No 5)</b>                            | <b>96,272</b>           | <b>1,99,75</b>          |

\*Figures in bracket indicate cash outflow.

In terms of our report attached

For Doogar & Associates  
Chartered Accountants  
Firm Reg. No. 000561N

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

sd/-  
R.K. Agarwal  
Director  
DIN : 00298252

sd/-  
J.C. Chawla  
Director  
DIN: 05316202

Sd/-  
Mukesh Goyal  
Partner  
Membership No. : 081810  
Place : New Delhi  
Date : 29.07.2020

sd/-  
Priyanka Negi  
Company Secretary  
M.No. 36819

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 Statements for the Year Ended on 31<sup>st</sup> March, 2020

## NOTE - 3 : PROPERTY, PLANT AND EQUIPMENT

## Tangible assets

(in Rs.)

|                                    | GROSS BLOCK         |           |                         |                     | DEPRECIATION        |            |                         |                     | NET CARRYING AMOUNT |                     |  |
|------------------------------------|---------------------|-----------|-------------------------|---------------------|---------------------|------------|-------------------------|---------------------|---------------------|---------------------|--|
|                                    | As at<br>01.04.2019 | Additions | Deductions<br>/Disposal | As at<br>31.03.2020 | As at<br>01.04.2019 | Additions  | Deductions<br>/Disposal | As at<br>31.03.2020 | As at<br>31.03.2020 | As at<br>31.03.2019 |  |
| Plant and Equipment                | 17,591              | -         | -                       | 17,591              | 16,789              | -          | -                       | 16,789              | 802                 | 802                 |  |
| Furniture & Fixtures &<br>Fittings | 6,32,848            | -         | -                       | 6,32,848            | 6,08,158            | -          | -                       | 6,08,158            | 24,690              | 24,690              |  |
| Office Equipments                  | 63,530              | -         | -                       | 63,530              | 60,119              | 236        | -                       | 60,355              | 3,175               | 3,411               |  |
| <b>TOTAL</b>                       | <b>7,13,969</b>     | <b>-</b>  | <b>-</b>                | <b>7,13,969</b>     | <b>6,85,066</b>     | <b>236</b> | <b>-</b>                | <b>6,85,302</b>     | <b>28,667</b>       | <b>28,903</b>       |  |
| (Previous Year)                    | 7,13,969            | -         | -                       | 7,13,969            | 6,84,455            | 611        | -                       | 6,85,066            | 28,903              | -                   |  |

## NOTE 4 : NON- CURRENT INVESTMENT

(in Rs.)

|  | As at<br>31.03.2020       | As at<br>31.03.2019       |
|--|---------------------------|---------------------------|
| Trade Investment<br>(Quoted, Valued at Cost)   |                           |                           |
| <b>Investment</b>  |                           |                           |
| 31,57,716 Equity Shares of Rs. 10- each in<br>SBEC Sugar Limited (fully paid) @ Rs 10/- per share                                    | 3,15,77,160               | 3,15,77,160               |
| Less : Provision for Diminution (Refer Note No.26)   | <u>89,28,624</u>          | <u>2,26,48,536</u>        |
|  |                           | 89,28,624                 |
| 1,10,73,168 Equity Shares of Rs. 10/- each in<br>SBEC Sugar Limited (fully paid) @ Rs 10/- per share                                 | 11,07,31,680              | 11,07,31,680              |
| Less : Provision for Diminution (Refer Note No.26)   | <u>6,47,78,033</u>        | <u>4,59,53,647</u>        |
| <b>Total</b>   | <b><u>6,86,02,183</u></b> | <b><u>6,86,02,183</u></b> |
| Market value of quoted Investments<br>(Based on closing rate of Rs. 3.69 at BSE on 31.03.2020<br>Previous year @ Rs. 9.50 per share) |                           |                           |
|  |                           | 5,25,11,962               |
|  |                           | 13,51,96,533              |
| <b>NOTE 5 : CASH &amp; BANK BALANCES</b>   |                           |                           |
| Cash and Cash Equivalents  |                           |                           |
| Balance with Scheduled Banks in -  |                           |                           |
| -Current Accounts  |                           | 92,185                    |
| Cash & Stamps in hand  |                           | 4,087                     |
| <b>TOTAL</b>   |                           | <b><u>96,272</u></b>      |
| <b>NOTE 6 : OTHER BANK BALANCES</b>  |                           |                           |
| Other bank balances  |                           |                           |
| Fixed deposit with banks *   |                           | 40,000                    |
| <b>TOTAL</b>   |                           | <b><u>40,000</u></b>      |
| * Fixed Deposit Matured But Pledged with Sales Tax Authority   |                           |                           |
| <b>NOTE 7 : SHORT TERM LOAN &amp; ADVANCES</b>   |                           |                           |
| <b>Unsecured considered good</b>   |                           |                           |
| Advance recoverable in cash or in kind or for value to be received   |                           | 7200                      |
| Loans - Dinesh Rajvanshi   | 13,00,000                 | 13,00,000                 |
| <b>TOTAL</b>   | <b><u>13,00,000</u></b>   | <b><u>13,07,200</u></b>   |
| <b>NOTE 8 : OTHER CURRENT ASSETS</b>   |                           |                           |
| Income tax recoverable   |                           | 1,85,300                  |
| Service Tax -(Cenvat Credit)   |                           | 82,400                    |
| Interest receivable  | 12,01,841                 | 55,11,746                 |
| <b>TOTAL</b>   | <b><u>12,01,841</u></b>   | <b><u>57,79,446</u></b>   |

**NOTE 9: SHARE CAPITAL**

(in Rs.)

|   | As at<br>31.03.2020 | As at<br>31.03.2019 |
|---|---------------------|---------------------|
| <b>AUTHORISED CAPITAL</b>   |                     |                     |
| 15,000,000 Equity Shares of Rs.10/- each.   | <b>15,00,00,000</b> | 15,00,00,000        |
| <b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>  |                     |                     |
| 10,000,000 Equity Shares of Rs.10/- each fully paid-up<br>(Previous year 10,000,000 Equity Shares of Rs.10/- each<br>fully paid-up) | <b>10,00,00,000</b> | 10,00,00,000        |
| Less: Calls in arrear   | -                   | -                   |
| <b>TOTAL</b>  | <b>10,00,00,000</b> | 10,00,00,000        |
| a. Reconciliation of number of shares (nos.)  |                     |                     |
| Outstanding at the beginning of the year  | <b>1,00,00,000</b>  | 1,00,00,000         |
| Outstanding at the end of the year  | <b>1,00,00,000</b>  | 1,00,00,000         |

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 2020 |              | As at 31st March 2019 |       |
|--------------------------------|-----------------------|--------------|-----------------------|-------|
| Mr. Umesh Kumar Modi           | <b>2079560</b>        | <b>20.8%</b> | 2079560               | 20.8% |
| SBEC Systems Limited           | <b>2040000</b>        | <b>20.4%</b> | 2040000               | 20.4% |
| Longwell Investments Pvt. Ltd. | <b>550000</b>         | <b>5.50%</b> | 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<br>31.03.2020   | As at<br>31.03.2019 |
|---|-----------------------|---------------------|
| Share Premium Reserve                                   |                       |                     |
| Opening balance   | <b>19,261,774</b>     | 19,261,774          |
| Add:Addtion during the year                             | -                     | -                   |
| Closing Balance   | <b>19,261,774</b>     | 19,261,774          |
| <b>Surplus /(Deficit)</b>                               |                       |                     |
| Opening balance   | <b>(22,27,69,168)</b> | (22,17,35,799)      |
| <b>Profit(loss) for the year</b>                        | <b>(1,13,56,016)</b>  | (10,33,369)         |
| Net surplus in the statement of Profit and loss account | <b>(23,41,25,184)</b> | (22,27,69,168)      |
| <b>TOTAL</b>  | <b>(21,48,63,410)</b> | (20,35,07,394)      |

**NOTE 11 : BORROWINGS**

|                                     | (in Rs.)            |                     |
|-------------------------------------|---------------------|---------------------|
|                                     | As at<br>31.03.2020 | As at<br>31.03.2019 |
| <b>Unsecured</b>                    |                     |                     |
| Foreign Currency Loan From Overseas | 7,56,92,382         | 6,98,94,760         |
| Corporate Body (Refer Note No.24 )  |                     |                     |
| Rupee Loans                         |                     |                     |
| Body Corporate                      | 1,51,66,425         | 1,51,66,425         |
| <b>Total</b>                        | <b>9,08,58,807</b>  | <b>8,50,61,185</b>  |

**NOTE 12 : LONG TERM PROVISIONS**

|                                   |                 |                 |
|-----------------------------------|-----------------|-----------------|
| Provision for Employee Benefits : |                 |                 |
| For Gratuity                      | 1,67,809        | 1,26,231        |
| <b>TOTAL</b>                      | <b>1,67,809</b> | <b>1,26,231</b> |

**NOTE 13 : SHORT TERM BORROWINGS**

|                           |                    |                    |
|---------------------------|--------------------|--------------------|
| <b>Unsecured</b>          |                    |                    |
| Loans repayable on demand |                    |                    |
| From Corporate            | 9,47,99,201        | 9,07,94,801        |
| <b>TOTAL</b>              | <b>9,47,99,201</b> | <b>9,07,94,801</b> |

**NOTE 14 : OTHER CURRENT LIABILITIES**

|                                      |                 |                  |
|--------------------------------------|-----------------|------------------|
| Interest accrue and due on borrowing | -               | 30,56,841        |
| Salaries, wages & bonus              | 76,254          | 71,323           |
| Other liabilities*                   | 2,06,268        | 2,94,802         |
| Statutory dues payable               | 24,034          | 59,694           |
| <b>TOTAL</b>                         | <b>3,06,556</b> | <b>34,82,660</b> |

**NOTE 15 : REVENUE FROM OPERATIONS**

|              | (in Rs.) |          |
|--------------|----------|----------|
| Sales        | -        | -        |
| Less : GST   | -        | -        |
| <b>TOTAL</b> | <b>-</b> | <b>-</b> |

**NOTE 16 : OTHER INCOME**

|                               |                 |                  |
|-------------------------------|-----------------|------------------|
| Foreign Exchange fluctuation  | -               | -                |
| Interest                      | 1,56,000        | 1,56,000         |
| Other Income                  | -               | 1680             |
| Written back -Perdiem Charges | -               | 82,60,816        |
| <b>TOTAL</b>                  | <b>1,56,000</b> | <b>84,18,496</b> |

**NOTE 17 : EMPLOYEE BENEFIT EXPENSES**

|   |                  |                 |
|---|------------------|-----------------|
| Salary, Wages, Bonus & other allowances           | 10,43,235        | 9,03,644        |
| Company's Contribution To Provident & Other Funds | 60,782           | 63,341          |
| Gratuity  | 41,578           | -               |
| Entertainment Expenses                            | -                | 1200            |
| <b>TOTAL</b>                                      | <b>11,45,595</b> | <b>9,68,185</b> |

**NOTE 18: FINANCE COST**

|                   |              |               |
|-------------------|--------------|---------------|
| Interest - Others | 7,273        | 10,488        |
| Bank Charges      | 214          | 1,065         |
| <b>TOTAL</b>      | <b>7,487</b> | <b>11,553</b> |

**NOTE 19: DEPRECIATION & AMORTIZATION EXPENSES**

|                             |            |            |
|-----------------------------|------------|------------|
| Depreciation & Amortization | 236        | 612        |
| <b>TOTAL</b>                | <b>236</b> | <b>612</b> |



|   | (in Rs.)            |                     |
|---|---------------------|---------------------|
|   | As at<br>31.03.2020 | As at<br>31.03.2019 |
| <b>NOTE 20 : OTHER EXPENSES</b>         |                     |                     |
| Auditor's Remuneration                  |                     |                     |
| -As Audit Fee                           | 59,000              | 59,000              |
| -Certification and Company Law          | 18,290              | 11,800              |
| Telephone, Postage & Telegram           | 27,051              | 16,971              |
| Legal & Professional Charges            | 15,58,558           | 8,29,564            |
| Travelling & Conveyance                 | 4,230               | 9,905               |
| Printing & Stationery                   | 5,879               | 600                 |
| Filing Fee                              | 5,500               | 16,200              |
| Misc. Expenses                          | 29,537              | 1990                |
| Vehicle Running Expenses                | 55,302              | 31,617              |
| Foreign Exchange fluctuation            | 57,97,622           | 46,55,806           |
| Service Tax (Cenvat Credit) Written off | 82,400              | -                   |
| Secretarial & AGM Expenses              | 11,20,965           | 16,58,062           |
| <b>TOTAL</b>                            | <b>87,64,334</b>    | <b>72,91,515</b>    |

**NOTE 21: EXCEPTIONAL ITEMS INCOME/(EXPENDITURE)**

|  |                  |           |
|--|------------------|-----------|
| Reinstatement Fees                                     | -                | 11,80,000 |
| (Revocation of suspension in trading of equity shares) |                  |           |
| Interest for Earlier Years written off (Net)           | <b>14,09,064</b> |           |
|  | <b>14,09,064</b> | 11,80,000 |

**NOTE 22: EARNING PER SHARE(EPS)**

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

|  |               |             |
|--|---------------|-------------|
| Profit /(Loss) after tax for the year                                  | (1,13,56,016) | (10,33,369) |
| Weighted Average number of equity shares of Rs.10/- each fully paid up | 1,00,00,000   | 1,00,00,000 |
| Basic & Diluted Earnings per share                                     | (1.14)        | (0.10)      |

**NOTE 23: Contingent liabilities not provided for in respect of:-**

| Particulars                       | Current Year | Previous Year |
|-----------------------------------|--------------|---------------|
| Interest on Foreign Currency Loan | 2,12,38,282@ | 1,96,11,545@  |

@ In terms of agreement dated 14<sup>th</sup> December 2005 entered with Occident Orient Company Limited, with the 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 24 :** The accounts of the Company for the year ending 31.03.20 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 25 :** Reversal of diminution of Current Quoted investment aggregating Rs.7,37,06,657/- (Previous Year 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. 1,60,90,221/- (Previous Year Rs. ,65,94,350/-)

**NOTE 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 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 Office  
Ms. 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)<br>above | Referred in 1(b)<br>above | Referred in 1(c)<br>above | Referred in 1(e)<br>above |
|--------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Remuneration                         | -                         | -                         | 5,43,544                  | -                         |
|                                      | (-)                       | (-)                       | (5,55,250)                | (-)                       |
| Expenses Paid Secretarial            | -                         | -                         | -                         | 1,49,439                  |
| Expenses /Printing & Stationery etc. | (-)                       | (-)                       | (-)                       | (2,06,080)                |
| Outstanding Payable                  | 128,37,523                | -                         | 41,411                    | 23,37,050                 |
|                                      | (128,37,523)              | (-)                       | (38,163)                  | (23,54,441)               |
| Equity Contribution                  | 14,23,08,840              | -                         | -                         | -                         |
|                                      | (14,23,08,840)            | -                         | -                         | -                         |

**NOTE 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 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.)

|   | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 |
|---|---------|---------|---------|---------|---------|
|   | Year    | Year    | Year    | Year    | Year    |
| Employer's contribution to provident fund | 60,782  | 63,341  | 64,721  | 59,490  | 46,855  |

**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<br>Year Ending 31.03.20 | Gratuity For The<br>Year Ending 31.03.19 | Gratuity For The<br>Year Ending 31.03.18 | Gratuity For The<br>Year Ending 31.03.17 | Gratuity For The<br>Year Ending 31.03.16 |
|----------------------------------|--|--|--|--|--|
| DBP at the beginning of the year | 1,26,231                                 | 1,26,231                                 | 85,709                                   | 75,672                                   | 45,994                                   |
| Interest Cost                    | -  | -  | -  | -  | -  |
| Current Service Cost             | 41,578                                   | -  | 40,522                                   | 10,037                                   | 29,678                                   |
| Benefits Paid/written back       | Nil                                      | Nil                                      | Nil                                      | Nil                                      | Nil                                      |

|                            |          |          |          |        |        |
|----------------------------|----------|----------|----------|--------|--------|
| Actuarial (gain)/loss      | Nil      | Nil      | Nil      | Nil    | Nil    |
| DBP at the end of the year | 1,67,809 | 1,26,231 | 1,26,231 | 85,709 | 75,672 |

## 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                           | 1,67,809 | 1,26,231 | 1,26,231 | 85,709 | 75,672 |
| Net asset/(liability) recognized in the Balance Sheet | 1,67,809 | 1,26,231 | 1,26,231 | 85,709 | 75,672 |

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

|  |        |     |        |        |        |
|--|--------|-----|--------|--------|--------|
| Interest Cost  | Nil    | Nil | Nil    | Nil    | Nil    |
| Current Service Cost                                   | 41,578 | Nil | 40,522 | 10,037 | 29,678 |
| 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  | 41,578 | Nil | 40,522 | 10,037 | 29,678 |

## 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<br>Duly Modified | 1994-96<br>Duly Modified | 1994-96<br>Duly Modified | 1994-96<br>Duly Modified | 1994-96<br>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 30 : NOTES RELATED TO INDIAN ACCOUNTING STANDARDS

### (A) Statement of changes in Equity

| Particulars     | Previous<br>01.04.2019 | Effect of<br>Changes in<br>Share Capital | Ind AS<br>31.03.2019 | Effect of<br>Changes in<br>Share Capital | Ind AS<br>31.03.2020 |
|-----------------|------------------------|--|----------------------|--|----------------------|
| 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 01.04.2018        | 1,92,61,774           | (22,17,35,799)        | (20,24,74,025)        |
| Add: Addition During the year           | -                     | (10,33,369)           | (10,33,369)           |
| : Loss for the Year                     | -                     | -                     | -                     |
| <b>Closing Balance as on 31.03.2019</b> | <b>1,92,61,774</b>    | <b>(22,27,69,168)</b> | <b>(20,35,07,394)</b> |
| Opening Balance as on 01.04.2019        | 1,92,61,774           | (22,27,69,168)        | (20,35,07,394)        |
| Add: Addition During the year           | -                     | (1,13,56,016)         | (1,13,56,016)         |
| : Loss for the Year                     | -                     | -                     | -                     |
| <b>Closing Balance as on 31.03.2020</b> | <b>1,92,61,774</b>    | <b>(23,41,25,184)</b> | <b>(21,48,63,410)</b> |

NOTE 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<br>(Nil) |
| b) EXPENDITURE IN FOREIGN CURRENCY (On cash basis) |              |
| Interest Payment                                   | Nil<br>(Nil) |
| c) EARNINGS IN FOREIGN EXCHANGE                    | Nil<br>(Nil) |
| d) CIF VALUE OF IMPORTS                            | Nil<br>(Nil) |

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

sd/-  
R.K. Agarwal  
Director  
DIN : 00298252

sd/-  
J.C. Chawla  
Director  
DIN: 05316202

sd/-  
Mukesh Goyal  
Partner  
Membership No. : 081810

sd/-  
Priyanka Negi  
Company Secretary  
M.No. 36819

sd/-  
Luv Gupta  
Chief Financial officer

Place : New Delhi  
Date : 29.07.2020

**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 31st March, 2020, 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 31st March, 2020, 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. 25 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 Consolidated 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 31st March, 2020, 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:

- 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.
- 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.
- 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.
- 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.
- On the basis of the written representations received from the directors as on 31st March, 2020 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 31st March, 2020 from being appointed as a Director in terms of Section 164(2) of the Act.
- 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.
- 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.
- 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:
  - The company and its Associates does not have any pending litigations which would impact its financial statements
  - The Company and its Associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company and its Associate Companies.

For DOOGAR & ASSOCIATES  
Chartered Accountants  
FRN: 000561N  
sd/-  
Mukesh Goyal  
Partner  
M. No. : 081810  
UDIN:20081810AAAACS1277

Place: New Delhi  
Date: 29.07.2020

**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 Systems (India) Limited on the financial statements for the year ended March 31, 2020

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, 2020 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 statement, 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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, 2020, 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: 29.07.2020

For DOOGAR & ASSOCIATES  
Chartered Accountants  
FRN: 000561N  
sd/-  
Mukesh Goyal  
Partner  
M. No. : 081810  
UDIN:20081810AAAACS1277

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

(in Rs.)

| Particulars                           | Note No. | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|---------------------------------------|----------|---------------------------|---------------------------|
| <b>A ASSETS</b>                       |          |                           |                           |
| <b>1 Non-current assets</b>           |          |                           |                           |
| (a) Property, Plant and Equipment     | 3        | 28,667                    | 28,903                    |
| (b) Non Current Investment            | 4        | -                         | -                         |
|                                       |          | <b>28,667</b>             | <b>28,903</b>             |
| <b>2 Current assets</b>               |          |                           |                           |
| (a) Cash and cash equivalents         | 5        | 96,272                    | 1,99,751                  |
| (b) Bank balances other than (a)above | 6        | 40,000                    | 40,000                    |
| (b) Short-term loans and advances     | 7        | 13,00,000                 | 13,07,200                 |
| (c) Other current assets              | 8        | 12,01,841                 | 57,79,446                 |
|                                       |          | <b>26,38,113</b>          | <b>73,26,397</b>          |
| <b>TOTAL</b>                          |          | <b>26,66,780</b>          | <b>73,55,300</b>          |
| <b>B EQUITY AND LIABILITIES</b>       |          |                           |                           |
| <b>1. Shareholders' funds</b>         |          |                           |                           |
| (a) Share capital                     | 9        | 10,00,00,000              | 10,00,00,000              |
| (b) Other Equity                      | 10       | (28,34,65,593)            | (27,21,09,577)            |
|                                       |          | <b>(18,34,65,593)</b>     | <b>(17,21,09,577)</b>     |
| <b>2. Non-current liabilities</b>     |          |                           |                           |
| (a) Financial Liabilities             |          |                           |                           |
| -Borrowings                           | 11       | 9,08,58,807               | 8,50,61,185               |
| (b) Long-term provisions              | 12       | 1,67,809                  | 1,26,231                  |
|                                       |          | <b>9,10,26,616</b>        | <b>8,51,87,416</b>        |
| <b>3. Current liabilities</b>         |          |                           |                           |
| (a) Financial Liabilities             |          |                           |                           |
| -Borrowings                           | 13       | 9,47,99,201               | 9,07,94,801               |
| (b) Other current liabilities         | 14       | 3,06,556                  | 34,82,660                 |
|                                       |          | <b>9,51,05,757</b>        | <b>9,42,77,461</b>        |
| <b>TOTAL</b>                          |          | <b>26,66,780</b>          | <b>73,55,300</b>          |

## Significant Accounting Policies

1-2

The accompanying notes are integral part of the Financial Statements.

As per our report of even date attached

sd/-  
For Doogar & Associates  
Chartered Accountants  
Firm Reg. No. 000561N

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

sd/-  
R.K. Agarwal  
Director  
DIN : 00298252

sd/-  
J.C. Chawla  
Director  
DIN: 05316202

sd/-  
Mukesh Goyal  
Partner  
Membership No. : 081810

sd/-  
Priyanka Negi  
Company Secretary  
M.No. 36819

sd/-  
Luv Gupta  
Chief Financial officer

Place : New Delhi  
Date : 29.07.2020



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(In Rs.)

| Particulars  | Note No. | Year ended<br>31.03.2020 | Year ended<br>31.03.2019 |
|--|----------|--------------------------|--------------------------|
| I Revenue from operations  | 15       | -                        | -                        |
| II Other income  | 16       | 1,56,000                 | 84,18,496                |
| III <b>Total revenue (I+II)</b>                                    |          | <b>1,56,000</b>          | <b>84,18,496</b>         |
| IV <b>Expenses:</b>  |          |                          |                          |
| Employee benefits expense  | 17       | 11,45,595                | 9,68,185                 |
| Finance costs  | 18       | 7,487                    | 11,553                   |
| Depreciation and amortisation expense                              | 19       | 236                      | 612                      |
| Other Expenses   | 20       | 87,64,334                | 72,91,515                |
| <b>Total expenses (IV)</b>   |          | <b>99,17,652</b>         | <b>82,71,865</b>         |
| V <b>Profit / (Loss) before exceptional items and tax (III-IV)</b> |          | <b>(97,61,652)</b>       | <b>1,46,631</b>          |
| VI Exceptional Items Income/(Expenses)                             | 21       | (14,09,064)              | (11,80,000)              |
| VII Profit / (Loss) after exceptional items and before tax (V-VI)  |          | <b>(1,11,70,716)</b>     | <b>(10,33,369)</b>       |
| VIII Share of Profit/(Loss) of Associates                          |          | -                        | (10,16,36,228)           |
| VIII <b>Tax expense:</b>   |          |                          |                          |
| - Tax for Earlier Years  |          | 1,85,300                 | -                        |
| - Current Tax  |          | -                        | -                        |
| - Deferred Tax   |          | -                        | -                        |
| <b>Total</b>   |          | <b>1,85,300</b>          | <b>-</b>                 |
| IX <b>Profit / (Loss) for the year (VII-VIII)</b>                  |          | <b>(1,13,56,016)</b>     | <b>(10,26,69,597)</b>    |
| <b>Earning per equity shares:</b>                                  | 22       |                          |                          |
| (i) Basic  |          | (1.14)                   | (10.27)                  |
| (ii) Diluted   |          | (1.14)                   | (10.27)                  |

The accompanying notes are integral part of the financial Statements  
As per our report of even date attached

For Doogar & Associates  
Chartered Accountants  
Firm Reg. No. 000561N

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

sd/-  
R.K. Agarwal  
Director  
DIN : 00298252

sd/-  
J.C. Chawla  
Director  
DIN: 05316202

sd/-  
Mukesh Goyal  
Partner  
Membership No. : 081810

sd/-  
Priyanka Negi  
Company Secretary  
M.No. 36819

sd/-  
Luv Gupta  
Chief Financial officer

Place : New Delhi  
Date : 29.07.2020

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(In Rs.)

|   | For the year<br>ended 31.03.2020 | For the Year<br>ended 31.03.2019 |
|---|----------------------------------|----------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>   |                                  |                                  |
| Net Profit/(Loss) before tax and extraordinary items  | (1,11,70,716)                    | (10,26,69,597)                   |
| Adjustments for :   |                                  |                                  |
| Depreciation  | 236                              | 612                              |
| Interest Expense  | 7,487                            | 11,553                           |
| Interest Income   | (1,56,000)                       | (1,56,000)                       |
| Foreign Exchange fluctuation (net)  | 57,97,622                        | 46,55,806                        |
| Written back -Perdiem Charges   | -                                | (82,60,816)                      |
| Interest for Earlier Years written back (Net)   | 14,09,064                        | -                                |
| Share of Profit/(Loss)of Associates   |                                  | 10,16,36,228                     |
| Services Tax (Cenvat Credit) Written off  | 82,400                           | -                                |
|   | <b>71,40,809</b>                 | <b>9,78,87,383</b>               |
| <b>Operating profit/(Loss) before working capital changes</b>                                   | <b>(40,29,907)</b>               | <b>(47,82,214)</b>               |
| Change in working Capital :   |                                  |                                  |
| (Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances<br>excluding TDS | 7,200                            | (7,200)                          |
| (Increase)/Decrease in Inventories  |                                  | -                                |
| Increase /(Decrease) in Trade Payable and Provisions  | (77,685)                         | 87,171                           |
|   | <b>(70,485)</b>                  | <b>79,971</b>                    |
| <b>Cash (used in) / Generated from operations</b>   | <b>(41,00,392)</b>               | <b>(47,02,243)</b>               |
| Income Tax/ TDS Paid/Refund   | -                                | -                                |
| Net Cash (used) in / generation from operating activities                                       | <b>(41,00,392)</b>               | <b>(47,02,243)</b>               |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                                  |                                  |
| Interest received   | -                                | -                                |
| Purchase of fixed assets  | -                                | -                                |
| Proceeds from Sales of fixed assets   | -                                | -                                |
| Net Cash (used) in/flow from investing activities   | -                                | -                                |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>   |                                  |                                  |
| Proceeds from issue of share capital  | -                                | -                                |
| Proceeds from Long/Short term borrowings  | 40,04,400                        | 47,42,428                        |
| Interest paid   | (7,487)                          | (11,553)                         |
| Repayment of long /Short term borrowings  | -                                | -                                |
| <b>NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES</b>                                      | <b>39,96,913</b>                 | <b>47,30,875</b>                 |
| <b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>                             | <b>(1,03,479)</b>                | <b>28,632</b>                    |
| Cash and Cash equivalents at beginning of period  | 1,99,751                         | 1,71,119                         |
| <b>Cash and Cash equivalents at end of the period (Note No 5)</b>                               | <b>96,272</b>                    | <b>1,99,751</b>                  |

\*Figures in bracket indicate cash outflow.

In terms of our report attached

For Doogar & Associates  
Chartered Accountants  
Firm Reg. No. 000561N

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

sd/-  
R.K. Agarwal  
Director  
DIN : 00298252

sd/-  
J.C. Chawla  
Director  
DIN: 05316202

sd/-  
Mukesh Goyal  
Partner  
Membership No. : 081810

sd/-  
Priyanka Negi  
Company Secretary  
M.No. 36819

sd/-  
Luv Gupta  
Chief Financial officer

Place : New Delhi  
Date : 29.07.2020

**ACCOUNTING POLICIES OF THE CONSOLIDATED 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 Statements for the Year Ended on 31<sup>st</sup> March, 2020

## NOTE - 3 : PROPERTY, PLANT AND EQUIPMENT

## Tangible assets

in Rs.

| Particulars                     | Gross Block         |           |                         |                     |                     |           |                         |                     |                     |                     |
|---------------------------------|---------------------|-----------|-------------------------|---------------------|---------------------|-----------|-------------------------|---------------------|---------------------|---------------------|
|                                 | As at<br>01.04.2019 | Additions | Deductions<br>/Disposal | As at<br>31.03.2020 | As at<br>31.03.2019 | Additions | Deductions<br>/Disposal | As at<br>31.03.2020 | As at<br>31.03.2020 | As at<br>31.03.2019 |
| Plant and Equipment             | 17,591              | -         | -                       | 17,591              | 16,789              | -         | -                       | 16,789              | 802                 | 802                 |
| Furniture & Fixtures & Fittings | 6,32,848            | -         | -                       | 6,32,848            | 6,08,158            | -         | -                       | 6,08,158            | 24,690              | 24,690              |
| Office Equipments               | 63,530              | -         | -                       | 63,530              | 60,119              | 236       | -                       | 60,355              | 3,175               | 3,411               |
| <b>TOTAL</b>                    | 7,13,969            | -         | -                       | 713,969             | 6,85,066            | 236       | -                       | 6,85,302            | 28,667              | 28,903              |
| (Previous Year)                 | 7,13,969            | -         | -                       | 713,969             | 6,84,455            | 611       | -                       | 6,85,066            | 28,903              | -                   |

## NOTE 4 : NON- CURRENT INVESTMENT

(in Rs.)

|  | As at<br>31.03.2020 | As at<br>31.03.2019 |
|--|---------------------|---------------------|
| Trade Investment<br>(Quoted, Valued at Cost)   |                     |                     |
| <b>Investment</b>  |                     |                     |
| 31,57,716 Equity Shares of Rs. 10- each in<br>SBEC Sugar Limited (fully paid) @ Rs 10/- per share                                    | -                   | 2,25,52,242         |
| Less : Provision for Diminution(Refer Note No.26)  | -                   | 2,25,52,242         |
| 1,10,73,168 Equity Shares of Rs. 10/- each in<br>SBEC Sugar Limited (fully paid) @ Rs 10/- per share                                 | -                   | 7,90,83,986         |
| Less : Provision for Diminution(Refer Note No.26)  | -                   | 7,90,83,986         |
| <b>TOTAL</b>   |                     |                     |
| Market value of quoted Investments<br>(Based on closing rate of Rs. 3.69 at BSE on 31.03.2020<br>Previous year @ Rs. 9.50 per share) | 5,25,11,962         | 13,51,96,533        |

## NOTE 5 : CASH &amp; BANK BALANCES

## Cash and Cash Equivalents

Balance with Scheduled Banks in -

- Current Accounts

Cash &amp; Stamps in hand

## TOTAL

92,185

1,76,704

4,087

23,047

96,272

1,99,751

## NOTE 6 : OTHER BANK BALANCES

## Other bank balances

Fixed deposit with banks \*

## TOTAL

40,000

40,000

40,000

40,000

\* Fixed Deposit Matured But Pledged with Sales Tax Authority

## NOTE 7 : SHORT TERM LOAN &amp; ADVANCES

## Unsecured considered good

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

Loans - Dinesh Rajvanshi

## TOTAL

-

7,200

13,00,000

13,00,000

13,00,000

13,07,200

## NOTE 8 : OTHER CURRENT ASSETS

Income tax recoverable

Service Tax -(Cenvat Credit)

Interest receivable

## TOTAL

-

1,85,300

-

82,400

12,01,841

55,11,746

12,01,841

57,79,446

**NOTE 9: SHARE CAPITAL**

(in Rs.)

|  | As at<br>31.03.2020 | As at<br>31.03.2019 |
|--|---------------------|---------------------|
| <b>AUTHORISED CAPITAL</b>  |                     |                     |
| 15,000,000 Equity Shares of Rs.10/- each.  | <b>15,00,00,000</b> | 15,00,00,000        |
| <b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>   |                     |                     |
| 10,000,000 Equity Shares of Rs.10/- each fully paid-up<br>(Previous year 10,000,000 Equity Shares of Rs.10/- each fully paid-up) | <b>10,00,00,000</b> | 10,00,00,000        |
| Less: Calls in arrear  | -                   | -                   |
| <b>TOTAL</b>   | <b>10,00,00,000</b> | 10,00,00,000        |

- a. Reconciliation of number of shares (nos.)
- |  |                    |             |
|--|--------------------|-------------|
| Outstanding at the beginning of the year | <b>1,00,00,000</b> | 1,00,00,000 |
| Outstanding at the end of the year       | <b>1,00,00,000</b> | 1,00,00,000 |
- 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 2020 |              | As at 31st March 2019 |       |
|--------------------------------|-----------------------|--------------|-----------------------|-------|
|                                |                       |              |                       |       |
| Mr. Umesh Kumar Modi           | <b>2079560</b>        | <b>20.8%</b> | 2079560               | 20.8% |
| SBEC Systems Limited           | <b>2040000</b>        | <b>20.4%</b> | 2040000               | 20.4% |
| Longwell Investments Pvt. Ltd. | <b>550000</b>         | <b>5.50%</b> | 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<br>31.03.2020   | As at<br>31.03.2019 |
|---|-----------------------|---------------------|
| <b>Share Premium Reserve</b>                            |                       |                     |
| Opening balance   | <b>1,92,61,774</b>    | 1,92,61,774         |
| Add:Addtion during the year                             | -                     | -                   |
| Closing Balance   | <b>1,92,61,774</b>    | 1,92,61,774         |
| <b>Surplus /(Deficit)</b>                               |                       |                     |
| Opening balance   | <b>(29,13,71,351)</b> | (18,87,01,753)      |
| <b>Profit(loss) for the year</b>                        | <b>(1,13,56,016)</b>  | (10,26,69,597)      |
| Net surplus in the statement of Profit and loss account | <b>(30,27,27,367)</b> | (29,13,71,351)      |
| <b>TOTAL</b>  | <b>(28,34,65,593)</b> | (27,21,09,577)      |

**NOTE 11 : BORROWINGS**

(in Rs.)

|  | As at<br>31.03.2020 | As at<br>31.03.2019 |
|--|---------------------|---------------------|
| <b>Unsecured</b>   |                     |                     |
| Foreign Currency Loan From Overseas Corporate Body (Refer Note No.24 ) | 7,56,92,382         | 6,98,94,760         |
| <b>Rupee Loans</b>   |                     |                     |
| Body Corporate   | 1,51,66,425         | 1,51,66,425         |
| <b>TOTAL</b>   | <b>9,08,58,807</b>  | <b>8,50,61,185</b>  |

**NOTE 12 : LONG TERM PROVISIONS**

**Provision for Employee Benefits :**

|              |                 |                 |
|--------------|-----------------|-----------------|
| For Gratuity | 1,67,809        | 1,26,231        |
| <b>TOTAL</b> | <b>1,67,809</b> | <b>1,26,231</b> |

**NOTE 13 : SHORT TERM BORROWINGS**

**Unsecured**

|  |                    |                    |
|--|--------------------|--------------------|
| Loans repayable on demand From Corporate | 9,47,99,201        | 9,07,94,801        |
| <b>TOTAL</b>                             | <b>9,47,99,201</b> | <b>9,07,94,801</b> |

**NOTE 14 : OTHER CURRENT LIABILITIES**

|                                      |                 |                  |
|--------------------------------------|-----------------|------------------|
| Interest accrue and due on borrowing | -               | 30,56,841        |
| Salaries, wages & bonus              | 76,254          | 71,323           |
| Other liabilities                    | 2,06,268        | 2,94,802         |
| Statutory dues payable               | 24,034          | 59,694           |
| <b>TOTAL</b>                         | <b>3,06,556</b> | <b>34,82,660</b> |

**NOTE 15 : REVENUE FROM OPERATIONS**

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

**NOTE 16 : OTHER INCOME**

|                                   |                 |                  |
|-----------------------------------|-----------------|------------------|
| Foreign Exchange fluctuation(net) | -               | -                |
| Interest                          | 1,56,000        | 1,56,000         |
| Other Income                      | -               | 1,680            |
| Written back -Perdiem Charges     | -               | 82,60,816        |
| <b>TOTAL</b>                      | <b>1,56,000</b> | <b>84,18,496</b> |

**NOTE 17 : EMPLOYEE BENEFIT EXPENSES**

|   |                  |                 |
|---|------------------|-----------------|
| Salary, Wages, Bonus & other allowances           | 10,43,235        | 9,03,644        |
| Company's Contribution To Provident & Other Funds | 60,782           | 63,341          |
| Gratuity  | 41,578           | -               |
| Entertainment Expenses                            | -                | 1200            |
| <b>TOTAL</b>                                      | <b>11,45,595</b> | <b>9,68,185</b> |

**NOTE 18: FINANCE COST**

|                   |              |               |
|-------------------|--------------|---------------|
| Interest - Others | 7,273        | 10,488        |
| Bank Charges      | 214          | 1,065         |
| <b>TOTAL</b>      | <b>7,487</b> | <b>11,553</b> |

**NOTE 19: DEPRECIATION & AMORTIZATION EXPENSES**

(in Rs.)

|                             | Year ended<br>31.03.2020 | Year ended<br>31.03.2019 |
|-----------------------------|--------------------------|--------------------------|
| Depreciation & Amortization | 236                      | 612                      |
| <b>TOTAL</b>                | <b>236</b>               | <b>612</b>               |

**NOTE 20 : OTHER EXPENSES**

|   |                  |                  |
|---|------------------|------------------|
| Auditor's Remuneration                  |                  |                  |
| -As Audit Fee                           | 59,000           | 59,000           |
| -Certification and Company Law          | 18,290           | 11,800           |
| Telephone, Postage & Telegram           | 27,051           | 16,971           |
| Legal & Professional Charges            | 15,58,558        | 8,29,564         |
| Travelling & Conveyance                 | 4,230            | 9,905            |
| Printing & Stationery                   | 5,879            | 600              |
| Filing Fee                              | 5,500            | 16,200           |
| Misc. Expenses                          | 29,537           | 1,990            |
| Vehicle Running Expenses                | 55,302           | 31,617           |
| Foreign Exchange fluctuation            | 57,97,622        | 46,55,806        |
| Service Tax (Cenvat Credit) Written off | 82,400           | -                |
| Secretarial & AGM Expenses              | 11,20,965        | 16,58,062        |
| <b>TOTAL</b>                            | <b>87,64,334</b> | <b>72,91,515</b> |

**NOTE 21: EXCEPTIONAL ITEMS INCOME/(EXPENDITURE)**

|  |                  |                  |
|--|------------------|------------------|
| Reinstatement Fees                                     | -                | 11,80,000        |
| (Revocation of suspension in trading of equity shares) |                  |                  |
| Interest for Earlier Years written back (Net)          | 14,09,064        | -                |
| <b>TOTAL</b>   | <b>14,09,064</b> | <b>11,80,000</b> |

**NOTE 22: EARNING PER SHARE(EPS)**

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

|  |               |                |
|--|---------------|----------------|
| Profit /(Loss) after tax for the year                                  | (1,13,56,016) | (10,26,69,597) |
| Weighted Average number of equity shares of Rs.10/- each fully paid up | 1,00,00,000   | 1,00,00,000    |
| Basic & Diluted Earnings per share                                     | (1.14)        | (10.27)        |

**NOTE 23 : Contingent liabilities not provided for in respect of:-**

| Particulars   | Current Year | Previous Year |
|---|--------------|---------------|
| Interest on Foreign Currency Loan   | 2,12,38,282@ | 1,96,11,545@  |
| @ In terms of agreement dated 14 <sup>th</sup> December 2005 entered with Occident Orient Company Limited, with the 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 24 :** The accounts of the Company for the year ending 31.03.20 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 25 : Investments in Associates:**

| Name of the Company  | Country of Incorporation | % Holding          |
|--|--------------------------|--------------------|
| SBEC Sugar Ltd.  | 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.                   | (2,62,18,751)            |                    |
| Carrying Cost  | Nil                      |                    |



**NOTE 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 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  
Ms. 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   | -<br>(-)                       | -<br>(-)               | 5,43,544<br>(5,55,250) | -<br>(-)                 |
| Expenses Paid Secretarial<br>Expenses/Printing & Stationery etc. | -<br>(-)                       | -<br>(-)               | -<br>(-)               | 1,49,439<br>(2,06,080)   |
| Out standing Payable   | 128,37,523<br>(128,37,523)     | -<br>(-)               | 41,411<br>(38,163)     | 23,37,050<br>(23,54,441) |
| Equity Contribution  | 14,23,08,840<br>(14,23,08,840) | -<br>(-)               | -<br>(-)               | -<br>(-)                 |

**NOTE 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 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**

(Rs. in lacs)

|   | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 |
|---|---------|---------|---------|---------|---------|
|   | Year    | Year    | Year    | Year    | Year    |
| Employer's contribution to provident fund | 60,782  | 63,341  | 64,721  | 59,490  | 46,855  |

**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<br>For The<br>Year Ending<br>31.03.20 | Gratuity<br>For The<br>Year Ending<br>31.03.19 | Gratuity<br>For The<br>Year Ending<br>31.03.18 | Gratuity<br>For The<br>Year Ending<br>31.03.17 | Gratuity<br>For The<br>Year Ending<br>31.03.16 |
|----------------------------------|--|--|--|--|--|
| DBP at the beginning of the year | 1,26,231                                       | 1,26,231                                       | 85,709   | 75,672   | 45,994   |
| Interest Cost                    | -  | -  | -  | -  | -  |
| Current Service Cost             | 41,578   | -  | 40,522   | 10,037   | 29,678   |
| Benefits Paid/written back       | Nil  | Nil  | Nil  | Nil  | Nil  |
| Actuarial (gain)/loss            | Nil  | Nil  | Nil  | Nil  | Nil  |
| DBP at the end of the year       | 1,67,809                                       | 1,26,231                                       | 1,26,231                                       | 85,709   | 75,672   |

**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**

|   | Gratuity<br>For The<br>Year Ending<br>31.03.20 | Gratuity<br>For The<br>Year Ending<br>31.03.19 | Gratuity<br>For The<br>Year Ending<br>31.03.18 | Gratuity<br>For The<br>Year Ending<br>31.03.17 | Gratuity<br>For The<br>Year Ending<br>31.03.16 |
|---|--|--|--|--|--|
| Fair Value of Plan Assets                             | Nil  | Nil  | Nil  | Nil  | Nil  |
| Present value of obligation                           | 1,67,809                                       | 1,26,231                                       | 1,26,231                                       | 85,709   | 75,672   |
| Net asset/(liability) recognized in the Balance Sheet | 1,67,809                                       | 1,26,231                                       | 1,26,231                                       | 85,709   | 75,672   |

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

|  |        |     |        |        |        |
|--|--------|-----|--------|--------|--------|
| Interest Cost  | Nil    | Nil | Nil    | Nil    | Nil    |
| Current Service Cost                                   | 41,578 | Nil | 40,522 | 10,037 | 29,678 |
| 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  | 41,578 | Nil | 40,522 | 10,037 | 29,678 |

**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<br>Duly Modified | 1994-96<br>Duly Modified | 1994-96<br>Duly Modified | 1994-96<br>Duly Modified | 1994-96<br>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 30 : NOTES RELATED TO INDIAN ACCOUNTING STANDARDS

## (A) Statement of changes in Equity

| Particulars     | Previous<br>01.04.2019 | Effect of<br>Changes in<br>Share Capital | Ind AS<br>31.03.2019 | Effect of<br>Changes in<br>Share Capital | Ind AS<br>31.03.2020 |
|-----------------|------------------------|--|----------------------|--|----------------------|
| 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<br>Reserve | Retained Earning      | Total                 |
|---|--------------------------|-----------------------|-----------------------|
| Opening Balance as on 01.04.2018        | 1,92,61,774              | (18,87,01,754)        | (16,94,39,980)        |
| Add: Addition During the year           | -                        | -                     | -                     |
| : Loss for the Year                     | -                        | (10,26,69,597)        | (10,26,69,597)        |
| <b>Closing Balance as on 31.03.2019</b> | <b>1,92,61,774</b>       | <b>(29,13,71,351)</b> | <b>(27,21,09,577)</b> |
| 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)         |
| <b>Closing Balance as on 31.03.2020</b> | <b>1,92,61,774</b>       | <b>(30,27,27,367)</b> | <b>(28,34,65,593)</b> |

## NOTE 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) |          |
| Interest Payment                                   | Nil      |
|  | (Nil)    |
| c) EARNINGS IN FOREIGN EXCHANGE                    | Nil      |
|  | (Nil)    |
| d) CIF VALUE OF IMPORTS                            | Nil      |
|  | (Nil)    |

NOTE 32 : Previous Year figures are given in brackets and have been regrouped / rearranged wherever required.

In terms of our report attached

For Doogar & Associates  
Chartered Accountants  
Firm Reg. No. 000561N

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

sd/-  
R.K. Agarwal  
Director  
DIN : 00298252

sd/-  
J.C. Chawla  
Director  
DIN: 05316202

sd/-  
Mukesh Goyal  
Partner  
Membership No. : 081810

sd/-  
Priyanka Negi  
Company Secretary  
M.No. 36819

sd/-  
Luv Gupta  
Chief Financial officer

Place : New Delhi  
Date : 29.07.2020