



SONIYA GUPTA & ASSOCIATES
PRACTICING COMPANY SECRETARIES

ANNUAL SECRETARIAL COMPLIANCE REPORT
of
SBEC SYSTEMS (INDIA) LIMITED
for the year ended on 31.03.2025

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by SBEC SYSTEMS (INDIA) LIMITED (hereinafter referred as 'the listed entity'), having its Registered Office at 1400, Hemkunt Tower 98, Nehru Place, New Delhi. Secretarial Review 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 listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed hereunder and also that the listed entity 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:

- (e) all the documents and records made available to us and explanation provided by SBEC SYSTEMS (INDIA) LIMITED ("the listed entity"),
- (f) the filings/ submissions made by the listed entity to the stock exchanges,
- (g) website of the listed entity,
- (h) any other document/ filing, as may be relevant, which has been relied upon to make this certification for the financial year ended 31.03.2025 ("Review Period") in respect of compliance with the provisions of:
 - iii. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - iv. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the listed entity during the review period)**
- (f) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the listed entity during the review period)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the listed entity during the review period)**
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the listed entity during the review period)**
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) (other regulations as applicable)
- and circulars/ guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:

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

Sr No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Detail s of Violation	Fine Amount	Observations /Remarks of the Practicing Company Secretary (PCS)	Management Response	Remarks
1	As per the Cir/ISD/3/2011, the shareholding of promoters and group of promoters to be 100% in dematerialized form.	Cir/ISD/3/2011	The Shareholding of promoters and the promoter's group are dematerialized only to the extent of 60% shares as on 31.03.2025	None			NIL	The Shareholding of promoters and the promoter's group are dematerialized only to the extent of 60% shares as on 31.03.2025	Management informed us that M/s SBEC Systems Ltd. (U.K.) stands dissolved on 19.06.2001. The dissolution certificate issued by the Registrar of Companies (UK) has been taken on record. The company has obtained the approval of	NA

									<p>Board of directors and shareholders for reduction of share capital in their meetings and applied to the BSE. Further the Company has applied and obtained</p> <p>No adverse observations from BSE vide letter dated 24th July 2024 for approval of reduction of share capital held by our dissolved foreign Promoter SBEC Systems Limited (U.K).</p> <p>The Company has filed the Capital reduction Scheme with Hon'ble National Company Law Tribunal- New Delhi Bench.</p>	
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(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/ Remarks of the Practicing Company Secretary (PCS) in the previous reports)	Observations made in the Secretarial Compliance report for the year ended 31.03.2024	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / Deviations and actions taken /penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
1	The Shareholding of promoters and the promoter's group are dematerialized only to the extent of	The Shareholding of promoters and the promoter's group are dematerialized	As per the Cir/ISD/ 3/2011, the shareholding	NIL	Management informed us that M/s SBEC	NA

	60% shares as on 31.03.2024	only to the extent of 60% shares as on 31.03.2024	of promoters and group of promoters to be 100% in dematerialized form.		Systems Ltd. (U.K.) has dissolved on 19.06.2001. The dissolution certificate issued by the Registrar of Companies (UK) has been taken on record. The company has obtained the approval of Board of directors and shareholders for reduction of share capital in their respective meetings and applied to the BSE for their further approval.	
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The above-mentioned observation was there in the report for the previous year and there has been no change, however, there has been the following update in the status of the below observation:

The Securities and Exchange Board of India on September 17, 2018 had issued directions to the Promoter group of the Company (namely Shri Umesh Kumar Modi, Kumkum Modi, Jayesh Modi, Longwell Investments Private Limited, A to Z Holdings Pvt. Ltd., Moderate Leasing and Capital Services Limited and SBEC Systems (India) Limited), severally or jointly to make a public announcement to acquire the shares of Target Company (i.e. SBEC SUGAR LIMITED) in accordance with the provisions of the Takeover Regulations, 2011, within a period of 45 days from the date of the above mentioned order. The shareholding/ voting rights of the promoter group had increased from 54.46% (2,59,51,083 Shares) as on June 30, 2014 to 63.86% (3,04,32,117 shares) as on September 30, 2014. In addition to the aforesaid acquisition, one of the lending promoters i.e. Moderate Leasing and Capital Services limited had also acquired 1.31% of SBEC Sugar Limited during March 18, 2015 to March 23, 2015, which increased the shareholding of promoter group to 65.17%. As per the said impugned order, the promoter group have violated the provisions of Regulation 3(2) of the Takeover

Regulations, 2011 by acquiring shares in excess of the prescribed limit without making an announcement for open offer.

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

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

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

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

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

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

It is important to point out that both the Civil Appeals before the Hon'ble Supreme Court of India have been connected and the pleadings therein are complete. The said Civil Appeals were last listed before the Hon'ble Supreme Court of India on 4th March 2025, and vide Order dated 4th March, 2025 Hon'ble Supreme Court of India allowed the Appeal filed by SEBI and ordered that “The respondents shall, jointly and severally make a public announcement to acquire shares of SBEC Sugar Limited in accordance with the provisions of SEBI SAST Regulations, 2011 within a period of three months from the date of this order.

In compliance with the order passed by Hon'ble Supreme Court of India SBEC Systems India Limited shall make the proposed Public Announcement along with PACs to acquire 26% of the equity share capital of the SBEC Sugar Limited from the public shareholders in accordance with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- I. I/We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	YES	
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI 	YES	
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/section of the website. 	YES	

4.	Disqualification of Director: None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	YES	
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	Not Applicable	No such subsidiary exists during the reporting period.
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	YES	
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	YES	
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of audit committee for all related party transactions; (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the audit committee.	YES	

9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.	YES	
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	Not Applicable	No such resignation took place during the period under review.
13.	Additional non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc. except as reported above.	YES	

We further, report that the listed entity is in compliance/ not in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations. **NA**

Assumptions & limitation of scope and review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **Soniya Gupta & Associates**
Company Secretaries


(Soniya Gupta)
Proprietor
FCS: 7493
CP: 8136

UDIN: F007493G000433017
PR No.: 1548/2021

Place: New Delhi
Date: 24.05.2025