

**SBEC SYSTEMS**  
(INDIA) LIMITED

**Sugar Bio-Energy & Control Systems**

30.05.2019

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

**Sub: Annual Secretarial Compliance Report for the year ended March 31, 2019.**

Dear Sir(s),

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

Request you to please take the same on your records.

Thanking You,

Yours faithfully

**For SBEC Systems (India) Limited**



**Priyanka Negi**  
Company Secretary & Compliance Office

Encl. as above

**R. SINGHAL & ASSOCIATES**  
**COMPANY SECRETARIES**  
95, SARASWATI MANDIR  
S.K. ROAD, MEERUT -250001,  
MOB (+91) 9808483964



**SECRETARIAL COMPLIANCE REPORT OF SBEC SYSTEMS (INDIA) LIMITED FOR  
THE YEAR ENDED ON 31.03.2019**

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

We have examined:

- (a) all the documents and records made available to us and explanation provided by SBEC SYSTEMS (INDIA) LIMITED (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended on 31.03.2019 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) 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:-

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

- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the Review Period)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable during the Review Period)**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable during the Review Period)**
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable during the Review Period)**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

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

S.No.	Compliance Requirement (Regulations! circulars! guidelines including specific clause)	Deviations	Observations! Remarks of the Practicing Company Secretary
1.	As per the Cir/ISD/ 3/2011 Stock Exchanges, has decided that the securities of companies shall be traded in the normal segment of the exchange if and only if, the company has achieved 100% of promoter's and promoter group's	Shareholding of two promoters i.e. M/s SBEC System Limited (U.K.) and Ms. Meghna Modi are not in dematerialized form	<p><b>Observation:</b> Details of Promoters holding not in dematerialized form:</p> <ol style="list-style-type: none"> <li>1. M/s SBEC Systems Limited (U.K.) is holding 20,40,000 equity shares (approx. 20.4% of the total paid-up capital of the Company).</li> <li>2. Ms Meghna Modi (holding 200 equity shares)</li> </ol> <p>As informed by the management M/s SBEC Systems Ltd. (U.K.)</p>

	shareholding in dematerialized form		<p>has dissolved on 19.06.2001. The dissolution certificate issued by the Registrar of Companies (UK) has been taken on record.</p> <p>In case of Ms. Meghna Modi, the company is in process of getting her shareholding in dematerialised form.</p>
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- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- (c) There are no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder **except;-**

The Securities Exchange Board of India on September 17, 2018 had issued directions to the Company and other promoters group of the Target Company (i.e. SBEC Sugar Limited) namely Shri. Umesh Kumar Modi, Kumkum Modi, Jayesh Modi, Longwell Investments Pvt. Ltd, A to Z Holdings Pvt. Ltd and Moderate Leasing and Capital Services Limited, to severally or jointly make a public announcement to acquire the shares of the Target Company in accordance with the provisions of the Takeover Regulations, 2011, within a period of 45 days from the date of above mentioned order. The shareholding of the Promoter Group of the Target Company 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. Further, one of the lending promoter i.e. Moderate Leasing & Capital Services Ltd. had also acquired 1.31% shares of the Target Company during March 18, 2015 to March 23, 2015, which increased the shareholding of the Promoter Group of Target Company 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 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 an appeal before the Securities Appellant Tribunal, Mumbai, the appeal had admitted and heard by SAT on 14<sup>th</sup> December, 2018, 08<sup>th</sup> February, 2019 and 28<sup>th</sup> March, 2019.

Next date of hearing is 13<sup>th</sup> June, 2019.

**Observations in the report for the previous year and the actions taken by the listed entity.**

Company had received a notice from Bombay Stock Exchange dated 12.02.2016 regarding suspension in the trading of Company's securities on account of non-compliance with various clauses / regulation of erstwhile Listing Agreement / Listing Regulation, 2015.

On 03.07.2017, the company received an in-principal approval for revocation of suspension in trading of equity shares from the Bombay Stock Exchange and the company was advised to comply with the non-compliances marked by the BSE within one year from the date of the letter. As per the terms of in-principal approval the company had deposited the reinstatement fee of Rs. 30 Lakh plus GST by 31.03.2018 and the balance Rs.10 Lakh plus GST by 31.07.2018. Further, a reply was filed on 19.07.2018, along –with the supporting documents. The response of BSE to the reply filed is still awaited.

**For R. Singhal & Associates  
Company Secretaries**



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

**Place: Delhi  
Date: 30.05.2019**