

**SBEC**

**34<sup>th</sup> Annual Report - 2023**

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

**BOARD OF DIRECTORS**

Mr. Vijay K Modi - Chairman  
 Mr. S.S. Agarwal - Executive Director & CEO  
 Ms. Ritu Sikka  
 Mr. Jagdish Chander Chawla  
 Mr. Salil Seth  
 Ms. Asha Agarwal

**CHIEF FINANCIAL OFFICER**

Mr Luv Gupta (resigned 30.04.2023)  
 Mr. Lakhmi Chand Sharma (w.e.f. 01.05.2023)

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms Priyanka Negi

**AUDITORS**

M/s K.K. Jain & Co.  
 Chartered Accountants  
 184 A, Garud Apartments,  
 Pocket - IV, Mayur Vihar Phase-1  
 Delhi-110091

**BANKERS**

HDFC Bank

**REGISTERED OFFICE**

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

**SHARE TRANSFER AGENT**

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

**Contents**

Directors' Report.....	1-11
The Management Discussion and Analysis.....	12-12
Corporate Governance Report.....	13-21
Auditor's Certificate on Corporate Governance.....	22-22
Auditor's Report.....	23-27
Balance Sheet .....	28-28
Profit and Loss Account.....	29-29
Cash Flow Statement .....	30-30
Statement of Changes in Equity.....	31-31
Notes to Accounts.....	32-44
Consolidated Accounts .....	45-64

**DIRECTORS' REPORT**

To,

**The Shareholders,  
SBEC Systems (India) Limited**

**Dear Members,**

Your Directors take pleasure in presenting the 34<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2023.

**FINANCIAL RESULT**

The Company's financial performance (Standalone & Consolidated) for the financial year ended March 31, 2023 along-with that of the previous financial year ended March 31, 2022 are summarized below: (Rs. in 000)

PARTICULARS	Standalone		Consolidated	
	PERIOD ENDED 31.03.2023	PERIOD ENDED 31.03.2022	PERIOD ENDED 31.03.2023	PERIOD ENDED 31.03.2022
Revenue & Other Income	31,535	29,683	31,535	29,683
TOTAL EXPENDITURE	21,141	12,932	21,141	12,932
Operating Profit/(Loss) Before Tax	10,394	15,393	10,394	15,393
Profit/(Loss) After Tax	11,061	12,992	11,061	12,992

During the year under review, the total income stood at Rs. 31,535 Thousand. The net profit of the Company stood at Rs. 11,061 Thousand as compared to net profit of Rs. 12,992 Thousand during the previous year.

**DIVIDEND & RESERVES**

In order to conserve the resources for future growth of the Company, the Board of Directors has not declared any dividend for the year under review.

The Company has not transferred any amount to the reserves for the year ended March 31, 2023.

**SHARE CAPITAL**

The paid up equity capital as on March 31, 2023 was Rs.1,00,000 Thousand. During the year under review, the Company has not issued any class of shares nor granted stock options.

**REDUCTION OF SHARE CAPITAL**

The Board of Directors of the Company in their meeting dated 26 June,2023 has approved the selective reduction of Capital of the Company from Rs. 10,00,00,000/-(Rupees Ten crores only) consisting of 1,00,00,000 (One crore) equity share of Rs. 10/- (Rupees Ten only) to Rs. 7,96,00,000/-(Rupees Seven crores Ninety Six Lacs) consisting of 79,60,000 (Seventy Nine Lacs Sixty Thousand equity shares of Rs. 10/- (Rupees Ten) each by cancelling and extinguishing in aggregate 20.40% of the total issued, subscribed and paid-up equity share capital of the Company, comprising 20,40,000 (Twenty Lacs Forty Thousand) equity shares of Rs. 10/- (Rupees Ten) each held by the SBEC Systems Limited, UK without any consideration.

The Company has applied with to BSE Ltd for their No-Objection for selective reduction of Capital of the Company.

**ASSOCIATE/SUBSIDIARY/JOINT VENTURE COMPANY**

As on March 31, 2023, 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 incorporated 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**

In the 33<sup>rd</sup> Annual General Meeting, held in year 2022 the Company has adopted new set of the Memorandum of Association and the Articles of Association as per the provision of Companies Act, 2013.

No other material changes occurred in between the Financial year ended on 31<sup>st</sup> March, 2023

**DIRECTORS**

In terms of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 Ms. Ritu Sikka, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for the re-appointment.

During the year under review the changes in the composition of Board of Directors are as follows:

- Mr. Rohit Garg (DIN: 03296571), Non-Executive Non-Independent Director has resigned from the Directorship w.e.f July 26, 2022.
- Mr. Shyam Babu Vyas (DIN:02025415), Non-Executive Independent Director of the Company Vacated his office w.e.f. August 12, 2022, pursuant to the section 167(1) of the Companies Act, 2013.
- Mr. Salil Seth (DIN: 09697511) was appointed as a Non-Executive Independent Director of the Company w.e.f August 16, 2022.

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

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the provisions contained in Section 134 (5) of the Companies Act, 2013, your Directors to the best of their knowledge and belief and according to information and explanations obtained from the management, confirm that:-

- so as to give a true and fair view of the state of affairs of the Company as at in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the financial year ended March 31, 2023;

- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis;
- The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### KEY MANAGERIAL PERSONNEL (KMP)

During the financial year ended 31.03.2023, 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 Shankar Agarwal	Chief Executive Officer
2.	Mr. Luv Gupta*	Chief Financial Officer
3.	Ms. Priyanka Negi	Company Secretary
4.	Mr. Lakhmi Chand Sharma**	Chief Financial Officer

\* Mr. Luv Gupta resigned from the post of Chief Financial Officer of the Company w.e.f.30th April, 2023.

\*\* Mr. Lakhmi Chand Sharma appointed as Chief Financial Officer of the Company w.e.f. 01st May, 2023.

#### BOARD MEETING

The Board met four times during the financial year 2022-23, 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 the recommendation of the Nomination & Remuneration Committee has already framed a policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters specified under said section. The policy is available on the website of the Company [www.sbcsystems.in](http://www.sbcsystems.in).

#### 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.

#### BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us to retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website [www.sbcsystems.in](http://www.sbcsystems.in). More detail on diversity is available in the corporate governance report that forms part of this Annual 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.

#### STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF THE INDEPENDENT DIRECTOR APPOINTED DURING THE YEAR

During the Year Mr. Salil Seth were appointed as Non-Executive Independent Director of the Company w.e.f., 16th August 2022. In the opinion of Board Mr. Salil Seth is Advocate by profession and he has high moral values, rich experience in the matter of Corporate Laws.

#### STATUTORY AUDITORS

The Shareholders of the Company at the 33rd Annual General Meeting held on September 29, 2022 appointed M/s K.K. Jain & Co., Chartered Accountants (Firm Registration No.02465N), as the "Statutory Auditors" of the Company, for a term of 5 (Five) Years, to hold office from the conclusion of the 33rd AGM till the conclusion of the 38th AGM. The Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for appointment as Auditors of the Company.

#### STATUTORY AUDITORS REPORT

The Statutory Audit Report contains qualifications and the Company has given its comments on Audit Qualified Opinion for the Financial Year 2022-23, 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 sell/ 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.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements have been prepared by the Company in accordance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remarks.

#### **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 Soniya Gupta & Associates, Company Secretaries as the Secretarial Auditor to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is given in Annexure-B to this Report.

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

#### **RISK MANAGEMENT POLICY**

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

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

#### **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.

#### **DEPOSITS**

During the financial year, Company has not accepted any deposit from public within the meaning of section 73 and 76 of the Companies Act, 2013 and Rules made thereunder.

#### **CORPORATE GOVERNANCE**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a detailed Corporate Governance Report along with a certificate from M/s Soniya Gupta & 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.

#### **RELATED PARTY TRANSACTIONS**

In compliance with the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions (RPTs) and manner of dealing with RPTs. During the year under review, the Policy has been amended to incorporate the regulatory amendments in the SEBI Listing Regulations. The updated Policy can be accessed on the Company's website [www.sbecosystems.in](http://www.sbecosystems.in).

All transactions with related parties during FY 2022-23 were reviewed and approved by the Audit Committee and were at Arm's Length Price (ALP) and in the Ordinary Course of Business (OCB). Prior omnibus approval was obtained for all RPTs which were of repetitive nature and entered in the OCB and on an ALP basis. The transactions entered into pursuant to the omnibus approval so granted were reviewed by Audit Committee on quarterly basis.

Pursuant to the third proviso of Section 188(1) of the Act, the compliance with the provisions of Section 188(1) is not applicable, where all RPTs are carried out in the OCB and under ALP basis. Accordingly, the disclosure of RPTs as required under Section 134(3) (h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in form AOC-2 is not applicable to the Company for FY 2022- 23. However, the Company had material RPTs during FY 2022-23 under SEBI Listing Regulations. Hence, the same have been disclosed as form AOC-2 enclosed as **Annexure C**.

Details of RPTs entered into by the Company, in terms of Ind AS-24 are disclosed in notes to the financial statements forming part of this Integrated Report. There was no other material RPTs entered into by the Company with its Promoters, Directors, KMPs or other designated persons during FY 2022-23, except those reported in the financial statements.

None of your Directors or KMPs had any pecuniary relationships or transactions with the Company during FY 2022-23.

Approval of Members is being sought for the material RPTs for FY 2023-24 at the ensuing AGM.

**DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS**

During the year there were no differences in the valuation of the Company, as there was no one time settlement in the FY 2022-23.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals that could impact the going concern status of the Company and its future operations.

**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-D to this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the financial year 2022-23, 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 under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the year ended March 31, 2023 are given in Annexure -E to this Report.

**COST RECORDS AND AUDIT**

During the period under review the provisions relating to maintaining of cost record and conduct Cost Audit are not applicable to the Company.

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) read with 134(3) of the Act, Annual Return (in e-form MGT-7) for the financial year ended March 31, 2023 is available on the Company's website at: [www.sbecosystems.in](http://www.sbecosystems.in).

**SECRETARIAL STANDARD**

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

**LISTING WITH STOCK EXCHANGES**

The Equity Shares of the Company are listed with BSE Limited, and Company is transferred from group "P" to group "XT" and shares are to be traded under Trade to Trade w.e.f July 06, 2022 as per the Notice of BSE.

The annual fees for the Bombay Stock Exchange have been paid promptly for the year 2023-24.

**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 2022-23:

No. of complaints received	: NIL
No of complaints disposed off	: NIL

**DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS**

During the year there were no differences in the valuation of the Company, as there was no one time settlement in the FY 2022-23.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals that could impact the going concern status of the Company and its future operations.

**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.

Place: New Delhi  
Date: 11.08.2023

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

**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****(In Rs. 000)****(except no. of shares)**

Name of Associates	SBEC SUGAR LIMITED
<b>1. Latest audited Balance Sheet Date</b>	March 31,2023
<b>2. Date on which the Associate was associated or acquired</b>	1996-1997
<b>3. Shares of Associate held by the Company on the year end;</b>	
No. of Shares	1,42,30,884
Amount of Investment in Associates	Rs. 1,42,308.84
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>	(1,59,635.69)
<b>7. Profit/Loss for the year</b>	
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	(38,226.41)

**For & behalf of the Board of  
SBEC Systems (India) Limited  
Sd/-**

**Vijay Kumar Modi  
Chairman & Director  
DIN: 00004606**

Place: New Delhi

Date: 11.08.2023

**ANNEXURE-B TO THE BOARD'S REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****For The Financial Year Ended On 31<sup>st</sup> March, 2023**

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

To,

**The Members of**

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SBEC SYSTEMS (INDIA) LIMITED** having CIN: L74210DL1987PLC029979 (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 re-port that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023, 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 Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The 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;
  - (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;

- (d) 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;
- (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

The Management has identified and confirmed the following laws as specifically applicable to the Company:

- a) The Payment of Gratuity Act, 1972
- b) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
- c) The Payment of Bonus Act, 1965, and rules made there-under,
- d) The Insolvency and Bankruptcy Code, 2016
- e) 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 Agreement entered into by the Company with BSE Ltd. (Stock Exchange) read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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. **The Securities and Exchange Board of India on September 17, 2018 had issued directions to the Promoter group of the Company (namely Shri Umesh Kumar Modi, Kumkum Modi, Jayesh Modi, Longwell Investments Private Limited, A to Z Holdings Pvt. Ltd., Moderate Leasing and Capital Services Limited and SBEC Systems (India) Limited), severally or jointly to make a public announcement to acquire the shares of Target Company (i.e. SBEC SUGAR LIMITED) in accordance with the provisions of the Takeover Regulations, 2011, within a period of 45 days from the date of the above mentioned order. The shareholding/ voting rights of the promoter group had increased from 54.46% (2,59,51,083 Shares) as on June 30, 2014 to 63.86% (3,04,32,117 shares) as on September 30, 2014. In addition to the aforesaid acquisition, one of the lending promoters i.e. Moderate Leasing and Capital Services limited had also acquired 1.31% of SBEC Sugar Limited during March 18, 2015 to March 23, 2015, which increased the shareholding of promoter group to 65.17%. As per the said impugned order, the promoter group have violated the provisions of Regulation 3(2) of the Takeover Regulations, 2011 by acquiring shares in excess of the prescribed limit without making an announcement for open offer.**

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

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

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

The promoters namely A to Z Holdings Pvt. Ltd. and Moderate Leasing & Capital Services Ltd. (the acquirer of the shares) could not comply with the order dated January 29, 2020, therefore, the said promoters approached the Hon'ble Securities Appellate Tribunal vide Misc. Application no. 209 / 2020 seeking an extension of 6 (six) months for compliance of the order dated January 29, 2020 inter-alia on the grounds of operations of the said promoters being shut due to the pandemic COVID – 19. The said Misc. Application was listed before Hon'ble Securities Appellate Tribunal on July 29, 2020 and dismissed vide order dated July 29, 2020. In the meantime, the Securities Exchange Board of India filed a Civil Appeal bearing nos. 2995 – 2996 / 2020 before the Hon'ble Supreme Court of India on July 29, 2020 against the order dated January 29, 2020 passed by Hon'ble Securities Appellate Tribunal.

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

It is important to point out that both the Civil Appeals before the Hon'ble Supreme Court of India have been connected and the pleadings therein are complete. The said Civil Appeal was listed before the Hon'ble Supreme Court of India on August 18, 2021 and the matter is still pending for further proceedings.

2. **The Company has not constituted any separate 'Internal Complaints Committee' under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. However, they have taken note and confirmed that no complaint of sexual harassment of women at workplace was received during the year under review.**
3. **The Shareholding of promoters and the promoter's group are dematerialized only to the extent of 60% shares as on 31.03.2023.**
4. **During the financial year, there was a cyber attack/ virus attack at the data server of the Company including structural digital database software's server, in which all the data was encrypted by ransomware attacked. Due to this all the data captured on structured digital database (SDD) software maintained was lost and could not be recovered. Further, the company immediately informed to BSE about the cyber-attack.**
5. **The Company had sent the Corrigendum to the Notice of 33<sup>rd</sup> Annual General Meeting (AGM) dated August 08, 2022 with respect to item no. 4 and its explanatory statement of the AGM notice, which was intimated to BSE Ltd (Stock Exchange) on 23<sup>rd</sup> September, 2022 with rectified AGM Notice and the said corrigendum was also published in the Newspaper on 24<sup>th</sup> September, 2022.**

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 period under review were carried out in compliance with the provisions of the Act.

Adequate notices are 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 that,

1. The Company has one Associate Company i.e. SBEC Sugar Limited.
2. M/s K K Jain & Co., Chartered Accountants, have been appointed as the Statutory Auditors of the company in the 33rd Annual general meeting held on 29th September 2022, due to completion of the tenure of the previous Auditors M/s Doogar & Associates, Chartered Accountants.

**For Soniya Gupta & Associates**

Sd/-  
(Soniya Gupta)  
Proprietor  
M. No. 7493  
CP. No. 8136

Dated: 11.08.2023  
Place: New Delhi

PRFCN: 1548/2021

UDIN: F007493E000763259

*{This report is to be read with our letter of even date which is annexed as Annexure "A" and forms an integral part of this report.}*

**ANNEXURE A TO THE  
SECRETARIAL AUDIT REPORT**

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Soniya Gupta & Associates

Sd/-  
(Soniya Gupta)  
Proprietor  
M. No. 7493  
CP M. No. 8136

Dated: 11.08.2023  
Place: New Delhi

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

**Form No. AOC-2**

**[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the  
Companies (Accounts) Rules, 2014]**

The Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis– There were no contracts or arrangements or transactions entered into by the Company, which were not at arm's length basis.
2. Details of material contracts or arrangements or transactions at arm's length basis–
  - (a) Name(s) of the related party : SBEC Sugar Limited
  - (b) Nature of relationship : Associate Company
  - (c) Nature of contracts/arrangements/transactions : Royalty Income
  - (d) Duration of the contracts/arrangements/transactions: NA
  - (e) Salient terms of the contracts or arrangements or transactions including the value, if any: Ongoing, repetitive, in ordinary course of business and on arm's length basis
  - (f) Date(s) of approval by the Board, if any:
  - (g) Amount paid as advances, if any: NA

Detail of related party transaction are mentioned in the note no. 31 of the Audited financial statement.

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

Sd/-  
Vijay Kumar Modi  
Chairman & Director  
DIN: 00004606

Place: New Delhi  
Date: 11.08.2023

**ANNEXURE- D TO THE BOARD'S REPORT****Information to be given under Section 134 read with Rule 8(3) of the Companies (Accounts) Rules, 2014****(A) CONSERVATION OF ENERGY**

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

**(B) TECHNOLOGY ABSORPTION**

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

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

(In Rs. '000')

	2022-23	2021-2022
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

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

Sd/-  
Vijay Kumar Modi  
Chairman & Director  
DIN: 00004606

Place: New Delhi  
Date: 11.08.2023

**ANNEXURE- E TO THE BOARD'S REPORT****STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

(1) Information as per Section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

(a) The median remuneration of employees of the Company during the financial year was Rs. 7,42,500 (12 months). The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2022-23 are as under:

Directors	Designation	Remuneration Of Directors In Financial Period 2022-23 (Rs.)	Ratio Of Remuneration To Median Remuneration Of Employees
Shri. Vijay Kumar Modi*	Non-Executive & Non Independent Director	-	-
Shri. Shiv Shankar Agarwal#	Executive Director	-	-
Smt. Rittu Sikka*	Non- Executive & Non Independent Director	-	-
Shri. Jagdish Chander Chawla*	Non- Executive & Independent Director	-	-
Shri. Salil Seth*	Non- Executive & Independent Director	-	-
Shri. Asha Agarwal*	Non- Executive & Independent Director	-	-
Shri. Rohit Garg@	Non-Executive & Non Independent Director	-	-
Shri. Shyam Babu Vyas@	Non- Executive & Independent Director	-	-

\*All the non-executive Directors of the Company were not paid any remuneration and no sitting fee was paid to the Board/Committee of Directors. Therefore, the said ratio of remuneration of each director to median remuneration of the employees of the company is not applicable.

# Shri. Shiv Shankar Agarwal was appointed as Executive Director but he is not drawing any remuneration from the Company.

@ Shri. Rohit Garg (DIN: 03296571), Non-Executive Non-Independent Director has resigned from the Directorship w.e.f July 26, 2022 and the Company has not paid any remuneration.

@ Shri. Shyam Babu Vyas (DIN:02025415), Non-Executive Independent Director of the Company Vacated his office w.e.f. August 12, 2022, pursuant to the section 167(1) of the Companies Act, 2013 and the Company has not paid any remuneration.

(b) The percentage increase in Remuneration of each Director, Whole Time Director, Chief Financial Officer and Company Secretary in the financial year:

Directors	Designation	% Increase in Remuneration
Shri. Vijay Kumar Modi*	Non-Executive & Non-Independent Director	N.A.
Shri. Shiv Shankar Agarwal#	Executive Director	N.A.
Smt. Rittu Sikka*	Non- Executive & Non Independent Director	N.A.
Shri. Jagdish Chander Chawla*	Non- Executive & Independent Director	N.A.
Shri. Salil Seth*	Non- Executive & Independent Director	N.A.
Shri. Asha Agarwal*	Non- Executive & Independent Director	N.A.
Shri. Rohit Garg@	Non-Executive & Non-Independent Director	N.A.
Shri. Shyam Babu Vyas@	Non- Executive & Independent Director	N.A.

\*All the non-executive Directors of the Company were not paid any remuneration and no sitting fee was paid to the Board/Committee of Directors. Therefore, the said ratio of remuneration of each director to median remuneration of the employees of the company is not applicable.

# Shri. Shiv Shankar Agarwal was an Executive Director but he is not drawing any remuneration from the Company.

@ Shri. Rohit Garg (DIN: 03296571), Non-Executive Non-Independent Director has resigned from the Directorship w.e.f July 26, 2022 and the Company has not paid any remuneration.

@ Shri. Shyam Babu Vyas (DIN:02025415), Non-Executive Independent Director of the Company Vacated his office w.e.f. August 12, 2022, pursuant to the section 167(1) of the Companies Act, 2013 and the Company has not paid any remuneration.

**Key Managerial Personnel's (KMPs)**

Key Managerial Personnel's	Designation	Remuneration of KMP In Financial Period 2022-23 (Rs.)	% Increase In
Mr. Shiv Shankar Agarwal	Chief Executive Officer	-	-
Mr. Luv Gupta	Chief Financial Officer	7,42,500	11.8%
Ms. Priyanka Negi	Company Secretary	6,37,763	8%

- (c) The percentage increase in the Median Remuneration of Employees in the financial period was 11.8%.
- (d) The number of Permanent Employees on the Rolls of the Company:  
The number of Permanent Employees on the Rolls of Company as on 31st March, 2023 was Three (3).
- (e) Average percentage increase already made in the salaries of employees other than managerial personnel in the last financial period and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:  
The average increase in salaries of employees in 2022-23 was 9.90%.
- (f) Affirmation that the Remuneration is as per the Remuneration Policy of the Company:  
The Company affirms that the Remuneration paid during the period were as per the Remuneration Policy of the Company.
- (2) Information as per Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and 5 (3) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- (a) Name of employee employed throughout the financial year and was in receipt of remuneration Rs.1,02,00,000/- or more: NIL
- (b) Name of employee employed for a part of the financial year and was in receipt of remuneration not less than Rs.8,50,000/- per month: NIL
- (c) Details of Top Ten Employees in terms of remuneration drawn: Details of Two Employees is mention below the Company have only two employees who drawn salary.

Name/Age	Designation of Employees	Remuneration (Rs.)	Qualification/ Experience (Years)	Date of Commencement of Employment	Previous Employment
Mr. Luv Gupta /36	Chief Financial Officer	7,42,500	M.Com/10	01.06.2018	SBEC Sugar limited
Ms. Priyanka Negi/33	Company Secretary	6,37,763	Company Secretary /8	01.08.2018	Modi Steel, Modinagar

**Notes:**

- The nature of employment of all employees above is whole time in nature and terminable with 1 months' notice on either side.
- The above mentioned employees are not relatives (in terms of the Companies Act, 2013) of any Director of the Company.

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

**Sd/-  
Vijay Kumar Modi  
Chairman & Director  
DIN: 00004606**

**Place: New Delhi  
Date: 11.08.2023**

## THE MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY STRUCTURE AND DEVELOPMENT

Your Company is in the business of supplying equipment and consultancy services to the industries. The management is confident to revive its 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 detailed 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.

### INTERNAL CONTROLS AND SYSTEMS

(In Rs.000)

Particulars	2022-23	2021-22	2020-21
Revenue and Other Income	31,535	29,683	2,283
EBITDA**	21,367	21,280	(354)

\*\* Earning before interest, tax, depreciation and amortization.

### 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.

### DETAILS OF SIGNIFICANT CHANGES

Details of significant changes as required under SEBI (LODR) Regulations, 2015 are as under:

SI. NO.	Particulars	As on 31.03.2023	As on 31.03.2022
1.	Debtors Turnover	7.79	20.60
2.	Inventory Turnover	-	-
3.	Interest Coverage Ratio*	1.95	3.61
4.	Current Ratio	0.12	0.04
5.	Debt Equity Ratio	(1.87)	(1.69)
6.	Operating Profit Margin (%)	-	-
7.	Net Profit Ration	35.09	43.78
8.	Return on net worth*	-	-

Note\* Company's Net Worth was eroded in the past years, so Return on Net Worth is not applicable to Company.

### DISCLOSURE OF ACCOUNTING TREATMENT.

During the year under review there was no change in the Accounting treatment. The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS).

### 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 of 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 of  
SBEC Systems (India) Limited

Sd/-  
Vijay Kumar Modi  
Chairman & Director  
DIN: 00004606

Place: New Delhi  
Date: 11.08.2023

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At SBEC Systems (India) Limited, a member of Umesh Modi Group of Companies, firmly believes in effective Corporate Governance practices and follow all the applicable laws in true and letter spirit. Corporate Governance is an ethically driven process that constitutes the strong foundation on which successful commercial enterprise is built and enhancing the organization wealth generating capacity. The company's has also a strong believes of fair, transparent and ethical governance practices.

### 2. BOARD OF DIRECTORS

#### a. Composition of Board:

As on March 31, 2023, the Company has 6 Directors. The Board of Directors at present consists of 3 Independent Directors, other than the Chief Executive Officer; all other members of the Board are Non-Executive Directors. The Chairman of the Board is a Non-Executive Director. The Composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

As required under Section 149(1) of the Companies Act, 2013 and Regulation 17(1) of SEBI (LODR) Regulations, 2015, Ms. Ritu Sikka and Ms. Asha Agarwal are woman directors on the Board of Directors of the Company.

All Independent Directors possess the requisite qualifications and are very experienced in their own fields. None of the Directors is a member of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. All the Directors have given necessary disclosures as required as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

**The name and categories of Directors on the Board; their attendance at the Board meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships (including SBEC Systems (India) Limited) held by them in Public Companies as on March 31, 2022 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.**

S. No.	Name of the Directors	Category of Director	No. of Board Meetings Attended		No of Directorship in listed entities including this listed entity (as on March 31, 2023) {As per Regulation 17A of Listing Regulation}	Number of membership/ Chairmanship in committee including this listed entity Board as on March 31, 2023 {As per Regulation 26(1) of Listing Regulation}		Attendance at Last AGM
			Held	Attended		Member	Chairman	
1	Mr. Vijay Kumar Modi	Chairman and Non-Executive Director	4	4	3	6	5	Present
2	Mr. S.S. Agarwal	Executive Director	4	4	2	4	NIL	Present
3	Ms. Ritu Sikka	Non-Executive Director	4	2	1	NIL	NIL	Not Present
4	Mr. J.C. Chawla	Non – Executive Independent Director	4	4	3	9	2	Present
5	Mr. Salil Seth*	Non – Executive Independent Director	4	1	2	NIL	NIL	Not Present
6	Ms. Asha Agarwal	Non – Executive Independent Director	4	2	2	2	NIL	Not Present
7	Mr. Rohit Garg*	Non-Executive Independent Director	4	-	N.A	N.A	N.A	N.A
8	Mr. Shyam Babu Vyas***	Non – Executive Independent Director	4	-	N.A	N.A	N.A	N.A

\* Mr. Salil Seth (DIN: 09697511) appointed as a Non-Executive Independent Director of the Company w.e.f August 16, 2022.

\*\* Mr. Rohit Garg (DIN: 03296571), Non-Executive Non-Independent Director has resigned from the Directorship w.e.f July 26, 2022.

\*\*\* Mr. Shyam Babu Vyas (DIN:02025415), Non-Executive Independent Director of the Company Vacate his office w.e.f. August 12, 2022.

#### b. Name of other listed entities where Directors of the company are Directors and the category of Directorship:-

Sr. No.	Name of Director	Name of listed company	Category of Directorship
1	Mr. Vijay Kumar Modi	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
2	Mr. S.S. Agarwal	Bihar Sponge Iron Limited	Non-Executive Independent Director
3	Ms. Asha Agarwal	Bihar Sponge Iron Limited	Non-Executive Independent Director
4	Ms. Ritu Sikka	-	-
5	Mr. J.C. Chawla	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
6	Mr. Salil Seth*	Bihar Sponge Iron Limited	Non-Executive Independent Director
7	Mr. Rohit Garg**	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
8	Mr. Shyam Babu Vyas***	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director

\* Mr. Salil Seth (DIN: 09697511) appointed as a Non-Executive Independent Director of the Company w.e.f August 16, 2022.

\*\* Mr. Rohit Garg (DIN: 03296571), Non-Executive Non-Independent Director has resigned from the Directorship w.e.f July 26, 2022.

\*\*\* Mr. Shyam Babu Vyas (DIN:02025415), Non-Executive Independent Director of the Company Vacate his office w.e.f. August 12, 2022.

#### 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 four times during the financial year 2022-23. The Board of Directors met on May 26, 2022, August 08, 2022, November 14, 2022, and February 14, 2023. 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.in](http://www.sbecosystems.in).

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

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

1. Knowledge on Company's businesses (Engineering activities and Related technical consultancy) 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. Jagdish Chander Chawla, Director	YES	YES	YES	YES	YES
Mr. Salil Seth, Director	YES	YES	YES	YES	YES
Ms. Ritu Sikka, Director	YES	YES	YES	YES	YES
Ms. Asha Agarwal, Director	YES	YES	YES	YES	YES

#### g. Information supplied to the Board

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

#### h. Formal annual evaluation

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

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

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

**i. Senior Management**

S. No.	Name	Designation
1.	Mr. Shiv Shankar Agarwal	Chief Executive Officer/Director
2.	Mr. Luv Gupta*	Chief Financial Officer
3.	Ms. Priyanka Negi	Company Secretary
4.	Mr. Lakhmi Chand Sharma #	Chief Financial Officer

\* Mr. Luv Gupta resigned from the post of Chief Financial Officer of the company w.e.f. 30.04.2023

# Mr. Lakhmi Chand Sharma appointed as Chief Financial Officer of the Company w.e.f. 01.05.2023

**3. AUDIT COMMITTEE**

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

As on 31st March, 2023, 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. Jagdish Chander Chawla, Chairman of the Audit Committee was present at the Annual General meeting of the Company held on September 29th, 2022 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, 2023, the Audit Committee met four times on May 26, 2022, August 08, 2022, November 14, 2022, and February 14, 2023 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 2022-23	
			held	attended
Mr. J.C. Chawla	Chairman/Member	Independent Director	4	4
Mr. Shyam Babu Vyas*	Member	Independent Director	4	-
Mr. S.S Agarwal	Member	Executive Director	4	4
Ms. Asha Agarwal	Member	Independent Director	4	4

\* Mr. Shyam Babu Vyas (DIN:02025415), Non-Executive Independent Director of the Company Vacate his office w.e.f. August 12, 2022.

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

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

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

During the period ended March 31, 2023, 2 (two) meeting of the Committee was held on August 08, 2022 and November 14, 2022.

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 2022-23	
			held	attended
Mr. J.C. Chawla	Chairman/Member	Independent Director	2	2
Mr. V.K. Modi	Member	Non-Executive Director	2	2
Mr. Shyam Babu Vyas*	Member	Independent Director	2	-
Ms. Asha Agarwal	Member	Independent Director	2	2

\* Mr. Shyam Babu Vyas (DIN:02025415), Non-Executive Independent Director of the Company Vacate his office w.e.f. August 12, 2022.

**Performance Evaluation of Independent Directors**

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

**Criteria**

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

v. Independent views and judgement

**Process**

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

**5. Stakeholders Relationship Committee**

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

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

During the financial year ended March 31, 2023, the Stakeholders' Relationship Committee met 1 time on August 08th, 2022.

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

Name of the Director	Designation	Category	Number of meetings during the year 2022-23	
			held	attended
Mr. V.K. Modi	Chairman	Non-Executive Director	1	1
Mr. J.C. Chawla	Member	Independent Director	1	1
Mr. S.S. Agarwal	Member	Executive Director	1	1
Ms. Asha Agarwal	Member	Independent Director	1	1

The details of the complaint received and redressed during the financial year 2022-23 are given below:

Particulars	Status
<b>Complaints as on April 1, 2022</b>	0
Received during the year	2
Resolved during the year	2
<b>Complaints as on March 31, 2023</b>	0

**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: [sbecosystems@rediffmail.com](mailto:sbecsystems@rediffmail.com)

**6. Remuneration of Directors**

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

**(i) Remuneration/Sitting fee to Directors:**

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

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

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

The Company does not have any Employees Stock Option Scheme.

**7. GENERAL BODY MEETINGS:**

**(a) Annual General Meetings**

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

Financial year	Date	Time	Special Resolution Passed (Yes/No)	Venue
2021-22	September 29, 2022	11.00 a.m.	Yes	In compliance with the applicable provisions of the Act, and the Listing Regulations read with the MCA Circulars and SEBI Circular, the 33rd AGM of the Company was convened through Video Conferencing / Other Audio Visual Means.
2020-21	September 17, 2021	11.00 a.m.	NO	In compliance with the applicable provisions of the Act, and the Listing Regulations read with the MCA Circulars and SEBI Circular, the 32nd AGM of the Company was convened through Video Conferencing / Other Audio Visual Means.
2019-20	September 28, 2020	01.00 p.m.	YES	In compliance with the applicable provisions of the Act, and the Listing Regulations read with the MCA Circulars and SEBI Circular, the 31st AGM of the Company was convened through Video Conferencing / Other Audio Visual Means.

**(b) Extraordinary General Meetings**

No Extraordinary General Meeting of the Members was held during the year 2022-23.

**(c) Postal Ballot**

No Postal Ballot was done during the financial year 2022-23.

**8. MEANS OF COMMUNICATION**

**(a) Quarterly results**

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

**(b) Website**

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

**9. General Shareholder Information:**

**(a) 34th Annual General Meeting**

Date & Time: September 29, 2023 at 02.30 p.m.

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

**(b) Financial Year of the Company:** 1st April, 2022 to 31st March 2023

**(c) Particulars of Dividend payment:** No dividend is declared during the year.

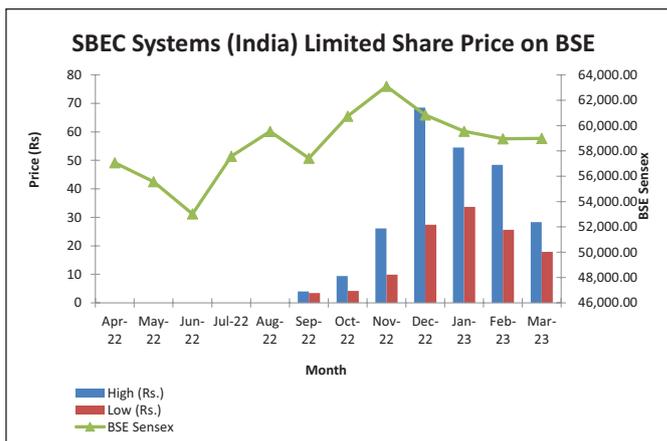
**(d) Date of Book Closure:** 23.09.2023 to 29.09.2023

**(e) Name and Address of Stock Exchange at which listed entity's securities are listed:**

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

**(f) Market Price Data:**

Month	High Price	Low Price	Close Price	Volume
Apr-22	-	-	-	-
May-22	-	-	-	-
Jun-22	-	-	-	-
Jul-22	-	-	-	-
Aug-22	-	-	-	-
Sep-22	3.99	3.45	3.99	225
Oct-22	9.43	4.18	9.43	668
Nov-22	26.11	9.9	26.11	6,562
Dec-22	68.55	27.4	56.05	1,27,280
Jan-23	54.5	33.7	50.95	2,41,356
Feb-23	48.45	25.65	25.65	61,912
Mar-23	28.35	17.89	21.9	61,726

**(g) Registrar and Share Transfer Agent:**

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

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

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

**(h) Share transfer system:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities.

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form at the earliest and avail the benefits of dealing in shares in demat form.

**(i) Distribution of shareholding as on March 31,2023:**

No of Shares	Number of Shareholders	Number of Shares	% of total Shares
Upto - 5000	18,816	30,37,120	30.37
5001 - 10000	762	6,00,002	6.00
10001 - 20000	279	4,08,471	4.08
20001 - 30000	57	1,40,286	1.40
30001 - 40000	22	78,697	0.79
40001 - 50000	15	68,699	0.69
50001 - 100000	16	1,13,377	1.13
100001 and above	14	55,53,348	55.53
<b>Total</b>	<b>19,981</b>	<b>1,00,00,000</b>	<b>100.00</b>

**(j) Shareholding Pattern as on March 31, 2023:**

SI No.	Category of Shareholder	Total No. of Shares	% of Shareholding
<b>A</b>	<b>PROMOTER AND PROMOTER GROUP</b>	50,99,760	51.00
	<b>Sub Total (A)</b>	50,99,760	51.00
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>		
<b>I</b>	<b>INSTITUTIONS</b>		
<b>A</b>	<b>FDI</b>	-	-
<b>II</b>	<b>NON-INSTITUTIONS</b>		
<b>A</b>	Bodies Corporate	2,44,957	2.45
<b>B</b>	Individuals	45,94,216	45.94
<b>C</b>	NRI/ OCB	909	0.01
<b>D</b>	HUF	59,156	0.59
<b>E</b>	Clearing Member	2	0
<b>F</b>	Unclaimed/Suspense/Escrow A/c	1,000	0.01
	<b>Sub-Total [B=(BI + BII)]</b>	49,00,240	49.00
	<b>Total (A+B)</b>	<b>1,00,00,000</b>	<b>100.00</b>

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

The Company's shares have been mandated for compulsory trading in demat form. Valid demat requests received by the Company's Registrar are confirmed within the statutory period.

International Securities Identification Number (ISIN) allotted for the Company by NSDL and CDSL is (INE689V01018). In case a member wants his/her shares to be dematerialized, he/she may send the shares along with the request through his depository participant (DP) to the RTA, Beetal Financial Services Limited.

The Company's Registrars promptly intimate the DPs in the event of any deficiency and shareholders are also kept abreast. Pending demat requests in the records of the Depositories, if any, are continually reviewed and appropriate actions are initiated. As on March 31, 2023, 37.24% of the shares were in demat mode.

**(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 is not involved in commodity price market and hedging activities hence there is no risk for commodity price, foreign exchange and hedging activities.

**(n) Plant Locations:** The Company does not have any plants

**(o) Address for Correspondence:**

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

**(p) Investor's Correspondence may be addressed to**

All the queries of investors regarding the Company's shares may be sent at the following address: Mr. Bhawendra Jha, M/s Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3rd Floor, 99, Madangir, Near Dada Harsukhdas Mandir, Behind Local Shopping Complex New Delhi-110062 Ph. No. 011-29961281-83 Fax: 011-29961284 Email: [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com).

**(q) Detail of credit ratings**

The Company has not obtained any rating from any credit rating agency.

**10. Other Disclosures**

**(i) Related Party Transactions**

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

The Company has formulated a policy on Related Party Transactions in terms of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee accorded its omnibus approval for the said related party transactions. The said policy has been uploaded on the Company's website viz. [www.sbectsystems.in](http://www.sbectsystems.in). 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 17th 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) filled 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.

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

of the said promoters being shut due to the pandemic COVID - 19. The said Misc. Application was listed before Hon'ble Securities Appellate Tribunal on July 29, 2020 and dismissed vide order dated July 29, 2020.

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

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

It is important to point out that both the Civil Appeals before the Hon'ble Supreme Court of India have been connected and the pleadings therein are complete. The said Civil Appeal was listed before the Hon'ble Supreme Court of India on August 18, 2021 and the matter is still pending for further proceedings.

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

**(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.in](http://www.sbectsystems.in). 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. No person has been denied access to the Chairman of the Audit Committee. 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) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations. The status of compliance with the non-mandatory requirements of this clause has been detailed herein:

**Adoption of Non-mandatory requirement:**

The Company has fairly complied with the non-mandatory requirements specified in Part E of Schedule II of the SEBI Listing Regulations.

**(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 Soniya Gupta & 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-A**.

**(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 67,850/- (including tax) was paid to M/s K. K. Jain & Co., Statutory Auditors for rendering all their services during the year.

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

- a. number of complaints filed during the financial year 2022-23: Nil
- b. number of complaints disposed of during the financial year 2022-23: Nil
- c. number of complaints pending as on end of the financial year 2022-23: Nil

**(xii) Loans and advances**

The Company has not taken or given any loans and advances to firms/Companies/ Body Corporates in which directors are interested or deemed to be interested by name and account.

The Company has complied with all the requirements of the corporate governance report as specified in sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

**(xiii) Adoption of discretionary requirements specified in Part E of Schedule II of SEBI Listing Regulations-**

- a) The Board: The Chairman of the Company is Non-Executive;
- b) Shareholder Rights: Quarterly and yearly financial results are published in newspapers and uploaded on Company's website ([www.sbectsystems.in](http://www.sbectsystems.in)). At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders;
- c) Modified opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised one qualification on the financial statements as on 31st March, 2023;  
We draw attention to Note No. 29 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. 7,37,07/- Thousands. 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.
- d) Posts of Chairperson and the Managing Director or the Chief Executive Officer:
  - i. Mr. Vijay Kumar Modi - Chairman, Non-Executive Director
  - ii. Mr. Shiv Shankar Agarwal - Director/Chief Executive officer
- e) Reporting of Internal Auditor: The Internal Auditor of the Company submits his Internal Audit report to the Audit Committee on quarterly basis.

**(xiv) The Company does not have any subsidiary as on 31st March, 2023.**

**(xv) Disclosure with respect to demat suspense account/unclaimed suspense account:**

The details of unclaimed equity shares lying in the Company's unclaimed shares suspense account as required under SEBI (LODR) Regulations, is as under;

As on March 31, 2022		Shareholders during the year	approached	As on March 31, 2023	
No. of Holders	No. of Shares	No. of Holders	No. of Shares	No. of Holders	No. of Shares
-	-	1	1000	1	1000

**(xvi) Disclosure of certain types of agreements binding on listed entities:**

The Company has not executed or entered any such type of agreements which shall be binding on the company.

**(xvii) The Company has fully complied with the applicable requirements specified in Reg. 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of Listing Regulations.****11. CODE OF CONDUCT**

The Company has adopted the code of conduct for all Board members and Senior Management as required under Regulation 17 of the Listing Regulations. The Code is posted on the Company's website: [www.sbecosystems.in](http://www.sbecosystems.in). 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, Director & Chief Executive Officer forms part of this Report.

<p>Declaration</p> <p>I, S.S. Agarwal, Director &amp; 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 &amp; Disclosure Requirements) Regulations, 2015, for the year ended March 31, 2023.</p> <p style="text-align: right;">sd/- S.S. Agarwal Director &amp; Chief Executive Officer</p> <p>Place: New Delhi Date: 29.05.2023</p>
---

**12. CEO/CFO CERTIFICATION**

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

<p><b>To,</b> <b>The Board of Directors</b> <b>SBEC Systems (India) Limited</b> <b>1400, Modi Tower, 98,</b> <b>Nehru Place, New Delhi-110019</b></p> <p>We, Shiv Shankar Agarwal, Director and Chief Executive Officer of the Company, and Lakhmi Chand Sharma, Chief Financial officer of the Company, to the best of our knowledge and belief, hereby certify that:</p> <p>(a) We have reviewed the financial statements as on 31st March, 2023 and the cash flow statement for the year along with all its schedule, and notes to the accounts for the period ended 31st March, 2023 and based on our knowledge and information, confirms that:</p> <p>(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;</p> <p>(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.</p> <p>(b) Based on our knowledge and information, there are no transactions entered into by the company during the year are fraudulent, illegal or violation of the company's code of conduct.</p> <p>(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps have been taken to rectify these deficiencies.</p> <p>(d) We have indicated to the Auditors and the Audit Committee:</p> <p>(i) Significant change in internal control over financial reporting during the year;</p> <p>(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and</p> <p>(ii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.</p> <p>Date: 29.05.2023 Place: New Delhi</p>	<p>sd/- Shiv Shankar Agarwal Director &amp; Chief Executive Officer</p>	<p>sd/- Lakhmi Chand Sharma Chief Financial Officer</p>
---	---	---

Place: New Delhi  
Date: 11.08.2023

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

**“ANNEXURE-A TO THE CORPORATE GOVERNANCE”****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 my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2023 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.

Ensuring the eligibility for 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 Soniya Gupta & Associates  
Company Secretaries****Sd/-  
Soniya Gupta  
Prop.  
M. No. 7493  
COP No. 8136****Dated: 11/08/2023  
Place: New Delhi****PRFCN: 1548/2021  
UDIN: F007493E000763303****Corporate Governance Compliance Certificate**

To,

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

I have examined the compliance of the conditions of Corporate Governance by **SBEC SYSTEMS (INDIA) LIMITED** ('the Company') for the year ended on March 31, 2023, as stipulated under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, as adopted by the Company for ensuring 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 my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the:

- All the mandatory conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- All mandatory conditions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I 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 Soniya Gupta & Associates  
Company Secretaries****Sd/-  
Soniya Gupta  
Prop.  
M. No. 7493  
COP No. 8136****Dated: 11/08/2023  
Place: New Delhi****PRFCN: 1548/2021  
UDIN: F007493E000763347**

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

### Report on the Financial Statements

#### Qualified Opinion

We have audited the accompanying standalone financial statements of M/s. SBEC SYSTEMS (INDIA) LIMITED ('the Company'), which comprise the Balance Sheet as at 31 March, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified Opinion** section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2023, 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. 29 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. 737.07 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. 28 to the financial statement according to which the company has prepared its accounts on a going concern basis even though the net worth of the Company has been fully eroded. These facts cast significant doubts above the Company's ability to continue as a going concern.

#### Key Audit Matters

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the Directors as on 31 March, 2023 taken on record by the Board of directors, none of the Directors is disqualified as on 31 March, 2023 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.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief as disclosed in the note 36(vii) to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The Management has represented, that, to the best of its knowledge and belief as disclosed in the note 36(viii) to the Standalone Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entity (ies).

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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 K.K.JAIN & CO.**  
Chartered Accounts  
FRN: 02465N

Sd/-  
**Simmi Jain**  
Partner

M. No.: 086496

UDIN: 23086496BGWOPC6519

Place: New Delhi  
Date: 29.05.2023

### Annexure 'A' to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible 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. Management has physically verified major fixed assets during the year and no major discrepancy has been noticed on such verification as compared to book records.
- (c) With respect to immovable properties disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the , we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) As per the details and information shared with us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) According to the information and explanation given to us and the records examined by us, the company is not having any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not granted unsecured loans to its subsidiaries and employees and has not made any investments in, provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The Central Government of India, has specified maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the company's product and are of the opinion that, company has not crossed the threshold limit of the turnover and accordingly these are not being maintained.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of income tax, Goods and Service tax, and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the yearend for a period of more than six months from the date they became payable as at 31st March, 2023.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no statutory dues of income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of a dispute.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) The company has not raised any funds on short term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

- (e) The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports issued to the Company during the year.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order are not applicable.
- (b) The Group does not have any Core investment Company (CIC) as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The company is not having any obligation under section 135 of the Companies Act'2013 Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable for the year.

**For K.K.JAIN & CO.**  
**Chartered Accounts**  
**FRN: 02465N**

**Sd/-**  
**Simmi Jain**  
**Partner**

**M. No.: 086496**

**UDIN: 23086496BGWOPC6519**

**Place: New Delhi**  
**Date: 29.05.2023**

## Annexure “B” to the Independent Auditors’ Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 1(f) of ‘Report on Other Legal and Regulatory Requirements’ section

We have audited the internal financial control with reference to financial statement of SBEC SYSTEMS (INDIA) LIMITED (“the Company”) as of March, 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditors’ Responsibility

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

- In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 K.K.JAIN & CO.  
Chartered Accounts  
FRN: 02465N

Sd/-  
Simmi Jain  
Partner

M. No.: 086496

UDIN: 23086496BGWOPC6519

Place: New Delhi  
Date: 29.05.2023

**STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023**

(in Rs.000)

Particulars	Note No.	As at 31st March,2023	As at 31st March, 2022
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property,Plant and Equipment	3	28	28
(b) Non Current Investment	4	68,602	68,602
(c) Other Non Current Assets	5	2,570	-
		<b>71,200</b>	68,630
<b>2 Current assets</b>			
(a) Trade Receivables	6	8,097	2,881
(b) Cash and cash equivalents	7	1,340	661
(c) Bank balances other than (a)above	8	40	40
(d) Income Tax Assets	9	1,417	566
(e) Other current assets	10	-	15
<b>Total Current Assets</b>		<b>10,894</b>	4,163
<b>TOTAL</b>		<b>82,094</b>	72,793
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	11	1,00,000	1,00,000
(b) Other Equity	12	(1,91,172)	(2,02,233)
		<b>(91,172)</b>	(1,02,233)
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
-Long Term Borrowings	13	82,616	76,044
(b) Long-term provisions	14	294	249
		<b>82,910</b>	76,293
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
- Short Term Borrowings	15	87,448	96,418
(b) Trade Payable	16	374	346
(c) Other current liabilities	17	2,534	1,969
<b>Total Current liabilities</b>		<b>90,356</b>	98,733
<b>TOTAL</b>		<b>82,094</b>	72,793

**Significant Accounting Policies**

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Reg.No.02465N

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

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

**Sd/-**  
**Vijay K.Modi**  
Director  
DIN-00004606

**Sd/-**  
**Simmi Jain**  
Partner  
Membership No.086496

**Sd/-**  
**Priyanka Negi**  
Company Secretary  
M.No 36819

**Sd/-**  
**Lakhmi Chand Sharma**  
Chief Financial Officer

**Place: New Delhi**  
**Date : 29.05.2023**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(in Rs.000)

Sr No	Particulars	Note No.	Year Ended 31.03.2023	"Year ended 31.03. 2022"
I	Revenue from Sales and services	18	31,519	29,674
II	Other income	19	16	9
III	<b>Total revenue (I+II)</b>		<b>31,535</b>	29,683
IV	<b>Expenses:</b>			
	Employee benefits expense	20	1,491	1,307
	Finance costs	21	10,973	5,887
	Depreciation and amortisation expense	22	-	-
	Other Expenses	23	8,677	5,738
	<b>Total expenses (IV)</b>		<b>21,141</b>	12,932
V	<b>Profit / (Loss) before exceptional items and tax (III-IV)</b>		<b>10,394</b>	16,751
VI	Exceptional Items (Income)/Expenses	24	-	1,358
VII	<b>Profit / (Loss) after exceptional items and before tax (V-VI)</b>		<b>10,394</b>	15,393
VIII	<b>Tax expense:</b>			
	- Tax for Earlier Years		168	-
	- Current Tax (MAT)	25	1,735	2,401
	- MAT Credit of earlier year written back		(2,570)	-
	- Deferred Tax		-	-
	<b>Total</b>		<b>(667)</b>	2,401
IX	<b>Profit / (Loss) for the year (VII-VIII)</b>		<b>11,061</b>	12,992
	<b>Earning per equity shares:</b>	26		
	(i) Basic		1.11	1.30
	(ii) Diluted		1.11	1.30

**Significant Accounting Policies**

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Reg.No.02465N

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

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

**Sd/-**  
**Vijay K.Modi**  
Director  
DIN-00004606

**Sd/-**  
**Simmi Jain**  
Partner  
Membership No.086496

**Sd/-**  
**Priyanka Negi**  
Company Secretary  
M.No 36819

**Sd/-**  
**Lakhmi Chand Sharma**  
Chief Financial Officer

**Place: New Delhi**  
**Date : 29.05.2023**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(in Rs.000)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before tax	10,394	15,393
Adjustments for :		
Depreciation	-	-
Interest Expense	10,973	5,887
Interest Income	(16)	-
Foreign Exchange fluctuation	6,572	2,479
Fixed Assets Written Off	-	1
Interest for Earlier Years written off	-	1,358
Unsecured Loans written off	-	1,300
	<u>17,529</u>	<u>11,024</u>
<b>Operating profit/(Loss) before working capital changes</b>	<b>27,923</b>	<b>26,417</b>
Change in working Capital :		
(Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances excluding TDS	(5,201)	(2,894)
(Increase)/Decrease in Inventories	-	-
Increase /(Decrease) in Trade Payable and Provisions	705	1,076
	<u>(4,496)</u>	<u>(1,818)</u>
<b>Cash (used in) / Generated from operations</b>	<b>23,427</b>	<b>24,599</b>
Income Tax/ TDS Paid/Refund	2,754	2,967
<b>Net Cash (used) in / generation from operating activities</b>	<b>20,673</b>	<b>21,632</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	16	-
Purchase of fixed assets	-	-
Proceeds from Sales of fixed assets	-	-
<b>Net Cash (used) in/flow from investing activities</b>	<b>16</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	-
Proceeds from Long/Short term borrowings	-	2,110
Interest paid	(11,040)	(5,000)
Repayment of long /Short term borrowings	(8,970)	(18,281)
<b>NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES</b>	<b>(20,010)</b>	<b>(21,171)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>679</b>	<b>461</b>
Cash and Cash equivalents at beginning of period	661	200
<b>Cash and Cash equivalents at end of the period (Note No 5)</b>	<b>1,340</b>	<b>661</b>

\*Figures in bracket indicate cash outflow.

**As per our report of even date attached.**

**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Reg.No.02465N

**Sd/-**  
**Simmi Jain**  
Partner  
Membership No.086496

**Place: New Delhi**  
**Date : 29.05.2023**

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

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

**Sd/-**  
**Priyanka Negi**  
Company Secretary  
M.No 36819

**Sd/-**  
**Vijay K.Modi**  
Director  
DIN-00004606

**Sd/-**  
**Lakhmi Chand Sharma**  
Chief Financial Officer

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH,2023****EQUITY SHARE CAPITAL****(in Rs.000')**

Opening Balance as at April 1,2021	Changes in equity Share Caapital due to prior period errors	Restated balance as at April 1,2021	Changes in equity Share Caapital during the year	Balance as at March 31,2022
1,00,000	-	1,00,000	-	1,00,000
Opening Balance as at April 1,2022	Changes in equity Share Caapital due to prior period errors	Restated balance as at April 1,2022	Changes in equity Share Caapital during the year	Balance as at March 31,2023
1,00,000	-	1,00,000	-	1,00,000

**OTHER EQUITY****(in Rs.000')**

	Share Premium Reserve	Retained	Total
As at April 1,2021	19,262	(2,34,487)	(2,15,225)
Add:Addition during the year	-	-	-
Profit/(Loss) During the Year	-	12,992	12,992
As at March,31,2022	19,262	(2,21,495)	(2,02,233)
Add:Addition during the year	-	-	-
Profit/(Loss) During the Year	-	11,061	11,061
As at March,31,2023	19,262	(2,10,434)	(1,91,172)

**Significant Accounting Policies****1-2**

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Reg.No.02465N

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

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

**Sd/-**  
**Vijay K.Modi**  
Director  
DIN-00004606

**Sd/-**  
**Simmi Jain**  
Partner  
Membership No.086496

**Sd/-**  
**Priyanka Negi**  
Company Secretary  
M.No 36819

**Sd/-**  
**Lakhmi Chand Sharma**  
Chief Financial Officer

**Place: New Delhi**  
**Date : 29.05.2023**

**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. Financial Instruments**

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

- **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Subsequent measurement**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, loans and other financial assets.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Equity Instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, other than investment in Subsidiary, Associates and Joint Ventures, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Investments in subsidiaries, joint ventures and associates**

Investment in subsidiaries, joint ventures and associates are carried at cost in the financial statements.

- **Derecognition**

The Company derecognizes a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

- **Financial liabilities**

- **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities**

At fair value through profit or loss Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

- **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115.

- **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 14. 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.

#### 15. 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.

#### 16. Cash Flow Statement

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

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

Notes to Financial Statement for the Period ended 31<sup>st</sup> March, 2023**NOTE 3: PROPERTY, PLANT AND EQUIPMENT**

(in Rs.000)

Particulars	Plant & Machinery	Furniture, Fixtures & Fittings	Office Equipment	Total
Gross carrying amount				
Balance as at 1st April,2022	-	633	64	696
Additions	-	-	-	-
Deductions/Adjustment	-	-	-	-
<b>Balance as at 31st March,2023</b>	<b>-</b>	<b>633</b>	<b>64</b>	<b>696</b>
Accumulated Depreciation				
Balance as at 1st April,2022	-	608	61	670
Additions	-	-	-	-
Deductions/Adjustment	-	-	-	-
Balance as at 31st March,2023	-	608	61	670
<b>Net Carrying amount as at 31st March,2023</b>	<b>-</b>	<b>25</b>	<b>3</b>	<b>28</b>
Gross carrying amount				
<b>Balance as at 1st April,2021</b>	<b>18</b>	<b>633</b>	<b>64</b>	<b>714</b>
Additions	-	-	-	-
Deductions/Adjustment	18	-	-	18
<b>Balance as at 31st March,2022</b>	<b>-</b>	<b>633</b>	<b>64</b>	<b>696</b>
Accumulated Depreciation				
Balance as at 1st April,2021	17	608	61	686
Additions	-	-	-	-
Deductions/Adjustment	17	-	-	17
Balance as at 31st March,2022	-	608	61	670
<b>Net Carrying amount as at 1st April,2022</b>	<b>-</b>	<b>25</b>	<b>3</b>	<b>28</b>

**NOTE 4: NON-CURRENT INVESTMENT**

Particulars	As at		As at
	31.03.2023		31.03.2022
Trade Investment			
<b>(Quoted, Valued at Cost)</b>			
<b>Investment</b>			
31,57,716 Equity Shares of Rs. 10- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	31,577		31,577
Less : Provision for Diminution (Refer Note No.26)	8,929	22,649	8,929
1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	1,10,732		1,10,732
Less : Provision for Diminution (Refer Note No.26)	64,778	45,954	64,778
<b>Total</b>	<b>68,602</b>		<b>68,602</b>
Market value of quoted Investments			
(Based on closing rate of Rs.33.62 at BSE on 31.03.2023			
Previous year @ Rs. 30.40 per share)	4,78,442		4,32,619
Aggregate carrying value of quoted investment at face Value	1,42,309		1,42,309
Aggregate carrying value of quoted investment	68,602		68,602

**NOTE 5: OTHERS NON-CURRENT ASSETS**

MAT Credit	2,570	-
	<b>2,570</b>	<b>-</b>

**NOTE 6 : TRADE RECEIVABLES**

Unsecured,considered Good unless othwise stated:		
Outstanding for more than six Months	-	-
Outstanding for less than six Months		
Unsecured,considered Good	8,097	2,881
	<b>8,097</b>	<b>2,881</b>

**Trade Receivable Ageing Schedule****As at March 31, 2023**

(In Rs. 000)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months-1year	1-2 years	2-3 years	More than 3year	
(i) Undisputed Trade receivables-Considered Good	<b>8,097</b>	-	-	-	-	<b>8,097</b>
(ii) Undisputed Trade receivables-Considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables-Considered Good	-	-	-	-	-	-
(iv) Disputed Trade receivables-Considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>8,097</b>	-	-	-	-	<b>8,097</b>

**As at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months-1year	1-2 years	2-3 years	More than 3year	
(i) Undisputed Trade receivables-Considered Good	2,881	-	-	-	-	2,881
(ii) Undisputed Trade receivables-Considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables-Considered Good	-	-	-	-	-	-
(iv) Disputed Trade receivables-Considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>2,881</b>	-	-	-	-	<b>2,881</b>

Particulars	As at 31.03.2023	As at 31.03.2022
-------------	---------------------	---------------------

**NOTE 7 : CASH & BANK BALANCES**

Cash and Cash Equivalents

Balance with Scheduled Banks in -

-- Current Accounts

Cash in hand

**TOTAL****1,339****1****1,340**

660

1

**661****NOTE 8 : OTHER BANK BALANCES**

Other bank balances

Fixed deposit with banks \*

**TOTAL****40****40**

40

**40**

\* Fixed Deposit Matured But Pledged with Sales Tax Authority

**NOTE 9 : INCOME TAX ASSETS**

Income tax assets(net of provision )

**TOTAL****1,417****1,417**

566

**566****NOTE 10: OTHER CURRENT ASSETS**

Other advances (Includes prepaid expenses etc.)

**TOTAL**

-

-

15

**15**

**NOTE 11: SHARE CAPITAL**

(in Rs.000)

	As at 31.03.2023	As at 31.03.2022
<b>AUTHORISED CAPITAL</b>		
15,000,000 Equity Shares of Rs.10/- each.	<b>1,50,000</b>	1,50,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
10,000,000 Equity Shares of Rs.10/- each fully paid-up (Previous year 10,000,000 Equity Shares of Rs.10/- each fully paid-up)	<b>1,00,000</b>	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>	1,00,000

- 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 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No.Shares	% of holding	No.Shares	% of holding
Mr. Umesh Kumar Modi	<b>2079560</b>	<b>20.79%</b>	2079560	20.79%
SBEC Systems Limited (UK)	<b>2040000</b>	<b>20.40%</b>	2040000	20.40%
Longwell Investment Pvt. Ltd.	<b>550000</b>	<b>5.50%</b>	550000	5.50%

- d. Promoter Holding

Name of shareholders	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No.Shares	% of holding	No.Shares	% of holding
Mr. Umesh Kumar Modi	<b>2079560</b>	<b>20.79%</b>	2079560	20.79%
Ms. Meghna Modi	<b>200</b>	<b>0.00%</b>	200	0.00%
SBEC Systems Limited (UK)	<b>2040000</b>	<b>20.40%</b>	2040000	20.40%
Longwell Investment Pvt. Ltd.	<b>550000</b>	<b>5.50%</b>	550000	5.50%
Abhikum Leasing and Investment Pvt. Ltd,	<b>220000</b>	<b>2.20%</b>	220000	2.20%
Kumabhi Investments Pvt. Ltd.	<b>210000</b>	<b>2.10%</b>	210000	2.10%

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

**NOTE 12 : OTHER EQUITY**

	As at 31.03.2023	As at 31.03.2022
Share Premium Reserve		
Opening balance	<b>19,262</b>	19,262
Add:Addition during the year	-	-
Closing Balance	<b>19,262</b>	19,262
<b>Surplus /(Deficit)</b>		
Opening balance	<b>(2,21,495)</b>	(2,34,487)
<b>Profit(loss) for the year</b>	<b>11,061</b>	12,992
Net surplus in the statement of Profit and loss account	<b>(2,10,434)</b>	(2,21,495)
<b>TOTAL</b>	<b>(1,91,172)</b>	(2,02,233)

**NOTE 13 : LONG TERM BORROWINGS**

(in Rs.000)

	As at 31.03.2023	As at 31.03.2022
<b>Foreign Currency Loan From Overseas</b>	<b>82,616</b>	76,044
Corporate Body (Refer Note No.27 )		
<b>Total</b>	<b>82,616</b>	76,044

**NOTE 14 : LONG TERM PROVISIONS****Provision for Employee Benefits :**

For Gratuity	294	249
<b>Total</b>	<b>294</b>	249

**NOTE 15 : SHORT TERM BORROWINGS****Unsecured**

Loans repayable on demand	87,448	96,418
From Corporate		
<b>Total</b>	<b>87,448</b>	96,418

**NOTE - 16 : TRADE PAYABLE**

(i) MSME	53	31
(ii) Other Liabilities	321	315
(iii) Disputed dues - MSME	-	-
(iv) Disputed dues - Others	-	-
<b>TOTAL</b>	<b>374</b>	346

## a) Disclosure as required by Micro, Small and Medium Enterprises Development Act ,2006

A (I) Principal amount remaining unpaid	53	31
(II) Interest amount remaining unpaid	-	-
B Interest paid by Company in terms of Section of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the payment made to the supplier appointed day	-	-
C Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
D Interest accrued and remaining unpaid	-	-
E Interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises.	-	-

## b) Ageing for trade payable Schedule:

**As at March,31,2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1year	1-2year	2-3year	More than 3year	
(i) MSME	53	-	-	-	53
(ii) Disputed dues - MSME	-	-	-	-	-
(iii) Others	313	1	7	-	321
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>366</b>	<b>1</b>	<b>7</b>	<b>-</b>	<b>374</b>
As at March,31,2022					
(i) MSME	31	-	-	-	31
(ii) Disputed dues - MSME	-	-	-	-	-
(iii) Others	308	-	7	-	315
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>339</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>346</b>

**NOTE 17 : OTHER CURRENT LIABILITIES**

(in Rs.000)

	As at 31.03.2023	As at 31.03.2022
Employee dues	123	113
Statutory dues payable	1,591	969
Interest Payable	820	887
<b>TOTAL</b>	<b>2,534</b>	<b>1,969</b>

**NOTE 18 : SALES AND SERVICES**

	Year ended 31.03.2023	Year ended 31.03.2022
Services		
Technical Fee	37,193	35,015
Less:GST	5,673	5,341
<b>TOTAL</b>	<b>31,519</b>	<b>29,674</b>

**NOTE 19 : OTHER INCOME**

Excess Provision Written Back	-	9
Interest	16	-
<b>TOTAL</b>	<b>16</b>	<b>9</b>

**NOTE 20 : EMPLOYEE BENEFIT EXPENSES**

Salary, Wages, Bonus & other allowances	1,361	1,178
Company's Contribution To Provident & Other Funds	85	78
Gratuity	45	51
<b>TOTAL</b>	<b>1,491</b>	<b>1,307</b>

**NOTE 21: FINANCE COST**

Interest - Others	1	15
Bank Charges	0	7
Interest - Unsecured Loan	10,972	5,864
<b>TOTAL</b>	<b>10,973</b>	<b>5,887</b>

**NOTE 22: DEPRECIATION & AMORTIZATION EXPENSES**

Depreciation & Amortization	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE 23 :OTHER EXPENSES**

Auditor's Remuneration		
-As Audit Fee	50	50
-Certification and Company Law	8	10
Telephone, Postage & Telegram	20	20
Legal & Professional Charges	819	279
Travelling & Conveyance	77	4
Printing & Stationery	6	2
Insurance Charges	64	-
Filing Fee	13	5
Misc. Expenses	62	10
Vehicle Running Expenses	218	55
Foreign Exchange fluctuation	6,572	2,479
Fixed Assets Written Off	-	1
Amount write off	-	226
Unclaimed Loans Written Off	-	1,300
Secretarial & AGM Expenses	768	1,297
<b>TOTAL</b>	<b>8,677</b>	<b>5,738</b>

**NOTE 24: EXCEPTIONAL ITEMS( INCOME)/EXPENDITURE**

(in Rs.000)

	Year ended 31.03.2023	Year ended 31.03.2022
Interest for Earlier Years written off (Net)	-	1,358
<b>TOTAL</b>	<b>-</b>	<b>1,358</b>

**NOTE - 25 : INCOME TAXES**

Income Tax Expenses:

-Current Tax (MAT)	1,735	2,401
-Tax for Earlier Years	168	-
-MAT Credit of earlier year written back	(2,570)	
	<b>(667)</b>	<b>2,401</b>

**NOTE 26: EARNING PER SHARE(EPS)**

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

Profit /(Loss) after tax for the year	11,061	12,992
Weighted Average number of equity shares of Rs.10/- each fully paid up	10,000	10,000
Basic & Diluted Earnings per share	1.11	1.30

**NOTE NO.: 27 Contingent liabilities not provided for in respect of:-**

Particulars	Current Year	Previous Year
Interest on Foreign Currency Loan	2,31,81@	2,13,37@

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

**NOTE NO.: 28** The accounts of the Company for the year ending 31.03.23 have been prepared on going concern basis. The management is confident to revive the business activities in near future depending upon more favourable conditions prevailing in the market bearing unforeseen circumstances.

**NOTE NO.: 29** Reversal of diminution of Current Quoted investment aggregating Rs. 7,37,07/-Thousands (Previous Year Rs. Rs. 7,37,07/-Thousands) has been provided. Resulting of such non reversal of diminution the Profit/(Loss) for the year are shown Lower/higher and investment are shown lower by Rs. 7,37,07/-Thousands (Previous Year Rs. Rs. 7,37,07/-Thousands).

**NOTE NO.: 30 Segment Reporting**

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

**NOTE NO.: 31 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 Systems limited (United Kingdom)

**c) Key Managerial Personnel**

Mr. Luv Gupta - Chief Financial Officer (upto-30.04.2023)  
Mr. Lakhmi Chand Sharma - Chief Financial Officer (w.e.f.-01.05.2023)  
Mrs. Priyanka Negi - Company Secretary

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

Mr. U.K.Modi

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

Mrs. Kumkum Modi, Mr. Abhishek Modi, Ms. Meghna Modi, Ms. Himani Modi , Mr. Jayesh Modi , Mrs Shreepriya Modi, Modi Arts Pvt Ltd., Modi Goods and Retail Services Pvt Ltd., Jai Abhishek Investments Pvt Ltd., Modi Diagnostics Pvt Ltd., Modi –Mundipharma Beauty Products Pvt. Ltd., Modi Senator (India) Pvt Ltd., First Move Management Services Pvt Ltd. , Beauty Products Lanka Pvt Ltd., Umesh Modi Corp Pvt Ltd., Modi-Mundipharma Healthcare Pvt. Ltd.(formerly known as Modi Omega Pharma (India) Pvt Ltd.), Modi Illva India Pvt Ltd., A to Z Holdings 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 andenterprises.

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

(In Rs. 000')

Nature of Transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(e) above
Remuneration	- (-)	- (-)	13,80 (12,29)	- -
Expenses Paid	-	-	-	-
Secretarial Expenses/Printing & Stationery etc.	- (-)	- (-)	- (-)	50 (7)
Professional and Technical services	315,19 (296,74)			
Repayment of Loans	- 128,38	-	-	23.29
Trade Receivable	80.87 (28.81)			
Out standing Payable	- (-)	- (-)	95 (88)	25 (15)
Equity Contribution	14,23,09 (14,23,09)	-	-	-

**NOTE NO.: 32 Deferred Taxation**

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

**NOTE NO.: 33 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**

	2022-23	2021-22	2020-21	2019-20	2018-19
	Year	Year	Year	Year	Year
Employer's contribution to provident fund	85	78	59	61	63

**b) Defined Benefit Plan**

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

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

	Gratuity For The Year Ending 31.03.23	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19
DBP at the beginning of the year	2.49	1,98	1,68	1,26	1,26
Interest Cost	-	-	-	-	-
Current Service Cost	45	51	30	42	-
Benefits Paid/written back	Nil	Nil	Nil	Nil	Nil
Actuarial (gain)/loss	Nil	Nil	Nil	Nil	Nil
<b>DBP at the end of the year</b>	<b>2,94</b>	<b>2,49</b>	<b>1,98</b>	<b>1,68</b>	<b>1,26</b>

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

	Gratuity For The Year Ending 31.03.23	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19
Fair value of plan assets as at the beginning of the year	Nil	Nil	Nil	Nil	Nil
Expected return	Nil	Nil	Nil	Nil	Nil
Actuarial (gain / loss)	Nil	Nil	Nil	Nil	Nil
Contribution by employer	Nil	Nil	Nil	Nil	Nil
Benefits paid	Nil	Nil	Nil	Nil	Nil
Settlement cost	Nil	Nil	Nil	Nil	Nil
Fair value of plan assets as at the end of the year	Nil	Nil	Nil	Nil	Nil
Actual return on plan assets	Nil	Nil	Nil	Nil	Nil

## 3. Reconciliation of amount recognized in Balance Sheet

(In Rs 000)

	Gratuity For The Year Ending 31.03.23	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19
Fair Value of Plan Assets	Nil	Nil	Nil	Nil	Nil
Present value of obligation	2,94	2,49	1,98	1,68	1,26
Net asset/(liability) recognized in the Balance Sheet	2,94	2,49	1,98	1,68	1,26

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

	Gratuity For The Year Ending 31.03.23	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19
Interest Cost	Nil	Nil	Nil	Nil	Nil
Current Service Cost	45	51	30	42	Nil
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	45	51	30	42	Nil

## 5. Actual Return on Plan Assets

	Gratuity For The Year Ending 31.03.23	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19
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

	Gratuity For The Year Ending 31.03.23	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19
Mortality table (LIC)	2021-22 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified
Discount Rate	7.38%	8%	8%	8%	8%
Future Salary Increased	5%	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 34: Financial Instruments

Financial Instruments by category:

The accounting classification of each category of financial instruments ,their carrying value and fair value as on March 31,2023 is as follows:

Particulars	Note	FVTPL	Amortised cost	Total carrying cost
<b>Assets:</b>				
Investment in associates *	4	68,602	-	68,602
Trade receivables	6		8,097	8,097
Cash and Cash Equivalents	7	-	1,340	1,340
Other Bank Balances	8		40	40
Income Tax Assets	9		1,417	1,417
<b>Total</b>		<b>68,602</b>	<b>10,894</b>	<b>79,496</b>
<b>Liabilities:</b>				
Long Term Borrowings	13		82,616	82,616
Short Term Borrowings	15		87,448	87,448
Trade Liabilities	16		374	374
Other Financial Liabilities	17		2,534	2,534
<b>Total</b>		<b>-</b>	<b>1,72,972</b>	<b>1,72,972</b>

The accounting classification of each category of financial instruments ,their carrying value and fair value as on March 31,2022 is as follows:

(In Rs 000)				
Particulars	Note	FVTPL	Amortised cost	Total carrying cost
<b>Assets:</b>				
Investment in associates *	4	68,602	-	68,602
Trade receivables	6		2,881	2,881
Cash and Cash Equivalents	7	-	661	661
Other Bank Balances	8		40	40
Income Tax Assets	9		566	566
<b>Total</b>		68,602	4,148	72,751
<b>Liabilities:</b>				
Long Term Borrowings	13		76,044	76,044
Short Term Borrowings	15		96,418	96,418
Trade Liabilities	16		346	346
Other Financial Liabilities	17		1,969	1,969
<b>Total</b>		-	1,74,777	1,74,777

\*The above Investments does not include equity investments in subsidiaries, associates and joint ventures which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Borrowings, Lease liabilities, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Abbreviations : FVTPL - Fair Value Through Profit or Loss.**

**Abbreviations : FVTOCI - Fair Value Through Other Comprehensive Income**

**NOTE 35: Additional Regulatory Information-Ratios**

Ratio	Measure	Numerator	Denominator	As at	As at	Variance	Remarks
				March31,2023	March31,2022		
<b>Current Ratio</b>	Times	Total Current assets	Total Current Liabilities	<b>0.12</b>	0.04	0.08	
Debts-Equity ratio	Times	Total debt	Total Equity	<b>-1.87</b>	-1.69	-0.18	
Debts Service Coverage Ratio	Times	Arning for debt service=Net Profit after taxes+Non cash opration expenses+finance cost	Debt service=Interest +Principial	<b>0.12</b>	0.03	0.09	
Return on Equity Ratio	Percentage	Net Profit for the year	Total AVERAGE Equity	<b>-11.44</b>	-11.95	0.51	
Inventory Turnover ratio	Times	Cost of Goods Sold	Average inventory	-	-	-	
Total Receivale Turnover ratio	Times	Revenue from operation	Average trade receivables	<b>7.79</b>	20.60	-12.81	
Trade payables turnover ratio	Times	Other expenses	Average trade payable	<b>5.85</b>	6.22	-0.37	
Net Capital turnover ratio	Times	Revenue from operation	Average Working Capital	<b>-0.36</b>	-0.31	-0.05	
Net Profit ratio	Percentage	Net Profit for the year	Total Sales	<b>35.09</b>	43.78	-8.69	
Return on capital employed	Percentage	Profit before tax and finance cost	Capital Employed (Equity+Debts)	<b>27.08</b>	30.30	-3.22	
Return on Investment	Percentage	Profit after tax	Capital Employed (Equity+Debts)	<b>14.02</b>	18.50	-4.48	

**NOTE NO: 36 Other Statutory Information**

- I. The company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.
- II. The company does not have any transactions with companies struck off.
- III. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- IV. The company has not traded or invested in crypto currency or virtual currency during the financial year
- V. The company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- VI. All the title deeds of immovable properties are held in the name of company as at the balance sheet date.
- VII. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall lend or invest in party identified by or on behalf of company (Ultimate beneficiaries)
- VIII. The company has not received any fund from any party(s) (funding party) with the understanding that the company shall whether directly or indirectly lend or invest in other person or entities indentified by or on behalf of company ("ultimate beneficiaries")or provide any guarantee

, security or the like on behalf of the ultimate beneficiaries.

- IX. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

**NOTE NO.: 37 Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 2013 (to the extent applicable) :**

Particulars		(In Rs.000)
(a)	STOCK, PURCHASES AND SALES OF GOODS TRADED IN:	Nil (Nil)
b)	EXPENDITURE IN FOREIGN CURRENCY (On cash basis)	Nil
	Interest Payment	(Nil)
c)	EARNINGS IN FOREIGN EXCHANGE	Nil (Nil)
d)	CIF VALUE OF IMPORTS	Nil (Nil)

**NOTE NO.: 38** Previous Year figures are given in brackets and have been regrouped / rearranged wherever required.

In terms of our attached report of even date,

**For K.K. JAIN & Co**  
Chartered Accountants  
Firm Reg.No.02465N  
sd/-

**Simmi Jain**  
Partner  
Membership No.086496

**Place: New Delhi**  
**Date: 29.05.2023**

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

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

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

sd/-  
**Vijay K.Modi**  
Director  
DIN-00004606

sd/-  
**Lakhmi Chand Sharma**  
Chief Financial Officer

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

**Report on the Audit of Consolidated Financial Statements**

**Opinion**

We have audited the accompanying Consolidated financial statements of M/s SBEC SYSTEMS (INDIA) LIMITED (hereinafter referred to as the "Holding Company") and its associate, which comprise the Consolidated Balance Sheet as at 31 March, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of other auditors as referred in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner, so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its Associates as at 31 March, 2023, the consolidated profit, 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. 28 to the financial statement according to which the company has prepared its accounts on a going concern basis even though the net worth of the Company has been fully eroded. These facts cast significant doubts above the Company's ability to continue as a going concern.

**Key Audit Matter**

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

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

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

#### **Other Matters**

The consolidated financial statements include the Company's share of total comprehensive profit of Rs. NIL for the year ended 31 March, 2023, as considered in the consolidated financial statements, in respect of one Associate, whose financial statements/financial information have not been audited by us. That financial statements/ financial information have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of that Associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid Associate, is based solely on the reports of the other auditor.

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of accounts as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors of the Company and the reports of the Statutory Auditors of its Associate Companies incorporated in India, none of the Directors of the Company and its Associate Companies incorporated in India is disqualified as on 31 March, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; which is based on the auditor's reports of the Company and its Associate Companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those Companies, for reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors, the remuneration paid by the Company and its Associate Companies to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors:
- i. The company and its Associates does not have any pending litigations which would impact its financial statements
  - ii. The Company and its Associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company and its Associate Companies.
- iv. (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief as disclosed in note 36(vii). to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief as disclosed in note 36 (viii). to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For K.K..JAIN & CO.  
Chartered Accounts  
FRN: 02465N

sd/-  
Simmi Jain  
Partner

M. No.: 086496

UDIN: 23086496BGWOPD1226

Place: New Delhi  
Date: 29.05.2023

## 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 (j) 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, 2023

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, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

### Meaning of Internal Financial Controls Over Financial Reporting

- A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
  - (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, 2023, 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

For K.K..JAIN & CO.  
Chartered Accounts  
FRN: 02465N

sd/-  
Simmi Jain  
Partner

M. No.: 086496

UDIN: 23086496BGWOPD1226

Place: New Delhi  
Date: 29.05.2023

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023**

(in Rs. 000)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3	28	28
(b) Non Current Investment	4	-	-
(c) Other Non Current Assets	5	2,570	-
		<b>2,597</b>	28
<b>2 Current assets</b>			
(a) Trade Receivables	6	8,097	2,881
(b) Cash and cash equivalents	7	1,340	661
(c) Bank balances other than (a)above	8	40	40
(d) Income Tax Assets	9	1,417	566
(e) Other current assets	10	-	15
Total Current Assets		<b>10,894</b>	4,163
<b>TOTAL</b>		<b>13,492</b>	4,191
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	11	1,00,000	1,00,000
(b) Other Equity	12	(2,59,774)	(2,70,835)
		<b>(1,59,774)</b>	(1,70,835)
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
-Long Term Borrowings	13	82,616	76,044
(b) Long-term provisions	14	294	249
		<b>82,910</b>	76,293
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
- Short Term Borrowings	15	87,448	96,418
(b) Trade Payable	16	374	346
(c) Other current liabilities	17	2,534	1,969
Total Current liabilities		<b>90,356</b>	98,733
<b>TOTAL</b>		<b>13,492</b>	4,191

**Significant Accounting Policies**

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

For K.K.JAIN & CO.  
Chartered Accountants  
Firm Reg.No.02465N

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

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

Sd/-  
Vijay K.Modi  
Director  
DIN-00004606

Sd/-  
Simmi Jain  
Partner  
Membership No.086496

Sd/-  
Priyanka Negi  
Company Secretary  
M.No 36819

Sd/-  
Lakhmi Chand Sharma  
Chief Financial Officer

Place: New Delhi  
Date : 29.05.2023

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(in Rs.000)

Sr No	Particulars	Note No.	Year Ended 31.03.2023	Year ended 31.03.2022
I	Revenue from Sales and services	18	31,519	29,674
II	Other income	19	16	9
III	<b>Total revenue (I+II)</b>		<b>31,535</b>	<b>29,683</b>
IV	<b>Expenses:</b>			
	Employee benefits expense	20	1,491	1,307
	Finance costs	21	10,973	5,887
	Depreciation and amortisation expense	22	-	-
	Other Expenses	23	8,677	5,738
	<b>Total expenses (IV)</b>		<b>21,141</b>	<b>12,932</b>
V	<b>Profit / (Loss) before exceptional items and tax (III-IV)</b>		<b>10,394</b>	<b>16,751</b>
VI	Exceptional Items (Income)/Expenses	24	-	1,358
VII	<b>Profit / (Loss) after exceptional items and before tax (V-VI)</b>		<b>10,394</b>	<b>15,393</b>
VIII	<b>Share of Profit/(Loss) of Associates</b>		-	-
IX	<b>Tax expense:</b>			
	-Tax for Earlier Years		168	-
	- Current Tax (MAT)	25	1,735	2,401
	- MAT Credit of earlier year written back		(2,570)	-
	- Deferred Tax		-	-
	<b>Total</b>		<b>(667)</b>	<b>2,401</b>
X	<b>Profit / (Loss) for the year (VII-VIII-IX)</b>		<b>11,061</b>	<b>12,992</b>
	<b>Earning per equity shares:</b>	26		
	(i) Basic		1.11	1.30
	(ii) Diluted		1.11	1.30

**Significant Accounting Policies**

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Reg.No.02465N

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

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

**Sd/-**  
**Vijay K.Modi**  
Director  
DIN-00004606

**Sd/-**  
**Simmi Jain**  
Partner  
Membership No.086496

**Sd/-**  
**Priyanka Negi**  
Company Secretary  
M.No 36819

**Sd/-**  
**Lakhmi Chand Sharma**  
Chief Financial Officer

**Place: New Delhi**  
**Date : 29.05.2023**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

(in Rs.000)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before tax	10,394	15,393
<b>Adjustments for :</b>		
Depreciation	-	-
Interest Expense	10,973	5,887
Interest Income	(16)	-
Foreign Exchange fluctuation	6,572	2,479
Fixed Assets Written Off	-	1
Interest for Earlier Years written off	-	1,358
Unsecured Loans written off	-	1,300
	<u>17,529</u>	<u>11,024</u>
<b>Operating profit/(Loss) before working capital changes</b>	<b>27,923</b>	<b>26,417</b>
Change in working Capital :		
(Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances excluding TDS	(5,201)	(2,894)
(Increase)/Decrease in Inventories	-	-
Increase /(Decrease) in Trade Payable and Provisions	705	1,076
	<u>(4,496)</u>	<u>(1,818)</u>
<b>Cash (used in) / Generated from operations</b>	<b>23,427</b>	<b>24,599</b>
Income Tax/ TDS Paid/Refund	2,754	2,967
<b>Net Cash (used) in / generation from operating activities</b>	<b>20,673</b>	<b>21,632</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	16	-
Purchase of fixed assets	-	-
Proceeds from Sales of fixed assets	-	-
<b>Net Cash (used) in/flow from investing activities</b>	<b>16</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	-
Proceeds from Long/Short term borrowings	-	2,110
Interest paid	(11,040)	(5,000)
Repayment of long /Short term borrowings	(8,970)	(18,281)
<b>NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES</b>	<b>(20,010)</b>	<b>(21,171)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>679</b>	<b>461</b>
Cash and Cash equivalents at beginning of period	661	200
<b>Cash and Cash equivalents at end of the period (Note No 5)</b>	<b>1,340</b>	<b>661</b>

\*Figures in bracket indicate cash outflow.

**As per our report of even date attached.**

**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Reg.No.02465N

**Sd/-**  
**Simmi Jain**  
Partner  
Membership No.086496

**Place: New Delhi**  
**Date : 29.05.2023**

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

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

**Sd/-**  
**Priyanka Negi**  
Company Secretary  
M.No 36819

**Sd/-**  
**Vijay K.Modi**  
Director  
DIN-00004606

**Sd/-**  
**Lakhmi Chand Sharma**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023****Consolidated Statement of Changes in Equity for the year ended 31st March,2023****(in Rs.000')**

Opening Balance as at April 1,2021	Changes in equity Share Caapital due to prior period errors	Restated balance as at April 1,2021	Changes in equity Share Caapital during the year	Balance as at March 31,2022
1,00,000	-	1,00,000	-	1,00,000
Opening Balance as at April 1,2021	Changes in equity Share Caapital due to prior period errors	Restated balance as at April 1,2022	Changes in equity Share Caapital during the year	Balance as at March 31,2023
1,00,000	-	1,00,000	-	1,00,000

**OTHER EQUITY****(in Rs.000')**

	Share Premium Reserve	Retained	Total
As at April 1,2021	19,262	(3,03,089)	(2,83,827)
Add:Addition during the year	-	-	-
Profit/(Loss) During the Year	-	12,992	12,992
As at March,31,2022	19,262	(2,90,097)	(2,70,835)
Add:Addition during the year	-	-	-
Profit/(Loss) During the Year	-	11,061	11,061
As at March,31,2023	19,262	(2,79,036)	(2,59,774)

**Significant Accounting Policies****1-2**

The accompanying notes are intergal part of the financial Statements.

*As per our report of even date attached.*

**For K.K.JAIN & CO.**  
Chartered Accountants  
Firm Reg.No.02465N

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

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

**Sd/-**  
**Vijay K.Modi**  
Director  
DIN-00004606

**Sd/-**  
**Simmi Jain**  
Partner  
Membership No.086496

**Sd/-**  
**Priyanka Negi**  
Company Secretary  
M.No 36819

**Sd/-**  
**Lakhmi Chand Sharma**  
Chief Financial Officer

**Place: New Delhi**  
**Date : 29.05.2023**

**ACCOUNTING POLICIES OF THE CONSOLIDATION 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. Financial Instruments**

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

- **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Subsequent measurement**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using

the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, loans and other financial assets.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Equity Instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, other than investment in Subsidiary, Associates and Joint Ventures, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Investments in subsidiaries, joint ventures and associates**

Investment in subsidiaries, joint ventures and associates are carried at cost in the financial statements.

- **Derecognition**

The Company derecognizes a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

#### Financial liabilities

- **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities**

At fair value through profit or loss Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

- **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115.

- **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 14. 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.

#### 15. 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.

#### 16. Cash Flow Statement

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

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

Notes to Consolidated Financial Statement for the Period ended 31<sup>st</sup> March, 2023**NOTE 3: PROPERTY, PLANT AND EQUIPMENT**

(in Rs.000)

Particulars	Plant & Machinery	Furniture, Fixtures & Fittings	Office Equipment	Total
Gross carrying amount				
Balance as at 1st April,2022	-	633	64	696
Additions	-	-	-	-
Deductions/Adjustment	-	-	-	-
<b>Balance as at 31st March,2023</b>	<b>-</b>	<b>633</b>	<b>64</b>	<b>696</b>
Accumulated Depreciation				
Balance as at 1st April,2022	-	608	6	670
Additions	-	-	-	-
Deductions/Adjustment	-	-	-	-
<b>Balance as at 31st March,2023</b>	<b>-</b>	<b>608</b>	<b>6</b>	<b>670</b>
Net Carrying amount as at 1st April,2022	-	25	3	28
<b>Net Carrying amount as at 31st March,2023</b>	<b>-</b>	<b>25</b>	<b>3</b>	<b>28</b>
Gross carrying amount				
Balance as at 1 <sup>st</sup> April,2021	18	633	64	714
Additions	-	-	-	-
Deductions/Adjustment	18	-	-	18
Balance as at 31 <sup>st</sup> March, 2022	-	633	64	696
Accumulated Depreciation				
Balance as at 1st April,2021	17	608	60	686
Additions	-	-	-	-
Deductions/Adjustment	17	-	-	17
Balance as at 31st March,2022	-	608	60	670
Net Carrying amount as at 31st March,2022	-	25	3	28

**NOTE 4: NON-CURRENT INVESTMENT**

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Investment (Quoted, Valued at Cost)		
<b>Investment</b>		
31,57,716 Equity Shares of Rs. 10- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	-	-
Less : Provision for Diminution (Refer Note No.26)	-	-
1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	-	-
Less : Provision for Diminution (Refer Note No.26)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Market value of quoted Investments (Based on closing rate of Rs.33.62 at BSE on 31.03.2023)		
Previous year @ Rs. 30.40 per share)	4,78,442	4,32,619
Aggregate carrying value of quoted investment at face Value	1,42,309	1,42,309
Aggregate carrying value of quoted investment	-	-
<b>NOTE5: OTHERS NON-CURRENT ASSETS</b>		
MAT Credit	2,570	-
	<b>2,570</b>	-

(in Rs.000)

**NOTE 6 : TRADE RECEIVABLES****Unsecured,considered Good unless otherwise stated:**

Outstanding for more than six Months

Outstanding for less than six Months

Unsecured,considered Good

	<b>8,097</b>	2,881
--	--------------	-------

<b>Total</b>	<b>8,097</b>	2,881
--------------	--------------	-------

**Trade Receivable Ageing Schedule****As at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months-1year	1-2 years	2-3 years	More than 3year	
(i) Undisputed Trade receivables-Considered Good	<b>8,097</b>	-	-	-	-	<b>8,097</b>
(ii) Undisputed Trade receivables-Considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables-Considered Good	-	-	-	-	-	-
(iv) Disputed Trade receivables-Considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>8,097</b>	-	-	-	-	<b>8,097</b>

**As at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months-1year	1-2 years	2-3 years	More than 3year	
(i) Undisputed Trade receivables-Considered Good	<b>2,881</b>	-	-	-	-	<b>2,881</b>
(ii) Undisputed Trade receivables-Considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables-Considered Good	-	-	-	-	-	-
(iv) Disputed Trade receivables-Considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>2,881</b>	-	-	-	-	<b>2,881</b>

<b>Particulars</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
--------------------	-----------------------------	-----------------------------

**NOTE 7 : CASH & BANK BALANCES****Cash and Cash Equivalents**

Balance with Scheduled Banks in -

-- Current Accounts

	1,339	660
--	-------	-----

Cash in hand	1	1
--------------	---	---

<b>TOTAL</b>	<b>1,340</b>	661
--------------	--------------	-----

**NOTE 8 : OTHER BANK BALANCES**

Other bank balances

Fixed deposit with banks \*

	40	40
--	----	----

<b>TOTAL</b>	<b>40</b>	40
--------------	-----------	----

\* Fixed Deposit Matured But Pledged with Sales Tax Authority

**NOTE 9 : INCOME TAX ASSETS**

Income tax assets(net of provision)

	1,417	566
--	-------	-----

<b>TOTAL</b>	<b>1,417</b>	566
--------------	--------------	-----

**NOTE 10: OTHER CURRENT ASSETS**

Other advances (Includes prepaid expenses etc.)

	-	15
--	---	----

<b>TOTAL</b>	<b>15</b>	15
--------------	-----------	----

**NOTE 11: SHARE CAPITAL**

(in Rs.000)

	As at 31.03.2023	As at 31.03.2022
<b>AUTHORISED CAPITAL</b>		
15,000,000 Equity Shares of Rs.10/- each.	1,50,000	1,50,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
10,000,000 Equity Shares of Rs.10/- each fully paid-up (Previous year 10,000,000 Equity Shares of Rs.10/- each fully paid-up)	1,00,000	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>	<b>1,00,000</b>

- a. Reconciliation of number of shares (nos.)
- |  |             |             |
|--|-------------|-------------|
| Outstanding at the beginning of the year | 1,00,00,000 | 1,00,00,000 |
| Outstanding at the end of the year       | 1,00,00,000 | 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 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No.Shares	% of holding	No.Shares	% of holding
Mr. Umesh Kumar Modi	2079560	20.79%	2079560	20.79%
SBEC Systems Limited (UK)	2040000	20.40%	2040000	20.40%
Longwell Investment Pvt. Ltd.	550000	5.50%	550000	5.50%

- d. Promoter Holding

Name of shareholders	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	No.Shares	% of holding	No.Shares	% of holding
Mr. Umesh Kumar Modi	2079560	20.79%	2079560	20.79%
Ms. Meghna Modi	200	0.00%	200	0.00%
SBEC Systems Limited (UK)	2040000	20.40%	2040000	20.40%
Longwell Investment Pvt. Ltd.	550000	5.50%	550000	5.50%
Abhikum Leasing and Investment Pvt. Ltd,	220000	2.20%	220000	2.20%
Kumabhi Investments Pvt. Ltd.	210000	2.10%	210000	2.10%

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

**NOTE 12: OTHER EQUITY**

	As at 31.03.2023	As at 31.03.2022
Share Premium Reserve		
Opening balance	19,262	19,262
Add:Addition during the year	-	-
Closing Balance	19,262	19,262
<b>Surplus /(Deficit)</b>		
Opening balance	(2,90,097)	(3,03,089)
<b>Profit(loss) for the year</b>	<b>11,061</b>	<b>12,992</b>
Net surplus in the statement of Profit and loss account	(2,79,036)	(2,90,097)
<b>TOTAL</b>	<b>(2,59,774)</b>	<b>(2,70,835)</b>

(in Rs.000)

**NOTE 13 :LONG TERM BORROWINGS**

	As at 31.03.2023	As at 31.03.2022
<b>Unsecured</b>		
<b>Foreign Currency Loan From Overseas</b>	82,616	76,044
Corporate Body (Refer Note No.24 )		
<b>Total</b>	<b>82,616</b>	<b>76,044</b>

**NOTE 14 : LONG TERM PROVISIONS**

<b>Provision for Employee Benefits :</b>		
<b>For Gratuity</b>	294	249
<b>Total</b>	<b>294</b>	<b>249</b>

**NOTE 15 : SHORT TERM BORROWINGS**

<b>Unsecured</b>		
<b>Loans repayable on demand</b>	87,448	96,418
From Corporate		
<b>TOTAL</b>	<b>87,448</b>	<b>96,418</b>

**NOTE - 16 : TRADE PAYABLE**

(i) MSME	53	31
(ii) Other Liabilities	321	315
(iii) Disputed dues - MSME	-	-
(iv) Disputed dues - Others	-	-
<b>TOTAL</b>	<b>374</b>	<b>346</b>

## a) Disclosure as required by Micro,Small and Medium Enterprises Development Act ,2006

A (I) Principal amount remaining unpaid	53	31
(II) Interest amount remaining unpaid	-	-
B Interest due an dpayable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
C Interest due an dpayable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
D Interest accrued and remaining unpaid	-	-
E Interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises.	-	-

## b) Ageing for trade payable Schedule: As at March 31, 2023

Particulars	Outsanding for following periods from due date of payment				Total
	Less than 1year	1-2year	2-3year	More than 3year	
(i) MSME	53	-	-	-	53
(ii) Disputed dues - MSME	-	-	-	-	-
(iii)Others	313	1	7	-	321
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>366</b>	<b>1</b>	<b>7</b>	<b>-</b>	<b>374</b>
As at March,31,2022					
(i) MSME	31	-	-	-	31
(ii) Disputed dues - MSME	-	-	-	-	-
(iii)Others	308	-	7	-	315
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>339</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>346</b>

(in Rs.000)

**NOTE 17 : OTHER CURRENT LIABILITIES**

	As at 31.03.2023	As at 31.03.2022
Employee dues	123	113
Statutory dues payable	1,591	969
Interest Payable	820	887
<b>TOTAL</b>	<b>2,534</b>	<b>1,969</b>

**NOTE 18 : SALES AND SERVICES**Services

	Year ended 31.03.2023	Year ended 31.03.2022
Technical Fee	37,193	35,015
Less:GST	5,673	5,341
<b>TOTAL</b>	<b>31,519</b>	<b>29,674</b>

**NOTE 19 : OTHER INCOME**

Excess Provision Written Back	-	9
Interest	16	-
<b>TOTAL</b>	<b>16</b>	<b>9</b>

**NOTE 20 : EMPLOYEE BENEFIT EXPENSES**

Salary, Wages, Bonus & other allowances	1,361	1,178
Company's Contribution To Provident & Other Funds	85	78
Gratuity	45	51
<b>TOTAL</b>	<b>1,491</b>	<b>1,307</b>

**NOTE 21: FINANCE COST**

Interest - Others	1	15
Bank Charges	0	7
Interest - Unsecured Loan	10,972	5,864
<b>TOTAL</b>	<b>10,973</b>	<b>5,887</b>

**NOTE 22: DEPRECIATION & AMORTIZATION EXPENSES**

Depreciation & Amortization	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE 23 : OTHER EXPENSES**

Auditor's Remuneration		
-As Audit Fee	50	50
-Certification and Company Law	8	10
Telephone, Postage & Telegram	20	20
Legal & Professional Charges	819	279
Travelling & Conveyance	77	4
Printing & Stationery	6	2
Insurance Charges	64	-
Filing Fee	13	5
Misc. Expenses	62	10
Vehicle Running Expenses	218	55
Foreign Exchange fluctuation	6,572	2,479
Fixed Assets Written Off	-	1
Amount write off	-	226
Unclaimed Loans Written Off	-	1,300
Secretarial & AGM Expenses	768	1,297
<b>TOTAL</b>	<b>8,677</b>	<b>5,738</b>

**NOTE 24: EXCEPTIONAL ITEMS( INCOME)/EXPENDITURE**

(in Rs.000)

	Year ended 31.03.2023	Year ended 31.03.2022
Interest for Earlier Years written off (Net)	-	1,358
<b>TOTAL</b>	-	1,358

**NOTE - 25 : INCOME TAXES**

Income Tax Expenses:

-Current Tax (MAT)	1,735	2,401
-Tax for Earlier Years	168	-
-MAT Credit of earlier year written back	(2,570)	
<b>TOTAL</b>	<b>(667)</b>	<b>2,401</b>

**NOTE 26: EARNING PER SHARE(EPS)**

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

Profit /(Loss) after tax for the year	11,061	12,992
Weighted Average number of equity shares of Rs.10/- each fully paid up	10,000	10,000
Basic & Diluted Earnings per share	1.11	1.30

**NOTE NO.: 27 Contingent liabilities not provided for in respect of:-**

Rs.000'

Particulars	Current Year	Previous Year
Interest on Foreign Currency Loan	2,31,81@	2,13,37@

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

**NOTE NO.: 28** The accounts of the Company for the year ending 31.03.23 have been prepared on going concern basis. The management is confident to revive the business activities in near future depending upon more favourable conditions prevailing in the market bearing unforeseen circumstances.

**NOTE NO: 29 Investment in Associates:**

Name of the Company	Country of Incorporation	% Holding
SBEC Sugar Limited	India	29.86%
Carrying cost of Investment in associates	-	SBEC Sugar Limited
No. of Equity Shares held 29.86% of Holding		1, 42,30,884
Cost of Investment		14,23,09
Goodwill/ (Capital Reserve) included in Cost of Investment		(6,86,02)
Share in accumulated profit/(Losses) Rs		14,23,09
Share of Profit/ (Loss) of Associates Rs.		(30,20,50)
Carrying Cost		Nil

**NOTE NO.: 30 Segment Reporting**

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

**NOTE NO.: 31 Related Parties Disclosures**

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

- Enterprises Where Control Exists**  
SBEC Sugar Limited (Substantial Interest Exist)
- Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises.**  
SBEC Systems limited (United Kingdom)
- Key Managerial Personnel**  
Mr. Luv Gupta - Chief Financial Officer up to 30.04.23  
Mr. Lakhmi Chand Sharma - Chief Financial Officer w.e.f 01.05.23  
Mrs. Priyanka Negi - Company Secretary
- 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 Holdings 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.000)

Nature of Transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(e) above
Remuneration	-	-	13,80	-
Expenses Paid	(-)	(-)	(12,29)	-
Secretarial Expenses/Printing & Stationery etc.	-	-	-	50
Professional and Technical services	315,19 (296,74)	(-)	(-)	(7)
Repayment of Loans	- (128.38)	-	-	- (23.29)
Trade Receivable	80,87 (28,81)	-	-	-
Out standing Payable	- (-)	- (-)	95 (88)	25 (15)
Equity Contribution	14,23,09 (14,23,09)	-	-	-

**NOTE NO.: 32 Deferred Taxation**

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

**NOTE NO.: 33 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**

	2022-23	2021-22	2020-21	2019-20	2018-19
	Year	Year	Year	Year	Year
Employer's contribution to provident fund	85	78	59	61	63

b) **Defined Benefit Plan**

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

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

	Gratuity For The Year Ending 31.03.23	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19
DBP at the beginning of the year	2,49	1,98	1,68	1,26	1,26
Interest Cost	-	-	-	-	-
Current Service Cost	45	51	30	42	-
Benefits Paid/written back	Nil	Nil	Nil	Nil	Nil
Actuarial (gain)/loss	Nil	Nil	Nil	Nil	Nil
<b>DBP at the end of the year</b>	<b>2,94</b>	<b>2,49</b>	<b>1,98</b>	<b>1,68</b>	<b>1,26</b>

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

(in Rs.000)

	Gratuity For The Year Ending 31.03.23	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19
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 For The Year Ending 31.03.23	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19
Fair Value of Plan Assets	Nil	Nil	Nil	Nil	Nil
Present value of obligation	2,94	2,49	1,98	1,68	1,26
Net asset/(liability) recognized in the Balance Sheet	2,94	2,49	1,98	1,68	1,26

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

	Gratuity For The Year Ending 31.03.23	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19
Interest Cost	Nil	Nil	Nil	Nil	Nil
Current Service Cost	45	51	30	42	Nil
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	45	51	30	42	Nil

**5. Actual Return on Plan Assets**

	Gratuity For The Year Ending 31.03.23	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19
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**

	Gratuity For The Year Ending 31.03.23	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19
Mortality table (LIC)	2021-22 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified	1994-96 Duly Modified
Discount Rate	7.38%	8%	8%	8%	8%
Future Salary Increased	5%	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 34: Financial Instruments****Financial Instruments by category:**

The accounting classification of each category of financial instruments ,their carrying value and fair value as on March 31,2023 is as follows:

(In Rs.000')

Particulars	Note	FVTPL	Amortised cost	Total carrying cost
<b>Assets:</b>				
Investment in associates *	4	-	-	-
Trade receivables	6		8,097	8,097
Cash and Cash Equivalents	7	-	1,340	1,340
Other Bank Balances	8		40	40
Income Tax Assets	9		1,417	1,417
<b>Total</b>		<b>-</b>	<b>10,894</b>	<b>10,894</b>
<b>Liabilities:</b>				
Long Term Borrowings	13		82,616	82,616
Short Term Borrowings	15		87,448	87,448
Trade Liabilities	16		374	374
Other Financial Liabilities	17		2,534	2,534
<b>Total</b>		<b>-</b>	<b>1,72,972</b>	<b>1,72,972</b>

The accounting classification of each category of financial instruments ,their carrying value and fair value as on March 31,2022 is as follows:

Particulars	Note	FVTPL	Amortised cost	Total carrying cost
<b>Assets:</b>				
Investment in associates *	4	-	-	-
Trade receivables	6		2,881	2,881
Cash and Cash Equivalents	7	-	661	661
Other Bank Balances	8		40	40
Income Tax Assets	9		566	566
<b>Total</b>		<b>-</b>	<b>4,148</b>	<b>4,148</b>
<b>Liabilities:</b>				
Long Term Borrowings	13		76,044	76,044
Short Term Borrowings	15		96,418	96,418
Trade Liabilities	16		346	346
Other Financial Liabilities	17		1,969	1,969
<b>Total</b>		<b>-</b>	<b>1,74,777</b>	<b>1,74,777</b>

\*The above Investments does not include equity investments in subsidiaries, associates and joint ventures which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Borrowings, Lease liabilities, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Abbreviations : FVTPL - Fair Value Through Profit or Loss.**

**Abbreviations : FVTOCI - Fair Value Through Other Comprehensive Income**

**NOTE 35: Additional Regulatory Information - Ratios**

Ratio	Measure	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance	Remarks
Current Ratio	Times	Total Current assets	Total Current Liabilities	0.12	0.04	0.08	
Debts-Equity ratio	Times	Total debt	Total Equity	-1.06	-1.01	-0.05	
Debts Service Coverage Ratio	Times	Arning for debt service=Net Profit after taxes+Non cash opration expenses+finance cost	Debt service=Interest +Pricipal	0.12	0.11	0.01	
Return on Equity Ratio	Percentage	Net Profit for the year	Total Avarage Equity	-6.69	-7.33	0.64	
Inventory Turnover ratio	Times	Cost of Goods Sold	Average inventory	-	-	-	
Total Receivale Turnover ratio	Times	Revenue from operation	Average trade receivables	7.79	20.60	-12.81	
Trade payables turnover ratio	Times	Other expenses	Average trade payable	5.85	6.22	-0.37	
Net Capital turnover ratio	Times	Revenue from operation	Average Working Capital	-0.36	-0.31	-0.05	
Net Profit ratio	Percentage	Net Profit for the year	Total Sales	35.09	43.78	-8.69	
Return on capital employed	Percentage	Profit before tax and finance cost	Capital Employed (Equity+Debts)	207.63	1308.14	-1100.51	
Return on Investment	Percentage	Profit after tax	Capital Employed (Equity+Debts)	107.49	798.65	-691.16	

**NOTE NO: 36 Other Statutory Information**

- I. The company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.
- II. The company does not have any transactions with companies struck off.
- III. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- IV. The company has not traded or invested in crypto currency or virtual currency during the financial year
- V. The company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- VI. All the title deeds of immovable properties are held in the name of company as at the balance sheet date.
- VII. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall lend or invest in party identified by or on behalf of company (Ultimate beneficiaries)
- VIII. The company has not received any fund from any party(s) (funding party) with the understanding that the company shall whether directly or indirectly lend or invest in other person or entities indentified by or on behalf of company ("ultimate beneficiaries") or provide any guarantee ,security or the like on behalf of the ultimate beneficiaries.
- IX. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**NOTE NO.: 37 Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 2013 (to the extent applicable) :**

Particulars	(In Rs.000)
(a) STOCK, PURCHASES AND SALES OF GOODS TRADED IN:	Nil (Nil)
b) EXPENDITURE IN FOREIGN CURRENCY (On cash basis)	Nil
Interest Payment	(Nil)
c) EARNINGS IN FOREIGN EXCHANGE	Nil (Nil)
d) CIF VALUE OF IMPORTS	Nil (Nil)

**NOTE NO.: 38** Previous Year figures are given in brackets and have been regrouped / rearranged wherever required.

In terms of our attached report of even date,

**For K.K. JAIN & Co.**  
Chartered Accountants  
Firm Reg.No.02465N

**Sd/-**  
**Simmi Jain**  
Partner  
Membership No.086496

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

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

**Sd/-**  
**Priyanka Negi**  
Company Secretary  
M.No 36819

**Sd/-**  
**Vijay K.Modi**  
Director  
DIN-00004606

**Sd/-**  
**Lakhmi Chand Sharma**  
Chief Financial Officer

**Place: New Delhi**  
**Date : 29.05.2023**



*If undelivered, please return to:*

**SBEC SYSTEMS (INDIA) LIMITED**

1400, Hemkunt Tower,

98, Nehru Place,

New Delhi-110019

**SBEC**

**33<sup>rd</sup> Annual Report - 2022**

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

**BOARD OF DIRECTORS**

Mr. Vijay K Modi - Chairman  
 Mr. S.S. Agarwal - Executive Director & CEO  
 Ms. Ritu Sikka  
 Mr. Jagdish Chander Chawla  
 Mr. Shyam Babu Vyas  
 Ms. Asha Agarwal

**CHIEF FINANCIAL OFFICER**

Mr Luv Gupta

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms Priyanka Negi

**AUDITORS**

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

**BANKERS**

HDFC Bank

**REGISTERED OFFICE**

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

**SHARE TRANSFER AGENT**

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

**Contents**

Directors' Report.....	1-9
Corporate Governance Report.....	10-17
Auditor's Certificate on Corporate Governance.....	18-18
Auditor's Report.....	19-23
Balance Sheet.....	24-24
Profit and Loss Account.....	25-25
Cash Flow Statement.....	26-26
Statement of Changes in Equity.....	27-27
Notes to Accounts.....	28-40
Consolidated Accounts.....	41-60

**DIRECTORS' REPORT**

To,

**The Shareholders,  
SBEC Systems (India) Limited**

**Dear Members,**

Your Directors take pleasure in presenting the 33<sup>rd</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2022.

**FINANCIAL RESULT**

The Company's financial performance (Standalone & Consolidated) for the financial year ended March 31, 2022 along-with that of the previous financial year ended March 31, 2021 is summarized below: (Rs. in Lacs)

PARTICULARS	Standalone		Consolidated	
	PERIOD ENDED 31.03.2022	PERIOD ENDED 31.03.2021	PERIOD ENDED 31.03.2022	PERIOD ENDED 31.03.2021
SALES & OTHER INCOME	296.83	22.83	296.83	22.83
TOTAL EXPENDITURE	142.90	26.45	142.90	26.45
OPERATING PROFIT/(LOSS) BEFORE TAX	153.93	(3.62)	153.93	(3.62)
PROFIT/(LOSS) AFTER TAX	129.92	(3.62)	129.92	(3.62)

During the year under review, the revenue from other income stood at Rs. 296.83 Lacs. The net profit of the Company stood at Rs. 129.92 Lacs as compared to net loss of Rs. 3.62 Lacs during the previous year.

**DIVIDEND & RESERVES**

In order to conserve the resources for future growth of the Company, the Board of Directors has not declared any dividend for the year under review.

The Company has not transferred any amount to the reserves for the year ended March 31, 2022.

**SHARE CAPITAL**

The paid up equity capital as on March 31, 2022 was Rs.1000 Lacs. During the year under review, the Company has not issued any class of shares nor granted stock options.

**ASSOCIATE/SUBSIDIARY/JOINT VENTURE COMPANY**

As on March 31, 2022, 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 which occurred in between the financial year ended on 31<sup>st</sup> March, 2022 and date of the report of the Company which affects the financial position of the Company.

**DIRECTORS**

In terms of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 Mr. Shiv Shankar Agarwal, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

During the year under review there was no change in the composition of Board of Directors.

Mr. Rohit Garg (DIN: 03296571), Non-Executive Non-Independent Director has resigned from the Directorship w.e.f July 26, 2022.

The Board has appointed Mr. Salil Seth (DIN: 09697511) as a Non-Executive Independent Director w.e.f August 16, 2022 and upto the date of forthcoming Annual General Meeting. The Board recommends his appointment for the consideration of the members of the Company at the Annual General Meeting.

Brief Particulars of Directors seeking re-appointment/appointment have been given in the annexure to the notice convening the Annual General Meeting.

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

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the provisions contained in Section 134 (5) of the Companies Act, 2013, your Directors to the best of their knowledge and belief and according to information and explanations obtained from the management, confirm that:-

- so as to give a true and fair view of the state of affairs of the Company as at in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the financial year ended March 31, 2022;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis;
- The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively..

**KEY MANAGERIAL PERSONNEL (KMP)**

During the financial year ended 31.03.2022, following persons are Whole Time Key Managerial Personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013.

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

**BOARD MEETING**

The Board met four times during the financial year 2021-22, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**COMMITTEES OF THE BOARD**

Presently the Company has the following mandatory Committees:

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

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

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

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

The Shareholders of the Company at the Annual General Meeting held on September 28, 2017 appointed M/s. Doogar & Associates, Chartered Accounts (Firm Regn No. 000561N) as the Auditors of the Company for a period of 5 years and term of the Auditors shall expire at the conclusion of the forthcoming Annual General Meeting of the Company.

Accordingly, upon recommendation by the Audit Committee, the Board of Directors, at its Meeting held on 08<sup>th</sup> August 2022 has recommended for approval of the Shareholders at the ensuing 33<sup>rd</sup> AGM of the Company, the appointment of M/s K.K. Jain & Co., Chartered Accountants (Firm Registration No.02465N), as the "Statutory Auditors" of the Company, for a term of 5 (Five) Years, to hold office from the conclusion of the 33<sup>rd</sup> AGM till the conclusion of the 38<sup>th</sup> AGM. The Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under for appointment as Auditors of the Company.

**STATUTORY AUDITORS REPORT**

The Statutory Audit Report contains qualifications and the Company has given its comments on Audit Qualified Opinion for the Financial Year 2021-22, 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 sell/ 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.

**CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements have been prepared by the Company in accordance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remarks.

**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 Soniya Gupta & Associates, Company Secretaries as the Secretarial Auditor to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is given in **Annexure-B** to this Report.

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

**RISK MANAGEMENT POLICY**

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

The Risk Management Policy of the Company can be viewed on the Company's website [www.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.

**DEPOSITS**

During the financial year, Company has not accepted any deposit from public within the meaning of section 73 and 76 of the Companies Act, 2013 and Rules made thereunder.

**CORPORATE GOVERNANCE**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a detailed Corporate Governance Report along with a certificate from M/s Soniya Gupta & 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.

**RELATED PARTY TRANSACTIONS**

In compliance with the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions (RPTs) and manner of dealing with RPTs. During the year under review, the Policy has been amended to incorporate the regulatory amendments in the SEBI Listing Regulations. The updated Policy can be accessed on the Company's website which is available on the Company's website at [www.sbcsystems.com](http://www.sbcsystems.com).

All transactions with related parties during FY 2021-22 were reviewed and approved by the Audit Committee and were at Arm's Length Price (ALP) and in the Ordinary Course of Business (OCB). Prior omnibus approval was obtained for all RPTs which were of repetitive nature and entered in the OCB and on an ALP basis. The transactions entered into pursuant to the omnibus approval so granted were reviewed by Audit Committee on quarterly basis.

Pursuant to the third proviso of Section 188(1) of the Act, the compliance with the provisions of Section 188(1) is not applicable, where all RPTs are carried out in the OCB and under ALP basis. Accordingly, the disclosure of RPTs as required under Section 134(3) (h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in form AOC-2 is not applicable to the Company for FY 2021- 22. However, the Company had material RPTs during FY 2021-22 under SEBI Listing Regulations. Hence, the same have been disclosed as form AOC-2 enclosed as **Annexure C**.

Details of RPTs entered into by the Company, in terms of Ind AS-24 are disclosed in notes to the financial statements forming part of this Integrated Report. There was no other material RPTs entered into by the Company with its Promoters, Directors, KMPs or other designated persons during FY 2021- 22, except those reported in the financial statements.

None of your Directors or KMPs had any pecuniary relationships or transactions with the Company during FY 2021-22.

Approval of Members is being sought for the material RPTs for FY 2022-23 at the ensuing AGM.

**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-D** to this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the financial year 2021-22, 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 2021-22. 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 RECORDS AND AUDIT**

During the period under review the provisions relating to maintaining of cost record and conduct Cost Audit are not applicable to the Company.

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) read with 134(3) of the Act, Annual Return (in e-form MGT-7) for the financial year ended March 31, 2022 is available on the Company's website at: [www.sbecosystems.com](http://www.sbecosystems.com)

**SECRETARIAL STANDARD**

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

**LISTING WITH STOCK EXCHANGES**

The Equity Shares of the Company are listed with BSE Limited. The settlement of trade of equity shares changed from 'P' group to 'XT' group .W.e.f July 07, 2022

The annual fees for the Bombay Stock Exchange have been paid promptly for the year 2021-22.

**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 2021-22:

No. of complaints received	: NIL
No of complaints disposed off	: NIL

**PERSONNEL RELATIONS**

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

**APPRECIATION**

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

Place: New Delhi  
Date: 08.08.2022

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

**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****(In Rs. Lakhs)**

Name of Associates	SBEC SUGAR LIMITED
<b>1. Latest audited Balance Sheet Date</b>	March 31,2022
<b>2. Date on which the Associate was associated or acquired</b>	1996-1997
<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>	(1214.09)
<b>7. Profit/Loss for the year</b>	
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	(1140.71)

**For & behalf of the Board of  
SBEC Systems (India) Limited****Sd/-****Vijay Kumar Modi****Chairman****DIN: 00004606****Place: New Delhi****Date: 08.08.2022****ANNEXURE-B TO THE BOARD'S REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****For The Financial Year Ended On 31<sup>st</sup> March, 2022**

(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 of****SBEC SYSTEMS (INDIA) LIMITED**

1400, Hemkunt Tower 98, Nehru Place

New Delhi 110019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SBEC SYSTEMS (INDIA) LIMITED** having CIN: L74210DL1987PLC029979 (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 re-port that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022 according to the provisions of undernoted Acts, Regulations and Guidelines applicable on the Company

- i. The **Companies Act, 2013 (the Act)** and the Rules made thereunder;
- ii. The Securities and Exchange Board of India (**Listing Obligations and Disclosure Requirements**) **Regulations, 2015** thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The 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;
  - (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;

- (d) 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;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) OTHER APPLICABLE ACTS,
- The Payment of Wages Act, 1936, and rules made there-under,
  - The Minimum Wages Act, 1948, and rules made there-under,
  - The Payment of Gratuity Act, 1972
  - The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
  - The Payment of Bonus Act, 1965, and rules made there-under,
  - The Insolvency and Bankruptcy Code, 2016
  - 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:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Listing Agreement entered into by the Company with BSE Ltd. (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:

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

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

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

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

It is important to point out that both the Civil Appeals before the Hon'ble Supreme Court of India have been connected and the pleadings therein are complete. The said Civil Appeal was listed before the Hon'ble Supreme Court of India on August 18, 2021 and the matter is still pending for further proceedings.

- The Company has not constituted any separate 'Internal Complaints Committee' under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. However, they have taken note and confirmed that no complaint of sexual harassment of women at workplace was received during the year under review.
- Mr. Shyam Babu Vyas was not registered with data bank as required under Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2020.
- The Shareholding of promoters and the promoter's group are dematerialized only to the extent of 60% shares as on 31.03.2022.

We further report that,

- The Company has one Associate Company i.e. SBEC Sugar Limited.

For Soniya Gupta & Associates

Sd/-  
(Soniya Gupta)  
Proprietor  
M. No. 7493  
CP M. No. 8136  
UDIN : F007493D000761543

Dated: 08.08.2022  
Place: New Delhi

**Annexure "A"**

To,

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

Our report of even date is to be read alongwith this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Soniya Gupta &amp; Associates

Sd/-  
(Soniya Gupta)  
Proprietor  
M. No. 7493  
CP M. No. 8136

Dated: 08.08.2022  
Place: New Delhi

**ANNEXURE- C TO THE BOARD'S REPORT****Form No. AOC-2****[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

The Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis– There were no contracts or arrangements or transactions entered into by the Company, which were not at arm's length basis.
2. Details of material contracts or arrangements or transactions at arm's length basis–
  - (a) Name(s) of the related party : SBEC Sugar Limited
  - (b) Nature of relationship : Associate Company
  - (c) Nature of contracts/arrangements/transactions : Royalty Income
  - (d) Duration of the contracts/arrangements/transactions: NA
  - (e) Salient terms of the contracts or arrangements or transactions including the value, if any: Ongoing, repetitive, in ordinary course of business and on arm's length basis
  - (f) Date(s) of approval by the Board, if any:
  - (g) Amount paid as advances, if any: NA

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

Sd/-  
Vijay Kumar Modi  
Chairman  
DIN: 00004606

Place: New Delhi  
Date: 08.08.2022

**ANNEXURE- D TO THE BOARD'S REPORT****Information to be given under Section 134 read with Rule 8(3) of the Companies (Accounts) Rules, 2014****(A) CONSERVATION OF ENERGY**

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

**(B) TECHNOLOGY ABSORPTION**

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

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

(Rs. in Lacs)

	2021-22	2020-21
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

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

Sd/-  
Vijay Kumar Modi  
Chairman  
DIN: 00004606

Place: New Delhi  
Date: 08.08.2022

## THE MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY STRUCTURE AND DEVELOPMENT

Your Company is in the business of supplying equipment and consultancy services to the industries. The management is confident to revive more business activities in near future depending upon more favorable conditions prevailing in the market barring unforeseen circumstances.

### INTERNAL CONTROLS AND SYSTEMS

The Company has an appropriate internal control system for its various functions with the ultimate objective of improving efficiency in its operations, better financial management and compliance with regulations and applicable laws. The Company has appointed an Internal Auditor. All operating parameters are well defined and monitored periodically. The detailed 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.

### INTERNAL CONTROLS AND SYSTEMS

(In Rs.000)

Particulars	2021-22	2020-21	2019-20
Revenue	29,683	2,283	156
EBITDA**	21,280	(354)	(11,163)

\*\* Earning before interest, tax, depreciation and amortization.

### 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.

### DETAILS OF SIGNIFICANT CHANGES

Details of significant changes as required under SEBI (LODR) Regulations, 2015 are as under:

SI. NO.	Particulars	As on 31.03.2022	As on 31.03.2021	% Change	Reason for variance
1.	Debtors Turnover	20.60	-	20.60	There has no income in the financial year 2020-21
2.	Inventory Turnover	-	-	-	-
3.	Interest Coverage Ratio*	-	-	-	-
4.	Current Ratio	0.04	0.03	0.01	-
5.	Debt Equity Ratio	(1.69)	(1.62)	(0.07)	-
6.	Operating Profit Margin (%)	-	-	-	-
7.	Net Profit Margin (%)	43.78	-	43.78	There has no income in the financial year 2020-21
8.	Return on net worth**	-	-	-	-

\* Company has not paid any interest during the Financial year 2020-21 & 2021-2022, Hence interest coverage ratio is not applicable to Company.

\*\* Company Net Worth has eroded in the past year, So return on Net Worth is not applicable to Company.

### DISCLOSURE OF ACCOUNTING TREATMENT.

During the year under review there was no change in the Accounting treatment. The financial statements are prepared in accordance with the Indian Accounting Standards (Ind As).

### 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 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 of  
SBEC Systems (India) Limited**

**Sd/-  
Vijay Kumar Modi  
Chairman  
DIN: 00004606**

**Place: New Delhi  
Date: 08.08.2022**

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At SBEC Systems (India) Limited, a member of Umesh Modi Group of Companies, firmly believes in effective Corporate Governance practices and follow all the applicable laws in true and letter spirit. Corporate Governance is an ethically driven process that constitutes the strong foundation on which successful commercial enterprise is built and enhancing the organization wealth generating capacity. The company's has also a strong believes of fair, transparent and ethical governance practices.

### 2. BOARD OF DIRECTORS

#### a. Composition of Board:

As on March 31, 2022, the Company has 7 Directors. The Board of Directors at present consists of 3 Independent Directors, other than the Chief Executive Officer; all other members of the Board are Non-Executive Directors. The Chairman of the Board is a Non-Executive Director. The Composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

As required under Section 149(1) of the Companies Act, 2013 and Regulation 17(1) of SEBI (LODR) Regulations, 2015, Ms. Ritu Sikka and Ms. Asha Agarwal are woman directors on the Board of Directors of the Company.

All Independent Directors possess the requisite qualifications and are very experienced in their own fields. None of the Directors is a member of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. All the Directors have given necessary disclosures as required as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

**The name and categories of Directors on the Board; their attendance at the Board meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships (including SBEC Systems (India) Limited) held by them in Public Companies as on March 31, 2022 are given below. Other Directorships do not include alternate directorships, Section 8 Companies, Private Companies and foreign Companies. Chairmanships/Memberships in Committees include only Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies.**

Sl No.	Name of the Directors	Category of Director	No. of Board Meetings Attended		No of Directorship in listed entities including this listed entity (as on March 31, 2022) {As per Regulation 17A of Listing Regulation}	Number of membership/ Chairmanship in committee including this listed entity Board as on March 31, 2022 {As per Regulation 26(1) of Listing Regulation}		Attendance at Last AGM
			Held	Attended		Member	Chairman	
1	Mr. Vijay Kumar Modi	Chairman and Non-Executive Director	4	3	3	6	5	Present
2	Mr. S.S. Agarwal	Executive Director	4	4	2	3	NIL	Present
3	Ms. Ritu Sikka	Non-Executive Director	4	1	1	NIL	NIL	Not Present
4	Mr. J.C. Chawla	Non – Executive Independent Director	4	4	3	9	2	Present
5	Mr. Shyam Babu Vyas	Non-Executive Independent Director	4	1	3	2	NIL	Not Present
6	Ms. Asha Agarwal	Non-Executive Independent Director	NIL	6	2	9	2	Not Present
7	Mr. Rohit Garg*	Non-Executive Independent Director	4	4	2	Nil	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 Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
2	Mr. S.S. Agarwal	Bihar Sponge Iron Limited	Non-Executive Independent Director
3	Ms. Asha Agarwal	Bihar Sponge Iron Limited	Non-Executive Independent Director
4	Ms. Ritu Sikka	-	-
5	Mr. J.C. Chawla	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
6	Mr. Shyam Babu Vyas	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
7	Mr. Rohit Garg* *Mr. Rohit Garg (DIN: 03296571), Non-Executive Non-Independent Director has resigned from the Directorship w.e.f July 26, 2022.	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director

**c. Board Meetings**

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

The Board met four times during the financial year 2021-22. The Board of Directors met on May 17, 2021, August 13, 2021, November 11, 2021, and February 14, 2022. 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. Skills/Expertise/Competence of the Board of Directors**

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

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

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

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

**g. Information supplied to the Board**

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

**h. Formal annual evaluation**

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

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

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

### 3. AUDIT COMMITTEE

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

As on 31<sup>st</sup> March, 2022, the Audit Committee comprise of four Directors out of which three Directors are Non-Executive and Independent and one is Executive Director. All the Committee members have sound knowledge of finance and accounting.

Mr. Jagdish Chander Chawla, Chairman of the Audit Committee was present at the Annual General meeting of the Company held on September 17, 2021 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, 2022, the Audit Committee met four times on May 17, 2021, August 13, 2021, November 11, 2021, and February 14, 2022 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 2021-22	
			held	attended
Mr. J.C. Chawla	Chairman/Member	Independent Director	4	4
Mr. Shyam Babu Vyas	Chairman	Independent Director	4	1
Mr. S.S Agarwal	Member	Executive Director	4	4
Ms. Asha Agarwal	Member	Independent Director	4	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, 2022, 1 meeting of the Committee was held on August 13, 2021.

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

Name of the Director	Designation	Category	Number of meetings during the year 2021-22	
			held	attended
Mr. J.C. Chawla	Chairman/Member	Independent Director	1	1
Mr. V.K. Modi	Member	Non-Executive Director	1	1
Mr. Shyam Babu Vyas	Member	Independent Director	1	0
Ms. Asha Agarwal	Member	Independent Director	1	1

#### Performance Evaluation of Independent Directors

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

##### Criteria

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

##### Process

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

### 5. Stakeholders Relationship Committee

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

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

During the financial year ended March 31, 2022, the Stakeholders' Relationship Committee met 1 time on February 14, 2022.

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

Name of the Director	Designation	Category	Number of meetings during the year 2020-21	
			held	attended

Mr. V.K. Modi	Chairman	Non-Executive Director	1	0
Mr. J.C. Chawla	Member	Independent Director	1	1
Mr. S.S Agarwal	Member	Executive Director	1	1
Ms. Asha Agarwal	Member	Independent Director	1	1

During the year, the Company had not received any complaint from the shareholders. The details of the complaint received and redressed during the financial year 2021-22 are given below:

Particulars	Status
<b>Complaints as on April 1, 2020</b>	0
Received during the year	0
Resolved during the year	0
<b>Complaints as on March 31, 2021</b>	0

**Name, Designation and address of Grievance Redressal Officer:**

**Ms. Priyanka Negi**

**Company Secretary & Compliance Officer**

SBEC Systems (India) Limited

1400, Hemkunt Tower

98, Nehru Place

New Delhi - 110019

Email: [sbecsystems@rediffmail.com](mailto:sbecsystems@rediffmail.com)

#### 6. Remuneration of Directors

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

##### (i) Remuneration/Sitting fee to Directors:

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

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

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

The Company does not have any Employees Stock Option Scheme.

#### 7. GENERAL BODY MEETINGS:

##### (a) Annual General Meetings

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

Financial year	Date	Time	Special Resolution Passed (Yes/No)	Venue
2020-21	September 17, 2021	11.00 a.m.	NO	In compliance with the applicable provisions of the Act, and the Listing Regulations read with the MCA Circulars and SEBI Circular, the 32 <sup>nd</sup> AGM of the Company was convened through Video Conferencing / Other Audio Visual Means.
2019-20	September 28, 2020	01.00 p.m.	YES	In compliance with the applicable provisions of the Act, and the Listing Regulations read with the MCA Circulars and SEBI Circular, the 31 <sup>st</sup> AGM of the Company was convened through Video Conferencing / Other Audio Visual Means.
2018-19	September 26, 2019	11.30 a.m.	NO	Executive Club, 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi-110074

##### (b) Extraordinary General Meetings

No Extraordinary General Meeting of the Members was held during the year 2021-22.

##### (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.

#### 8. MEANS OF COMMUNICATION

##### (a) Quarterly results

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

**(b) Website**

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

**9. General Shareholder Information:****(a) 33<sup>rd</sup> Annual General Meeting**

Date & Time: September 29, 2022 at 11.00 a.m.

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

**(b) Financial Year of the Company:** 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March 2022**(c) Particulars of Dividend payment:** No dividend is declared during the year.**(d) Name and Address of Stock Exchange at which listed entity's securities are listed:**

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

**(e) Market Price Data:**

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 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:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities.

Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form at the earliest and avail the benefits of dealing in shares in demat form.

**(i) Distribution of shareholding as on March 31,2022:**

No of Shares	Number of Shareholders	Number of Shares	% of total Shares
Upto 5000	18593	3054154	94.21
5001 - 10000	746	589311	3.78
10001 – 20000	272	399286	1.38
20001- 30000	55	137742	0.28
30001 - 40000	25	89197	0.13
40001 – 50000	13	59649	0.06
50001 - 100000	15	100968	0.07
100000 and above	17	5569693	0.09
<b>Total</b>	<b>19736</b>	<b>10000000</b>	<b>100.00</b>

**(j) Shareholding Pattern as on March 31, 2022:**

SI No.	Category of Shareholder	Total No. of Shares	% of Shareholding
<b>A</b>	<b>PROMOTER AND PROMOTER GROUP</b>	5099760	51.00
	Sub Total (A)	5099760	51.00
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>		
<b>I</b>	<b>INSTITUTIONS</b>		
	<b>A</b>   <b>FDI</b>	-	-
<b>II</b>	<b>NON-INSTITUTIONS</b>		
	<b>A</b>   <b>Bodies Corporate</b>	300457	3.00

	B	Individuals	4596359	45.96
	C	NRI/ OCB	909	0.01
	D	Huf	2515	0.03
	<b>Sub-Total [B=(BI + BII)]</b>		4900240	49.00
	<b>Total (A+B)</b>		<b>10000000</b>	100.00

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

The Company's shares have been mandated for compulsory trading in demat form. Valid demat requests received by the Company's Registrar are confirmed within the statutory period.

International Securities Identification Number (ISIN) allotted to the Company is (INE689V01018). The company has taken the dematerialisation facility from both the depository CDSL & NSDL. In case a member wants his/her shares to be dematerialized, he/she may send the shares along with the request through his depository participant (DP) to the RTA, Beetal Financial Services Limited.

The Company's Registrars promptly intimate the DPs in the event of any deficiency and shareholders are also kept abreast. Pending demat requests in the records of the Depositories, if any, are continually reviewed and appropriate actions are initiated. As on March 31, 2022, 33.17% of the shares were in demat mode.

**(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 is not involved in commodity price market and hedging activities hence there is no risk for commodity price, foreign exchange and hedging activities.

**(n) Plant Locations:** The Company does not have any plants**(o) Address for Correspondence:**

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

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

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

The Company has formulated a policy on Related Party Transactions in terms of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee accorded its omnibus approval for the said related party transactions. The said policy has been uploaded on the Company's website viz. [www.sbecosystems.com](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)** 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 a public announcement under the Takeover Regulations. Although SBEC Systems (India) Ltd., did not acquire 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.

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

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

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

It is important to point out that both the Civil Appeals before the Hon'ble Supreme Court of India have been connected and the pleadings therein are complete. The said Civil Appeal was listed before the Hon'ble Supreme Court of India on August 18, 2021 and the matter is still pending for further proceedings.

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

- (b) The BSE Limited had imposed a penalty of Rs. 11,800/- (Eleven Thousand Eight Hundred Only) on a Company for delay filing of its Financial Results for the quarter and nine months ended on 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.sbecosystems.com](http://www.sbecosystems.com). The said policy has also been made available at the Office of the Company to enable the employees to report concerns, if any, directly to the Chairman of the Board and to the Chairman of the Audit Committee. All the employees are given direct access to the Audit Committee Chairman to report their concerns, if any. No person has been denied access to the chairman of the Audit Committee. 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) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations. The status of compliance with the non-mandatory requirements of this clause has been detailed herein:

**Adoption of Non-mandatory requirement:**

The Company has fairly complied with the non-mandatory requirements specified in Part E of Schedule II of the SEBI Listing Regulations.

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

**(ix) Recommendations of any Committee**

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

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

An amount of INR 60,000/- (including tax) was paid to M/s Doogar & Associates, Statutory Auditors for rendering all their services during the year.

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

- a. number of complaints filed during the financial year 2021-22: Nil
- b. number of complaints disposed of during the financial year 2021-22: Nil
- c. number of complaints pending as on end of the financial year 2021-22: Nil

**(xii) Loans and advances**

The Company has not taken or given any loans and advances to firms/Companies/ Body Corporates in which directors are interested or deemed to be interested by name and account.

The Company has complied with all the requirements of the corporate governance report as specified in sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

**11. CODE OF CONDUCT**

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

**Declaration**

I, S.S. Agarwal, Director & Chief Executive Officer of SBEC Systems (India) Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors under Schedule V sub-clause (D) Regulation 34 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for the year ended March 31, 2022..

Place: New Delhi  
Date: 08.08.2022

sd/-  
S.S. Agarwal  
Chief Executive Officer

**12. CEO/CFO CERTIFICATION**

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

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

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

- (a) We have reviewed the financial statements as on 31<sup>st</sup> March, 2022 and the cash flow statement for the year along with all its schedule, and notes to the accounts for the period ended 31<sup>st</sup> March, 2022 and based on our knowledge and information, confirms that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) Based on our knowledge and information, there are no transactions entered into by the company during the year are fraudulent, illegal or violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps have been taken to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant change in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
  - (ii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 08.08.2022  
Place: New Delhi

sd/-  
Shiv Shankar Agarwal  
Chief Executive Officer

sd/-  
Luv Gupta  
Chief Financial Officer

Place: New Delhi  
Date: 08.08.2022

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

"ANNEXURE-D"

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

To,

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

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

In my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2022 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.

Ensuring the eligibility for 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 Soniya Gupta & Associates  
Company Secretaries****Sd/-  
Soniya Gupta  
Prop.  
M. No. 7493  
COP No. 8136  
UDIN: F007493D000816774****Dated: 08/08/2022  
Place: New Delhi****Corporate Governance Compliance Certificate**

To,

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

I have examined the compliance of the conditions of Corporate Governance by **SBEC SYSTEMS (INDIA) LIMITED** ('the Company') for the year ended on March 31, 2022, as stipulated under Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, as adopted by the Company for ensuring 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 my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the:

- All the mandatory conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- All mandatory conditions of Clause 49 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I 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 Soniya Gupta & Associates  
Company Secretaries****Sd/-  
Soniya Gupta  
M. No. 7493  
COP No. 8136  
UDIN: F007493D000816796****Dated: 08/08/2022  
Place: New Delhi**

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

**Report on the Financial Statements****Qualified Opinion**

We have audited the accompanying standalone financial statements of M/s. SBEC SYSTEMS (INDIA) LIMITED ('the Company'), which comprise the Balance Sheet as at 31 March, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the **Basis for Qualified Opinion** section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2022, the loss and total comprehensive income(loss), changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

*We draw attention to Note No. 25 of the financial statements, the Company has not complied with the Ind AS requirements, regarding reversal of provision for diminution of a current quoted investment aggregating to Rs. 737.06 Lacs. Had the company reversed the existing provision as per IND AS requirements the loss for the quarter would have been lower by an even amount and its consequent impact on EPS.*

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

**Emphasis of Matters**

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

**Key Audit Matters**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the Directors as on 31 March, 2022 taken on record by the Board of directors, none of the Directors is disqualified as on 31 March, 2022 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.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief as disclosed in the note 36(vii) to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The Management has represented, that, to the best of its knowledge and belief as disclosed in the note 36(viii) to the Standalone Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entity (ies).

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub section (11) of Section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For DOOGAR & ASSOCIATES**  
**Chartered Accounts**  
**FRN: 000561N**  
**Sd/-**  
**Mukesh Goyal**  
**Partner**  
**M. No.: 081810**  
**UDIN: 22081810AJQJWJ7831**

**Place: New Delhi**  
**Date: 26.05.2022**

### **Annexure 'A' to Independent Auditors' Report**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.  
 (B) The Company has maintained proper records showing full particulars of intangible 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. Management has physically verified major fixed assets during the year and no major discrepancy has been noticed on such verification as compared to book records.
- (c) With respect to immovable properties disclosed in the financial statements included in property, plant and equipment, according to the information and explanations given to us and based on the , we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) As per the details and information shared with us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) According to the information and explanation given to us and the records examined by us, the company is not having any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.  
 (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has not granted unsecured loans to its subsidiaries and employees and has not made any investments in, provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (iv) According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The Central Government of India, has specified maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the company's product and are of the opinion that, company has not crossed the threshold limit of the turnover and accordingly these are not being maintained.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of income tax, Goods and Service tax, and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the yearend for a period of more than six months from the date they became payable as at 31<sup>st</sup> March, 2022.  
 (b) According to the information and explanations given to us and the records of the company examined by us, there are no statutory dues of income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of a dispute.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.  
 (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.  
 (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence,

- reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) The company has not raised any funds on short term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable.
  - (e) The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
  - (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports issued to the Company during the year.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order are not applicable.
- (b) The Group does not have any Core investment Company (CIC) as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The company is not having any obligation under section 135 of the Companies Act'2013 Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable for the year.

Place: New Delhi  
Date: 26.05.2022

For DOOGAR & ASSOCIATES  
Chartered Accounts  
FRN: 000561N  
Sd/-  
Mukesh Goyal  
Partner  
M. No.: 081810  
UDIN: 22081810AJQJWJ7831

**Annexure “B” to the Independent Auditors’ Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 1(f) of ‘Report on Other Legal and Regulatory Requirements’ section

We have audited the internal financial control with reference to financial statement of SBEC SYSTEMS (INDIA) LIMITED (“the Company”) as of March, 31, 2022 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, 2022, 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 Accounts**  
**FRN: 000561N**  
**Sd/-**  
**Mukesh Goyal**  
**Partner**  
**M. No.: 081810**  
**UDIN: 22081810AJQJWJ7831**

**Place: New Delhi**  
**Date: 26.05.2022**

STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022

(in Rs.000)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3	28	28
(b) Non Current Investment	4	68,602	68,602
		<b>68,630</b>	68,630
<b>2 Current assets</b>			
(a) Trade Receivables	5	2,881	-
(b) Cash and cash equivalents	6	661	200
(c) Bank balances other than (a)above	7	40	40
(d) Loans	8	-	1,300
(e) Income Tax Assets	9	566	-
(f) Other current assets	10	15	1,360
<b>Total Current Assets</b>		<b>4,163</b>	2,900
<b>TOTAL</b>		<b>72,794</b>	71,530
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	11	1,00,000	1,00,000
(b) Other Equity	12	(2,02,233)	(2,15,226)
		<b>(1,02,233)</b>	(1,15,226)
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
-Long Term Borrowings	13	76,044	88,732
(b) Long-term provisions	14	249	198
		<b>76,294</b>	88,930
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
- Short Term Borrowings	15	96,418	97,423
(b) Trade Payable	16	346	284
(c) Other current liabilities	17	1,969	119
<b>Total Current liabilities</b>		<b>98,733</b>	97,826
<b>TOTAL</b>		<b>72,794</b>	71,530

## Significant Accounting Policies

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

## For DOOGAR &amp; ASSOCIATES

Chartered Accountants  
Firm Reg.No.000561N

Sd/-

Mukesh Goyal

Partner

Membership No.081810

Place: New Delhi

Date : 26.05.2022

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

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

Sd/-  
Vijay K.Modi  
Director  
DIN-00004606

Sd/-  
Priyanka Negi  
Company Secretary  
M.No 36819

Sd/-  
Luv Gupta  
Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(in Rs.000)

Sr No	Particulars	Note No.	Year Ended 31.03.2022	Year ended 31.03. 2021
I	Revenue from Sales and services	18	29,674	-
II	Other income	19	9	2,283
III	<b>Total revenue (I+II)</b>		<b>29,683</b>	<b>2,283</b>
IV	<b>Expenses:</b>			
	Employee benefits expense	20	1,307	1,078
	Finance costs	21	5,887	8
	Depreciation and amortisation expense	22	-	-
	Other Expenses	23	5,738	1,559
	<b>Total expenses (IV)</b>		<b>12,932</b>	<b>2,645</b>
V	<b>Profit / (Loss) before exceptional items and tax (III-IV)</b>		<b>16,751</b>	<b>(362)</b>
VI	Exceptional Items (Income)/Expenses	24	1,358	-
VII	<b>Profit / (Loss) after exceptional items and before tax (V-VI)</b>		<b>15,393</b>	<b>(362)</b>
VIII	<b>Tax expense:</b>			
	- Tax for Earlier Years		-	-
	- Current Tax (MAT)	25	2,401	-
	- Deferred Tax		-	-
	<b>Total</b>		<b>2,401</b>	<b>-</b>
IX	<b>Profit / (Loss) for the year (VII-VIII)</b>		<b>12,992</b>	<b>(362)</b>
	<b>Earning per equity shares:</b>	26		
	(i) Basic		1.30	(0.04)
	(ii) Diluted		1.30	(0.04)

**Significant Accounting Policies**

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

**For DOOGAR & ASSOCIATES**

Chartered Accountants  
Firm Reg.No.000561N

Sd/-

**Mukesh Goyal**

Partner  
Membership No.081810

Place: New Delhi

Date : 26.05.2022

Sd/-

**S.S.Agarwal**  
Director & CEO  
DIN-00004840

Sd/-

**J.C. Chawla**  
Director  
DIN-05316202

Sd/-

**Priyanka Negi**  
Company Secretary  
M.No 36819

Sd/-

**Vijay K.Modi**  
Director  
DIN-00004606

Sd/-

**Luv Gupta**  
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(in Rs.000)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before tax	15,393	(362)
Adjustments for :		
Depreciation	-	-
Interest Expense	5,887	8
Interest Income	-	(156)
Foreign Exchange fluctuation	2,479	(2,127)
Fixed Assets Written Off	1	-
Interest for Earlier Years written off	1,358	-
Unsecured Loans written off	1,300	-
	<u>11,024</u>	<u>(2,275)</u>
<b>Operating profit/(Loss) before working capital changes</b>	<b>26,417</b>	<b>(2,637)</b>
Change in working Capital :		
(Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances excluding TDS	(2,894)	(3)
(Increase)/Decrease in Inventories	-	-
Increase /(Decrease) in Trade Payable and Provisions	1,076	127
	<u>(1,817)</u>	<u>125</u>
<b>Cash (used in) / Generated from operations</b>	<b>24,600</b>	<b>(2,512)</b>
Income Tax/ TDS Paid/Refund	2,967	-
<b>Net Cash (used) in / generation from operating activities</b>	<b>21,633</b>	<b>(2,512)</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	2,110	2,624
Interest paid	(5,000)	(8)
Repayment of long /Short term borrowings	(18,281)	-
<b>NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES</b>	<b>(21,171)</b>	<b>2,616</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>461</b>	<b>104</b>
Cash and Cash equivalents at beginning of period	200	96
<b>Cash and Cash equivalents at end of the period (Note No 5)</b>	<b>661</b>	<b>200</b>

\*Figures in bracket indicate cash outflow.

**As per our report of even date attached.****For DOOGAR & ASSOCIATES**Chartered Accountants  
Firm Reg.No.000561NSd/-  
**Mukesh Goyal**  
Partner  
Membership No.081810Place: New Delhi  
Date : 26.05.2022Sd/-  
**S.S.Agarwal**  
Director & CEO  
DIN-00004840Sd/-  
**J.C. Chawla**  
Director  
DIN-05316202Sd/-  
**Priyanka Negi**  
Company Secretary  
M.No 36819Sd/-  
**Vijay K.Modi**  
Director  
DIN-00004606Sd/-  
**Luv Gupta**  
Chief Financial Officer

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022****EQUITY SHARE CAPITAL****(in Rs.000')**

Opening Balance as at April 1,2020	Changes in equity Share Capital due to prior period errors	Restated balance as at April 1,2020	Changes in equity Share Capital during the year	Balance as at March 31,2021
1,00,000	-	1,00,000	-	1,00,000
Opening Balance as at April 1,2021	Changes in equity Share Capital due to prior period errors	Restated balance as at April 1,2021	Changes in equity Share Capital during the year	Balance as at March 31,2022
1,00,000	-	1,00,000	-	1,00,000

**OTHER EQUITY****(in Rs.000')**

	Share Premium Reserve	Retained	Total
As at April 1,2020	19,262	(2,34,125)	(2,14,863)
Add:Addition during the year	-	-	-
Profit/(Loss) During the Year	-	(362)	(362)
As at March,31,2021	19,262	(2,34,487)	(2,15,225)
Add:Addition during the year	-	-	-
Profit/(Loss) During the Year	-	12,992	12,992
As at March,31,2022	19,262	(2,21,496)	(2,02,233)

**Significant Accounting Policies****1-2**

The accompanying notes are intergal part of the financial Statements.

*As per our report of even date attached.*

**For DOOGAR & ASSOCIATES**

Chartered Accountants  
Firm Reg.No.000561N

**Sd/-****Mukesh Goyal**

Partner  
Membership No.081810

**Place: New Delhi****Date : 26.05.2022****Sd/-**

**S.S.Agarwal**  
Director & CEO  
DIN-00004840

**Sd/-**

**J.C. Chawla**  
Director  
DIN-05316202

**Sd/-**

**Priyanka Negi**  
Company Secretary  
M.No 36819

**Sd/-**

**Vijay K.Modi**  
Director  
DIN-00004606

**Sd/-**

**Luv Gupta**  
Chief Financial Officer

**ACCOUNTING POLICIES OF THE FINANCIAL INFORMATION****NOTE NO: 1 Corporate Information**

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

**NOTE NO: 2 Significant Accounting Policies****1. Basis of preparation of financial information**

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

**2. Use of Estimates**

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

**3. Revenue Recognition:**

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

**4. Inventory Valuation**

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

**5. Fixed Assets**

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

**6. Foreign Currency Transactions**

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

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

**7. Employee Benefits**

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

**8. Investments**

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

**9. Taxation**

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

**10. Miscellaneous Expenditure**

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

**11. Impairment of Assets**

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

**12. Provisions and Contingent Liabilities**

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

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

**13. Financial Instruments**

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**

- **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Subsequent measurement**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

- **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, loans and other financial assets.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Equity Instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, other than investment in Subsidiary, Associates and Joint Ventures, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment.

However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Investments in subsidiaries, joint ventures and associates**

Investment in subsidiaries, joint ventures and associates are carried at cost in the financial statements.

- **Derecognition**

The Company derecognizes a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

- **Financial liabilities**

- **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities**

At fair value through profit or loss Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

- **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115.

- **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 14. **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.

#### 15. **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..

#### 16. **Cash Flow Statement**

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

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

**Notes to Financial Statement for the Period ended 31<sup>st</sup> March, 2022****NOTE 3: PROPERTY, PLANT AND EQUIPMENT****Tangible assets**

(in Rs.000)

Particulars	Plant & Machinery	Furniture, Fixtures & Fittings	Office Equipment	Total
Gross carrying amount				
Balance as at 01 <sup>st</sup> April, 2021	18	633	64	714
Additions	-	-	-	-
Deductions/Adjustment	18	-	-	18
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>633</b>	<b>64</b>	<b>696</b>
Accumulated Depreciation				
Balance as at 01 <sup>st</sup> April, 2021	17	608	60	685
Additions	-	-	-	-
Deductions/Adjustment	17	-	-	17
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>608</b>	<b>60</b>	<b>669</b>
Net Carrying amount as at 01 <sup>st</sup> April, 2021	1	25	3	28
<b>Net Carrying amount as at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>25</b>	<b>3</b>	<b>28</b>
Gross carrying amount				
Balance as at 01 <sup>st</sup> April, 2020	18	633	64	714
Additions	-	-	-	-
Deductions/Adjustment	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>18</b>	<b>633</b>	<b>64</b>	<b>714</b>
Accumulated Depreciation				
Balance as at 01 <sup>st</sup> April, 2020	17	608	60	685
Additions	-	-	-	-
Deductions/Adjustment	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>17</b>	<b>608</b>	<b>60</b>	<b>685</b>
Net Carrying amount as at 01 <sup>st</sup> April, 2020	1	25	3	28
<b>Net Carrying amount as at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>25</b>	<b>3</b>	<b>28</b>

**NOTE 4: NON-CURRENT INVESTMENT**

(in Rs.000)

Particulars	As at		As at
	31.03.2022		31.03.2021
Trade Investment			
<b>(Quoted, Valued at Cost)</b>			
<b>Investment</b>			
31,57,716 Equity Shares of Rs. 10- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	31,577		31,577
Less : Provision for Diminution (Refer Note No.26)	8,929	22,649	22,649
1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	1,10,732		1,10,732
Less : Provision for Diminution (Refer Note No.26)	64,778	45,954	45,954
<b>Total</b>	<b>68,602</b>		<b>68,602</b>
Market value of quoted Investments			
(Based on closing rate of Rs.30.40 at BSE on 31.03.2022			
Previous year @ Rs. 6.00 per share)		4,32,619	85,385
Aggregate carrying value of quoted investment at face Value		1,42,309	1,42,309
Aggregate carrying value of quoted investment		68,602	68,602

**NOTE 5 : TRADE RECEIVABLES**

Unsecured, considered Good unless otherwise stated:	-	-
Outstanding for more than six Months	-	-
Outstanding for less than six Months	-	-
Unsecured, considered Good	2,881	-
	<b>2,881</b>	<b>-</b>

**Trade Receivable Ageing Schedule as at March 31, 2022**

(In Rs. 000)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months-1year	1-2 years	2-3 years	More than 3year	
(i) Undisputed Trade receivables-Considered Good	<b>2,881</b>	-	-	-	-	-	<b>2,881</b>
(ii) Undisputed Trade receivables-Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables-Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-Considered doubtful	-	-	-	-	-	-	-
<b>Total</b>	<b>2,881</b>	-	-	-	-	-	<b>2,881</b>

(In Rs. 000)

Particulars	As at 31.03.2022	As at 31.03.2021
-------------	---------------------	---------------------

**NOTE 6 : CASH & BANK BALANCES**

Cash and Cash Equivalents

Balance with Scheduled Banks in -

-- Current Accounts

660

199

Cash in hand

1

1

**TOTAL****661****200****NOTE 7 : OTHER BANK BALANCES**

Other bank balances

Fixed deposit with banks \*

40

40

**TOTAL****40****40**

\* Fixed Deposit Matured But Pledged with Sales Tax Authority

**NOTE 8 : LOANS****(Unsecured considered good unless otherwise stated)**

Loans - Dinesh Rajvanshi

-

1,300

TOTAL

-

1,300

**NOTE 9 : INCOME TAX ASSETS**

Income tax assets(net of provision Rs.2401337/-)

566

-

**TOTAL****566****-****NOTE 10: OTHER CURRENT ASSETS**

Other advances (Includes prepaid expenses etc.)

15

3

**TOTAL****15****1,358****1,360**

**NOTE 11: SHARE CAPITAL**

(in Rs.000)

	As at 31.03.2022	As at 31.03.2021
<b>AUTHORISED CAPITAL</b>		
15,000,000 Equity Shares of Rs.10/- each.	<b>1,50,000</b>	1,50,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
10,000,000 Equity Shares of Rs.10/- each fully paid-up (Previous year 10,000,000 Equity Shares of Rs.10/- each fully paid-up)	<b>1,00,000</b>	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>	1,00,000

- 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 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No.Shares	% of holding	No.Shares	% of holding
Mr. Umesh Kumar Modi	<b>2079560</b>	<b>20.79%</b>	2079560	20.79%
SBEC Systems Limited (UK)	<b>2040000</b>	<b>20.40%</b>	2040000	20.4%
Longwell Investments Pvt. Ltd.	<b>550000</b>	<b>5.50%</b>	550000	5.50%

- d. Promoter Holding

Name of shareholders	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No.Shares	% of holding	No.Shares	% of holding
Mr. Umesh Kumar Modi	<b>2079560</b>	<b>20.79%</b>	2079560	20.79%
Ms. Meghna Modi	<b>200</b>	<b>0.00%</b>	200	0.00%
SBEC Systems Limited (UK)	<b>2040000</b>	<b>20.40%</b>	2040000	20.40%
Longwell Investments Pvt. Ltd.	<b>550000</b>	<b>5.50%</b>	550000	5.50%
Abhikum Leasing and Investments Pvt. Ltd.	<b>220000</b>	<b>2.20%</b>	220000	2.20%
Kumabhi Investment Pvt. Ltd.	<b>210000</b>	<b>2.10%</b>	210000	2.10%

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

**NOTE 12 : OTHER EQUITY**

(in Rs.000)

	As at 31.03.2022	As at 31.03.2021
Share Premium Reserve		
Opening balance	<b>19,262</b>	19,262
Add:Addition during the year	-	-
Closing Balance	<b>19,262</b>	19,262
<b>Surplus /(Deficit)</b>		
Opening balance	(2,34,487)	(2,34,125)
<b>Profit(loss) for the year</b>	12,992	(362)
Net surplus in the statement of Profit and loss account	<b>(2,21,495)</b>	(2,34,487)
<b>TOTAL</b>	<b>(2,02,233)</b>	(2,15,226)

**NOTE 13 : LONG TERM BORROWINGS**

(in Rs.000)

	As at 31.03.2022	As at 31.03.2021
<b>Unsecured</b>		
<b>Foreign Currency Loan From Overseas</b>	76,044	73,565
Corporate Body (Refer Note No.27)		
<b>Rupee Loans</b>		
-Body Corporate	-	15,166
<b>Total</b>	<b>76,044</b>	<b>88,732</b>

**NOTE 14 : LONG TERM PROVISIONS**

(in Rs.)

	As at 31.03.2022	As at 31.03.2021
<b>Provision for Employee Benefits :</b>		
For Gratuity	249	198
<b>TOTAL</b>	<b>249</b>	<b>198</b>

**NOTE 15 : SHORT TERM BORROWINGS**

<b>Unsecured</b>		
Loans repayable on demand	96,418	97,423
From Corporate		
<b>Total</b>	<b>96,418</b>	<b>97,423</b>

**NOTE - 16 : TRADE PAYABLE**

(i) MSME	31	37
(ii) Other Liabilities	315	247
(iii) Disputed dues - MSME	-	-
(iv) Disputed dues - Others	-	-
<b>TOTAL</b>	<b>346</b>	<b>284</b>

**a) Disclosure as required by Micro, Small and Medium Enterprises Development Act ,2006**

A (I) Principal amount remaining unpaid	31	37
(II) Interest amount remaining unpaid	-	-
B Interest paid by Company in terms of Section of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the payment made to the supplier appointed day	-	-
C Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
D Interest accrued and remaining unpaid	-	-
E Interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises.	-	-

**b) Ageing for trade payable Schedule:**

(in Rs.000)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 year	2-3 year	More than 3 year	
(i) MSME	30	1	-	-	-	31
(ii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Others	282	26	-	7	-	315
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>312</b>	<b>27</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>346</b>
As at March,31,2021						
(i) MSME	11	26	-	-	-	37
(ii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Others	193	26	12	16	-	247
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>204</b>	<b>52</b>	<b>12</b>	<b>16</b>	<b>-</b>	<b>284</b>

**NOTE 17 : OTHER CURRENT LIABILITIES**

(in Rs.000)

	As at 31.03.2022	As at 31.03.2021
Employee dues	113	99
Statutory dues payable	969	21
Interest Payable	887	-
<b>TOTAL</b>	<b>1,969</b>	<b>119</b>

**NOTE 18 : SALES AND SERVICES**

	Year ended 31.03.2022	Year ended 31.03.2021
Services		
a) Technical Fee	35,015	-
Less:GST	5,341	-
<b>TOTAL</b>	<b>29,674</b>	<b>-</b>

**NOTE 19 : OTHER INCOME**

Excess Provision Written Back	9	-
Interest	-	156
Foreign Exchange fluctuation	-	2,127
<b>TOTAL</b>	<b>9</b>	<b>2,283</b>

**NOTE 20 : EMPLOYEE BENEFIT EXPENSES**

Salary, Wages, Bonus & other allowances	1,178	989
Company's Contribution To Provident & Other Funds	78	59
Gratuity	51	30
<b>TOTAL</b>	<b>1,307</b>	<b>1,078</b>

**NOTE 21: FINANCE COST**

Interest - Others	15	2
Bank Charges	7	6
Interest - Unsecured Loan	5,864	-
<b>TOTAL</b>	<b>5,887</b>	<b>8</b>

**NOTE 22: DEPRECIATION & AMORTIZATION EXPENSES**

Depreciation & Amortization	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE 23 :OTHER EXPENSES**

Auditor's Remuneration		
-As Audit Fee	50	59
-Certification and Company Law	10	18
Telephone, Postage & Telegram	20	17
Legal & Professional Charges	279	182
Travelling & Conveyance	4	-
Printing & Stationery	2	-
Filing Fee	5	7
Misc. Expenses	10	11
Vehicle Running Expenses	55	47
Foreign Exchange fluctuation	2,479	-
Fixed Assets Written Off	1	-
Amount write off	226	-
Unclaimed Loans Written Off	1,300	-
Secretarial & AGM Expenses	1,297	1,219
<b>TOTAL</b>	<b>5,738</b>	<b>1,559</b>

**NOTE 24: EXCEPTIONAL ITEMS( INCOME)/EXPENDITURE**

(in Rs.000)

	Year ended 31.03.2022	Year ended 31.03.2021
Interest for Earlier Years written off (Net)	1,358	-
<b>TOTAL</b>	<b>1,358</b>	<b>-</b>

**NOTE - 25 : INCOME TAXES**

Income Tax Expenses:

-Current Tax (MAT)	2,401	-
<b>TOTAL</b>	<b>2,401</b>	<b>-</b>

The reconciliation of income tax expenses at statutory income tax rate to income tax charged to statement of profit and loss is as follows:

Profit before tax/Taxable Income	15,393	(34)
Less: Brought Forward Taxable Losses	(31,533)	(31,499)
Total Taxable Profit/(Loss)	(16,140)	(31,533)
Income Tax Expenses Calculated at 15.6% (MAT)	2,401	-
Income Tax Expenses recognised in profit and loss	2,401	-

**NOTE 26: EARNING PER SHARE(EPS)**

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

Profit /(Loss) after tax for the year	12,992	(362)
Weighted Average number of equity shares of Rs.10/- each fully paid up	10,000	10,000
Basic & Diluted Earnings per share	1.30	(0.04)

**NOTE NO.: 27 Contingent liabilities not provided for in respect of:-**

Particulars	Current Year	Previous Year
Interest on Foreign Currency Loan	2,13,37@	2,06,41@

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

**NOTE NO.: 28** The accounts of the Company for the year ending 31.03.22 have been prepared on going concern basis. The management is confident to revive the business activities in near future depending upon more favourable conditions prevailing in the market bearing unforeseen circumstances.

**NOTE NO.: 29** Reversal of diminution of Current Quoted investment aggregating Rs. 7,37,07/-Thousands (Previous Year Rs. Rs. 7,37,07/-Thousands) has been provided. Resulting of such non reversal of diminution the Profit/(Loss) for the year are shown Lower/higher and investment are shown lower by Rs. 7,37,07/-Thousands (Previous Year Rs. Rs. 1,67,83/-Thousands).

**NOTE NO.: 30 Segment Reporting**

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

**NOTE NO.: 31 Related Parties Disclosures**

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

**a) Enterprises Where Control Exists**

SBEC Sugar Limited (Substantial Interest Exist)

**b) Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises.**

SBEC System limited (United Kingdom)

**c) Key Managerial Personnel**

Mr. Luv Gupta - Chief Financial Officer  
Mrs. Priyanka Negi - Company Secretary

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

Mr.U.K.Modi

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

Mrs. Kumkum Modi, Mr. Abhishek Modi, Ms. Meghna Modi, Ms. Himani Modi, Mr. Jayesh Modi, Mrs Shreepriya Modi, Modi Arts Pvt Ltd., Modi Goods and Retail Services Pvt Ltd., Jai Abhishek Investments Pvt Ltd., Modi Diagnostics Pvt Ltd., Modi –Mundipharma Beauty Products Pvt. Ltd., Modi Senator (India) Pvt Ltd., First Move Management Services Pvt Ltd., Beauty Products Lanka Pvt Ltd., Umesh Modi Corp Pvt Ltd., Modi-Mundipharma Healthcare Pvt. Ltd.(formerly known as Modi Omega Pharma (India) Pvt Ltd.), Modi Illva India Pvt Ltd., A to Z Holdings 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. 000')

Nature of Transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(e) above
Remuneration	- (-)	- (-)	12,29 (10,47)	- -
Expenses Paid	-	-	-	-
Secretarial Expenses/Printing & Stationery etc.	- (-)	- (-)	- (-)	7 (57)
Professional and Technical services	296,74			
Repayment of Loans	128,38	-	-	23.29
Out standing Payable	- (128,38)	- (-)	88 (77)	15 (23,37)
Equity Contribution	14,23,09 (14,23,09)	-	-	-

**NOTE NO.: 32 Deferred Taxation**

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

**NOTE NO.: 33 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.)

	2021-22	2020-21	2019-20	2018-19	2017-18
	Year	Year	Year	Year	Year
Employer's contribution to provident fund	78,	59	61	63	65

b) **Defined Benefit Plan**

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

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

	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19	Gratuity For The Year Ending 31.03.18
DBP at the beginning of the year	1,98	1,68	1,26	1,26	86
Interest Cost	-	-	-	-	-
Current Service Cost	51	30	42	-	40
Benefits Paid/written back	Nil	Nil	Nil	Nil	Nil
Actuarial (gain)/loss	Nil	Nil	Nil	Nil	Nil
<b>DBP at the end of the year</b>	<b>2,49</b>	<b>1,98</b>	<b>1,68</b>	<b>1,26</b>	<b>1,26</b>

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

	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19	Gratuity For The Year Ending 31.03.18
Fair value of plan assets as at the beginning of the year	Nil	Nil	Nil	Nil	Nil
Expected return	Nil	Nil	Nil	Nil	Nil
Actuarial (gain / loss)	Nil	Nil	Nil	Nil	Nil
Contribution by employer	Nil	Nil	Nil	Nil	Nil
Benefits paid	Nil	Nil	Nil	Nil	Nil
Settlement cost	Nil	Nil	Nil	Nil	Nil
Fair value of plan assets as at the end of the year	Nil	Nil	Nil	Nil	Nil
Actual return on plan assets	Nil	Nil	Nil	Nil	Nil

**3. Reconciliation of amount recognized in Balance Sheet**

	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19	Gratuity For The Year Ending 31.03.18
Fair Value of Plan Assets	Nil	Nil	Nil	Nil	Nil
Present value of obligation	2,49	1,98	1,68	1,26	1,26
Net asset/(liability) recognized in the Balance Sheet	2,49	1,98	1,68	1,26	1,26

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

	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19	Gratuity For The Year Ending 31.03.18
Interest Cost	Nil	Nil	Nil	Nil	Nil
Current Service Cost	51	30	42	Nil	40
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	51	30	42	Nil	40

**5. Actual Return on Plan Assets**

	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19	Gratuity For The Year Ending 31.03.18
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**

	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19	Gratuity For The Year Ending 31.03.18
Mortality table (LIC)	1994-96 Duly Modified				
Discount Rate	8%	8%	8%	8%	8%
Future Salary Increased	10%	10%	10%	10%	10%
Expected rate of return on plan assets	Nil	Nil	Nil	Nil	Nil
Withdrawal Rates					
Up to 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%
Up to 44 Years	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%	1.00%

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

#### NOTE 34: Financial Instruments

Financial Instruments by category:

The accounting classification of each category of financial instruments, their carrying value and fair value as on March 31, 2022 is as follows:

Particulars	Note	FVTPL	Amortised cost	Total carrying cost
<b>Assets:</b>				
Investment in associates *	4	68,602	-	68,602
Trade receivables	5		2,881	2,881
Cash and Cash Equivalents	6	-	661	661
Other Bank Balances	7		40	40
<b>Total</b>		<b>68,602</b>	<b>3,582</b>	<b>72,185</b>
<b>Liabilities</b>				
Long Term Borrowings	13	-	76,044	76,044
Short term Borrowing	15	-	96,418	96,418
Trade Liabilities	16	-	346	346
Other Financial Liabilities	17	-	1,969	1,969
<b>Total</b>		<b>-</b>	<b>1,74,777</b>	<b>1,74,777</b>

The accounting classification of each category of financial instruments ,their carrying value and fair value as on March 31, 2021 is as follows:

Particulars	Note	FVTPL	Amortised cost	Total carrying cost
<b>Assets:</b>				
Investment in associates *	4	68,602	-	68,602
Trade receivables	5		-	-
Cash and Cash Equivalents	6	-	200	200
Other Bank Balances	7		40	40
Loans	8		1,300	1,300
<b>Total</b>		<b>68,602</b>	<b>1,540</b>	<b>70,142</b>
<b>Liabilities:</b>				
Long Term Borrowings	13		88,732	88,732
Short Term Borrowings	15		97,423	97,423
Trade Liabilities	16		284	284
Other Financial Liabilities	17		119	119
<b>Total</b>		<b>-</b>	<b>1,86,558</b>	<b>1,86,558</b>

\*The above Investments does not include equity investments in subsidiaries, associates and joint ventures which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Borrowings, Lease liabilities, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Abbreviations : FVTPL - Fair Value Through Profit or Loss.**

**Abbreviations : FVTOCI - Fair Value Through Other Comprehensive Income**

Ratio	Measure	Numerator	Denominator	As at March 31,2022	As at March 31,2021	Variance	Remarks
<b>Current Ratio</b>	Times	Total Current assets	Total Current Liabilities	<b>0.04</b>	0.03	0.01	-
Debts-Equity ratio	Times	Total debt	Total Equity	<b>-1.69</b>	-1.62	-0.07	-
Debts Service Coverage Ratio	Times	Earning for debt service=Net Profit after taxes+Non cash operation expenses+finance cost	Debt service=Interest +Principial	<b>0.03</b>	0.00	0.03	-
Return on Equity Ratio	Percentage	Net Profit for the year	Total Average Equity	<b>-11.95</b>	0.00	-11.95	-
Inventory Turnover ratio	Times	Cost of Goods Sold	Average inventory	-	-	-	-
Total Receivables Turnover ratio	Times	Revenue from operation	Average trade receivables	<b>20.60</b>	0.00	20.60	-
Trade payables turnover ratio	Times	Other expenses	Average trade payable	<b>6.22</b>	6.68	-0.46	-
Net Capital turnover ratio	Times	Revenue from operation	Average Working Capital	<b>-0.31</b>	0.00	-0.31	-
Net Profit ratio	Percentage	Net Profit for the year	Total Sales	<b>43.78</b>	-	43.78	-
Return on capital employed	Percentage	Profit before tax and finance cost	Capital employed (Equity+Debts)	<b>30.30</b>	-0.50	30.80	-
Return on Investment	Percentage	Profit after tax	Capital employed (Equity+Debts)	<b>18.50</b>	-0.51	19.01	-

**NOTE NO: 36 Other Statutory Information**

- I. The company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.
- II. The company does not have any transactions with companies struck off.
- III. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- IV. The company has not traded or invested in crypto currency or virtual currency during the financial year
- V. The company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- VI. All the title deeds of immovable properties are held in the name of company as at the balance sheet date.
- VII. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall lend or invest in party identified by or on behalf of company (Ultimate beneficiaries)
- VIII. The company has not received any fund from any party(s) (funding party) with the understanding that the company shall whether directly or indirectly lend or invest in other person or entities identified by or on behalf of company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- IX. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

**NOTE NO.: 37 Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 2013 (to the extent applicable):**

Particulars	(In Rs.000)
(a) <b>STOCK, PURCHASES AND SALES OF GOODS TRADED IN:</b>	Nil (Nil)
(b) <b>EXPENDITURE IN FOREIGN CURRENCY (On cash basis)</b>	Nil
Interest Payment	(Nil)
(c) <b>EARNINGS IN FOREIGN EXCHANGE</b>	Nil (Nil)
(d) <b>CIF VALUE OF IMPORTS</b>	Nil (Nil)

**NOTE NO.: 38** Previous Year figures are given in brackets and have been regrouped / rearranged wherever required.

In terms of our attached report of even date,

**For DOOGAR & ASSOCIATES**Chartered Accountants  
Firm Reg.No.000561N  
sd/-**Mukesh Goyal**  
Partner  
Membership No.081810Place: New Delhi  
Date: 26.05.2022sd/-  
**S.S.Agarwal**  
Director & CEO  
DIN-00004840sd/-  
**J.C. Chawla**  
Director  
DIN-05316202sd/-  
**Priyanka Negi**  
Company Secretary  
M.No 36819sd/-  
**Vijay K.Modi**  
Director  
DIN-00004606  
sd/-  
**Luv Gupta**  
Chief Financial Officer

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

**Report on the Audit of Consolidated Financial Statements**

**Opinion**

We have audited the accompanying Consolidated financial statements of M/s SBEC SYSTEMS (INDIA) LIMITED (hereinafter referred to as the "Holding Company") and its associate, which comprise the Consolidated Balance Sheet as at 31 March, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

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

**Basis for Opinion**

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

**Emphasis of Matters**

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

**Key Audit Matter**

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

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

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

#### **Other Matters**

The consolidated financial statements include the Company's share of total comprehensive profit of Rs. NIL for the year ended 31 March, 2022, as considered in the consolidated financial statements, in respect of one Associate, whose financial statements/financial information have not been audited by us. That financial statements/ financial information have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of that Associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid Associate, is based solely on the reports of the other auditor.

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of accounts as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors of the Company and the reports of the Statutory Auditors of its Associate Companies incorporated in India, none of the Directors of the Company and its Associate Companies incorporated in India is disqualified as on 31 March, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; which is based on the auditor's reports of the Company and its Associate Companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those Companies, for reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors, the remuneration paid by the Company and its Associate Companies to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and reports of the other auditors:
- i. The company and its Associates does not have any pending litigations which would impact its financial statements
  - ii. The Company and its Associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company and its Associate Companies.<sup>3</sup>
- iv. (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief as disclosed in note 36(vii). to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief as disclosed in note 36 (viii). to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

Place: New Delhi  
Date: 26.05.2022

**For DOOGAR & ASSOCIATES**  
**Chartered Accounts**  
**FRN: 000561N**  
sd/-  
**Mukesh Goyal**  
**Partner**  
**M. No.: 081810**  
**UDIN: 22081810A3Q3HK5976**

## Annexure 'A' to Independent Auditors' Report

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, ("the Act") to the members of Bihar Sponge Iron Ltd. on the financial statements for the year ended March 31, 2022

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, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

### Meaning of Internal Financial Controls Over Financial Reporting

- A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
  - (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, 2022, 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: 26.05.2022

For DOOGAR & ASSOCIATES  
Chartered Accounts  
FRN: 000561N  
sd/-  
Mukesh Goyal  
M. No.: 081810  
UDIN: 22081810A3Q3HK5976

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022

(in Rs. 000)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3	28	28
(b) Non Current Investment	4	-	-
		<b>28</b>	<b>28</b>
<b>2 Current assets</b>			
(a) Trade Receivables	5	2,881	-
(b) Cash and cash equivalents	6	661	200
(c) Bank balances other than (a) above	7	40	40
(d) Loans	8	-	1,300
(e) Income Tax Assets	9	566	-
(f) Other current assets	10	15	1,360
Total Current assets		<b>4,163</b>	<b>2,900</b>
<b>TOTAL</b>		<b>4,191</b>	<b>2,928</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	11	1,00,000	1,00,000
(b) Other Equity	12	(2,70,836)	(2,83,828)
		<b>(1,70,836)</b>	<b>(1,83,828)</b>
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
- Long Term Borrowings	13	76,044	88,732
(b) Long-term provisions	14	249	198
		<b>76,294</b>	<b>88,930</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
- Short Term Borrowings	15	96,418	97,423
(b) Trade Payabl	16	346	284
(c) Other current liabilities	17	1,969	119
Total Current liabilities		<b>98,733</b>	<b>97,826</b>
<b>TOTAL</b>		<b>4,191</b>	<b>2,928</b>

## Significant Accounting Policies

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

## For DOOGAR &amp; ASSOCIATES

Chartered Accountants  
Firm Reg.No.000561NSd/-  
**Mukesh Goyal**  
Partner  
Membership No.081810Place: New Delhi  
Date : 26.05.2022Sd/-  
**S.S.Agarwal**  
Director & CEO  
DIN-00004840Sd/-  
**J.C. Chawla**  
Director  
DIN-05316202Sd/-  
**Priyanka Negi**  
Company Secretary  
M.No 36819Sd/-  
**Vijay K.Modi**  
Director  
DIN-00004606Sd/-  
**Luv Gupta**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(in Rs.000)

Sr No	Particulars	Note No.	Year Ended 31.03.2022	Year ended 31.03.2021
I	Revenue from Sales and services	18	29,674	-
II	Other income	19	9	2,283
III	<b>Total revenue (I+II)</b>		<b>29,683</b>	<b>2,283</b>
IV	<b>Expenses:</b>			
	Employee benefits expense	20	1,307	1,078
	Finance costs	21	5,887	8
	Depreciation and amortisation expense	22	-	-
	Other Expenses	23	5,738	1,559
	<b>Total expenses (IV)</b>		<b>12,932</b>	<b>2,645</b>
V	<b>Profit / (Loss) before exceptional items and tax (III-IV)</b>		<b>16,751</b>	<b>(362)</b>
VI	Exceptional Items (Income)/Expenses	24	1,358	-
VII	<b>Profit / (Loss) after exceptional items and before tax (V-VI)</b>		<b>15,393</b>	<b>(362)</b>
VIII	<b>Share of Profit / (Loss) of Associates</b>		<b>-</b>	<b>-</b>
IX	<b>Tax expense:</b>			
	-Tax for Earlier Years		-	-
	- Current Tax (MAT)	25	2,401	-
	- Deferred Tax		-	-
	<b>Total</b>		<b>2,401</b>	<b>-</b>
X	<b>Profit / (Loss) for the year (VII-VIII-IX)</b>		<b>12,992</b>	<b>(362)</b>
	<b>Earning per equity shares:</b>	26		
	(i) Basic		1.30	(0.04)
	(ii) Diluted		1.30	(0.04)

**Significant Accounting Policies**

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

**For DOOGAR & ASSOCIATES**

Chartered Accountants  
Firm Reg.No.000561N

Sd/-

**Mukesh Goyal**

Partner  
Membership No.081810

Sd/-

**S.S.Agarwal**  
Director & CEO  
DIN-00004840

Sd/-

**J.C. Chawla**  
Director  
DIN-05316202

Sd/-

**Vijay K.Modi**  
Director  
DIN-00004606

Sd/-

**Priyanka Negi**  
Company Secretary  
M.No 36819

Sd/-

**Luv Gupta**  
Chief Financial Officer

Place: New Delhi

Date : 26.05.2022

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

(in Rs.000)

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before tax	15,393	(362)
<b>Adjustments for :</b>		
Depreciation	-	-
Interest Expense	5,887	8
Interest Income	-	(156)
Foreign Exchange fluctuation	2,479	(2,127)
Fixed Assets Written Off	1	-
Interest for Earlier Years written off	1,358	-
Unsecured Loans written off	1,300	-
	<u>11,024</u>	<u>(2,275)</u>
<b>Operating profit/(Loss) before working capital changes</b>	<b>26,417</b>	<b>(2,637)</b>
<b>Change in working Capital :</b>		
<b>(Increase) /Decrease in Trade Receivables /Long /Short Term Loans and Advances</b> excluding TDS	<b>(2,894)</b>	<b>(3)</b>
<b>(Increase)/Decrease in Inventories</b>	<b>-</b>	<b>-</b>
<b>Increase /(Decrease) in Trade Payable and Provisions</b>	<b>1,076</b>	<b>127</b>
	<u>(1,817)</u>	<u>125</u>
<b>Cash (used in) / Generated from operations</b>	<b>24,600</b>	<b>(2,512)</b>
Income Tax/ TDS Paid/Refund	2,967	-
<b>Net Cash (used) in / generation from operating activities</b>	<b>21,633</b>	<b>(2,512)</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	2,110	2,624
Interest paid	(5,000)	(8)
Repayment of long /Short term borrowings	(18,281)	-
<b>NET CASH FLOWS FROM /(USED) IN FINANCING ACTIVITIES</b>	<b>(21,171)</b>	<b>2,616</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>461</b>	<b>104</b>
Cash and Cash equivalents at beginning of period	200	96
<b>Cash and Cash equivalents at end of the period (Note No 6)</b>	<b>661</b>	<b>200</b>

\*Figures in bracket indicate cash outflow.

*As per our report of even date attached.***For DOOGAR & ASSOCIATES**Chartered Accountants  
Firm Reg.No.000561N

Sd/-

**Mukesh Goyal**

Partner

Membership No.081810

Sd/-  
**S.S.Agarwal**  
Director & CEO  
DIN-00004840Sd/-  
**J.C. Chawla**  
Director  
DIN-05316202Sd/-  
**Vijay K.Modi**  
Director  
DIN-00004606Sd/-  
**Priyanka Negi**  
Company Secretary  
M.No 36819Sd/-  
**Luv Gupta**  
Chief Financial Officer

Place: New Delhi

Date : 26.05.2022

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022****EQUITY SHARE CAPITAL****(in Rs.000')**

Opening Balance as at April 1,2020	Changes in equity Share Capital due to prior period errors	Restated balance as at April 1,2020	Changes in equity Share Capital during the year	Balance as at March 31,2021
1,00,000	-	1,00,000	-	1,00,000
Opening Balance as at April 1,2021	Changes in equity Share Capital due to prior period errors	Restated balance as at April 1,2021	Changes in equity Share Capital during the year	Balance as at March 31,2022
1,00,000	-	1,00,000	-	1,00,000

**OTHER EQUITY****(in Rs.000')**

	Share Premium Reserve	Retained	Total
As at April 1,2020	19,262	(3,02,727)	(2,83,466)
Add:Addition during the year	-	-	-
Profit/(Loss) During the Year	-	(362)	(362)
As at March,31,2021	19,262	(3,03,089)	(2,83,828)
Add:Addition during the year	-	-	-
Profit/(Loss) During the Year	-	12,992	12,992
As at March,31,2022	19,262	(2,90,097)	(2,70,836)

**Significant Accounting Policies****1-2**

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

**For DOOGAR & ASSOCIATES**

Chartered Accountants  
Firm Reg.No.000561N

Sd/-  
**Mukesh Goyal**  
Partner  
Membership No.081810

Place: New Delhi  
Date : 26.05.2022

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

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

Sd/-  
**Priyanka Negi**  
Company Secretary  
M.No 36819

Sd/-  
**Vijay K.Modi**  
Director  
DIN-00004606

Sd/-  
**Luv Gupta**  
Chief Financial Officer

**ACCOUNTING POLICIES OF THE CONSOLIDATION 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. Financial Instruments**

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**• **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

• **Subsequent measurement**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

• **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using

the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, loans and other financial assets.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the asset's contractual cash flow represents SPPI.

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, dividend income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

- **Financial assets at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Equity Instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, other than investment in Subsidiary, Associates and Joint Ventures, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- **Investments in subsidiaries, joint ventures and associates**

Investment in subsidiaries, joint ventures and associates are carried at cost in the financial statements.

- **Derecognition**

The Company derecognizes a financial asset when the rights to receive cash flows from the asset have expired or it transfers the right to receive the contractual cash flow on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

#### Financial liabilities

- **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities**

at fair value through profit or loss Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

- **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amount of income recognised in accordance with the principles of Ind AS 115.

- **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

- **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 14. 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.

#### 15. 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.

#### 16. Cash Flow Statement

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

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

**Notes to Consolidated Financial Statement for the Period ended 31<sup>st</sup> March, 2022****NOTE 3: PROPERTY, PLANT AND EQUIPMENT****Tangible assets**

(in Rs.000)

Particulars	Plant & Machinery	Furniture, Fixtures & Fittings	Office Equipment	Total
Gross carrying amount				
Balance as at 01 <sup>st</sup> April, 2021	18	633	64	714
Additions	-	-	-	-
Deductions/Adjustment	18	-	-	18
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>633</b>	<b>64</b>	<b>696</b>
Accumulated Depreciation				
Balance as at 01 <sup>st</sup> April, 2021	17	608	60	685
Additions	-	-	-	-
Deductions/Adjustment	17	-	-	17
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>608</b>	<b>60</b>	<b>669</b>
Net Carrying amount as at 01 <sup>st</sup> April, 2021	1	25	3	28
<b>Net Carrying amount as at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>25</b>	<b>3</b>	<b>28</b>
Gross carrying amount				
Balance as at 1 <sup>st</sup> April, 2020	18	633	64	714
Additions	-	-	-	-
Deductions/Adjustment	-	-	-	-
Balance as at 31 <sup>st</sup> March, 2021	18	633	64	714
Accumulated Depreciation				
Balance as at 01 <sup>st</sup> April, 2020	17	608	60	685
Additions	-	-	-	-
Deductions/Adjustment	-	-	-	-
Balance as at 31 <sup>st</sup> March, 2021	17	608	60	685
Net Carrying amount as at 01 <sup>st</sup> April, 2020	1	25	3	28
<b>Net Carrying amount as at 31<sup>st</sup> March, 2021</b>	<b>1</b>	<b>25</b>	<b>3</b>	<b>28</b>

**NOTE 4: NON-CURRENT INVESTMENT**

(in Rs.000)

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Investment (Quoted, Valued at Cost)		
<b>Investment</b>		
31,57,716 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	-	-
Less: Provision for Diminution (Refer Note No.25)	-	-
1,10,73,168 Equity Shares of Rs. 10/- each in SBEC Sugar Limited (fully paid) @ Rs 10/- per share	-	-
Less : Provision for Diminution (Refer Note No.26)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Market value of quoted Investments (Based on closing rate of Rs.30.40 at BSE on 31.03.2022)		
Previous year @ Rs. 6.00 per share)	4,32,619	85,385
Aggregate carrying value of quoted investment at face Value	1,42,309	1,42,309
Aggregate carrying value of quoted investment	-	-

**NOTE 5 : TRADE RECEIVABLES****Unsecured, considered Good unless otherwise stated:**

Outstanding for more than six Months	-	-
Outstanding for less than six Months	2,881	-
Unsecured, considered Good		
<b>Total</b>	<b>2,881</b>	<b>-</b>

**Trade Receivable Ageing Schedule as at March 31, 2022**

(in Rs.000)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months- 1 year	1-2years	2-3 years	More than 3year	
(i) Undisputed Trade receivables-Considered Good	<b>2,881</b>	-	-	-	-	-	<b>2,881</b>
(ii) Undisputed Trade receivables-Considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade receivables-Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-Considered doubtful	-	-	-	-	-	-	-
<b>Total</b>	<b>2,881</b>	-	-	-	-	-	<b>2,881</b>

(in Rs.000)

Particulars	As at 31.03.2022	As at 31.03.2021
-------------	---------------------	---------------------

**NOTE 6 : CASH & BANK BALANCES**

Balance with Scheduled Banks in -

-- Current Accounts	<b>660</b>	199
Cash in hand	<b>1</b>	1
<b>TOTAL</b>	<b>661</b>	200

\* Fixed Deposit Matured But Pledged with Sales Tax Authority

**NOTE 7 : OTHER BANK BALANCES**

Other bank balances

Fixed deposit with banks *	<b>40</b>	40
<b>TOTAL</b>	<b>40</b>	40

\* Fixed Deposit Matured But Pledged with Sales Tax Authority

**NOTE 8 : LOANS****(Unsecured considered good unless otherwise stated)**

Loans - Dinesh Rajvanshi	-	1,300
<b>TOTAL</b>	-	1,300

**NOTE 9 : INCOME TAX ASSETS**

Income tax assets(net of provision Rs.2401337/-)

<b>TOTAL</b>	<b>566</b>	-
	<b>566</b>	-

**NOTE 10: OTHER CURRENT ASSETS**

Other advances (Includes prepaid expenses etc.)	<b>15</b>	3
Interest receivable	-	1,358
<b>TOTAL</b>	<b>15</b>	1,360

**NOTE 11: SHARE CAPITAL**

(in Rs.000)

	As at 31.03.2022	As at 31.03.2021
<b>AUTHORISED CAPITAL</b>		
15,000,000 Equity Shares of Rs.10/- each.	1,50,000	1,50,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
10,000,000 Equity Shares of Rs.10/- each fully paid-up (Previous year 10,000,000 Equity Shares of Rs.10/- each fully paid-up)	1,00,000	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>	<b>1,00,000</b>

- a. Reconciliation of number of shares (nos.)
- |  |             |             |
|--|-------------|-------------|
| Outstanding at the beginning of the year | 1,00,00,000 | 1,00,00,000 |
| Outstanding at the end of the year       | 1,00,00,000 | 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 equity 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 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No.Shares	% of holding	No.Shares	% of holding
Mr. Umesh Kumar Modi	2079560	20.8%	2079560	20.8%
SBEC Systems Limited	2040000	20.4%	2040000	20.4%
Longwell Investments Pvt. Ltd.	550000	5.50%	550000	5.50%

- d. Promoter Holding

Name of shareholders	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	No.Shares	% of holding	No.Shares	% of holding
Mr. Umesh Kumar Modi	2079560	20.79%	2079560	20.79%
Ms. Meghna Modi	200	0.00%	200	0.00%
SBEC Systems Limited (UK)	2040000	20.40%	2040000	20.40%
Longwell Investments Pvt. Ltd.	550000	5.50%	550000	5.50%
Abhikum Leasing and Investments Pvt. Ltd.	220000	2.20%	220000	2.20%
Kumabhi Investment Pvt. Ltd.	210000	2.10%	210000	2.10%

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

**NOTE 12: OTHER EQUITY**

(in Rs.000)

	As at 31.03.2022	As at 31.03.2021
Share Premium Reserve		
Opening balance	19,262	19,262
Add:Addition during the year	-	-
Closing Balance	19,262	19,262
<b>Surplus /(Deficit)</b>		
Opening balance	(3,03,089)	(3,02,727)
<b>Profit(loss) for the year</b>	<b>12,992</b>	<b>(362)</b>
Net surplus in the statement of Profit and loss account	(2,90,097)	(3,03,089)
<b>TOTAL</b>	<b>(2,70,836)</b>	<b>(2,83,828)</b>

(in Rs.000)

**NOTE 13 :LONG TERM BORROWINGS**

	As at 31.03.2022	As at 31.03.2021
<b>Unsecured</b>		
<b>Foreign Currency Loan From Overseas</b>	76,044	73,565
Corporate Body (Refer Note No.24 )		
<b>Rupee Loans</b>		
-Body Corporate	-	15,166
<b>Total</b>	<b>76,044</b>	<b>88,732</b>

**NOTE 14 : LONG TERM PROVISIONS**

<b>Provision for Employee Benefits :</b>		
<b>For Gratuity</b>	<b>249</b>	198
<b>TOTAL</b>	<b>249</b>	198

**NOTE 15 : SHORT TERM BORROWINGS**

Loans repayable on demand	96,418	97,423
From Corporate		
<b>TOTAL</b>	<b>96,418</b>	97,423

**NOTE - 16 : TRADE PAYABLE**

(i) MSME	31	37
(ii) Other Liabilities	315	247
(iii) Disputed dues - MSME	-	-
(iv) Disputed dues - Others	-	-
<b>TOTAL</b>	<b>346</b>	284

## a) Disclosure as required by Micro, Small and Medium Enterprises Development Act ,2006

A (I) Principal amount remaining unpaid	31	37
(II) Interest amount remaining unpaid	-	-
B Interest paid by Company in terms of Section of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amount of the payment made to the supplier appointed day	-	-
C Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
D Interest accrued and remaining unpaid	-	-
E Interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises.	-	-

## b) Ageing for trade payable Schedule: As at March 31, 2022

(in Rs.000)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 year	2-3 year	More than 3 year	
(i) MSME	30	1	-	-	-	31
(ii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Others	282	26	-	7	-	315
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>312</b>	<b>27</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>346</b>
As at March,31,2021						
(i) MSME	11	26	-	-	-	37
(ii) Disputed dues - MSME	-	-	-	-	-	-
(iii) Others	193	26	12	16	-	247
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>204</b>	<b>52</b>	<b>12</b>	<b>16</b>	<b>-</b>	<b>284</b>

(in Rs.000)

**NOTE 17 : OTHER CURRENT LIABILITIES**

	As at 31.03.2022	As at 31.03.2021
Employee dues	113	99
Statutory dues payable	969	21
Interest Payable	887	-
<b>TOTAL</b>	<b>1,969</b>	<b>119</b>

**NOTE 18 : SALES AND SERVICES**

	Year ended 31.03.2022	Year ended 31.03.2021
services		
Technical Fee	35,015	-
Less:GST	5,341	-
<b>TOTAL</b>	<b>29,674</b>	<b>-</b>

**NOTE 19 : OTHER INCOME**

Excess Provision Written Back	9	-
Interest	-	156
Foreign Exchange fluctuation	-	2,127
<b>TOTAL</b>	<b>9</b>	<b>2,283</b>

**NOTE 20 : EMPLOYEE BENEFIT EXPENSES**

Salary, Wages, Bonus & other allowances	1,178	989
Company's Contribution To Provident & Other Funds	78	59
Gratuity	51	30
<b>TOTAL</b>	<b>1,307</b>	<b>1,078</b>

**NOTE 21: FINANCE COST**

Interest - Others	15	2
Bank Charges	7	6
Interest - Unsecured Loan	5,864	-
<b>TOTAL</b>	<b>5,887</b>	<b>8</b>

**NOTE 22: DEPRECIATION & AMORTIZATION EXPENSES**

Depreciation & Amortization	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE 23 : OTHER EXPENSES**

Auditor's Remuneration		
-As Audit Fee	50	59
-Certification and Company Law	10	18
Telephone, Postage & Telegram	20	17
Legal & Professional Charges	279	182
Travelling & Conveyance	4	-
Printing & Stationery	2	-
Filing Fee	5	7
Misc. Expenses	10	11
Vehicle Running Expenses	55	47
Foreign Exchange fluctuation	2,479	-
Fixed Assets Written Off	1	-
Amount write Off	226	-
Unclaimed Loans Written Off	1,300	-
Secretarial & AGM Expenses	1,297	1,219
<b>TOTAL</b>	<b>5,738</b>	<b>1,559</b>

**NOTE 24: EXCEPTIONAL ITEMS( INCOME)/EXPENDITURE**

(in Rs.000)

	Year ended 31.03.2022	Year ended 31.03.2021
Interest for Earlier Years written off (Net)	1,358	-
<b>TOTAL</b>	<b>1,358</b>	<b>-</b>

**NOTE - 25 : INCOME TAXES**

Income Tax Expenses:

-Current Tax (MAT)

**TOTAL**

	2,401	-
<b>TOTAL</b>	<b>2,401</b>	<b>-</b>

The reconciliation of income tax expenses at statutory income tax rate to income tax charged to statement of profit and loss is as follows:

Profit before tax/Taxable Income	15,393	(339)
Less: Brought Forward Taxable Losses	(31,838)	(31,499)
Total Taxable Profit/(Loss)	(16,445)	(31,838)
Income Tax Expenses Calculated at 15.6% (MAT)	2,401	-
Income Tax Expenses recognised in profit and loss	2,401	-

**NOTE 26: EARNING PER SHARE(EPS)**

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

Profit /(Loss) after tax for the year	12,992	(362)
Weighted Average number of equity shares of Rs.10/- each fully paid up	10,000	10,000
Basic & Diluted Earnings per share	1.30	(0.04)

**NOTE NO.: 27 Contingent liabilities not provided for in respect of:-**

Rs.000'

**Particulars**

Current Year

Previous Year

Interest on Foreign Currency Loan

21,337@

21,238@

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

**NOTE NO.: 28** The accounts of the Company for the year ending 31.03.22 have been prepared on going concern basis. The management is confident to revive the business activities in near future depending upon more favourable conditions prevailing in the market bearing unforeseen circumstances.

**NOTE NO.: 29 Investment in Associates:**

Name of the Company	Country of Incorporation	% Holding
SBEC Sugar Limited	India	29.86%
Carrying cost of Investment in associates	-	SBEC Sugar Limited
No. of Equity Shares held 29.86% of Holding		1, 42,30,884
Cost of Investment		14, 23,09
Goodwill/ (Capital Reserve) included in Cost of Investment		(6, 86,02)
Share in accumulated profit/(Losses) Rs		14,23,09
Share of Profit/ (Loss) of Associates Rs.		(1,23,336)
Carrying Cost		Nil

**NOTE NO.: 30 Segment Reporting**

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

**NOTE NO.: 31 Related Parties Disclosures**

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

**a) Enterprises Where Control Exists**

SBEC Sugar Limited (Substantial Interest Exist)

**b) Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises.**

SBEC System limited (United Kingdom)

c) **Key Managerial Personnel**

Mr. Luv Gupta - Chief Financial Officer  
Mrs. Priyanka Negi - Company Secretary

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

Mr. U.K. Modi

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

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

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

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

(In Rs.000)

Nature of Transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(e) above
Remuneration	-	-	12,29	-
Expenses Paid	(-)	(-)	(10,47)	-
Secretarial Expenses/Printing & Stationery etc.	-	-	-	7
Professional and Technical Services	296,74	(-)	(-)	(57)
Repayment of Loans	128,38	-	-	23,28
Out standing Payable	-	-	88	15
	(128,38)	(-)	(77)	(23,37)
Equity Contribution	14,23,09	-	-	-
	(14,23,09)	-	-	-

NOTE NO.: 32 **Deferred Taxation**

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

NOTE NO.: 33 **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.000)

	2021-22	2020-21	2019-20	2018-19	2017-18
	Year	Year	Year	Year	Year
Employer's contribution to provident fund	78	59	61	63	65

b) **Defined Benefit Plan**

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

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

	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19	Gratuity For The Year Ending 31.03.18
DBP at the beginning of the year	1,98	1,68	1,26	1,26	86
Interest Cost	-	-	-	-	-
Current Service Cost	51	30	42	-	40
Benefits Paid/written back	Nil	Nil	Nil	Nil	Nil
Actuarial (gain)/loss	Nil	Nil	Nil	Nil	Nil
<b>DBP at the end of the year</b>	<b>2,49</b>	<b>1,98</b>	<b>1,68</b>	<b>1,26</b>	<b>1,26</b>

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

	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19	Gratuity For The Year Ending 31.03.18
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 For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19	Gratuity For The Year Ending 31.03.18
Fair Value of Plan Assets	Nil	Nil	Nil	Nil	Nil
Present value of obligation	2,49	1,98	1,68	1,26	1,26
Net asset/(liability) recognized in the Balance Sheet	2,49	1,98	1,68	1,26	1,26

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

	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19	Gratuity For The Year Ending 31.03.18
Interest Cost	Nil	Nil	Nil	Nil	Nil
Current Service Cost	51	30	42	Nil	40
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	51	30	42	Nil	40

**5. Actual Return on Plan Assets**

	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19	Gratuity For The Year Ending 31.03.18
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**

	Gratuity For The Year Ending 31.03.22	Gratuity For The Year Ending 31.03.21	Gratuity For The Year Ending 31.03.20	Gratuity For The Year Ending 31.03.19	Gratuity For The Year Ending 31.03.18
Mortality table (LIC)	1994-96 Duly Modified				
Discount Rate	8%	8%	8%	8%	8%
Future Salary Increased	10%	10%	10%	10%	10%
Expected rate of return on plan assets	Nil	Nil	Nil	Nil	Nil
Withdrawal Rates					
Up to 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%
Up to 44 Years	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%	1.00%

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

**NOTE 34: Financial Instruments****Financial Instruments by category:**

The accounting classification of each category of financial instruments, their carrying value and fair value as on March 31, 2022 is as follows:

(In Rs.000')

Particulars	Note	FVTPL	Amortised cost	Total carrying cost
<b>Assets:</b>				
Investment in associates *	4	-	-	-
Trade receivables	5		2,881	2,881
Cash and Cash Equivalents	6	-	661	661
Other Bank Balances	7		40	40
Trade receivables			2,881	2,881
<b>Total</b>		-	<b>6,463</b>	<b>6,463</b>
<b>Liabilities</b>				
Long Term Borrowings	13		76,044	76,044
Short Term Borrowings	15		96,418	96,418
Trade Liabilities	16		346	346
Other Financial Liabilities	17		1,969	1,969
<b>Total</b>		-	<b>1,74,777</b>	<b>1,74,777</b>

The accounting classification of each category of financial instruments ,their carrying value and fair value as on March 31, 2021 is as follows:

Particulars	Note	FVTPL	Amortised cost	Total carrying cost
<b>Assets:</b>				
Investment in associates *	4	-	-	-
Trade receivables	5		-	-
Cash and Cash Equivalents	6	-	200	200
Other Bank Balances	7		40	40
Loans	8		1,300	1,300
<b>Total</b>		-	<b>1,540</b>	<b>1,540</b>
<b>Liabilities:</b>				
Long Term Borrowings	13		88,732	88,732
Short Term Borrowings	15		97,423	97,423
Trade Liabilities	16		284	284
Other Financial Liabilities	17		119	119
<b>Total</b>		-	<b>1,86,558</b>	<b>1,86,558</b>

\*The above Investments does not include equity investments in subsidiaries, associates and joint ventures which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Borrowings, Lease liabilities, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Abbreviations : FVTPL - Fair Value Through Profit or Loss.**

**Abbreviations : FVTOCI - Fair Value Through Other Comprehensive Income**

**NOTE 35: Additional Regulatory Information - Ratios**

Ratio	Measure	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance	Remarks
Current Ratio	Times	Total Current assets	Total Current Liabilities	<b>0.04</b>	0.03	0.01	-
Debts-Equity ratio	Times	Total debt	Total Equity	<b>-1.01</b>	-1.01	0.00	-
Debts Service Coverage Ratio	Times	Earning for debt service=Net Profit after taxes+Non cash operation expenses+finance cost	Debt service=Interest+Principal	<b>0.11</b>	0.00	0.11	-
Return on Equity Ratio	Percentage	Net Profit for the year	Average total equity	<b>-7.33</b>	0.20	-7.52	-
Inventory Turnover ratio	Times	Cost of Goods Sold	Average inventory	-	-	-	-
Total Receivable Turnover ratio	Times	Revenue from operation	Average trade receivables	<b>20.60</b>	0.00	20.60	-
Trade Payables turnover ratio	Times	Other expenses	Average trade payable	<b>6.22</b>	6.68	-0.46	-
Net Capital turnover ratio	Times	Revenue from operation	Average Working Capital	<b>-0.31</b>	0.00	-0.31	-
Net Profit ratio	Percentage	Net Profit for the year	Revenue from operation	<b>43.78</b>	0.00	43.78	-
Return on capital employed	Percentage	Profit before tax and finance cost	Capital employed(Equity+Debts)	<b>1308.14</b>	-15.22	1323.36	-
Return on Investment	Percentage	Profit after tax	Capital employed(Equity+Debts)	<b>798.65</b>	-15.55	814.20	-

**NOTE NO: 36 Other Statutory Information**

- I. The company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.
- II. The company does not have any transactions with companies struck off.
- III. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- IV. The company has not traded or invested in crypto currency or virtual currency during the financial year
- V. The company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- VI. All the title deeds of immovable properties are held in the name of company as at the balance sheet date.
- VII. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall lend or invest in party identified by or on behalf of company (Ultimate beneficiaries)
- VIII. The company has not received any fund from any party(s) (funding party) with the understanding that the company shall whether directly or indirectly lend or invest in other person or entities identified by or on behalf of company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- IX. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**NOTE NO.: 37 Additional information pursuant to provisions of Part II of Schedule VI to the Companies Act, 2013 (to the extent applicable):**

Particulars	(In Rs.000)
(a) STOCK, PURCHASES AND SALES OF GOODS TRADED IN:	Nil (Nil)
b) EXPENDITURE IN FOREIGN CURRENCY (On cash basis)	Nil (Nil)
c) EARNINGS IN FOREIGN EXCHANGE	Nil (Nil)
d) CIF VALUE OF IMPORTS	Nil (Nil)

**NOTE NO.: 38** Previous Year figures are given in brackets and have been regrouped / rearranged wherever required.

In terms of our attached report of even date,

**For DOOGAR & ASSOCIATES**

Chartered Accountants  
Firm Reg.No.000561N

Sd/-  
**Mukesh Goyal**  
Partner  
Membership No.081810

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

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

Sd/-  
**Vijay K.Modi**  
Director  
DIN-00004606

Sd/-  
**Priyanka Negi**  
Company Secretary  
M.No 36819

Sd/-  
**Luv Gupta**  
Chief Financial Officer

Place: New Delhi  
Date : 26.05.2022



*If undelivered, please return to:*

**SBEC SYSTEMS (INDIA) LIMITED**

1400, Hemkunt Tower,

98, Nehru Place,

New Delhi-110019

**SBEC**

**32nd Annual Report - 2021**

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

**BOARD OF DIRECTORS**

Mr. Vijay K Modi - Chairman  
 Mr. S.S. Agarwal - Executive Director & CEO  
 Ms. Ritu Sikka  
 Mr. Rohit Garg  
 Mr. Jagdish Chander Chawla  
 Mr. Shyam Babu Vyas  
 Ms. Asha Agarwal

**CHIEF FINANCIAL OFFICER**

Mr Luv Gupta

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms Priyanka Negi

**AUDITORS**

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

**BANKERS**

HDFC Bank

**REGISTERED OFFICE**

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

**SHARE TRANSFER AGENT**

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

**Contents**

Directors' Report.....	1-7
Corporate Governance Report.....	8-15
Auditor's Certificate on Corporate Governance.....	16-16
Auditor's Report.....	17-20
Balance Sheet.....	21-21
Profit and Loss Account.....	22-22
Cash Flow Statement.....	23-23
Notes to Accounts.....	24-31
Consolidated Accounts.....	32-47

**DIRECTORS' REPORT**

To,

**The Shareholders,  
SBEC Systems (India) Limited**

**Dear Members,**

Your Directors take pleasure in presenting the 32nd Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2021.

**FINANCIAL RESULT**

The summarised financial results of the company for the financial year 2020-21 vis-a-vis 2019-20 are as under: (Rs. in Lacs)

<b>PARTICULARS</b>	<b>PERIOD ENDED 31.03.2021</b>	<b>PERIOD ENDED 31.03.2020</b>
SALES & OTHER INCOME	22.83	1.56
TOTAL EXPENDITURE (INCLUDING EXCEPTIONAL ITEMS)	26.45	113.27
OPERATING PROFIT/(LOSS) BEFORE TAX	(3.62)	(111.71)
PROFIT/(LOSS) AFTER TAX	(3.62)	(113.56)

During the year under review, the revenue from other income stood at Rs. 22.83 Lacs. The net loss of the Company stood at Rs. 3.62 Lacs as compared to net loss of Rs. 113.56 Lacs for the previous year.

**DIVIDEND & RESERVES**

In view of the losses incurred, your Board is unable to recommend any dividend for the financial year ended March 31, 2021.

The Company has not transferred any amount to the reserves for the year ended March 31, 2021.

**SHARE CAPITAL**

The paid up equity capital as on March 31, 2021 was Rs.1000 Lacs. During the year under review, the Company has not issued any class of shares nor granted stock options.

**ASSOCIATE/SUBSIDIARY/JOINT VENTURE COMPANY**

As on March 31, 2021, the Company has one Associate Company i.e. SBEC Sugar Limited. Investment in the Associate is dealt with in accordance with Indian Accounting Standard (Ind-AS) 28, the consolidation of accounts of the Company with its associate are combined by using "Equity Method".

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

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

**MATERIAL CHANGES AND COMMITMENTS**

There are no material changes occurred in between the financial year ended on 31st March, 2021 and date of the report of the Company which affects the financial position of the Company.

**CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company for the financial period 2020-21, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards and SEBI (LODR) Regulations, 2015.

**DIRECTORS**

In terms of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 Ms. Ritu Sikka, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, have offered herself for re-appointment.

During the year under review the Board has appointed Mr. Rohit Garg as Non-Executive Non-Independent Director and Ms. Asha Agarwal as Non-Executive Independent Director w.e.f February 12, 2021 and upto the date of forthcoming Annual General Meeting. The Board recommends the appointment for the consideration of the members of the Company at the Annual General Meeting.

During the year under review Mr. Rajeev Kumar Agarwal (DIN: 00298252), Non-Executive Independent Director of the Company passed away on December 5th, 2020 and Mr. Anupam Bansal (DIN: 00004318) who was appointed as Non-Executive Director has resigned from the Directorship w.e.f February 12, 2021.

Brief Particulars of Directors seeking re-appointment/appointment have been given in the annexure to the notice convening the Annual General Meeting.

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

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the provisions contained in Section 134 (5) of the Companies Act, 2013, your Directors to the best of their knowledge and belief and according to information and explanations obtained from the management, confirm that:-

- so as to give a true and fair view of the state of affairs of the Company as at in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent March 31, 2021 and of the loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis;
- The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**KEY MANAGERIAL PERSONNEL (KMP)**

During the financial year ended 31.03.2021, following persons are Whole Time Key Managerial Personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013.

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

#### BOARD MEETING

The Board met six times during the financial year 2020-21, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### COMMITTEES OF THE BOARD

Presently the Company has the following mandatory Committees:

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

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

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

The Board on recommendation of the Nomination & Remuneration Committee has already framed a policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters specified under said section. The policy is available on the website of the Company [www.sbecosystems.com](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 the year 2022.

#### STATUTORY AUDITORS REPORT

The Statutory Audit Report contains qualifications and the Company has given its comments on Audit Qualified Opinion for the Financial Year 2020-21, the details are mentioned below:

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

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

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

#### SECRETARIAL AUDITOR

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

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

#### RISK MANAGEMENT POLICY

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

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

#### INTERNAL FINANCIAL CONTROLS

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

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

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

#### RELATED PARTY TRANSACTIONS

The transactions entered with related parties during the year under review were on Arm's Length basis and in the ordinary course of business. The provisions of Section 188 of the Companies Act, 2013 are therefore, not attracted. All related party transactions were approved by the Audit Committee and the Board. The relevant information regarding related party transactions has been set out in Note No. 27 of the Financial Statements for the financial year ended 31.03.2021.

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

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

**DEPOSITS**

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

**CORPORATE GOVERNANCE**

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

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

**VIGIL MECHANISM & WHISTLE BLOWER POLICY**

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

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

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the financial year 2020-21, the Company has not made any investment nor given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

**PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to the ratio of the Remuneration of each Director to the median employees remuneration shall not apply because none of the Directors has drawn any remuneration from the Company for the financial year 2020-21. In terms of the Provisions of Section 197(12) of the Companies act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, none of the employees of the Company was in receipt of remuneration of more than the limit specified as set out in the above said Rules.

**COST AUDITOR**

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

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3) of the Act, Annual Return (in e-form MGT-7) for the financial year ended March 31, 2021 is available on the Company's website at: [www.sbectsystems.com](http://www.sbectsystems.com)

**SECRETARIAL STANDARD**

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

**LISTING WITH STOCK EXCHANGES**

The Equity Shares of the Company are listed with BSE Limited. The annual fees of the Bombay Stock Exchange have been paid promptly for the year 2020-21.

**SEXUAL HARASSMENT**

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2020-21:

No. of complaints received : NIL  
No of complaints disposed off : NIL

**PERSONNEL RELATIONS**

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

**APPRECIATION**

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

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

**Place: New Delhi  
Date: 13.08.2021**

**ANNEXURE-A TO THE BOARD'S REPORT****Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures****Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates	SBEC SUGAR LIMITED
<b>1. Latest audited Balance Sheet Date</b>	March 31,2021
<b>2. Date on which the Associate was associated or acquired</b>	1996-1997
<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>	
<b>7. Profit/Loss for the year</b>	(8,73,47,787)
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	(21,11,38,509)

**ANNEXURE-B TO THE BOARD'S REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****For The Financial Year Ended On 31st March, 2021**

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

To,

The Members

**SBEC SYSTEMS (INDIA) LIMITED**

1400, Hemkunt, Tower 98,

Nehru Place, New Delhi, 110019

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

- (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable during the audit period**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable during the audit period**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable during the audit period** and;
- (vi) OTHER APPLICABLE ACTS,
  - (a) The Payment of Wages Act, 1936, and rules made there-under,
  - (b) The Minimum Wages Act, 1948, and rules made there-under,
  - (c) The Payment of Gratuity Act, 1972
  - (d) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
  - (e) The Payment of Bonus Act, 1965, and rules made there-under,
  - (f) The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013,

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

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

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

1. That a loan of Rs. 735.65 Lakh is a Foreign Currency Loan from Overseas Corporate Body M/s Occident Orient Company Ltd. Mauritius, taken by the Company subject to the approval of RBI/Finance Ministry, pertaining to period prior to 1999 outstanding in the books of accounts of the Company. This is an undisputed liability that the Company has been unable to pay due to its continuous losses. Further interest of USD 281974 for earlier year is payable by the company on above mentioned loan, pending approval of RBI, this liability is being shown as contingent liability.
2. The Shareholding of promoters and the promoter's group are dematerialized only to the extent of 60% shares as on 31.03.2021.
3. The Securities and Exchange Board of India on September 17, 2018 had issued directions to the Promoter group of the Company (namely Shri Umesh Kumar Modi, Kumkum Modi, Jayesh Modi, Longwell Investments Private Limited, A to Z Holdings Pvt. Ltd., Moderate Leasing and Capital Services Limited and SBEC Systems (India) Limited), severally or jointly to make a public announcement to acquire the shares of Target Company (i.e. SBEC SUGAR LIMITED) in accordance with the provisions of the Takeover Regulations, 2011, within a period of 45 days from the date of the above mentioned order. The shareholding/ voting rights of the promoter group had increased from 54.46% (2,59,51,083 Shares) as on June 30, 2014 to 63.86% (3,04,32,117 shares) as on September 30, 2014. In addition to the aforesaid acquisition, one of the lending promoters i.e. Moderate Leasing and Capital Services limited had also acquired 1.31% of SBEC Sugar Limited during March 18, 2015 to March 23, 2015, which increased the shareholding of promoter group to 65.17%. As per the said impugned order, the promoter group have violated the provisions of Regulation 3(2) of the Takeover Regulations, 2011 by acquiring shares in excess of the prescribed limit without making an announcement for open offer.

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

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

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

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

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

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

It is important to point out that both the Civil Appeal and the Counter Appeal before the Hon'ble Supreme Court of India have been connected and the pleadings therein are complete. The said Civil Appeal is now listed before the Hon'ble Supreme Court of India for further proceedings.

4. The Company has not constituted any separate 'Internal Complaints Committee' under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. However, they have taken note and confirmed that no complaint of sexual harassment of women at workplace was received during the year under review.
5. As per examination of records and information available to us, the company has maintained the software for digitisation the database of the Company w.e.f. 31.03.2021 in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015.

6. That SBEC Systems Limited (UK) is directly/indirectly under common control with the reporting enterprises. It holds 20.4% share capital of the Company. As informed by the management and as per the dissolution certificate the said company has been dissolved as on 19.06.2001. However, neither shares held by it were transferred and nor any document was available with the Company to verify how the shares were dealt with at the time of its dissolution.
7. The Company has not obtained the Registration of Mr. Shyam Babu Vyas, independent directors with database of independent director maintained with MCA during the year ended 31.03.2021.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report as under:

1. That there were no operations during the year under review. The company is having negative net worth of Rs1152.25 Lakhs after incurring loss of Rs. 3.62 Lakhs during the year ended on 31.03.2021. This indicates the existence of uncertainty that may cast doubt about the company's ability to continue as a going concern. However the company has prepared its financial statements on a going concern basis. The management is confident to revive the business activities in near future.
2. The Company has one Associate Company i.e. SBEC Sugar Limited.

**For R. Singhal & Associates**  
**Company Secretaries**  
Sd/-  
**(Rahul Singhal)**  
Prop.  
M. No. 29599  
UDIN : A029599C000767446

**Dated: 13.08.2021**

**Place: Meerut**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company. We have relied on the audited financial statements and statutory auditor report for the year ended on 31.03.2021 for the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Due to the prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

**For R. Singhal & Associates**  
**Company Secretaries**  
Sd/-  
**(Rahul Singhal)**  
Prop.  
M. No. 29599  
UDIN : A029599C000767446

**Dated: 13.08.2021**

**Place: Meerut**

**ANNEXURE- C TO THE BOARD'S REPORT****Information to be given under Section 134 read with Rule 8(3) of the Companies (Accounts) Rules, 2014****(A) CONSERVATION OF ENERGY**

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

**(B) TECHNOLOGY ABSORPTION**

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

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

(Rs. in Lacs)

	2020-21	2019-20
The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflows.		
Foreign Exchange earned	NIL	NIL
Foreign Exchange outgo	NIL	NIL

**THE MANAGEMENT DISCUSSION AND ANALYSIS****COMPANY STRUCTURE AND DEVELOPMENT**

Your Company is in the business of supplying equipment and consultancy services to the industries. The management is confident to revive more business activities in near future depending upon more favorable conditions prevailing in the market barring unforeseen circumstances.

**INTERNAL CONTROLS AND SYSTEMS**

The Company has an appropriate internal control system for its various functions with the ultimate objective of improving efficiency in its operations, better financial management and compliance with regulations and applicable laws. The Company has appointed an Internal Auditor. All operating parameters are well defined and monitored periodically. The detail internal audit reports are discussed at length at various levels and thereafter the said reports are also placed before the Audit Committee for review and discussion.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company's Human Resources Philosophy is to establish and build a strong performance and competence driven culture with greater sense of accountability and responsibility. The effort to rationalize and streamline the workforce is a continuous Process. The industrial relations scenario remained harmonious throughout the year.

**DISCLOSURE RELATING TO SENIOR MANAGEMENT**

During the year under review there was no material financial or commercial Transaction Where Senior Management Personnel has personal interest that may have potential conflict with the interest of the company at large. The Company has received necessary declarations from the Senior Management Personnel.

**CAUTIONARY STATEMENT**

The above Management Discussion and Analysis Report contain "forward looking statements" within the meaning of applicable laws, and regulations and are futuristic in nature. All statements that address expectations or projections for the future, including, but not limited to statements about the Company's strategy for growth, market position, expenditures and financial results are forward looking statements. The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward looking statements. Investors are requested to make their own independent judgments before taking any investment decisions and the Company assumes no responsibility.

Place: New Delhi  
Date: 13.08.2021

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

## **REPORT ON CORPORATE GOVERNANCE**

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At SBEC Systems (India) Limited, a member of Umesh Modi Group of Companies, firmly believes in effective Corporate Governance practices and follow all the applicable laws in true and letter spirit. Corporate Governance is an ethically driven process that constitutes the strong foundation on which successful commercial enterprise is built and enhancing the organization wealth generating capacity. The company's has also a strong believes of fair, transparent and ethical governance practices.

### 2. BOARD OF DIRECTORS

#### a. Composition of Board:

As on March 31, 2021, the Company has 7 Directors. The Board of Directors at present consists of 3 Independent Directors, other than the Chief Executive Officer; all other members of the Board are Non-Executive Directors. The Chairman of the Board is a Non-Executive Director. The Composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

As required under Section 149(1) of the Companies Act, 2013 and Regulation 17(1) of SEBI (LODR) Regulations, 2015, Ms. Ritu Sikka and Ms. Asha Agarwal are woman directors on the Board of Directors of the Company.

All Independent Directors possess the requisite qualifications and are very experienced in their own fields. None of the Directors is a member of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. All the Directors have given necessary disclosures as required as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

**The name and categories of Directors on the Board; their attendance at the Board meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships (including SBEC Systems (India) Limited) held by them in Public Companies as on March 31, 2021 are given below. Other Directorships do not include alternate directorships, Section 8 Companies, Private Companies and foreign Companies. Chairmanships/Memberships in Committees include only Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies.**

Sl No.	Name of the Directors	Category of Director	No. of Board Meetings Attended		No of Directorship in Public Company including this listed entity (as on March 31, 2021)	Number of membership/ Chairmanship in committee including this listed entity Board as on March 31, 2021		Attendance at Last AGM
			Held	Attended		Public	Member	
1	Mr. Vijay Kumar Modi	Chairman and Non-Executive Director	6	6	7	6	5	Present
2	Mr. S.S. Agarwal	Executive Director	6	6	5	3	NIL	Present
3	Mr. Anupam Bansal*	Non-Executive Director	6	1	NA	NA	NA	Not Present
4	Ms. Ritu Sikka	Non-Executive Director	6	1	1	NIL	NIL	Not Present
5	Mr. R.K. Agarwal**	Non-Executive Independent Director	4	3	NA	NA	NA	Present
6	Mr. J.C. Chawla	Non-Executive Independent Director	6	6	5	9	2	Present
7	Mr. Shyam Babu Vyas	Non-Executive Independent Director	6	1	3	4	NIL	Not Present
8	Ms. Asha Agarwal***	Non-Executive Independent Director	6	NA	1	NIL	2	NA
9	Mr. Rohit Garg***	Non-Executive Director	6	NA	4	NIL	NIL	NA

\* Mr. Anupam Bansal, Non-Executive Non-Independent Director resigned from the directorship w.e.f February 12, 2021

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

\*\*\*Mr. Rohit Garg was appointed as a Non-Executive Non-Independent Director and Ms. Asha Agarwal was appointed as a Non-Executive Independent Director w.e.f February 12, 2021.

#### b. Name of other listed entities where Directors of the company are Directors and the category of Directorship:-

Sr. No.	Name of Director	Name of listed company	Category of Directorship
1	Mr. Vijay Kumar Modi	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
2	Mr. S.S. Agarwal	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
3	Ms. Asha Agarwal	-	-
4	Ms. Ritu Sikka	-	-
5	Mr. J.C. Chawla	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
6	Mr. Shyam Babu Vyas	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director
7	Mr. Rohit Garg	SBEC Sugar Limited Bihar Sponge Iron Limited	Non-Executive Independent Director Non-Executive Independent Director

**c. Board Meetings**

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

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

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

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

**d. Disclosures of relationships between Directors inter-se**

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

**e. Familiarization programmes for Independent Directors**

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

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

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

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

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

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

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

**g. Information supplied to the Board**

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

**h. Formal annual evaluation**

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

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

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

### 3. AUDIT COMMITTEE

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

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

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

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

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

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

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

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

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

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

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

### 4. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

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

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

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

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

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

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

#### Performance Evaluation of Independent Directors

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

##### Criteria

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

**Process**

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

**5. Stakeholders Relationship Committee**

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

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

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

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

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

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

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

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

**Name, Designation and address of Grievance Redressal Officer:**

**Ms. Priyanka Negi**

**Company Secretary & Compliance Officer**

SBEC Systems (India) Limited

1400, Modi Tower

98, Nehru Place

New Delhi - 110019

Email: [sbecsystems@rediffmail.com](mailto:sbecsystems@rediffmail.com)

**6. Remuneration of Directors**

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

**(i) Remuneration/Sitting fee to Directors:**

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

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

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

The Company does not have any Employees Stock Option Scheme.

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

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

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

**(b) Extraordinary General Meetings**

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

**(c) Postal Ballot**

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

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

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

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

**(b) Website**

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

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

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

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

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

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

**(e) Market Price Data:**

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

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

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

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

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

**(h) Share transfer system:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company has formulated a policy on Related Party Transactions in terms of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee accorded its omnibus approval for the said related party transactions. The said policy has been uploaded on the Company's website viz. [www.sbecosystems.com](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 Securities and Exchange Board of India on September 17, 2018 had issued directions to the Promoter group of the Company (namely Shri Umesh Kumar Modi, Kumkum Modi, Jayesh Modi, Longwell Investments Private Limited, A to Z Holdings Pvt. Ltd., Moderate Leasing and Capital Services Limited and SBEC Systems (India) Limited), severally or jointly to make a public announcement to acquire the shares of Target Company (i.e. SBEC SUGAR LIMITED) in accordance with the provisions of the Takeover Regulations, 2011, within a period of 45 days from the date of the above mentioned order. The shareholding/ voting rights of the promoter group had increased from 54.46% (2,59,51,083 Shares) as on June 30, 2014 to 63.86% (3,04,32,117 shares) as on September 30, 2014. In addition to the aforesaid acquisition, one of the lending promoters i.e. Moderate Leasing and Capital Services limited had also acquired 1.31% of SBEC Sugar Limited during March 18, 2015 to March 23, 2015, which increased the shareholding of promoter group to 65.17%. As per the said impugned order, the promoter group have violated the provisions of Regulation 3(2) of the Takeover Regulations, 2011 by acquiring shares in excess of the prescribed limit without making an announcement for open offer.

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

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

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

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

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

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

It is important to point out that both the Civil Appeals before the Hon'ble Supreme Court of India have been connected and the pleadings therein are complete. The said Civil Appeal are now listed before the Hon'ble Supreme Court of India on August 4, 2021 for further proceedings.

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

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

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

**(v) Vigil Mechanism**

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

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

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

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

**(vii) Details of Utilization of fund through preferential allotment**

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

**(viii) Compliance certificate from company secretary in practice**

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

**(ix) Recommendations of any Committee**

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

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

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

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

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

**11. CODE OF CONDUCT**

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

**Declaration**

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

Place: New Delhi

Date: 13.08.2021

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

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

**To,**

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

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

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

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

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

"ANNEXURE-D"

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

To,

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

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

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

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

Ensuring the eligibility of the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For R. Singhal & Associates**  
**Company Secretaries**  
 Sd/-  
 (Rahul Singhal)  
 Prop.  
 M. No. 029599  
 UDIN: A029599C000767481

**Dated: 13.08.2021**  
**Place: Meerut**

**AUDITORS' CERTIFICATE**

To

**The Members of SBEC Systems (India) Limited**

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

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

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

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

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

**Date: 13.08.2021**  
**Place: Meerut**

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

### Report on the Financial Statements

#### Qualified Opinion

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

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

#### Basis for Qualified Opinion

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

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

#### Emphasis of Matters

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

#### Key Audit Matters

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

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

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

Place: New Delhi  
Date: 17th May, 2021

## Annexure 'A' to Independent Auditors' Report

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

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

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

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

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

Place: New Delhi  
Date: 17th May, 2021

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

## Annexure “B” to the Independent Auditors’ Report

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

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

Place: New Delhi  
Date: 17th May, 2021

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

STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021

(in Rs.)

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

Significant Accounting Policies

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

For DOOGAR &amp; ASSOCIATES

Chartered Accountants  
Firm Reg.No.000561NSd/-  
**Mukesh Goyal**  
Partner  
Membership No.081810Sd/-  
**S.S.Agarwal**  
Director & CEO  
DIN-00004840Sd/-  
**J.C. Chawla**  
Director  
DIN-05316202Sd/-  
**Priyanka Negi**  
Company Secretary  
M.No 36819Sd/-  
**Vijay K.Modi**  
Director  
DIN-00004606Sd/-  
**Luv Gupta**  
Chief Financial Officer

Place: New Delhi

Date: 17.05.2021

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

(in Rs.)

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

**Significant Accounting Policies**

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

**For DOOGAR & ASSOCIATES**

Chartered Accountants  
Firm Reg.No.000561N

Sd/-

**Mukesh Goyal**

Partner  
Membership No.081810

Place: New Delhi

Date: 17.05.2021

Sd/-

**S.S.Agarwal**  
Director & CEO  
DIN-00004840

Sd/-

**J.C. Chawla**  
Director  
DIN-05316202

Sd/-

**Priyanka Negi**  
Company Secretary  
M.No 36819

Sd/-

**Vijay K.Modi**  
Director  
DIN-00004606

Sd/-

**Luv Gupta**  
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

(in Rs.)

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

\*Figures in bracket indicate cash outflow.

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

## ACCOUNTING POLICIES OF THE FINANCIAL INFORMATION

### NOTE NO: 1 Corporate Information

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

### NOTE NO: 2 Significant Accounting Policies

#### 1. Basis of preparation of financial information

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

#### 2. Use of Estimates

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

#### 3. Revenue Recognition:

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

#### 4. Inventory Valuation

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

#### 5. Fixed Assets

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

#### 6. Foreign Currency Transactions

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

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

#### 7. Employee Benefits

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

#### 8. Investments

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

#### 9. Taxation

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

#### 10. Miscellaneous Expenditure

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

#### 11. Impairment of Assets

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

#### 12. Provisions and Contingent Liabilities

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

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

#### 13. Cash and Cash Equivalent

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

#### 14. Earning Per Share

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

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

#### 15. Cash Flow Statement

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

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

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

## NOTE 3: FIXED ASSETS

## Tangible assets

(in Rs.)

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

## NOTE 4: NON-CURRENT INVESTMENT

(in Rs.)

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

## NOTE 5: CASH &amp; BANK BALANCES

Cash and Cash Equivalents

Balance with Scheduled Banks in -

-- Current Accounts

Cash &amp; Stamps in hand

198,813

92,185

1,241

4,087

200,054

96,272

## NOTE 6: OTHER BANK BALANCES

Other bank balances

Fixed deposit with banks \*

40,000

40,000

**TOTAL**

40,000

40,000

\* Fixed Deposit Matured But Pledged with Sales Tax Authority

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

Unsecured considered good

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

2,500

-

Loans - Dinesh Rajvanshi

1,300,000

1,300,000

**TOTAL**

1,302,500

1,300,000

## NOTE 8: OTHER CURRENT ASSETS

Interest receivable

1,357,841

1,201,841

**TOTAL**

1,357,841

1,201,841

**NOTE 9: SHARE CAPITAL**

(in Rs.)

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

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

Name of shareholders	As at 31st March, 2021		As at 31st March, 2021	
Mr. Umesh Kumar Modi	<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 31.03.2021	As at 31.03.2020
<b>Share Premium Reserve</b>		
Opening balance	<b>19,261,774</b>	19,261,774
Add:Addition during the year	-	-
Closing Balance	<b>19,261,774</b>	19,261,774
<b>Surplus /(Deficit)</b>		
Opening balance	(234,125,184)	(222,769,168)
<b>Profit(loss) for the year</b>	(361,865)	(11,356,016)
Net surplus in the statement of Profit and loss account	<b>(234,487,049)</b>	(234,125,184)
<b>TOTAL</b>	<b>(215,225,275)</b>	(214,863,410)

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

Corporate Body (Refer Note No.24 )	<b>73,565,418</b>	75,692,382
------------------------------------	-------------------	------------

**Rupee Loans**

- Body Corporate	<b>15,166,425</b>	15,166,425
------------------	-------------------	------------

<b>Total</b>	<b>88,731,843</b>	90,858,807
--------------	-------------------	------------

**NOTE 12: LONG TERM PROVISIONS**

(in Rs.)

	As at 31.03.2021	As at 31.03.2020
<b>Provision for Employee Benefits:</b>		
For Gratuity	198,194	167,809
<b>TOTAL</b>	<b>198,194</b>	<b>167,809</b>

**NOTE 13: SHORT TERM BORROWINGS****Unsecured**

Loans repayable on demand From Corporate	97,423,201	94,799,201
<b>Total</b>	<b>97,423,201</b>	<b>94,799,201</b>

**NOTE 14: OTHER CURRENT LIABILITIES**

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

**NOTE 15: REVENUE FROM OPERATIONS**

Sales	-	-
Less:GST	-	-

**NOTE 16: OTHER INCOME**

Interest	156,000	156,000
Foreign Exchange fluctuation	2,126,964	-
<b>TOTAL</b>	<b>2,282,964</b>	<b>156,000</b>

**NOTE 17: EMPLOYEE BENEFIT EXPENSES**

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

**NOTE 18: FINANCE COST**

Interest - Others	1,519	7,273
Bank Charges	6,338	214
<b>TOTAL</b>	<b>7,857</b>	<b>7,487</b>

**NOTE 19: DEPRECIATION & AMORTIZATION EXPENSES**

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

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

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

Interest for Earlier Years written off (Net)	-	1,409,064
<b>TOTAL</b>	<b>-</b>	<b>1,409,064</b>

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

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

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

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

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

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

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

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

**NOTE NO.: 26 Segment Reporting**

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

**NOTE NO.: 27 Related Parties Disclosures**

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

**a) Enterprises Where Control Exists**

SBEC Sugar Limited (Substantial Interest Exist)

**b) Enterprises that directly or indirectly controlled or are under common control with the reporting enterprises.**

SBEC System limited (United Kingdom)

**c) Key Managerial Personnel**

Mr. Luv Gupta - Chief Financial Officer  
Mrs. Priyanka Negi - Company Secretary

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

Mr.U.K.Modi

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

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

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

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

(In Rs.)

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

**NOTE NO.: 28 Deferred Taxation**

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

**NOTE NO.: 29 Employee Benefits**

The company has adopted Ind AS- 19 'Employee Benefits

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

a) **Defined Contribution Plan**

(In Rs.)

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

b) **Defined Benefit Plan**

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

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

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

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

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

**3. Reconciliation of amount recognized in Balance Sheet**

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

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

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

**5. Actual Return on Plan Assets**

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

**6. Principal Actuarial Assumptions**

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

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

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

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

**(B) Statement of changes in other Equity**

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

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

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

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

In terms of our attached report of even date,

**For DOOGAR & ASSOCIATES**

Chartered Accountants  
Firm Reg.No.000561N

**Sd/-**  
**Mukesh Goyal**  
Partner  
Membership No.081810

**Place: New Delhi**

**Date: 17.05.2021**

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

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

**Sd/-**  
**Priyanka Negi**  
Company Secretary  
M.No 36819

**Sd/-**  
**Vijay K.Modi**  
Director  
DIN-00004606

**Sd/-**  
**Luv Gupta**  
Chief Financial Officer

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

**Report on the Audit of Consolidated Financial Statements****Opinion**

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

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

**Basis for Opinion**

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

**Emphasis of Matters**

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

**Key Audit Matter**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Other Matters

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

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

#### Report on Other Legal and Regulatory Requirements

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

Place: New Delhi  
Date: 17th May, 2021

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

**Annexure 'A' to Independent Auditors' Report**

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

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

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

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

**Other Matters**

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

Place: New Delhi  
Date: 17th May, 2021

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

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021**

(in Rs.)

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

**Significant Accounting Policies**

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

**For DOOGAR & ASSOCIATES**

Chartered Accountants  
Firm Reg.No.000561N

Sd/-  
**Mukesh Goyal**  
Partner  
Membership No.081810

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

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

Sd/-  
**Priyanka Negi**  
Company Secretary  
M.No 36819

Sd/-  
**Vijay K.Modi**  
Director  
DIN-00004606

Sd/-  
**Luv Gupta**  
Chief Financial Officer

Place: New Delhi

Date: 17.05.2021

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

(in Rs.)

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

**Significant Accounting Policies**

1-2

The accompanying notes are intergal part of the financial Statements.

As per our report of even date attached.

**For DOOGAR & ASSOCIATES**

Chartered Accountants  
Firm Reg.No.000561N

Sd/-

**Mukesh Goyal**

Partner  
Membership No.081810

Sd/-

**S.S.Agarwal**  
Director & CEO  
DIN-00004840

Sd/-

**J.C. Chawla**  
Director  
DIN-05316202

Sd/-

**Vijay K.Modi**  
Director  
DIN-00004606

Sd/-

**Priyanka Negi**  
Company Secretary  
M.No 36819

Sd/-

**Luv Gupta**  
Chief Financial Officer

Place: New Delhi

Date: 17.05.2021

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

(in Rs.)

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

\*Figures in bracket indicate cash outflow.

## ACCOUNTING POLICIES OF THE FINANCIAL INFORMATION

### NOTE NO: 1 Corporate Information

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

### NOTE NO: 2 Significant Accounting Policies

#### 1. Basis of preparation of financial information

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

#### 2. Use of Estimates

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

#### 3. Revenue Recognition:

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

#### 4. Inventory Valuation

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

#### 5. Fixed Assets

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

#### 6. Foreign Currency Transactions

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

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

#### 7. Employee Benefits

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

#### 8. Investments

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

#### 9. Taxation

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

#### 10. Miscellaneous Expenditure

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

#### 11. Impairment of Assets

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

#### 12. Provisions and Contingent Liabilities

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

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

#### 13. Cash and Cash Equivalent

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

#### 14. Earning Per Share

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

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

#### 15. Cash Flow Statement

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

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

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

## NOTE 3: FIXED ASSETS

## Tangible assets

(in Rs.)

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

## NOTE 4: NON-CURRENT INVESTMENT

(in Rs.)

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

## NOTE 5: CASH &amp; BANK BALANCES

## Cash and Cash Equivalents

Balance with Scheduled Banks in -

-- Current Accounts

Cash &amp; Stamps in hand

198,813

92,185

1,241

4,087

**200,054****96,272**

## NOTE 6: OTHER BANK BALANCES

## Other bank balances

Fixed deposit with banks \*

40,000

40,000

## TOTAL

**40,000****40,000**

\* Fixed Deposit Matured But Pledged with Sales Tax Authority

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

## Unsecured considered good

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

2,500

-

Loans - Dinesh Rajvanshi

1,300,000

1,300,000

## TOTAL

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

## NOTE 8: OTHER CURRENT ASSETS

Interest receivable

1,357,841

1,201,841

## TOTAL

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

**NOTE 9: SHARE CAPITAL**

(in Rs.)

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

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

Name of shareholders	As at 31st March, 2021		As at 31st March, 2021	
Mr. Umesh Kumar Modi	<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 31.03.2021	As at 31.03.2020
<b>Share Premium Reserve</b>		
Opening balance	<b>19,261,774</b>	19,261,774
Add: Addition during the year	-	-
Closing Balance	<b>19,261,774</b>	19,261,774
<b>Surplus /(Deficit)</b>		
Opening balance	(302,727,367)	(291,371,351)
<b>Profit(loss) for the year</b>	(361,865)	(11,356,016)
Net surplus in the statement of Profit and loss account	<b>(303,089,232)</b>	(302,727,367)
<b>TOTAL</b>	<b>(283,827,458)</b>	(283,465,593)

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

Corporate Body	<b>73,565,418</b>	75,692,382
----------------	-------------------	------------

**Rupee Loans**

-'Body Corporate	<b>15,166,425</b>	15,166,425
------------------	-------------------	------------

<b>Total</b>	<b>88,731,843</b>	90,858,807
--------------	-------------------	------------

**NOTE 12: LONG TERM PROVISIONS**

(in Rs.)

	As at 31.03.2021	As at 31.03.2020
<b>Provision for Employee Benefits:</b>		
For Gratuity	198,194	167,809
<b>TOTAL</b>	<b>198,194</b>	<b>167,809</b>

**NOTE 13: SHORT TERM BORROWINGS****Unsecured**

Loans repayable on demand From Corporate	97,423,201	94,799,201
<b>Total</b>	<b>97,423,201</b>	<b>94,799,201</b>

**NOTE 14: OTHER CURRENT LIABILITIES**

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

**NOTE 15: REVENUE FROM OPERATIONS**

Sales		
Less: GST	-	-
	-	-

**NOTE 16: OTHER INCOME**

Interest	156,000	156,000
Foreign Exchange fluctuation	2,126,964	-
<b>TOTAL</b>	<b>2,282,964</b>	<b>156,000</b>

**NOTE 17: EMPLOYEE BENEFIT EXPENSES**

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

**NOTE 18: FINANCE COST**

Interest - Others	1,519	7,273
Bank Charges	6,338	214
<b>TOTAL</b>	<b>7,857</b>	<b>7,487</b>

**NOTE 19: DEPRECIATION & AMORTIZATION EXPENSES**

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

(in Rs.)

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

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

Interest for Earlier Years written off (Net)	-	1,409,064
<b>TOTAL</b>	<b>-</b>	<b>1,409,064</b>

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

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

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

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

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

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

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

**NOTE NO: 25 Investment in Associates:**

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

**NOTE NO.: 26 Segment Reporting**

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

**NOTE NO.: 27 Related Parties Disclosures**

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

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

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

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

(In Rs.)

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

**NOTE NO.: 28 Deferred Taxation**

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

**NOTE NO.: 29 Employee Benefits**

The company has adopted Ind AS- 19 'Employee Benefits

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

**a) Defined Contribution Plan**

(In Rs.)

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

**b) Defined Benefit Plan**

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

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

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

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

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

**3. Reconciliation of amount recognized in Balance Sheet**

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

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

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

**5. Actual Return on Plan Assets**

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

**6. Principal Actuarial Assumptions**

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

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

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

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

**(B) Statement of changes in other Equity**

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

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

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

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

In terms of our attached report of even date,

**For DOOGAR & ASSOCIATES**Chartered Accountants  
Firm Reg.No.000561N

Sd/-

**Mukesh Goyal**Partner  
Membership No.081810

Place: New Delhi

Date: 17.05.2021

Sd/-

**S.S.Agarwal**  
Director & CEO  
DIN-00004840

Sd/-

**J.C. Chawla**  
Director  
DIN-05316202

Sd/-

**Priyanka Negi**  
Company Secretary  
M.No 36819

Sd/-

**Vijay K.Modi**  
Director  
DIN-00004606

Sd/-

**Luv Gupta**  
Chief Financial Officer

*If undelivered, please return to:*

**SBEC SYSTEMS (INDIA) LIMITED**

1400, Modi Tower,

98, Nehru Place,

New Delhi-110019