

P.L. SHETTIGAR

Company Secretary

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SECRETARIAL AUDIT REPORT Form No.MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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,
SAHYADRI INDUSTRIES LIMITED,
Swastik House,
39/D, Gultekdi, J.N. Road,
Pune-411037

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sahyadri Industries Limited (Corporate Identification Number L26956PN1994PLC078941 (hereinafter called the Company) having its Registered Office at "Swastik House", 36/D, Gultekdi, J.N. Road, Pune-411037. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 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.

I 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, 2017 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 Obligation and Disclosure Requirements), Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) Securities and Exchange of Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable during the audit period);
 - (e) The Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable during the audit period);
 - (f) The Securities 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 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) and
 - (i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1988 (Not applicable during the audit period)



(vi) Based on the representation made by the Management of the Company, the following laws are specifically applicable to the Company:

- (a) Factories Act, 1948 and the relevant Rules made thereunder and the Rules framed by the States of Maharashtra, Gujarat, Andhra Pradesh and Tamil Nadu relating to handling and processing of any article of asbestos and any other process of manufacture or otherwise in which asbestos is used in any form.
- (b) The Environment Protection Act, 1986
- (c) Indian Boilers Act, 1923
- (d) Trade Marks Act, 1999
- (e) Patents Act, 1970
- (f) Copyright Act, 1957
- (g) Design Act, 2000 .

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

- (i) Secretarial Standards with respect to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India; and
- (ii) the applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations ;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, as mentioned above.

I further report that the compliances by the Company of applicable financial laws like direct and indirect tax laws have not been reviewed in this Audit since the same are subject to review by statutory financial audit.

I 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 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 exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. None of the Directors have sought at the beginning of the financial year, for which this report



is related, seeking attendance at the Board Meetings through Video Conferencing or by Audio Visual Means.

The Company has sent notices of Board Meetings / Committee Meetings to all the Directors by means of physical delivery, minimum 7 (seven) days before the meeting and also sent intimation of meetings through e-mail to all Directors who have furnished their e-mail addresses.

As per the Minutes of the meetings recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views of the Directors have been noticed in the Minutes.

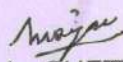
I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

Place : PUNE

Date: 25TH JUNE, 2017


P. L. SHETTIGAR
Company Secretary
FCS 3816/C.P.NO.2917

