

Suvir Govind Saraf
B.COM, ACS

Company Secretary

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Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[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
39/D GULTEKDIJ N MARG PUNE MH 411037 IN
CIN: L26956PN1994PLC078941

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sahyadri Industries Limited** (hereinafter called “the Company”). 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 our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2018** 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, 2018 according to the provisions of:

- (i) The Companies Act, 2013, The Companies Amendment Act, 2017 (the Act) and the rules made thereunder (in so far as they are made applicable);
- (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; **(not applicable to the company during the audit period);**
- (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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(not applicable to the Company during the Audit Period);**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the Company during the Audit Period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the Audit Period);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during the Audit Period);** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to the Company during the Audit Period).**
 - (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 (applicable from 1st December, 2015).

vi) **I further report** that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws specifically applicable:-

- 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) Indian Boiler Act, 1923 and regulations as specified thereunder;
- c) The Environment Protection Act, 1986
- 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 and regulations of the following:

- (i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and
- (ii) The Listing Agreement entered into by the Company with Stock Exchange(s) pursuant to SEBI (Listing Obligations and Disclosure Requirements) 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

- i) for the filing of e form CHG-1 (Creation of Charge on 04th December 2017 during the reporting period.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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, at the annual general held on 28th September, 2017 following special resolutions were passed:-

- a. Approval of members to re-appoint Mr. J.P Patel as Executive Chairman of the company and revision in the remuneration paid to him for a period of 3 years with effect from 01st July 2017.
- b. Approval of members to re-appoint Mr. S.V. Patel as Managing Director of the company and revision in the remuneration paid to him for a period of 3 years with effect from 01st July 2017.
- c. The appointment of Mr. S.B. Malegaonkar as the Independent Director of the Company for a term of 5 consecutive years with effect from 07th August 2017.

Other events

- i.) There was inter-se transfer of 23187 equity shares among the promoters group.
- ii.) There was sale of 2900 equity shares in the open market by one of the shareholder belonging to the promoter group.

Place: Pune

Date: 30th June, 2018

Suvir G. Saraf

A.C.S. No. 29981

C.P. No. 11409

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

The Members,
SAHYADRI INDUSTRIES LIMITED
39/D GULTEKDIJ N MARG PUNE MH 411037 IN
CIN: L26956PN1994PLC078941

My Secretarial Audit Report of event date is to be read along with this letter.

Management’s Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor’s Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. 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.

Place: Pune
Date: 30th June, 2018

Suvir G. Saraf
A.C.S. No. 29981
C.P. No. 11409