



**Smiths & Founders (India) Limited**

SMFIL/BSE/REG.24A/SECRETRIAL/COMPLY/REPORT/2019-20  
Thursday, May 30, 2019

The Department of Corporate Relations  
BSE Limited  
25<sup>th</sup> Floor, P.J.Towers  
Dalal Street  
Mumbai 400 001

Dear Sir,

Sub: Annual Secretarial Compliance Report, for the year 2018-19

Ref: Scrip Code No.513418

PFA, the Annual Secretarial Compliance Report, for the year 2018-19, dated 29.05.2019, in terms of Regulation 24A of SEBI (LODR), Regulations, 2015 & SEBI Circular dated Feb. 8, 2019, issued by Practicing Company Secretary, Mr. V.Shivaprakash, holding Certificate of Practice No.7123 & Membership No. ACS 7488.

Please take the same on record.

Thank you,

Yours truly,

Smiths & Founders (India) Limited

Ravi V

Company Secretary & Compliance Officer  
Encl: as above





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**V SHIVPRAKASH**  
Company Secretary  
29/2, G K Manor, Nehru Circle, Seshadripuam, Bangalore – 560020

**Secretarial compliance report of Smiths & Founders (India) Limited for the year ended March 31, 2019**

I, V Shivaprakash have examined:

- (a) all the documents and records made available to us and explanation provided by Smiths & Founders (India) Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,

for the year ended March 31, 2019 ("Review Period") in respect of compliance with the provisions of :

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;





(f) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018;

(g) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2017;

(h) Securities and Exchange Board of India (Procedure for Board Meetings) Regulations, 2001;

(i) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2017;

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

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

Sl No	Compliance requirement	Deviations	Observations
I.	Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements)	Non compliance with Minimum Public Share Holding requirements	The BSE Limited, vide its letters dated October 17, 2018, November 29, 2018 and February 7, 2019 initiated action against the Company with regard to non compliance of the Minimum Public Shareholding (MPS) requirements and had levied a fine of Rs. 55,81,400/- (Rupees Fifty Five Lakhs Eighty One Thousand Four Hundred Rupees ) Only, for non compliance between October 22, 2017 to February 7, 2019. The Company has made representations to the BSE Limited and to SEBI. Subsequent to the representations made by the Company claiming exemption on the basis of clause





			12.10(b) of the order of the BIFR dated February 20, 2014 granting exemption from the applicability of the MPS requirements, SEBI has vide its communication dated March 7, 2019 accepted the contention of the Company and advised the Company to file the correct shareholding pattern with BSE Limited as well as cautioned the Company to avoid such mistakes.
2.	Regulation 17(1) (a) of SEBI (Listing Obligations and Disclosure Requirements)	The Board of directors should have had an optimum combination of Executive and Nonexecutive Directors with at least one Woman Director and not less than fifty per cent of the Board of Directors should have comprised of Non-executive Directors. A Woman Director was on the Board.	The Board for Industrial and Financial Reconstruction, vide its order dated 20.02.2014 (clause 12.10(c) had exempted the Company for a period of five years, up to 19.02.2019, from meeting the requirements pursuant to clause 49(1) (A) Corporate Governance and Listing Agreement. The Company has represented that it is in the process of compliance, since the deviation is only for the period from February 20, 2019 to March 31, 2019.
3.	Regulation 19(1) and	Non compliance of	The Board for



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	<p>19(2) of SEBI (Listing Obligations and Disclosure Requirements</p>	<p>the composition of the Nomination and remuneration Committee</p>	<p>Industrial and Financial Reconstruction, vide its order dated 20.02.2014 (clause 12.10(c) had exempted the Company for a period of five years, up to 19.02.2019, from meeting the requirements pursuant to clause 49(1) (A) Corporate Governance and Listing Agreement. The Company has represented that it is in the process of compliance, since the deviation is only for the period from February 20, 2019 to March 31, 2019.</p>
<p>4.</p>	<p>Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements</p>	<p>Where the Chairperson of the Board of Directors is a Non-executive Director, at least one-third of the Board of Directors should have comprised of Independent Directors and where the listed entity does not have a regular Non-executive Chairperson, at least half of the Board of Directors should have comprised of Independent Directors: Provided that where the regular Non-</p>	<p>The Board for Industrial and Financial Reconstruction, vide its order dated 20.02.2014 (clause 12.10(c) had exempted the Company for a period of five years, up to 19.02.2019, from meeting the requirements pursuant to clause 49(1) (A) Corporate Governance and Listing Agreement. The Company has appointed Mr Parthasarathy V - Independent Director as Chairman of the Board, with effect from February 14,</p>



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		executive Chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of Board of Directors or at one level below the Board of Directors, at least half of the Board of Directors of the listed entity shall consist of Independent Directors.	2019 and complied with the provisions of Regulation 17(1)(b) of the Regulations.
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(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

*Other than what has been stated in the above, no other action has been initiated against the Company by SEBI or by BSE Limited.*

(d) Since this is the first year of the report, the actions taken by the listed entity with the observations made in the previous reports, does not apply.

Place: Bangalore

Date: May 29, 2019



V SHIVAPRAKASH

ACS No.: 7488

C P No.: 7123