



Smiths & Founders (India) Limited

SFIL/BSE/REG.24A/SECRETARIAL/COMPLY/REPORT/2020-21
Saturday, June 27, 2020

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

Dear Sir,

Sub: Annual Secretarial Compliance Report, for the year 2019-20

Ref: Scrip Code No.513418

PFA, the Annual Secretarial Compliance Report, for the year 2019-20, dated 27.06.2020, in terms of Regulation 24A of SEBI (LODR), Regulations, 2015 & SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019, issued by Practicing Company Secretary, Mr. K N Nagesha Rao, holding Certificate of Practice No. 12861 & Membership No. FCS 3000.

Please take the same on record.

Thanking you,

Yours faithfully,

Smiths & Founders (India) Limited

Roopashree

Roopashree B Shettigar

Company Secretary & Compliance Officer

Encl: as above





**Secretarial Compliance Report of
Smiths & Founders (India) Limited for the year ended 31st March 2020**
(Pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015)

* * *

I K N Nagesha Rao, Practising Company Secretary have examined:

- (a) all the documents and records made available to us and explanation provided by **Smiths & Founders (India) Limited** with CIN: L85110KA1990PLC011303 ("the Listed Entity"),
- (b) the filings/ submissions made by the Listed Entity to the stock exchanges,
- (c) website of the Listed Entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31st March 2020** ("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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the 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 (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) other regulations as applicable and circulars/ guidelines issued thereunder;

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:-

Sr. No.	Compliance Requirement (Regulations/Circulars/ Guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
---- nil ----			

(b) The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder 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:



Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations remarks of the Practicing Company Secretary, if any.
---- nil ----				

(d) The Listed Entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year end (The years are to be mentioned)	Actions taken by the Listed Entity, if any	Comments of the Practicing Company Secretary on the actions taken by the Listed Entity
1	Please see Observation No.1 below	31st March 2019	The Listed Entity has since filed the corrected shareholding pattern with BSE Limited	The Legal Entity has since complied with the observation. BSE in their communication dated 16 th April, 2019 accepted the new shareholding pattern filed by the Company and withdrawn its levy of the fine
2	Please see Observation No.2 below	31st March 2019	The Listed Entity appointed a Non-Executive & Non-Independent Director effective from 1st April, 2019	The Legal Entity has since complied with the observation.



(Handwritten signature)

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year end (The years are to be mentioned)	Actions taken by the Listed Entity, if any	Comments of the Practicing Company Secretary on the actions taken by the Listed Entity
3	Please see Observation No.3 below	31st March 2019	Effective from 1 st April, 2019 The Listed Entity reconstituted composition of its Board of Directors	The Legal Entity has since complied with the observation.
4	Please see Observation No.4 below	31st March 2019		

Observation No. 1

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 representation 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 requirement, 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.

Observation No. 2

Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) – Non compliance inasmuch as the number of non-executive Directors was less than fifty per cent of the total number of Director 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.

Observation No. 3

Regulation 19(1) and 19(2) of SEBI (Listing Obligations and Disclosure Requirements) – Non compliance of composition of the Nomination and remuneration Committee

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.

Observation No. 4

Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) – Non compliance of having minimum number of Independent Directors on the Board of Directors

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, 2019 and complied with the provisions of Regulation 17(1)(b) of the Regulations.

(Note:

1. Provide the list of all the observations in the report for the previous year along with the actions taken by the Listed Entity on those observations.
2. Add the list of all observations in the reports pertaining to the periods prior to the previous year in case the entity has not taken sufficient steps to address the concerns raised/ observations.

E.g. In the report for the year ended 31st Mar, 2021, the PCS shall provide a list of:

- all the observations in the report for the year ended 31stMar, 2020 along with the actions taken by the Listed Entity on those observations.
- the observations in the reports pertaining to the year ended 31stMar, 2020 and earlier, in case the entity has not taken sufficient steps to address the concerns raised/ observations in those reports.)

Place: Bengaluru

Date: 27th June, 2020

UDIN No. FO03000B000389265



K N Nagesha Rao

Name of the Practicing Company Secretary
FCS 3000; C P No. 12861

