

## R. S. Bhatia

M.A., F.C.S.

Company Secretary in Practice

CP No - 2514

J-17 (Basement), Lajpat Nagar III,

New Delhi-110024.

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### Secretarial compliance report of S Chand And Company Ltd for the year ended 31.03.2019

I, R.S. Bhatia have examined:

- (a) all the documents and records made available to us and explanation provided by **S Chand And Company Ltd** ("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 31.03.2019 ("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- Not Applicable to the Company during the review period;
- (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 -Not Applicable to the Company during the review period;
- (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 - Not Applicable to the Company during the review period;



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- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - Not Applicable to the Company during the review period;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;

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
1.	22 equity shares were allotted to Mr. Jaladhiben B Shah in the Initial Public Offer of the Company on May 05, 2017. These share were to be credited in the demat account of the concerned investor.	The demat account of the concerned investor appears to be inactive/closed. Thus, the 22 equity shares are still lying in the Share Escrow Account. The Company sends reminders to the concerned investor on fortnightly basis and the status of the same is also provided to SEBI on monthly basis. The status of the Share Escrow Account is also disclosed in the Reconciliation Share Capital Audit Report submitted on quarterly basis.	The Company and its Registrar & Transfer Agent have made rigorous efforts to locate the concerned investor. However, they could not locate the concerned investor. As directed by SEBI, the Company sends fortnightly reminders to the concerned investor. The status of the same is disclosed by the Company to SEBI on monthly basis and in the Reconciliation Share Capital Audit Report submitted by the Company to stock exchanges on quarterly basis.
2.	As per Regulation 19(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee should comprise of atleast three non-executive directors.	The Nomination and Remuneration Committee of the Company comprised of three Non-Executive Directors. One of the member of the Committee, Mr. Sanjay Gujral had resigned with effect from March 05, 2019. Thus, the constitution of the Nomination and Remuneration Committee is not in compliance	Immediately after resignation of Mr. Sanjay Gujral from the office of Director with effect from March 05, 2019, the Company took steps to reconstitute the Nomination and Remuneration Committee. The

	with Regulation 19(1) as on March 31, 2019. However, the Company reconstituted the Nomination and Remuneration Committee and appointed, Mr. Rajagopalan Chandrashekar, Non-Executive, Independent Director as the member of the Committee with effect from April 11, 2019.	Company was prompt in taking actions and reconstituted the Nomination and Remuneration Committee within reasonable time period.
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(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/our 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.
1.	Stock Exchanges (BSE Limited and National Stock Exchange of India Ltd.)	Constitution of Nomination and Remuneration Committee is not as per Regulation 19(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2019	Fine imposed of Rs. 54,000/- (plus GST) each by BSE Limited and National Stock Exchange of India Ltd.	The Company has deposited the fine to BSE Limited and National Stock Exchange of India Ltd. Meanwhile, the Company is requesting the stock exchanges to waive this unintentional non-compliance and refund the amount of fine deposited by the Company as corrective actions had been taken by the Company promptly and non-compliance was rectified.



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(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 ended... (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
	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Place: N. Delhi.

Date: 18.05.2019



R.S. Bhatia  
FCS NO.: 2599  
CP NO.: 2514

Note: 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.

(M/S)

# R. S. Bhatia

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Company Secretary in Practice

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Annexure : A

18.05.2019

To,  
The Members,  
S Chand and Company Limited  
Ravindra Mansion Ram Nagar,  
New Delhi-110055

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

1. Maintenance of record is the responsibility of the management of the Company. Our responsibility is to express an opinion on those 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 text 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of SEBI laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. As regards the books, papers, forms, reports and returns filed by the Company under these regulations, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examinations was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company under the said regulations. We have verified the correctness and coverage of the contents of such forms, returns, and documents.

R.S BHATIA



FCS No. 2599  
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