

MR-3

SECRETARIAL AUDIT REPORT

[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,
M/s. Procal Electronics India Limited.
201, Shyam Baba House CHS Ltd.
Upper Govind Nagar, Malad East,
Mumbai-400097.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **M/s. Procal Electronics India Limited** (hereinafter called the 'Company') for the audit period covering the Financial Year from 01st April 2020 to 31st March 2021 ('the audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and return is 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, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2021, has 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:

We have examined the books, papers; minutes' books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2021 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The 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 - **during the Financial Year under review, the Company has not issued any capital and has not raised any fund.**

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 - **during the financial year under review, the Company has not issued any shares/options to directors/employees under the (ESOP) said guidelines / regulations.;**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **the company has not issued any debt securities during the period under review the provisions of the said regulation are not applicable to the company;**
- (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company);**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **the equity shares of the company are neither delisted nor proposed to be delisted. Hence the said regulation is not applicable to the company;**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(During the period under review the company have not bought back any securities. Hence the said regulation is not applicable to the company;**
- (vi) Having regards to the compliance system prevailing in the Company, information representation provided by management and on examination of the relevant documents and records in pursuance thereof on test-check basis, the following laws are also applicable on company;
 - i. The Equal Remuneration Act, 1976;
 - ii. Maharashtra state Tax on Professions, Trades, Callings and Employments Act 1975;
 - iii. The Central Goods And Services Tax Act, 2017;
 - iv. Maharashtra Goods and Services Tax Act, 2017;

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

- Secretarial Standards with respect to Meeting of Board of Director (SS-1), General Meeting (SS-2) and Dividend (SS-3) issued by The Institute of Company Secretaries of India related to Board meetings, General Meeting and Dividend;
- The Securities and Exchange Board of India (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 subject to following observations:

The Official Website of the Company is not functional.

The Company has not appointed the Whole time Company Secretary cum Compliance officer as per Companies Act, 2013 and Regulation 6(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has not appointed the Chief Financial officer of the Company during the tenure.

The Company has not file form INC-22A as per Companies Act, 2013 and status of company is Active Non-Compliant.

The company has delay in Filling of Return of Investor Complaint under Regulation 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Quarter ended June, 2020 and concerned Stock Exchange Levy penalty for filling of Late return by 2 days.

The company has delay in Filling of Return of Shareholding under Regulation 31 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Quarter ended June, 2020 and concerned Stock Exchange Levy penalty for filling of Late return by 2 days.

The company has delay in Filling of Un-audited Financial Returns under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Quarter ended September, 2020 and concerned Stock Exchange Levy penalty for filling of Late return by 31 days.

The Company has not complied with Regulations 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e., Intimation for Board Meeting held on 18th December, 2020 not properly intimated and submitted to Stock exchange within the time frame and Stock Exchange Levy penalty for non-compliance.

The Company has not Filed Form MGT-14 for approving of Financial Statement & Board Report for FY 2019-20 as per Section 117 of Companies Act, 2013.

The Company has not Filed Form MGT-15 for report of Annual General Meeting held 31st December, 2020 as per Section 121(1) of Companies Act, 2013.

I further report that:

- (i) The Board of Directors of the Company is duly constituted with 2 Executive Directors 2 Non-Executive Independent Directors. There is no changes made in the composition of the Board of Directors under the review period.
- (ii) As per the management information & details the Adequate notice is given to all directors to schedule the Board and Committee 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 **except** for board meeting held on 18th December, 2020.
- (iii) As per the management information & details the Decisions at the Board Meetings, as represented by the management and recorded in minutes, were taken unanimously.
- (iv) As per the management information & details the Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (v) As per the management information & details the 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.

We further report that during the audit period there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs except,

Lastly, we report that the status of the company's scrip is suspended by BSE Ltd. (Stock Exchange where the securities of the companies are listed) due to Company has not paid Annual Listing Fees for the Audit period.

**For Nitesh Chaudhary & Associates
Practicing Company Secretary**

**Nitesh Chaudhary,
Proprietor
FCS No. 10010, CP No.: 16275
UDIN - F01 0010C000895983**

Place: Mumbai

Date: 04th September, 2021

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.**

Annexure to the Secretarial Audit Report

To,
The Members,
M/s. Procal Electronics India Limited.
201, Shyam Baba House CHS Ltd.
Upper Govind Nagar, Malad East,
Mumbai-400097.

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

Management's Responsibility

- 1) It is the Responsibility of Management of the Company to maintain Secretarial records, device 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) I 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 the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
- 3) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
- 5) The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

Disclaimer

- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Nitesh Chaudhary & Associates
Practicing Company Secretary

Nitesh Chaudhary,
Proprietor
FCS No. 10010, CP No.: 16275
UDIN - F01 0010C000895983

Place: Mumbai
Date: 04th September, 2021