
SECRETARIAL AUDIT REPORT

For the financial year ended 31/03/2021

*[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,
TRANSFORMERS & RECTIFIERS (INDIA) LIMITED
CIN: L33121GJ1994PLC022460
Survey No. 427 P/3-4 & 431 P/1-2,
Sarkhej- Bavla Highway, Village: Moraiya,
Dist.: Ahmedabad – 382213, Gujarat.**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Transformers & Rectifiers (India) 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 based on the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit through electronically by way of scan copy or soft copy through mail or otherwise and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 generally 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 through electronically by way of scan copy or soft copy through mail or otherwise the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under as 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 there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (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, as amended from time to time;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
 - c) 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;
- (vi) Secretarial Standards issued by the Institute of Company Secretaries of India (SS – 1 and SS -2)

I have also examined compliance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.



Further being a Transformer (Electric) Industry, there are no specific applicable laws to the Company, which requires approvals or compliances under any Act or Regulations.

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above except :

Composition of Board was not proper during the period 12/02/2021 to 31/03/2021, due to resignation of Independent Director, Mr. Sureshchandra Agarwal, w.e.f. 12th February, 2021. During same period, composition of Nomination and Remuneration committee was also not proper. The Company has only two Independent Directors on the Board, against required three Independent Directors.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc. were not applicable to the Company:

- i. 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;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018;
- v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and 2018; and
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings;



I further report that –

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that –

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit and on the basis of Compliance Certificates issued by the Managing Director and CFO and Company Secretary of the Company and taken on record by the Board of Directors at their meetings, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labor laws, competition law, environmental laws, etc.

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, except as stated above for the period 12/02/2021 to 31/03/2021. The changes in the Board of Directors and Chief Financial Officer (CFO) 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 generally 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that during the audit period, there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:



- I. In Annual General meeting held on 30th September, 2020, the Company has taken approval from the its members to the issue of Equity Shares by way of private placement to Qualified Institutional Buyers or preferential allotment up to an aggregate amount of Rs. 250/- Crores (Rupees Two Hundred and Fifty Crores). However, till date the same is not materialized.
- II. Re-appointment of Mr. Jitendra Mamtora (DIN : 00139911) as a Chairman and Whole-time Director of the Company for a further period of Three (3) years with effect from 1st January, 2020.
- III. Re-appointment of Mrs. Karuna Mamtora (DIN: 00253549) as an Executive Director of the Company for a further period of Three (3) years with effect from 1st April, 2020
- IV. Resignation of Mr. Sureshchandra Agrawal as an Independent Director of the company, w.e.f. 12th February, 2021.

Place: Ahmedabad

Date: 10/08/2021

Signature: TAPAN
RAJANIKANT
SHAH

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Name of Company Secretary in practice: Tapan Shah

FCS No.: 4476

C P No.: 2839

UDIN: F004476C000726461

Note: This Report is to be read with my letter of above date which is annexed as **Annexure A** and forms an integral part of this report.

Due to restricted movement amid CoVID-19 pandemic, I have conducted the Secretarial audit by examining the secretarial records including Minutes, Documents, Registers and other records, etc., some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.



Annexure A

To,
The Members,
TRANSFORMERS & RECTIFIERS (INDIA) LIMITED
CIN: L33121GJ1994PLC022460
Survey No. 427 P/3-4 & 431 P/1-2,
Sarkhej- Bavla Highway, Village: Moraiya,
Dist.: Ahmedabad – 382213, Gujarat.

My report of the above date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad

Date: 10/08/2021

Signature: TAPAN
RAJANIKANT
SHAH

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Name of Company Secretary in practice: Tapan Shah

FCS No.: 4476

C P No.: 2839

UDIN: F004476C000726461

