



# D. RAUT & ASSOCIATES

COMPANY SECRETARIES

FORM No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020

[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]

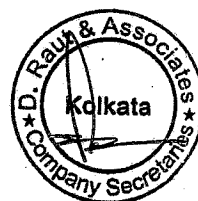
To,  
**The Members**  
SCM Investment & Trading Co. Ltd.  
9/1, R N Mukherjee Road  
Kolkata 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SCM Investment & Trading Co. Ltd.**, an unlisted public Company (hereinafter called the Company). 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 our verification of the Company's books, papers, minute books, forms and returns 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 **31<sup>st</sup> March, 2020** 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;- (Not applicable to the Company during the Audit Period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (Not applicable to the Company during the Audit Period);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (Not applicable to the Company during the Audit Period);
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; -



2A-Ganesh Chandra Avenue, Commerce House, 8<sup>th</sup> Floor, Room No.7A, Kolkata -

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Page 1 of 4 # Secretarial Audit Report - SCM Investment & Trading Co Ltd

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

(vi) Other laws as may be applicable specifically to the Company:

The Company is not carrying any manufacturing business and is engaged in investment activities. The Company is a NBFC registered with Reserve Bank of India bearing registration number 05.02417 dated 16.08.1998 . The Management represented that no other specific law are applicable to it.

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

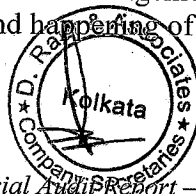
- i. Secretarial Standard issued by The Institute of Company Secretaries of India (*Secretarial Standard SS-1 and SS-2 were notified dated -10.04.2015*)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above subject to the following observations:

1. The Company was required to appoint Company Secretary as the Key Managerial Personnel in terms of provisions of Section 203(1)(ii) of the Act, wherein it is seen that no Company Secretary was appointed. Consequently the Company is also an ACTIVE Non-Compliant Company since it has not filed Form INC-22A with MCA.

#### **Management Responsibility:**

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial 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 the test 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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc;



5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**We further report that:**

The Board of Directors and the Committees of the Company is duly constituted and there is requisite number of Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. It is advised to the Company to include the category of Directors in its Directors Report.

Adequate notice is given to all directors to schedule the Board 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

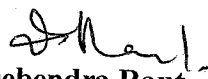
**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

This Report is to be read with the annexure 1 as enclosed.

**For D. Raut & Associates  
Company Secretaries**



  
**Debendra Raut,  
Proprietor  
ACS-16626, CP5232  
UDIN: A016626B000357296**

**Place: Kolkata  
Date: 19.06.2020**

**Annexure-1-**

Our Secretarial Audit Report is to be read along with this letter.

**Management's Responsibility:**

1. It is the responsibility of the management of the Company to maintain the Secretarial records and to devise proper systems to ensure compliance of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively. The Compliance of the provisions of the Act, and other applicable laws, rules, regulations, standards is the responsibility of management.

**Responsibility of Secretarial Auditor:**

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provides 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.

**Disclaimer:**

4. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

