



***Secretarial compliance report of Taparia Tools Limited for the year ended 31<sup>st</sup> March, 2020***

I SAGAR R. KHANDELWAL, Company Secretary in Practice have examined:

- (a) all the documents and records made available to us and explanation provided by Taparia Tools Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity, and
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31<sup>st</sup> 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) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable for period under review)
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable for period under review)
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable for period under review)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable for period under review)
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable for period under review)
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not Applicable for period under review)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;  
and circulars/ guidelines issued thereunder;



And based on the above examination, I/We 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:-

| <i>Sr.No</i> | <i>Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)</i> | <i>Deviations.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <i>Observations/ Remarks of the Practicing Company Secretary</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1            | Regulation 31(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015    | 75.83% of the shares of the promoters are in Dematerialized Form compared to 100% as required under the regulation.                                                                                                                                                                                                                                                                                                                                                                                                                                 | The entire promoter and promoter group shareholding is not in dematerialized form. The Company Management has represented that "the Dematerialization cannot be done as the Shares are in Joint names between HUF and Individual and there is restriction on transfer of Promoters and Promoters Group Shareholding by SEBI via its Order No: WTM/GM/CFD/17/2019-2020 dated June 26, 2019".                                                                                                                                                                                                                                                                                                                                                             |
| 2            | Rule 19A and Rule 19(2)(b) of Securities Contract (Regulation) Rules 1957                    | SEBI in its Order No. WTM/GM/CFD/17/2019-2020 dated June 26, 2019 has confirmed all the directions issued vide the Interim Order dated May 20, 2015 against the Company and its Directors, Promoters and Promoter Group. The order states that the reclassification of Promoters and Promoters Group Shareholding to Public as per filings of December 2010 quarters are in contravention with the requirement of dilution of Promoters and Promoters group Shareholding and increasing the Public Shareholding to 25% as required under the rules. | In the Order issued by SEBI WTM/GM/CFD/17/2019-2020 dated June 26, 2019, it has been declared by SEBI that there has been non-compliance with provisions of Rule 19A and Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957. The Company Management has represented that "it has filed an Appeal on 13/08/2019 with the Securities Appellate Tribunal (SAT), Mumbai against the Order dated 26 <sup>th</sup> June, 2019 received from SEBI. The matter was heard by the Honorable Judge on 21/02/2020. It was explained to SAT that the company is evaluating de-listing options with SEBI. The next hearing of the Appeal which was scheduled on 23/04/2020 at SAT, Mumbai, has been cancelled and postponed to 06/07/2020 at SAT, Mumbai". |

- (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.



## Sagar R. Khandelwal Company Secretary

(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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Detailsof actiontakene.g.fines, warning letter,debarment,etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Observations/ remarks of the Practicing Company Secretary, if any.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | SEBI            | SEBI in its Order No. WTM/GM/CFD/17/2019-2020 dated June 26, 2019 has confirmed the all the directions issued vide the Interim Order dated May 20, 2015 against the Company and its Directors, Promoters and Promoter Group. It states that the reclassification of Promoters and Promoters Group Shareholding to Public as per Filings of December 2010 quarters are in contravention with the requirement of dilution of Promoters and Promoters group Shareholding and increasing the Public Shareholding to 25% as required under the rule 19A and Rule 19(2)(b) of Securities Contract (Regulation) Rules 1957 | Below are the relevant extract from the Order:<br><b>a.</b> Direct freezing of <i>Voting rights</i> and <i>Corporate benefits</i> like dividend, rights, bonus shares, split etc., with respect to excess of proportionate promoters/promoters group shareholding (including persons allegedly shown as public shareholders) in the Company, <u>till such time</u> the Company complies with the minimum public shareholding requirement.<br><b>b.</b> Prohibit the promoters/promoters group including persons allegedly shown as public shareholders and Directors of the Company from buying, selling or otherwise dealing in securities of the Company, either directly or indirectly, in manner whatsoever, except for the purpose of complying with the public shareholding requirement <u>till such time</u> the Company complies with the minimum public shareholding requirement.<br><b>c.</b> Restrain the shareholders forming part of promoters/promoters group including persons allegedly shown as public shareholders from holding any new position as a director in any listed company <u>till such time</u> the Company complies with the minimum public shareholding requirement.<br><b>d.</b> Restrain the directors of the Company from holding any new position as a director in any listed company <u>till such time</u> the Company complies with the minimum public shareholding requirement. | In the Order issued by SEBI WTM/GM/CFD/17/2019-2020 dated June 26, 2019, it has been declared by SEBI that there has been non-compliance with provisions of Rule 19A and Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957. The Company Management has represented that "there has been an Appeal filed on 13/08/2019 with the Securities Appellate Tribunal (SAT), Mumbai against the Order dated 26 <sup>th</sup> June, 2019 received from SEBI. The matter was heard by the Honorable Judge on 21/02/2020. It was explained to SAT that the company is evaluating de-listing options with SEBI. The next hearing of the Appeal which was scheduled on 23/04/2020 at SAT, Mumbai, has been cancelled and postponed to 06/07/2020 at SAT, Mumbai." |

**SAGAR R. KHANDELWAL**  
Digitally signed  
by SAGAR R.  
KHANDELWAL  
Date: 2020.06.04  
13:58:51 +05'30'

**Signature:**

**Name: Sagar R. Khandelwal**

**ACS No.: A25781 C P Number: 13778**

**UDIN: A025781B000316016**

**Place: Pune**

**Date: 04.06.2020**

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