



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

*[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,

**SHAKTI PUMPS (INDIA) LIMITED**

CIN: L29120MP1995PLC009327

Plot No. 401, 402 & 413 Sector III Industrial Area

Pithampur, (M.P.) - 454774

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHAKTI PUMPS (INDIA) LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **SHAKTI PUMPS (INDIA) LIMITED** 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 **March 31, 2016** 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 Company for the financial year ended on **March 31, 2016** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under read with notifications, exemptions and clarifications thereto;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 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 there under 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 as amended from time to time;



- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time. However, the regulations are not applicable to the Company during the Audit period since the Company has not raised any money from the public and hence, these regulations have not been considered for the purpose of this report;
  - 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) Regulation, 2014. However, the regulations are not applicable to the Company during the Audit period since the Company does not have any scheme in operation and hence, these regulations have not been considered for the purpose of this report;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issue any debt securities;**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time;- **Not applicable to the Company during the Audit period;**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1999- **Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review.**
- vi Taking into consideration, business activities of the Company, there are no specific regulator / law whose approval is required for undertaking business operations of the Company and hence no comment is invited in respect of the same. We have in principally verified existing systems and mechanism which is followed by the Company to ensure compliance of other applicable Laws like Labour Laws etc and have relied on the representation made by the Company and its officers in respect of aforesaid systems and mechanism for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings. These Standards were applicable with effect from July 1, 2015 and have been taken into consideration for all meetings of the Company held thereafter.
- (ii) The Listing Agreements entered into by the Company with the Exchanges read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.





During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

We rely on Statutory Auditor's Report in relation to the financial statements and accuracy of financial figures for Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under Financial Statements, Accounting Standard 18 and note on foreign currency transactions during our audit period.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and 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.

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, if any, 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 the Company has no specific events / actions that having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard, etc.

Note : This Report is to be read with our letter dated 26<sup>th</sup> July 2016 which is annexed as Annexure A and forms and integral part of this report.

**For M Maheshwari & Associates  
Company Secretaries**



Date : 26<sup>th</sup> July 2016  
Place : Indore

**MANISH MAHESHWARI**  
**FCS 5174**  
**C.P. No.3860**



To,  
The Members,  
**SHAKTI PUMPS (INDIA) LIMITED**  
CIN: L29120MP1995PLC009327  
Plot No. 401, 402 & 413 Sector III Industrial Area  
Pithampur, (M.P.) - 454774

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

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 process 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 process 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 compliances of laws, rules, regulations and happening of events etc.
5. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are 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 of effectiveness with which the management has conducted the affairs of the company.

**For M. Maheshwari & Associates**  
**Company Secretaries**

*Manish Maheshwari*

**Manish Maheshwari**  
FCS-5174  
CP-3860



**Date: 26<sup>th</sup> July 2016**  
**Place: Indore**