

Practicing Company Secretary

ANNEXURE- C to the Directors' Report
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
NITIRAJ ENGINEERS LIMITED
306 A BABHA BLDGN M MARG
NEAR POLICE STATION MUMBAI
MH 400011 IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NITIRAJ ENGINEERS LIMITED** (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 Company's books, papers, registers, 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, 2021 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:

COVID Impact

Covid-19 has put significant accounting and auditing challenges due to the Government's restrictions imposed during the lockdown for safety concerns. We have performed alternate audit procedures based on documents and information made available and relied upon the same by us.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2021 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made thereunder;

The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

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CS SAGAR DEO | B.S.L., LL.B., ACS

- iii. The Depositories Act, 1996 and the Regulations and Bye-law framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment; *(No specific transactions was found during the reporting period, to which the above guideline shall applicable.)*
- 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; *(No specific transactions was found during the reporting period, to which the above guideline shall applicable.)*
- 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;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *(No specific transactions was found during the reporting period, to which the above guideline shall applicable.)*
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(No specific transactions was found during the reporting period, to which the above guideline shall applicable.)*
- 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. *(No specific transactions were found during the reporting period, to which the above guideline shall applicable.)*
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(No specific transactions was found during the reporting period, to which the above guideline shall applicable.)*
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. *(No specific transactions were found during the reporting period, to which the above guideline shall applicable.)*



- i) Other laws applicable to the Company as per the representations made by the Management.

(1) The Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent as mentioned below:

- 1) The company is not able to identify the MSME vendors and outstanding dues of MSME vendors more than 45 days. Accordingly, Company has not filed MSME 1 form in regarding outstanding payments to MSME vendors.
- 2) The company has not filed FORM-DPT-3 for exempt deposits outstanding as on 31st March, 2020.
- 3) As per section 149 of the Companies Act, 2013 and the related rules, the term of Independent director is for a period of five years. The company has appointed Mr. ANIL NANDKISHOR BANGAD (DIN:07186755) and PRADEEP CHANDRAKANT SHAH (DIN:01122015) on dated 15/05/2015 and regularized them in AGM held on 30/09/2015 but in which terms of appointment was silent. The management has clarified that the Company has rectified the error and reappointed them for five years w.e.f dated 01/12/2016, the said fact was also reported to Corporate Governance report filed with stock exchange. Hence I am unable to conclude that there is non-compliance in appointment & reappointment of directors during period under review.
- 4) The company every year appointing the auditor for a term of one year, which is not as per the section 139 of the Companies Act, 2013. The provisions of section 139 with respect to appointment of auditors was not followed with true spirit.
- 5) The compliances with respect to section 135 is not strictly observed. The company has made provision of Rs. 16,37,595/- towards CSR. As explained to us the management is identifying suitable projects for spending the CSR amount of the current financial year and would be spending the same in subsequent years.
- 6) The company has not provided for Gratuity and Leave encashment as per AS 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India, hence Contingent Liability arising from post-employment benefit obligations cannot be quantified. Contingent Assets are neither recognized nor disclosed in the financial statements. Compliances with respect to AS-15, regarding actuarial certification is not complied by the Company.



- 7) Based upon the internal audit report, It was observed at many of the employees accounts were still having balances due to the employees and which are outstanding till date.
- 8) Based upon the internal audit report, it was observed that directors Sitting fee is not provided to Independent Directors as per the policy of the company which amounts to irregularities towards observation of policy.
- 9) We also adhere the “*remarks or observations*” as pointed out by the statutory Auditor in his report and the company in financial statements as on date 31.03.2021
- 10) Some of the board meeting has conducted through the Video conferencing mode due to Covid Pandemic. But the Video recording was not available during the inspection.
- 11) Company has filled form XBRL AOC-4 forms with late fees, this should be reported as compliances by reference of payment of Additional fees.
- 12) The Company has complied few stock exchange compliances as per as per SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 after due date.

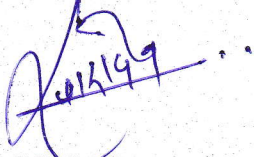
I further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors subject to point no 3 as mentioned above. There is no changes in the composition of the Board of Directors that took place during the period under review.
- b) 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 or shorter notice with the consent of all the director or members as the case may be and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are not captured and recorded as part of the minutes.
- d) I further report that there is scope to improve the 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.



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

FOR D. SAGAR & ASSOCIATES



CS SAGAR R.DEO
(Practicing Company Secretaries)
CP No: 11547



Place: Aurangabad
Date: 02/09/2021

UDIN: F009518C000880795
Peer Review NO.: 1192/2021

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE-I" & "ANNEXURE-I" forms as an integral part of this report.



Practicing Company Secretary

ANNEXURE-I

To
The Members
NITIRAJ ENGINEERS LIMITED
306 A BABHA BLDGN M MARG
NEAR POLICE STATION MUMBAI
MH 400011 IN

Our 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on 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.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. 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.
7. 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 and non compliance reported shall not be conclude as complete & final.

FOR D. SAGAR & ASSOCIATES

CS SAGAR R. DEO
(Practicing Company Secretaries)
CP No: 11547
UDIN: F009518C000880795
Peer Review NO.: 1192/2021



Place: Aurangabad
Date: 02/09/2021

D SAGAR & ASSOCIATES

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