

Virendra Bhatt

Company Secretary

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SECRETARIAL COMPLIANCE REPORT OF ASHAPURA MINECHEM LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

1. I, Virendra G. Bhatt, Practicing Company Secretary, have examined:

- (a) all the documents and records made available to me and explanation provided by **Ashapura Minechem Limited** ("the listed entity") arising from the compliances of specific Regulations listed under Clause 2 of this report;
- (b) the filings or submissions made by the Listed Entity to the stock exchanges in connection with the above;
- (c) website of the listed entity; and
- (d) all other documents, filings or submission on the basis of which this certification is given,

for the financial year ended 31st 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 there under; and
- (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

2. The specific Regulations, whose provisions and the circulars/ guidelines issued there under, 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;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 -(Not applicable during the review period);
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - (Not applicable during the review period);
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable during the review periods);
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - (Not applicable during the review periods);
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (j) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - (Not applicable during the review period);

and based on the above examination, I hereby report that, during the Review Period:

- (a) The Listed Entity has prima facie complied with the applicable provisions of the above Regulations and circulars/ guidelines issued there under except in respect of the matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delayed Submission	In terms of the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the

			<p>Companies (Management and Administration) Rules, 2014, the Company had mentioned the date of declaration of result in Postal Ballot Notice as 20th February, 2020.</p> <p>As such, in order to abide by the timeline already communicated to the Shareholders' through the Postal Ballot Notice, the Postal Ballot result was filed/submitted on 20th February, 2020.</p>
2.	Quarterly filing under Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018	Non- Filing	The Company has started the filing under Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018 from September Quarter onwards.

- (b) The Hon'ble National Company Law Appellate Tribunal had vide its order dated 8th April, 2019, stayed the NCLT Order to the exception that the Interim Resolution Professional (IRP) may function and report to the office.

In this connection, upon filing an application for withdrawal of insolvency proceedings from NCLT, Mumbai Bench, the Hon'ble National Company Law Appellate Tribunal (NCLAT) has, vide its order dated 30th September, 2019, set aside the said order of the NCLT, Mumbai Bench dated 15th March, 2019.

As a result, the appointment of Mr. Arun Chadha (Registration No.: IBBI/IPA-001/IP-P00165/2017-18/10334) as an IRP stands cancelled and that the Company has been released from all the rigours of law and is allowed to function independently through its Board of Directors from immediate effect. The said order of NCLAT has also closed the insolvency proceedings at NCLT, Mumbai.

- (c) The Company, on 28th February, 2020 allotted 45,00,000 (Forty-Five Lakhs) Convertible Warrants at Rs. 31.95/- (Rupees Thirty-One and Ninety-Five Paisa) per warrant, convertible in Equity Shares of Rs. 2/- each in one or more

tranches, to M/s. Ashapura Industrial Finance Limited, a Promoter Group Member.

- (d) The Company has received Arbitration Award dated 28th February, 2020, under the said award, the invocation of the pledged shares of M/s Ashapura International Limited and M/s Bombay Minerals Limited (Wholly owned Subsidiaries of AML) and M/s Ashapura Perfoclay Limited (a Joint Venture Company of AML) that was triggered in September, 2018 and October, 2018 by ASQ Connect Ltd. (ASQ) under Share Pledge Agreement dated 3rd January, 2018, being void ab-initio, has been set aside. Further, the Learned Arbitrator has reinstated the Settlement Agreement dated 21st July, 2017 with immediate effect and has also declared AML as the rightful owners of the said pledged shares by virtue of setting aside such invocation.
- (e) The listed entity has prima facie maintained proper records under the provisions of the above Regulations and circulars / guidelines issued thereunder insofar as it appears from my examination of those records.
- (f) The following are the details of actions taken against the listed entity/ its promoters/ directors 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	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
-	N.A.	N.A.	N.A.	N.A.

- (g) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	The Company has received NCLT order No.: C.P.(IB)-4508/MB/2018 and MA 313/2019 dated 15 th March, 2019 and as per order, NCLT bench has appointed Mr. Arun	31 st March, 2019	The Company has filed an application for withdrawal of insolvency proceedings from the NCLT,	The Hon'ble National Company Law Appellate Tribunal (NCLAT) has, vide its order

	Chadha, having registration No.: IBBI/IPA-001/IP-P00165/2017-18/10334, as Interim Resolution Professional (IRP) for initiation of CIRP and suspended power of the Board of Directors		Mumbai Bench.	dated 30 th September, 2019, set aside the order of the NCLT, Mumbai Bench dated 15 th March, 2019.
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- (h) The Listed entity has prima facie complied with points 6(A) and 6(B) as mentioned in SEBI Circular No.: CIR/CFD/CMD1/114/2019 dated 18th October, 2019 and that they have incorporated all the terms and conditions in the respective appointment letter/supplemental letter issued to the Statutory Auditors.
- (i) Due to COVID - 19 and continued lockdown, we are unable to verify the partial information physically, therefore we rely on the information provided by the Company in electronic mode.

Place: Mumbai
Date: 24th June, 2020

UDIN: A001157B000372550

**VIRENDR
A BHATT**

Virendra G. Bhatt
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Digitally signed by VIRENDR A BHATT
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