



**SECRETARIAL COMPLIANCE REPORT**  
**OF**  
**CLC INDUSTRIES LIMITED (under CIRP)**  
**(Formerly known as Spentex Industries Ltd)**  
**For the year ended 31<sup>st</sup> March, 2020**

We, Agarwal S. & Associates, Company Secretaries, New Delhi have examined:

- (a) all the documents and records made available to us and explanation provided by **CLC Industries Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (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) Regulation, 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;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;
- (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

and circulars/ guidelines issued thereunder;

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

- (a) *The listed entity has generally not complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, including in respect of matters specified below: -*

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Regulation 17 (1), 18(1), 19 (1), 19(2), 20(2), 20(2A) and 15(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The composition of the Board of Directors should be in accordance with the combination of Executive / Non- Executive / Woman Director / independent Director as per Regulation 17 (1). Composition and Chairmanship of the Audit committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee should be in accordance with the provision of SEBI (LODR), 2015.	The Hon'ble National Company Law Tribunal, New Delhi, Principal Bench has ordered the commencement of corporate insolvency resolution process of the CLC Industries Limited on 3 <sup>rd</sup> January, 2020, therefore pursuant to Regulation 15 (2A) and (2B), the provisions of Regulation 17, 18, 19, 20 and 21 shall not be applicable on the during the insolvency resolution process period and provided that the roles and responsibilities of the Board and committees specified in the respective regulations shall be fulfilled by the resolution professional.  However, the Listed entity should comply with the provision of 17 (1), 18(1) (19) (1), 19(2) and 20(2), 20(2A) of SEBI (LODR) Regulation, 2015 with regard to the composition of Board of Directors, Audit committee, Nomination and Remuneration Committee and Stakeholder Relationship



			<p>Committee and Chairmanship of the Committees till the commencement of Corporate insolvency resolution process.</p> <p>As per the Regulation 15(3) of the SEBI (LODR), 2015, the Listed Entity should comply with the applicable provision of the Companies Act, 2013.</p>
2.	Regulation 6(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Listed entity doesn't have a qualified company secretary and a compliance officer.	<p>Mr. Bharat Kapoor has resigned from the position of Company Secretary and Compliance Officer of the Company with effect from 31.12.2019.</p> <p>The Listed entity shall appoint a qualified company secretary as the compliance officer.</p>
3.	Regulation 14 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Non payment of Annual Listing fees.	The Listing entity has not paid the Annual Listing Fees to the BSE Limited and National Stock Exchange of India Limited.
4.	Regulation 25 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.	No separate meeting of Independent Directors was held during the year and therefore no evaluation has been done as required under Regulation 25 (4).	The separate meeting of Independent directors should have been held during the year in order to comply with provisions of the applicable Regulations.
5.	Regulation 25 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors shall in their meeting: (a) review the performance of non-independent directors		



	<p>and the board of directors as a whole;</p> <p>(b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.</p> <p>(c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.</p>		
6.	<p>Regulation 45(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>	<p>Registrar of Companies, NCT of Delhi &amp; Haryana, has issued the new Certificate of Incorporation. The name of the Company has been changed from "Spentex Industries Limited" to "CLC Industries Limited" w.e.f. 19<sup>th</sup> July, 2018.</p> <p>However, the approval of the BSE Limited and National Stock Exchange of India Limited is still awaited.</p>	<p>The Company had filed an application along with processing fees and required enclosures with BSE Limited and National Stock Exchange of India Ltd. on 21<sup>st</sup> May, 2018 for obtaining In-principal approval in compliance with Regulation 45 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the application was approved at BSE Listing Portal on 28<sup>th</sup> June, 2018 but as the Company could not pay outstanding listing fees, BSE Limited and National Stock Exchange of India Limited has not issued the in-principal approval letters.</p>
7.	<p>Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>	<p>The listed entity shall submit to the stock exchange a copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the day of commencement of dispatch to its shareholders.</p>	<p>The Listed entity has delayed submitted the Annual Report to the Stock Exchanges.</p>



8.	Regulation 27(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The listed entity didn't submit Corporate Governance Report to the stock exchanges for the quarter ended 31 <sup>st</sup> December, 2019 and 31 <sup>st</sup> March, 2020.	The listed entity shall submit Corporate Governance Report to the stock exchanges for the quarter ended 31 <sup>st</sup> December, 2019 and 31 <sup>st</sup> March, 2020 within fifteen days from close of the quarter.
9.	Regulation 13(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The listed entity didn't submit Statement of Grievance Redressal Mechanism to the stock exchanges for the quarter ended 31 <sup>st</sup> December, 2019.	The listed entity shall submit Statement of Grievance Redressal Mechanism to the stock exchanges for the quarter ended 31 <sup>st</sup> December, 2019 within twenty one days from close of the quarter.
10.	Regulation 31(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The listed entity didn't submit shareholding pattern to the stock exchanges for the quarter ended 31 <sup>st</sup> December, 2019 and 31 <sup>st</sup> March, 2020.	The listed entity shall submit shareholding pattern to the stock exchanges for the quarter ended 31 <sup>st</sup> December, 2019 and 31 <sup>st</sup> March, 2020 within twenty one days from close of the quarter.
11.	Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The listed entity has submitted financial results for the quarter ended 30 <sup>th</sup> September, 2019 after due date.  The listed entity didn't submit the financial results for the quarter ended 31 <sup>st</sup> December, 2019.	The listed entity shall submit the Financial Results for the quarter ended 30 <sup>th</sup> September, 2019 and 31 <sup>st</sup> December, 2019 within 45 days from the end of quarter in accordance with the regulation 33 of SEBI (LODR), 2015.
12.	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018.	The listed entity didn't submit the Reconciliation of Share Capital Audit Report for the quarter ended 31 <sup>st</sup> December, 2019.	The Listed entity shall submit the Reconciliation of Share Capital Audit Report for the quarter ended 31 <sup>st</sup> December, 2019 within 30 days from the end of quarter pursuant to SEBI (Depositories and Participants) Regulation, 2018.
13.	Regulation 7(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The listed entity didn't submit a compliance certificate as required under Regulation 7(3) of SEBI(LODR), 2015 for the for the half year ended on 31 <sup>st</sup> March, 2020 to the	The listed entity shall submit a compliance certificate to the stock exchange for the half year ended on 31 <sup>st</sup> March, 2020, duly signed by both the compliance officer of the listed entity and the authorised representative



		stock exchanges.	of the share transfer agent, within one month of end of half of the financial year, certifying compliance with the requirements of regulation 7(2) of SEBI (LODR), 2015.
14.	Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The listed entity didn't submit a compliance certificate as required under Regulation 40(9) of SEBI(LODR), 2015 for the for the half year ended on 31 <sup>st</sup> March, 2020 to the stock exchanges.	The listed entity shall submit a certificate from a practicing company secretary, certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies for the for the half year ended on 31 <sup>st</sup> March, 2020 to the stock exchanges .
15.	Regulation 30(2) read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The listed entity has delayed submitted the intimation required under Para 16 of Point A of Part A of Schedule III of LODR read with the Regulation 30(2) of SEBI (LODR) Regulation, 2015.	The Listed entity shall submit the intimation required under Para 16 of Point A of Part A of Schedule III of LODR read with the Regulation 30(2) of SEBI (LODR) Regulation, 2015 within stipulated time.
16.	<b>BSE Circular:</b> LIST/COMP/54/2019-20	The Listing Entity has not updated the information on BSE Website as required under BSE Circular LIST/COMP/54/2019-20 dated 20 <sup>th</sup> January, 2020.	The Listing Entity shall updated the information on BSE Website as required under BSE Circular LIST/COMP/54/2019-20 dated 20 <sup>th</sup> January, 2020.
17.	Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The listed entity shall pay all such fees or charges, as applicable, to the recognized stock exchange(s), in the manner specified by the Board or the recognized stock exchange(s).	The Listing Entity shall pay the fee immediately.
18.	Regulation 30 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.	The listed entity shall disclose on its website all such events or information which has been disclosed to stock	The listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such



	exchange(s) under this regulation, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.	disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.
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- (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 our examination of those records.
- (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	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	National Stock Exchange Limited	Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regards to submission of the Annual Report to the Stock Exchange for year ended March 31, 2019.	Fine of Rs. 28,320/- inclusive of GST vide its letter dated 15.10.2019	The Company has not submitted any response in this regard till date.
2.	National Stock Exchange Limited	Regulation 19 (1)/19(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended September 30, 2019.	Fine of Rs. 1,13,280/- inclusive of GST vide its letter dated 01.11.2019	The Company has submitted response vide their letter dated 02.11.2019.
3.	National Stock Exchange Limited	Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,	Fine of Rs. 35,400/- inclusive of GST vide its letter dated 02.12.2019	The Company has submitted response vide their letter dated 09.12.2019 and has informed that the due to the strike at the manufacturing



		2015 for quarter ended September 30, 2019.		units/ plant, data as required for preparation of financial results could not be accessible from the plants of the Company. Financial results could not be prepared within due date, thereof consequently no compliance.
4.	National Stock Exchange Limited	Regulation 17(1), 18(1), 19(1)/(2), 20(2) and 27(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended September 30, 2019.	Fine of Rs. 12,31,920/- inclusive of GST vide its letter dated 31.01.2020	The Company has not submitted any response in this regard till date.
5.	National Stock Exchange Limited	Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended December 31, 2019.	Fine of Rs. 94,400/- inclusive of GST vide its letter dated 03.03.2020.	The Company has not submitted any response in this regard till date.
6.	National Stock Exchange Limited	Regulation 13(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended December 31, 2019.	Fine of Rs. 18,800/- inclusive of GST vide its letter dated 06.02.2020.	The Company has not submitted any response in this regard till date.
7.	National Stock Exchange Limited	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 for quarter ended December 31, 2019.	NSE vide its letter dated 17.02.2020 has issued notice for non compliance of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018.	The Company has not submitted any response in this regard till date.
8.	National Stock Exchange Limited	Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended December 31, 2019.	Fine of Rs. 37,760/- inclusive of GST vide its letter dated 06.02.2020.	The Company has not submitted any response in this regard till date.



9.	National Stock Exchange Limited	Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Non submission of reports/ disclosures in the annual report submitted for the year ended March 31, 2019.	<p>NSE vide is letter dated 17.03.2020 has given observation that Annual Report submitted by the Company didn't include the following disclosure</p> <ol style="list-style-type: none"> <li>1. Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies</li> <li>2. Detail of fees paid to the statutory auditor and all entities in the network firm/network entity of which the Statutory auditor is a part.</li> </ol> <p>NSE directed the Company to communicate the above disclosures/ reports to the shareholders of the company and submit a confirmation of the same to the Exchange.</p>	The Company has not submitted any response in this regard till date.
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10	National Stock Exchange Limited	Regulation 27(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended March 31, 2020.	Fine of Rs. 37,760/- inclusive of GST vide its letter dated 02.06.2020.	The Company has submitted response vide their letter dated 06.06.2020 and has requested to waive the fine on the ground that since the Company is under CIRP and the Board of Directors get Suspended. It is difficult for the resolution professional of the Company to submit the Corporate Governance Report of the Company for the quarter ended 31.03.2020.
11	National Stock Exchange Limited	Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter ended March 31, 2020.	Fine of Rs. 37,760/- inclusive of GST vide its letter dated 02.06.2020.	The Company has submitted response vide their letter dated 06.06.2020 and has requested to waive the fine on the ground that since the Company is under CIRP and NSDL and CDSL have frozen the data of the Company, presently, it is beyond the control of the resolution professional of the Company to submit the Shareholding pattern of the Company for the quarter ended 31.03.2020.

\*Notices/penalty served by the BSE limited and other statutory authorities are not available with us except above.

- (d) 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.	Regulation 14 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with	31.03.2019	The Listing entity has not paid the Annual Listing Fees to the BSE Limited and National	The Listing entity shall pay the annual listing fees to the Stock exchange.



	regards to the Non payment of Annual Listing fees.		Stock Exchange of India Limited.	
2.	In terms of the Regulation 45(3) SEBI (LODR) Regulations, 2015, the Company had, vide its letter dated 21 <sup>st</sup> May, 2018, made an application Of along with processing fees and required enclosures/certificates, as mentioned in respective stock exchange's In-principal approval checklist, for seeking In-principal approval from BSE and NSE. Company In-principal application had been "Approved" by BSE on 28 <sup>th</sup> June, 2018 but as the Company could not pay outstanding listing fees due to financial crunch, BSE and NSE had not issued in- principal approval letter.	31.03.2019	Nil	Not Compiled during the year.

- (e) As per records available before us, the terms of appointment to the statutory auditors of the Company has not been suitably modified with reference to 6(A) and 6(B) of SEBI circular number CIR/CFD/CMD1/114/2019 dated October 18, 2019.

For Agarwal S. & Associates,  
Company Secretaries,



ICSI Unique Code: P2003DE049100

*Sachin*

Signature: \_\_\_\_\_

Name of the Practicing Company Secretary: CS Sachin Agarwal

FCS No.: 5774

C P No.: 5910

Place: New Delhi

Date: 28.07.2020

UDIN: F005774B000516636

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

To,  
The Members,  
**CLC Industries Limited**

Our report of even date is to be read along with this letter.

1. Hon'ble National Company Law Tribunal, New Delhi, Principal Bench has ordered the commencement of corporate insolvency resolution process of the CLC Industries Limited on 3<sup>rd</sup> January, 2020.
2. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit. We have the limited access of the documents of the Company.
3. 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 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 and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
5. *The Company does not have any responsible/authorized person in the management, who can respond to our queries. In the absence of proper response, we are unable to comment on other compliances of laws, rules and regulation and happening of events etc.*
6. The Compliance of the provisions of SEBI regulations, Circular and Guidelines etc. is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
7. The Secretarial Compliance Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. The prevailing circumstances in the Country on account of Lockdown/ restrictions on movements and Covid 19 have impacted physical verification of the records/ documents of the Company.

For Agarwal S. & Associates,  
Company Secretaries,  
ICSI Unique Code: P2003DE049100



**CS Sachin Agarwal**  
Partner  
FCS No.: 5774  
C P No.: 5910

Date: 28.07.2020  
Place: New Delhi