



Creative Peripherals

(CIN):U52392MH2004PLC148754

To,
**The Manager-Listing Department,
The National Stock Exchange of India Limited**
Exchange Plaza, NSE Building,
Bandra Kurla Complex,
Bandra East,
Mumbai - 400 051

Dear Sir / Madam,

Symbol: CREATIVE

Subject: Reply to clarification regarding outcome of Board Meeting held on 27th May, 2017

Dear Sir,

This is with regards to the mail received from your end of towards clarification for outcome of our Board meeting held on 27th May, 2017.

1. We have appointed M/s. Satyajit Mishra & Co., Practising Company Secretary, as on 27th May, 2017, as Secretarial Auditor of our Company for Financial year ending at 31st March, 2017. Brief profile of Secretarial Auditor is attached herewith for your record and ready reference.
2. We have appointed M/s. Somaiya & Co., Chartered Accountants, as on 27th May, 2017, as Internal Auditor of our Company for Financial year ending at 31st March, 2018. Brief profile of Internal Auditor is attached herewith for your record and ready reference.

For Creative Peripherals and Distribution Limited

**Tejas Doshi
Company Secretary**



Date: 31st May, 2017

Place: Mumbai

Creative Peripherals & Distribution Ltd.

Registered Office : B - 215, Mandpeshwar Industrial Premises Co-op Society Ltd., Opp. M.C.F. Club, Prem Nagar, Off S.V.P. Road, Borivali (West), Mumbai - 400 092. | Tel. : 91-22-4081 1234 / 4246 0777 | Email : administration@ecreativeindia.com

www.ecreativeindia.com

28th May, 2017

The Board of Directors
CREATIVE PERIPHERALS AND DISTRIBUTION LIMITED
B-215, Mandpeshwar Industrial Premises Co-op.Soc. Ltd,
Opp. MCF Club,
Off S.V.P. Road,
Borivali (W) Mumbai - 400092

Dear Sir,

Sub.: Appointment of Secretarial Auditor for FY 2016-2017:

This is with reference to the meeting the undersigned had with you at your office on 27th May, 2017 for appointment of Secretarial Auditor of your Company for the financial year 2016-2017.

In this connection we would like to bring to your kind notice the provisions of section 204 of New Companies Act, 2013, effective from 1st April 2014.

Section 204 of new Companies Act, 2013 provides that every listed company shall annex with its Director's Report made in terms of sub-section (3) of section 134, a Secretarial Audit Report, given by a Company Secretary in Practice, in a prescribed format. Yours being a listed company, you have to comply with the same.

The Secretarial Audit of the Company will be carried out by a Company Secretary in Practice. We, being Company Secretary in Practice in Mumbai and being in the field of Company Law and Secretarial services for past 15 years, offer our consent to act as Secretarial Auditor of your company for the FY 2016-17. In this context we give our brief profile for your consideration.

Our firm, M/s Satyajit Mishra & Co. was established in the year 2002. Our firm is rendering comprehensive professional services which include Company Law, Secretarial and Legal for all types and size of companies, banks & other financial institutions and professionals.

It is a professionally managed firm. The team consists of adequate distinguished Company Secretaries both qualified and semi qualified staff with legal background.

The firm represents a combination of specialized skills, which are geared to offer sound secretarial advice and personalized proactive services to its clients.

The Firm's endeavor is to provide quick, efficient and personalized service having regard to the specific needs of the clients. The office is computerized and can effectively deal with clients needs promptly.

We provide valuable support system all over India and are well connected (tie-ups with Associates) in all the Metro's namely, New Delhi, Chennai, Kolkata, Bengaluru, Hyderabad, Goa, Ahmedabad and Bhubaneswar.

We have also been associated with other listed companies for compliance under SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015 (Quarterly Report, Half yearly, Share Transfer certificate and Corporate Governance Report) since long time.

Scope of Secretarial Audit:

The scope of Secretarial Audit comprises verification of the compliances under the following enactments, rules, regulations, notifications and guidelines.

1) Under Companies Act, 2013:

- Maintenance of registers and records.
- Filing of forms, returns and documents.
- Memorandum and/or Articles of Association.
- Meeting of Directors/ Committees thereof, Shareholders and other stakeholders.
- Secretarial Standards.
- Directors and Key Managerial Personnel (KMP).
- Disclosures.
- Issue of share and other securities.
- Transfer and transmission of shares and other securities and related matters.
- Dividend, Deposits, Borrowings, Loans, investments, guarantees and securities.
- Loans to directors etc. and related party transactions.
- Charges
- Corporate social responsibility (CSR).

2) Other major Acts and Regulations:

- The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- The Depositories Act, 1996 and the regulations and bye-laws framed under that Act.
- The Foreign Exchange Management Act, 1999 and the regulations and bye-laws (FDI, ODI, ECBs) framed under that Act.
- The Securities and Exchange Board of India Act, 1992 and the regulations and bye-laws framed under that Act.
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009.
- The Securities and Exchange Board of India (ESOS and ESOP) Regulations.
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993.
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- The Securities and Exchange Board of India Listing Obligations and Disclosure Requirements) Regulations, 2015

3) Other applicable Laws:

- Competition laws
- Labour laws
- Environmental laws
- Industry/sector specific laws
- Other applicable State laws

It is always our pleasure to be associated with your group and extend our professional relationship to one step further.

In case you require any further information, please feel free to contact the undersigned or visit our website www.cssatyajitmishra.com

We look forward for your positive reply.

Yours faithfully,

Sd/-

CS Satyajit Mishra



Vipul M. Somaiya
B.Com., F. C. A.

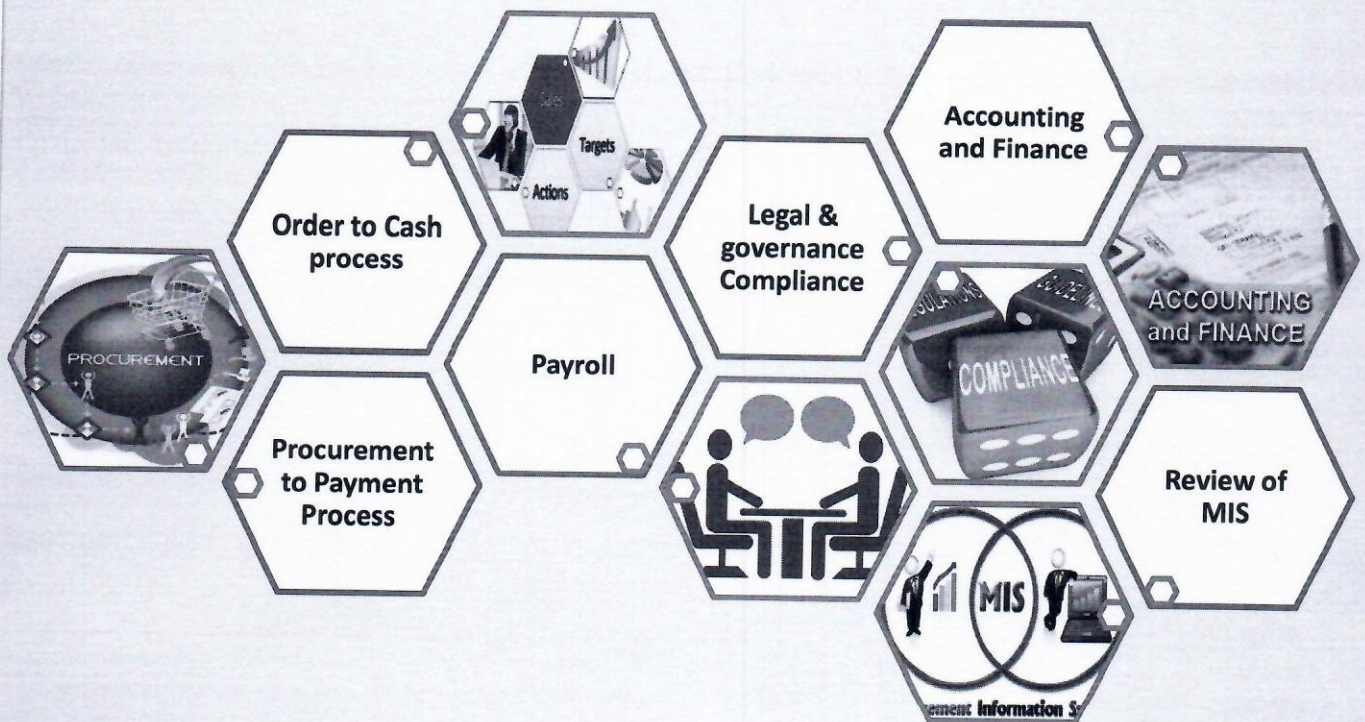
E-mail - vipul@somaiyaco.com

SOMAIYA & CO.
CHARTERED ACCOUNTANTS

205, Quantum Towers, Rambaug Lane
Chincholi, S.V. Road, Malad (West)
Mumbai-400064. Maharashtra, INDIA.
Tel. - (022) 2882 8855, 2882 8844

INTERNAL AUDIT SCOPE

The key business processes involved in the Organization will be taken up for preparation of internal audit scope. The Details of scope of Audit are given in as follows.



No.	Audit Area	Objective
Procurement to Payment Process		
1	Review of Procurement to Payment Process	Vendor Management: ▪ Review of periodical assessment and performance evaluation of vendors ▪ Vendor master data base management analysis Purchase Order Management: ▪ PO raising and approval process ▪ PO modification and approval process ▪ Open Purchase orders review process Goods receipt process : ▪ Creation, modification etc of goods receipt note ('GRN') ▪ Open GRN review process Invoicing Process: ▪ Invoicing process review and matching invoice with PO pricing and terms and GRN quantity ▪ Ageing analysis for payables Payment: ▪ Payments as per agreed payment/ credit terms ▪ Payment is processed based on the appropriate and valid supporting documents

No.	Audit Area	Objective
Order to Cash process		
2	Review of Order to Cash process	Customer Management and Credit Limit Monitoring: ▪ Control on creation of customer data base and its maintenance ▪ Review of credit limit policy
		Sales Order (SO) Management: ▪ Sales order creation, modification, relevant approvals etc process review ▪ Open sales order review
		Sales Invoice and Dispatch: ▪ Process of invoice generation from ERP system ▪ Maker-Checker Mechanism and matching with SO and agreements ▪ Open delivery notes review process ▪ Review for sales booking
		Review of Receipts and Collection System: ▪ Debtors ageing process review ▪ Review of advances and set off against invoices ▪ Review of accounts receivables – ageing analysis ▪ Balance confirmation procedure review

No.	Audit Area	Objective
Legal Compliance		
3	Legal Compliance	▪ Tax Deducted at source ▪ Value Added Tax and CST ▪ GST ▪ C / F Form review ▪ Profession Tax ▪ Service Tax
HR, Payroll and Administration		
4	Review of Payroll	▪ Attendance records review ▪ Computation of Salary and Wages ▪ Review of PF and ESIC deducted and paid to government ▪ Control over full and final settlements
Accounting and Finance		
5	Accounting and Finance	▪ Review of :- ➤ Journal Vouchers ➤ Cash/bank transactions and cash/bank balances ➤ Bank Reconciliation Statements ➤ Discounts & rebates – Authorization & documentation
Review of Loans and advances (Liability)		
6	Review of Loans and advances (Liability)	▪ Review of Bank interest payments and out flow analysis ▪ Review of loan register and addition / deletion in to it ▪ Review of documentation and source of loan amount ▪ Review of interest payments and out flow analysis ▪ Compliance as per Companies Act, 2013

No.	Audit Area	Objective
Review of Loans and advances (Liability)		
7	Review of Fixed Assets	▪ Review of FA purchase orders and authorization to it ▪ Capitalization / Accounting process ▪ Depreciation & period-end process ▪ FA Master Data Maintenance and tagging
Review of MIS process		
8	Review of MIS process	▪ Broad review of various MIS prepared by various department within the organisation ▪ Review the frequency, formats, level of details etc. for various MIS
Support mechanisms to Statutory audit		
9	Support mechanisms to Statutory audit	• To provide support to overcome from any qualification, reservation and adverse remark relating to maintenance of accounts given by statutory auditor

Various Compliance		
10	Various Governance / Compliance	Related to Companies Act. <u>Review and reporting</u> ➤ Board report ➤ Internal financial controls ➤ financial statements and Abridged financial statements ➤ Declaration and payment of dividend ➤ Utilization of securities premium and Free reserves ➤ Related party transaction approval process and Disclosure in the board report ➤ Restriction on kinds of capital to be issued ➤ Deposits from members subject to conditions ➤ Limits for intercompany investments and loans ➤ Restrictions on non-cash transactions with directors and prohibition on insider trading Corporate Social Responsibility ➤ Composition of the Board/Non-Executive Directors ➤ Compliance SEBI regulations 2015 – <u>Review of Listing obligations and disclosure requirements such as</u> ➤ Corporate Governance Report ➤ Shareholding Pattern ➤ Statement of deviation and variation ➤ Prior intimation of Board Meeting for financial results ➤ Financial Results and annual statement ➤ Compliance Certificate related to transfer or transmission or transposition of securities ➤ Obtaining of 'in-principle approval' before issue of securities