

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

### Form No. MR 3

[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,  
H.M.T. (INTERNATIONAL) LIMITED.  
No.59 Bellary Road  
Bengaluru 560032  
KARNATAKA INDIA  
CIN: U33309KA1974GOI002707**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **H.M.T. (INTERNATIONAL) LIMITED** (hereinafter called 'the Company' CIN: U33309KA1974GOI002707). The 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 the Company's 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 **31st March 2022** (hereinafter referred to as ("the audit period")) 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 the Company for the financial year ended 31st March 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;\
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company, as company's equity shares are maintained in physical form during the audit period under review).**
- iii. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Complied to the extent applicable).**
- iv. 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; **(Not applicable to the Company, as company's equity shares are maintained in physical form during the audit period under review).**
- v. Other laws as applicable specifically to the Company, namely; As reported to us, the company being a trading Company has complied with all the applicable laws during the period under review including Sexual Harassment of Women at Workplace (Prevention and Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable Secretarial Standards with regard to meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);

Accordingly, we state that during the period under review there were adequate systems and processes

in place to monitor and ensure compliance with various applicable laws and that the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

Being an unlisted public company during the audit period, the following Acts, Rules, Guidelines and Regulations were **not applicable**:

- i. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- ii. 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;
  - 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, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Debt Convertible Securities) Regulations, 2021 and The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
  - h) The Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015.

We have not examined compliance by the company with respect to:

- a) Applicable financial laws, like direct and indirect tax laws, maintenance of financial records, etc., since the same have been subject to review by statutory (financial) auditors, tax auditors and other designated professionals.
- b) Listing Agreement with the Stock Exchange(s), as the company is an Unlisted Public Company. (a wholly owned subsidiary of a Listed Government Company, a non-material subsidiary of HMT Limited).
- c) As informed by the company the Industry specific laws/general laws as applicable to the company has been complied with. The management has also represented and confirmed that all the laws, rules, regulations, orders, standards and guidelines as are specifically applicable to the Company relating to Industry/Labour etc., have been complied with.

We further report that-

The Board of Directors of the Company is duly constituted. 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.

The company is not required to constitute Audit Committee and Nomination and Remuneration Committee during the period under report as informed to us as it is not covered under Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. The Company is not required to appoint Independent Directors, being a wholly owned subsidiary, as such it is exempted from compliance vide sub-rule 2 of Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 vide amendments w.e.f. July 5, 2017. However, the Company has Mr.

Shenbagalingam Velpandiyan as an Independent Director with effect from 15.02.2020.

Adequate notices were given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent 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.

As per the minutes of the Board Meetings duly recorded and signed by the Chairman, the decisions at the Meetings were unanimous and no dissenting views have been recorded.

There were no amendment/modification of the Memorandum and Articles of Association of the

Company during the period under report. The Company has filed the e-forms with the Ministry of Corporate Affairs (MCA), wherever applicable during the period under report and paid additional fees in filing few e-forms.

We further report that based on the information provided and representations made by the Company, there were 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 there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs in pursuance of the above referred laws, rules etc.

**For G Haritha & Associates**

**G. Haritha**

Company Secretary in Practice

FCS 5521 CP No.10749

UDIN: F005521D000754346

Peer Review Certificate No.: 1434/2021

Place : Bengaluru

Date : 06<sup>th</sup> August, 2022

**Note :** *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.*

**'Annexure - A'**

**To  
Members,  
H.M.T (INTERNATIONAL) LIMITED.  
No.59 Bellary Road  
Bengaluru 560032  
KARNATAKA INDIA  
CIN: U33309KA1974GOI002707**

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

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the 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 secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes 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 like, Income Tax, GST, Customs, etc.
4. Wherever required, we have obtained the Management representations about the compliance of applicable Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management in terms of Section 134 (5) (f) of the Companies Act, 2013. 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 or effectiveness with which the Management has conducted the affairs of the Company.
7. The audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by them or obtained from the Company electronically and also the information provided by the company and its officers by audio and/or visual means.

**For G Haritha & Associates**

Place: Bengaluru  
Date: 06<sup>th</sup> August, 2022

**G. HARITHA**  
Company Secretary in Practice  
FCS 5521 CP No.10749  
UDIN: F005521D000754346  
Peer Review Certificate No.: 1434/2021