

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

HEMO ORGANIC LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hemo Organic Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, read with **Annexure - I** forming part of this report, the Company has, during the audit period covering the financial year ended on March 31, 2021, generally 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.

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

- i. The Companies Act, 2013 ("the Act") and the rules made there under as applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. The Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment;
- 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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered with BSE Limited (BSE);
- vi. The Revised Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules made there under, Regulations, guidelines etc. mentioned above except followings;

1. *Being Listed Company,*
 - (a) *had not appointed Company Secretary and Chief Financial Officer as required under Section 203 of the Companies Act, 2013 and as such is non-compliant of Section 203 of the Companies Act, 2013 up to October 18, 2020;*
 - (b) *has not appointed Internal Auditor for the financial year 2020-21 and as such is non-compliant of Section 138 of the Companies Act, 2013;*
2. *Independent Directors of the Company have not registered themselves in the Independent Directors' Data Bank as required under Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014;*

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3. *The Company had not appointed qualified Company Secretary as Compliance Officer as required under Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 up to October 18, 2020;*
4. *The Company has not maintained functional website as required under Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;*
5. *The Company has not complied with BSE Circular No. LIST/COMP/15/2018-19 dated July 05, 2018 read with Gazette notification dated June 8, 2018. Pursuant to amendment in Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding transfer of securities would be carried out in dematerialized form only. The Company has not taken special efforts through their RTAs to send the letter under Registered/Speed post to the holders of physical certificates appraising them about the amendment and sensitise them about the impact of the regulation on the transfer of shares held by them in physical form w.e.f. December 5, 2018.*

Additionally, I have relied on the representations made by the Company for systems and mechanisms formed by the Company for compliances under sector specific laws and regulations applicable to the Company other than those specifically provided above.

During the Period under review, provisions of the following Acts, Rules, Regulations, and Standards are not applicable to the Company,

- i. 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; - the Company is not registered as Registrar to an Issue & Share Transfer Agent. However, the Company has appointed MCS Share Transfer Agent Limited as Registrar & Share Transfer Agent as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 except it is liable for Delisting due to suspension by BSE Limited;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- v. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
- vi. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings.

I further report that -

The Board of Directors of the Company is duly constituted with Executive Directors, Non-Executive Director, Independent Directors and Woman Director in accordance with the act *except non-registration of Independent Directors of the Company in the Independent Directors' Data Bank due to which the status of Independent Directors may not be considered as such*. The changes in the composition that took place during the period under review were carried out in compliance with the provisions of the Act *except non-registration of Independent Director who was appointed, in the Independent Directors' Data Bank, due to which the status of Independent Director may not be considered as such*.

Adequate notice is 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that -

There are 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.

PAYAL DHAMECHA
Company Secretary

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I further report that -

Suspension of in the trading of the Equity Shares of the Company has been revoked w.e.f. October 21, 2020.

For, M/s. Payal Dhamecha & Associates
Practicing Company Secretary




Payal Dhamecha
Proprietor
ACS No.: 47303 COP No. 20411
Unique Code: S2020GJ735800
UDIN: A047303C000769453

Place: Ahmedabad
Date: August 11, 2021

Note: This Report is to be read with my letter of even date which is annexed as Annexure - I and forms an integral part of this report.

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PAYAL DHAMECHA
Company Secretary

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Annexure I

To,

The Members,

HEMO ORGANIC LIMITED

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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, on the records and documents provided by the Management of the Company, to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. In respect of laws, rules and regulations other than those specifically mentioned in my report above, I have limited my review, analysis and reporting up to process and system adopted by the Company for compliance with the same and have not verified detailed compliance, submissions, reporting under such laws etc. nor verified correctness and appropriateness thereof including financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards and its proper and adequate presentation and submission in prescribed formats is the responsibility of management. My examination was limited to the verification of procedures on test basis and not its one to one contents.
6. The Secretarial Audit report is neither an assurance as to compliance in totality or the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Considering the limitations prevailing on account of global pandemic COVID - 19 and its severe repetition, particularly since March, 2021 and Lockdown and semi-lockdown situation, I am not able to verify all the information physically as well as in detail, and, therefore, in respect of some of the matters, I have relied up on the information and explanations as provided by the Company, its officers, agents and authorized representatives.

For, M/s. Payal Dhamecha & Associates
Practicing Company Secretary





Payal Dhamecha
Proprietor
ACS No.: 47303 COP No. 20411
Unique Code: S2020GJ735800
UDIN: A047303C000769453

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