



DRUGS & PHARMACEUTICALS LTD.

**MANUFACTURER OF
BULK DRUGS &
IMPORTERS OF
SOLVENTS & CHEMICALS**

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REGD OFF. & FACTORY: E-34 MIDC, TARAPUR, BOISAR, DIST.-THANE ☎ (02525) 271049 Email: info@aareydrugs.com
CIN: L99999MH1990PLC056538

Date: 30th May, 2023

To,

BSE Limited
The Manager,
Corporate Service Department
P.J. Towers, Dalal Street,
Mumbai- 400 001

Scrip Code: 524412

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400051

NSE Symbol: AAREYDRUGS

Sub: Annual Secretarial Compliance Report for the Year Ended 31st March, 2023

Dear Sir/ Madam,

Pursuant to Clause 3(b)(iii) of SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February 2019, we wish to enclose herewith the Annual Secretarial Compliance Report of the Company for the year ended 31st March, 2023.

Kindly take the same on record.

Thanking you,

Yours Faithfully

For Aarey Drugs & Pharmaceuticals Limited

**Nimit Rajesh
Ghatalia**

**Nimit Ghatalia
Director
DIN: 07069841**

Digitally signed by Nimit Rajesh Ghatalia
DN: c=IN, st=Maharashtra,
2.5.4.420=84105098001156561856c03394E33031e862284c0f0b04
04607754670, postalCode=400053, street=Jadonai West, Mumbai
Mumbai, pseudonym=4418c09800b204e080098ac9427e,
serialNumber=1515494847a04645452070b0c0c0488661e81a35da,
dnQualifier=1457348, o=Personal, ou=Nimit Rajesh Ghatalia
Date: 2023.05.30 12:08:52 +05'30'

Ms. I. Javeri

Practicing Company Secretary

Office:

Office No.: 03, A Wing, 9th Floor,

Pinnacle Corporate Park

BKC CST Link Rd., MMRDA Area,

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Bandra East, Mumbai - 400 051

Tel.: 022 - 2652 9367 / 68

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SECRETARIAL COMPLIANCE REPORT OF AAREY DRUGS AND PHARMACEUTICALS LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

I have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Aarey Drugs and Pharmaceuticals Limited** (hereinafter referred as "the listed entity"), having its Registered Office at E-34, M.I.D.C., Tarapur, Boisar, Thane - 401506, Maharashtra, India. Secretarial Review 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 listed entity's minutes books, forms and returns filed and other relevant records maintained by the listed entity and also the information provided by the listed entity, its officers and authorized representatives during the conduct of Secretarial Review, I hereby report that, the listed entity has, during the review period covering the financial year ended on 31st March, 2023, prima facie complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I, I. Javeri, Practicing Company Secretary, have examined:

- (a) the documents and records made available to me and explanation provided by the listed entity,
- (b) the filings / submissions made by the Listed Entity to the stock exchanges,
- (c) website of the Listed Entity and
- (d) any other documents / filings, as may be relevant, which has been relied upon to make this certification,



for the financial year ended 31st March, 2023 ("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) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - (Not Applicable during the Review Period);
- (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - (Not applicable during the Review Period);
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - (Not applicable during the Review Period);
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - (Not applicable during the Review Period);
- (g) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (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 - (Not applicable during the Review Period);



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

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

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Structural Digital Database as per the Regulation 3(5) & 3(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015	Regulation 3(5) & 3(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015	The Company has maintained the Structural Digital Database internally with proper lock in till they installed the software in November, 2022.	None	N.A.	The Company has maintained the Structural Digital Database internally with proper lock in till they installed the software in November, 2022.	Nil	The Company has maintained the Structural Digital Database internally with proper lock in till they installed the software in November, 2022.	The Company has maintained the Structural Digital Database internally with proper lock in till they installed the software in November, 2022.	-
2.	Composition of the Board, Audit Committee, Nomination and Remuneration Committee and Stakeholder	Regulations 16, 17, 18, 19 and 20 of the SEBI (Listing	One Independent Director of the Company along with his relative holding securities of the Company in excess of permissible limit	None	N.A.	One Independent Director of the Company along with his relative holding securities of the Company in excess of permissible limit	Nil	One Independent Director of the Company along with his relative holding securities of the Company in excess of permissible limit under Regulation 16 of the SEBI (Listing Obligations and	Relative of Independent Director has disposed off the shares of the Company in June, 2022	-



	Relationship Committee as per Regulations 16, 17, 18, 19 and 20 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.	Obligations and Disclosures Requirements) Regulations, 2015.	under Regulation 16 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and due to that, the said director was disqualified as an Independent Director. Consequently, the composition of the Board, Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee were not in accordance with the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 till June, 2022.			under Regulation 16 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and due to that, the said director was disqualified as an Independent Director. Consequently, the composition of the Board, Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee were not in accordance with the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 till June, 2022.		Disclosures Requirements) Regulations, 2015 and due to that, the said director was disqualified as an Independent Director. Consequently, the composition of the Board, Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee were not in accordance with the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 till June, 2022.	and after the disposal, the shares held by the Independent Director and his relatives were within the limit prescribed under Regulation 16 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.
3.	Disclosure under Regulation 31(4) of the SEBI (Substantial Acquisition of	Regulation 31(4) of the SEBI (Substan	The Company / Promoter has delayed in filing of the disclosure under Regulation 31(4) of	None	N.A.	The Company / Promoter has delayed in filing of the disclosure under Regulation 31(4) of	Nil	The Company / Promoter has delayed in filing of the disclosure under Regulation 31(4) of the SEBI (Substantial Acquisition of Shares and	The delay was inadvert.



	Shares and Takeovers) Regulations, 2011.	tial Acquisition of Shares and Takeovers) Regulations, 2011.	the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for one day.			the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for one day.		Takeovers) Regulations, 2011 for one day.		
4.	Annual Secretarial Compliance Report under Regulation 24A of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.	Regulation 24A of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.	The Company has delayed in filing of the Annual Secretarial Compliance Report under Regulation 24A of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the National Stock Exchange of India Limited ("NSE").	NSE	Imposed Penalty	The Company has delayed in filing of the Annual Secretarial Compliance Report under Regulation 24A of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the National Stock Exchange of India Limited ("NSE"). There was a fine of Rs. 2,360/- (including GST) levied by NSE vide notice dated 29 th June, 2022. The Company had requested for waiver of the fine and to	Rs. 2,360 /- (including GST)	The Company has delayed in filing of the Annual Secretarial Compliance Report under Regulation 24A of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the National Stock Exchange of India Limited ("NSE"). There was a fine of Rs. 2,360/- (including GST) levied by NSE vide notice dated 29 th June, 2022. The Company had requested for waiver of the fine and to condone the delay. Based on the Company's representation on the matter to NSE, NSE waived off the fine vide letter dated 05 th	The delay was due to technical issue on the portal of the NSE.	



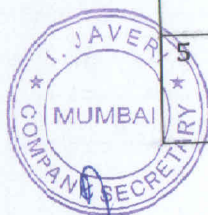
						condone the delay. Based on the Company's representation on the matter to NSE, NSE waived off the fine vide letter dated 05 th April, 2023.		April, 2023.		
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(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
1	Disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Not Complied	None	N.A.	The Company has altered Memorandum of Association but the altered copy of Memorandum of Association has not been submitted to the Stock Exchanges as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Nil	The Company has altered Memorandum of Association but the altered copy of Memorandum of Association has not been submitted to the Stock Exchanges as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Company has assured that they will take care of such compliances in future.	-
	Annual Report in XBRL mode as	BSE Circular No.: LIST/COMP/40/2	Not Filed	None	N.A.	The Company has not filed Annual Report for the	Nil	The Company has not filed Annual Report for the	The Company has assured	-



	per BSE Circular No.: LIST/COMP/40/2018-19 dated 08 th February, 2019 and NSE Circular No.: Ref No: NSE/CML/2019/26 dated 01 st November, 2019.	018-19 dated 08 th February, 2019 and NSE Circular No.: Ref No: NSE/CML/2019/26 dated 01 st November, 2019.				financial year ended 31 st March, 2021 in XBRL mode as required under BSE Circular No.: LIST/COMP/40/2018-19 dated 08 th February, 2019 and NSE Circular No.: Ref No: NSE/CML/2019/26 dated 01 st November, 2019.		financial year ended 31 st March, 2021 in XBRL mode as required under BSE Circular No.: LIST/COMP/40/2018-19 dated 08 th February, 2019 and NSE Circular No.: Ref No: NSE/CML/2019/26 dated 01 st November, 2019.	that they will take care of such compliances in future.	
3	Allotment of Equity Shares under the Preferential Issue - The SEBI Circular No.: CIR/CFD/CMD/4/2015 Dated 09 th September, 2015	The SEBI Circular No.: CIR/CFD/CMD/4/2015 Dated 09 th September, 2015	Partial Compliance	None	N.A.	The Company has not disclosed all the relevant details of Allotment of Equity Shares under the Preferential Issue as required to be disclosed under the SEBI Circular No.: CIR/CFD/CMD/4/2015 Dated 09 th September, 2015.	Nil	The Company has not disclosed all the relevant details of Allotment of Equity Shares under the Preferential Issue as required to be disclosed under the SEBI Circular No.: CIR/CFD/CMD/4/2015 Dated 09 th September, 2015.	No Action was required to be taken in current year.	-
4	Disclosures under Regulation 7(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015	Regulation 7(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015	Delayed Filing	None	N.A.	There was delay in submission of disclosures under Regulation 7(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.	Nil	There was delay in submission of disclosures under Regulation 7(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.	No Action was required to be taken in current year.	-
	Composition of the Board, Audit Committee,	Regulation 16, 17, 18, 19 and 20 of the SEBI (Listing	Not Complied	None	N.A.	One Independent Director of the Company along with his relative holding securities of	Nil	One Independent Director of the Company along with his relative holding securities of	Relative of Independent Director has	-



<p>Nomination and Remuneration Committee and Stakeholder Relationship Committee as per Regulations 16, 17, 18, 19 and 20 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.</p>	<p>Obligations and Disclosures Requirements) Regulations, 2015.</p>				<p>the Company in excess of permissible limit under Regulation 16 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and due to that, the composition of Board, Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee are not in accordance with the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.</p>	<p>the Company in excess of permissible limit under Regulation 16 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and due to that, the said director was disqualified as an Independent Director. Consequently, the composition of Board, Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee are not in accordance with the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.</p>	<p>disposed off the shares of the Company in June, 2022 and after the disposal, the shares held by the Independent Director and his relatives were within the limit prescribed under Regulation 16 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.</p>	
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Note: The observations made in the Annual Secretarial Compliance Report for the financial year ended 31st March, 2021 were already mentioned in the previous year's report (i.e. report for the financial year ended 31st March, 2022) and no action was required to be taken.



II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance status (Yes / No / NA)	Observations / Remarks by PCS
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	<p>a. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review / audit report for such quarter; or</p> <p>b. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review / audit report for such quarter as well as the next quarter; or</p> <p>c. If the auditor has signed the limited review / audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>	<p>N.A.</p> <p>N.A.</p> <p>N.A.</p>	<p>There is no instance of resignation of Auditor.</p>
2.	Other conditions relating to resignation of statutory auditor		
	<p>i. Reporting of concerns by Auditor with respect to the listed entity / its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the listed entity / material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached</p>	<p>N.A.</p>	



	<p>the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents have been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information:</p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity / its material subsidiary has not provided information as required by the auditor.</p>	<p>N.A.</p> <p>N.A.</p> <p>N.A.</p>	<p>There is no instance of resignation of Auditor.</p>
<p>3.</p>	<p>The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.</p>	<p>N.A.</p>	<p>There is no instance of resignation of Auditor.</p>



III. I hereby report that, during the Review Period the compliance status of the Listed Entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes / No / NA)	Observations / Remarks by PCS
1	<p><u>Secretarial Standards:</u></p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes	The Company has prima facie complied.
2	<p><u>Adoption and timely updation of the Policies:</u></p> <p>i. All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entity.</p> <p>ii. All the policies are in conformity with SEBI Regulations and have been reviewed & timely updated as per the regulations / circulars / guidelines issued by SEBI.</p>	Yes Yes	N.A. N.A.
3	<p><u>Maintenance and disclosures on Website:</u></p> <ul style="list-style-type: none"> • The listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s) / section of the website. 	Yes Yes Yes	N.A. N.A. N.A.



4	<u>Disqualification of Director:</u> None of the Directors of the listed entity is disqualified under Section 164 of the Companies Act, 2013 as confirmed by the listed entity.	Yes	N.A.
5	<u>Details related to Subsidiaries of listed entity have been examined w.r.t.:</u> (a) Identification of material subsidiary Companies. (b) Requirements with respect to disclosure of material as well as other subsidiaries.	N.A. N.A.	As informed by Company, it does not have any subsidiary Company.
6	<u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	N.A.
7	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year / during the financial year as prescribed in SEBI Regulations.	Yes	N.A.
8	<u>Related Party Transactions:</u> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit committee, in case no prior approval has been obtained.	Yes N.A.	N.A. N.A.



9	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	N.A.
10	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.	No	Provided in separate paragraph I (a) above (**)
11	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No Action(s) has been taken against the listed entity / its promoters / directors / subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars / guidelines issued thereunder.	No	Provided in separate paragraph I (a) above (**)
12	<u>Additional Non-compliances, if any:</u> No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	No	Provided in separate paragraph I (a) above (**)

Assumptions & Limitation of scope and Review:

- a. The compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
- b. My responsibility is to report based upon my examination of relevant documents and information. This is neither an audit nor an expression of opinion.



c. I have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.

d. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Date: 30th May, 2023

Place: Mumbai

UDIN: A002209E000417294



Ms. I. Javeri

Practicing Company Secretary

ACS No.: 2209 / COP No.: 7245

Peer Review Cert. No.: 2922/2023