

Virendra Bhatt

Company Secretary

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COMPLIANCE CERTIFICATE

[Pursuant to Regulation 163(2), Part III of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 including any amendment / modification thereof]

To,
The Board of Directors
Aarey Drugs and Pharmaceuticals Limited
E-34, M.I.D.C., Tarapur,
Boisar, Thane Maharashtra-401506

I, Virendra G. Bhatt, Practicing Company Secretary of Aarey Drugs and Pharmaceuticals Limited (hereinafter referred to as '**the Company**'), having CIN L99999MH1990PLC056538 and having its Registered Office situated at E-34, M.I.D.C., Tarapur, Boisar, Thane Maharashtra-401506, India to issue this Compliance Certificate in accordance with Regulation 163(2) of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 as amended from time to time, (hereinafter referred to as "Regulations").

In accordance with the Regulations, the Company has proposed issue of 50,00,000 convertible warrants (with an option to the holders to convert it into equity shares) with face value of Rs. 10/- each, fully paid up on a preferential basis with an issue price of Rs. 63.78 each/- ('Proposed Preferential issue'). The proposed preferential issue was approved at the Meeting of the Board of Directors of the Company held on 04th December, 2024.

On the basis of the relevant management inquiries, necessary representations and information received from / furnished by the management of the Company, as required under the aforesaid Regulations, I have verified that the issue is being made in accordance with the requirements of these Regulations as applicable to the preferential issue, more specifically, the following:

- i. Memorandum of Association and Articles of Association of the Company;



- ii. The Present capital structure including the details of the Authorised, Subscribed, Issued and Paid up share capital of the Company along with the shareholding pattern;
- iii. Resolutions passed at the Meeting of the Board of Directors;
- iv. List of Proposed Allottees;
- v. The relevant date in accordance with Regulation 161 of the Regulations. The relevant date for the purpose of said minimum issue price was Tuesday, 03rd December, 2024.
- vi. List of shareholders issued by the Registrar and Share Transfer Agent of the Company:
 - a. to note that the equity shares are fully paid up.
 - b. all equity shares held by the proposed allottees in the Company are in dematerialised form.
- vii. Disclosures under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, made by proposed allottees during the 90 trading days preceding the relevant date - ***The Company has not provided any information in this regard.***
- viii. Details of buying in the Equity Shares of the Company by the proposed allottees, Promoter or Promoter Group during the 90 trading days preceding the relevant date- ***With respect to the certificate received from the Registrar and Share Transfer Agent of the Company none of the proposed allottees have sold / transferred any equity shares of the company during the 90 trading days preceding the relevant date.***
- ix. Permanent Account Numbers of the proposed allottees;
- x. Notice of the 33rd Annual General Meeting and Explanatory Statements:
- xi. to verify the disclosure in Explanatory Statement as required under Companies Act, 2013 & the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 163(1) of the Regulations-

The Company has prima facie complied with the disclosure requirements in Explanatory Statement as required under Companies Act, 2013 & the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 163(1) of the Regulations. However, it is noted that the promoter group,



which was among the proposed allottees for the preferential issue approved by the Members at their meeting held on 5th September 2023, has not been allotted any shares. With reference to the National Stock Exchange letter dated 14th December 2023, a directive has been issued under Regulation 159(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The directive cites transactions involving the selling of the Company's equity shares by a promoter allottee during the 90 trading days preceding the relevant date. Consequently, the entire promoter(s) and promoter group have been deemed ineligible for the allotment of specified securities on a preferential basis."

- a. to verify the tenure of the convertible securities of the company that it shall not exceed eighteen months from the date of their allotment.
- b. to verify the lock-in period as required under Regulation 167 of the Regulations- **The following disclosure has been made under the Explanatory Statement "The Equity Shares will be subject to applicable lock-in and transfer restrictions stipulated under Regulations 167 and 168 of the ICDR Regulations."**
- a. to verify the terms for payment of consideration and allotment as required under Regulation 169 of the Regulations.
- xii. Computation of the minimum price of the shares to be allotted in preferential issue in accordance with the Regulations. The minimum issue price for the proposed preferential issue of the Company, based on the pricing formula prescribed under these Regulations has been worked out by a Chartered Accountant and a Registered valuer Ms. Rashmi Shah FCA in the Valuation report dated 04th December, 2024 at Rs. 63.78/-;
- xiii. Board resolution and statutory registers to verify that promoters or the promoter group has not failed to exercise any warrants of the Company which were previously subscribed by them- **An undertaking has been obtained in this regard.**
- xiv. Verified the relevant statutory records of the Company to confirm that:
 - a. it has no outstanding dues to the Securities and Exchange Board of India, the Stock Exchanges or the Depositories.
 - b. it is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the stock exchange i.e. BSE Limited and National Stock Exchange Limited where the equity



shares of the are listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended, and any circular or notification issued by the Board thereunder.

It is the responsibility of the Management to comply with the requirements of the Regulations, including the preparation and maintenance of all accounting and other relevant supporting records, designing, implementing and maintaining internal control relevant to preparation of Notice and explanatory statement, determination of relevant date & minimum price of shares and making estimates that are reasonable in the circumstances.

Assumptions & Limitation of scope and Review:

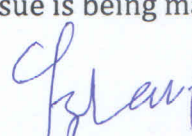
1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the Company.
2. My responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. I am not expressing any opinion on the price computed / calculated and/or the price at which the shares are being issued by the Company.
4. This certificate is solely for the intended purpose of compliance in terms of aforesaid Regulations and for your information and it is not to be used, circulated, quoted or otherwise referred to for any other purpose other than compliance with the aforesaid Regulations.

Certification:

Based on my examination of such information / documents and explanation furnished to me by the Compliance officer and employees of the Company and to the best of my knowledge and belief, I am of the opinion that proposed preferential issue is being made in accordance with the requirements of the Regulations.

Date: 27th December, 2024

Place: Mumbai


Virendra G. Bhatt
Practicing Company Secretary
ACS no. 1157/ COP No. 124
Peer Review Cert. No.: 1439/2021



UDIN: A001157F003502820