



S.S. Reddy & Associates

Practicing Company Secretaries

FORM MR-3
SECRETARIAL AUDIT REPORT
(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

To
The Members of
Dr Habeebullah Life Sciences Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dr Habeebullah Life Sciences Limited** (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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 financial year commencing from 1st April, 2019 and ended 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Dr Habeebullah Life Sciences Limited** ("The Company") for the financial year ended 31st March, 2020, according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the rules made there under ;
 - 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. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-



- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures.**
- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. www.drhlsl.com.**
- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **The Company has allotted 10,00,000 Equity Shares to the promoters pursuant to Conversion of Warrants into Equity Shares on 14th June, 2019. The Company has complied with all the applicable provisions of said Regulations.**
- iv. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable as the Company has not issued any debt securities during the year under review.**
- v. 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 as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However the company has Venture Capital and Corporate Investments Private Limited as its Share Transfer Agent.**
- vi. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the financial year under review;**
- vii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- viii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the period under review;**
- ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has framed the policies as mentioned below and displayed the same on the Company's website i.e www.drhlsl.com
 - Board Diversity Policy
 - Code of Conduct - BOD & Senior Management
 - Document Retention - Archival Policy
 - Familiarization Policy & Evaluation
 - Code for Prevention of Insider Trading
 - Nomination & Remuneration Policy
 - Policy on Sexual Harassment



- Policy on Materiality of Disclosures
- Policy on Related Party Transactions
- Terms-Appointment of Independent Directors
- Vigil Mechanism - Whistle Blower Policy

The other laws, as informed and certified by the management of the Company which, are specifically applicable to the Company based on their sector/ industry are:

- The Payment of Gratuity Act, 1972
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Employees State Insurance Act, 1948
- Income Tax Act, 1961
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Payment of Wages Act, 1936
- Goods and Services Tax Act, 2016 and its Rules
- Shops and Establishments Act, 1948
- Trade Licence from Greater Hyderabad Municipal Corporation
- Acts relating to Pharmaceuticals and Bio- Pharma Sector
 - a) Drugs and Cosmetic Act 1940
 - b) T.S. Allopathic Private Medical Care Establishments Registration and Regulation Act, 2002

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.
3. Listing Agreements entered into by the Company with BSE Limited and Metropolitan Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above including the following:

- a) During the year the Company has conducted 7 meetings of the Board of Directors, 5 meetings of the Audit committee, 4 Meeting of Stakeholder



Relationship Committee, 3 meeting of Nomination & remuneration Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.

- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
- I. The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
- External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - Foreign Direct Investment (FDI) was complied by the company under the financial year under report;
 - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- II. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:-

- a) The Company has a Chief Financial Officer (CFO) namely Mr. Nagavenkata Narendra Kumar Konagalla.
- b) The Company has a Company Secretary – Ms. Neha Kankariya.
- c) The Company has Internal Auditors namely M/s. Tungala & Co., Chartered Accountants, Hyderabad

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors; Non-Executive Directors and Independent Directors. 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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 meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We 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.

We further report that during the audit period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

For S.S. Reddy & Associates



Place: Hyderabad
Date: 27.07.2020

S. Sarveswar Reddy
Practicing Company Secretary
C. P. No: 7478

UDIN: A012611B000507886



S.S. Reddy & Associates

Practicing Company Secretaries

Annexure- A to Secretarial Audit Report

To
The Members of
Dr Habeebullah Life Sciences Limited

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 these 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 secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: 27.07.2020



For S.S. Reddy & Associates

S. Sarveswar Reddy
Practicing Company Secretary
C. P. No: 7478
UDIN: A012611B000507886