



2024-25

Annual Report



**SUSTAINABLE
SCIENCE FOR A
HEALTHIER TOMORROW**

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See this report online at
www.aartipharmalabs.com

AT AARTI PHARMALABS, WE ARE INSPIRED TO MAKE A MEANINGFUL DIFFERENCE IN HEALTHCARE.

We believe that science, when applied purposefully, can improve lives. This is what drives us to use advanced chemistry to enhance healthcare outcomes across therapies and life stages. With emphasis on quality and reliability, accessibility and affordability, we are improving outcomes for our partners as well as patients alike.

For over two decades, this has been our constant quest. With an innovation-driven mindset, we consistently push boundaries and explore newer possibilities. We leverage our integrated model, from backward-linked raw material control to regulatory-compliant, commercial-scale manufacturing, to consistently deliver high-quality solutions. Through our sustainability-focussed technologies and processes, we ensure responsible delivery.

Through these capabilities, we strengthen global pharmaceutical supply chains and empower innovators to bring treatments to market more efficiently and economically.

WE ARE NOW ADVANCING SUSTAINABLE SCIENCE

We are nearing the completion of large-scale expansion projects and deepening innovation to accelerate the development of next-generation sustainable pharmaceutical solutions. We are embedding green chemistry and cleaner processes and increasingly engaging with customers, especially in regulated markets.

With extensive capacities, strong science-led capabilities and strategic efforts, we are positioned to unlock the next phase of value, and to meet the demand of the present and those of tomorrow.

We are powering a future where, Science is sustainable, progress is inclusive, and tomorrow is healthier and value-accretive for all.

SUSTAINABLE SCIENCE FOR A HEALTHIER TOMORROW



About Aarti Pharmalabs

SHAPING HEALTHIER TOMORROW WITH THE RIGHT CHEMISTRY

Aarti Pharmalabs Limited (APL) is a globally recognised pharmaceutical solution provider focussed on delivering science-backed, scalable, and cost-effective solutions that improve health outcomes.

We have leveraged our strong foundation in advanced chemistry to establish an extensive portfolio of Active Pharmaceutical Ingredients (API), Advanced Intermediates, and Xanthine Derivatives. We further offer CDMO and CMO services to innovators and pharmaceutical companies globally for drug substances and New Chemical Entities (NCE), along with Regulatory Starting Materials (RSM) and Key Starting Materials (KSM).

Our excellence in R&D and high-quality, regulatory-compliant manufacturing make us a preferred partner, with accreditations and export presence in key regulated markets like the United States (US), European Union, and Japan.

More importantly, we deliver these solutions with a sharp focus on sustainable practices, from green chemistry and low-carbon footprint to stringent safety standards and ethical governance.





Vision

To emerge as a “global partner of choice” for leading consumers of Pharmaceutical and Nutraceutical products.



Mission

Sustainable delivery and business operations for our products and services.



Values

CARE

Our devotion to caregiving spans all of our stakeholders, including our team members, clients, suppliers, local community, and the environment.

EXCELLENCE

We endeavour to gratify our clients and stakeholders.

INTEGRITY

We consistently uphold the greatest moral and ethical principles.

PHILOSOPHY

Safety first, quality always



WHAT DIFFERENTIATES US

MARKET-LEADING POSITION

- A trusted partner with a market-leading position in Xanthine derivatives and contract manufacturing
- Strong foothold in APIs & advanced Intermediates

15-20%

Global market share in Xanthine Derivatives

Largest Indian manufacturer

of Xanthine derivatives and allied products

INNOVATION AND NOVEL CHEMISTRY EXPERTISE

- World-class R&D and process innovation, enabling consistent delivery of high-quality, transformative solutions
- Differentiated in novel chemical process expertise

3

State-of-the-art R&D facilities

220+

Products

58

Patents filed

GLOBAL ACCREDITATION AND FOOTPRINT

- Operations accredited by international regulatory bodies, ensuring global reach and compliance

500+

Global clients

50+

Export countries

STRONG TEAM WITH EXPERIENCED LEADERSHIP

- Multi-disciplinary team backed by visionary leadership drives our strategic objectives and innovation

2,100+

Employees

SUSTAINABLE OPERATIONS

- Safe, responsible and environmentally sustainable operations across the value chain



MANUFACTURING COMPETENCE

- Integrated capabilities with backwards linkage, strengthening the raw material supply chain

6

Manufacturing facilities

3

US Food and Drug Administration (USFDA) units

FINANCIAL DISCIPLINE

- Financially strong and resilient organisation
- Prudent capital allocation approach, supporting long-term growth and expansion

0.19x

Net Debt/Equity

AA-

credit rating

SMALL MOLECULE LEADERSHIP

- Amongst the leading Small molecule CDMO/CMO companies in India



Our Journey

DRIVEN BY SCIENCE, SCALING WITH PURPOSE

At Aarti Pharmalabs, we have established a solid foundation over the years. From humble beginnings to industry recognition, shaped by operational, manufacturing and innovation excellence. We are moving forward with investments in expansion, advancing R&D and a focus on improving portfolio mix with high-margin products to unlock new opportunities for sustainable growth.

2008 - 2019

BUILD-UP YEARS

During this phase, the Company received multiple global approvals for its manufacturing unit and expanded presence in the international market.

FORMATIVE YEARS

This phase saw the incorporation of business and the setting up of assets and processes. The Company was then a part of Aarti Industries as a pharmaceutical business.

1984 - 2005

1984

Aarti Organic Private Limited Incorporated

1992

Listed on both NSE and BSE

2001

Commissioned the first API manufacturing Unit in Dombivali (Unit 1) and started the Xanthine unit

2005

Commissioned the first API manufacturing Unit in Tarapur for Regulated Markets (Unit 4)

2008

Completed the USFDA & EUGMP¹ audit for Tarapur Unit 4

2009

Completed the USFDA audit at the Intermediate facility (CSD) at Vapi

2013

Received EUGMP approval for Bicalutamide for the Oncology block at Unit 4

2016

Commissioned Caffeine production at Unit 5 with a capacity of 100 MT per month

2017

Completed Cofepris, Mexico audits at Unit 4

2019

Completed audit by EDQM² for Bicalutamide for the Oncology block at Unit 4

¹ EUGMP: European Union Good Manufacturing Practice;

² EDQM: European Directorate for the Quality of Medicines & HealthCare

2022 and beyond

NEW PHASE OF GROWTH AND EXPANSION

In this current period, the Company demerged from Aarti Industries to ensure a dedicated focus on growing the pharmaceutical business. We further committed significant capital expenditure towards expanding capacities, advancing product development and scaling CDMO/CMO business.

2022

- Expanded block for CSD, Vapi and API, Tarapur units
- Acquired land at Atali for future growth
- Demerged the pharmaceutical business of Aarti Industries Limited to Aarti Pharmalabs Limited

2023

- Operationalised the third R&D centre
- Secured USFDA approval for Dombivali Unit
- Commercialised Block V at Tarapur Unit 4
- Enhanced Xanthine capacity to 5,000 TPA

2024

- Commissioned 21MWp (DC) solar power project at Akola, Maharashtra
- Expansion of semi-commercial production block at Vapi

2025

- Greenfield manufacturing site at Atali progressing for commissioning by Q2 FY26
- Received EcoVadis Gold Rating, ranking us among the top 5% globally in sustainability

Manufacturing and R&D Infrastructure

INTEGRATED CAPABILITIES IN MANUFACTURING AND INNOVATION

Our cutting-edge R&D and manufacturing capabilities position us as a reliable partner of choice for generic players and innovators worldwide. They are designed to support complex chemistries and scalable production, and follow global best practices. This enables us to consistently deliver high-quality products efficiently, reliably and responsibly.



MANUFACTURING EXCELLENCE AT AARTI PHARMALABS

25 years

of pharmaceutical
manufacturing experience for
global clients

Regulatory excellence

Facilities approved by global pharmaceutical clients
from environment, health and safety (EHS) and quality
perspectives

CERTIFICATIONS

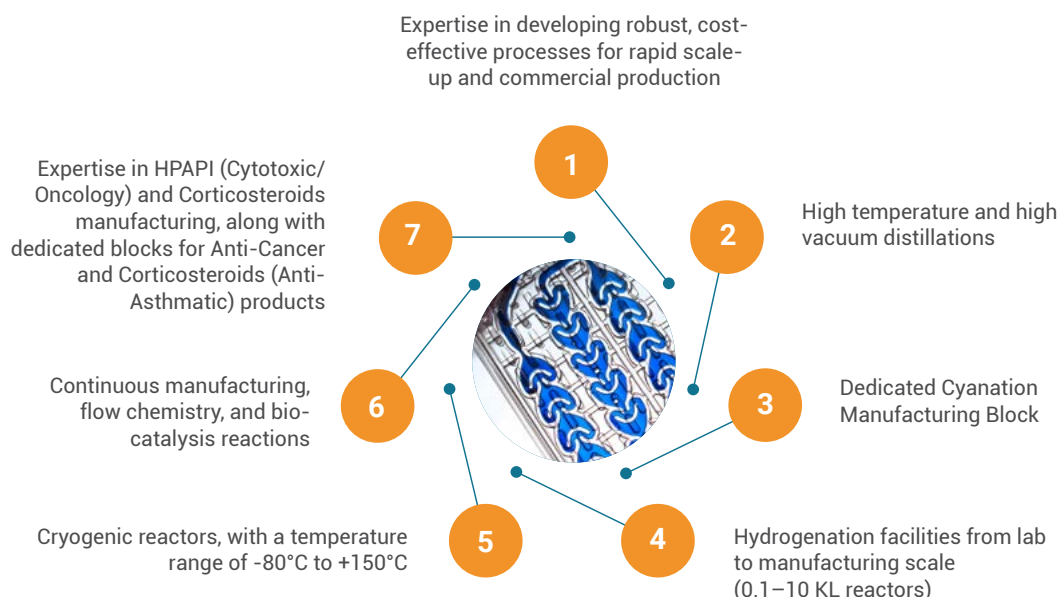
	 European Directorate Direction européenne for the Quality de la qualité of Medicines du médicament	 식품의약품안전처	 Comisión Federal para la Protección contra Riesgos Sanitarios	
 SMETA 4-PILLAR CERTIFIED FACTORY	 GOLD Top 5% ecovadis Sustainability Rating APR 2025		 SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	
 REGISTRATION				
				

OUR MANUFACTURING INFRASTRUCTURE

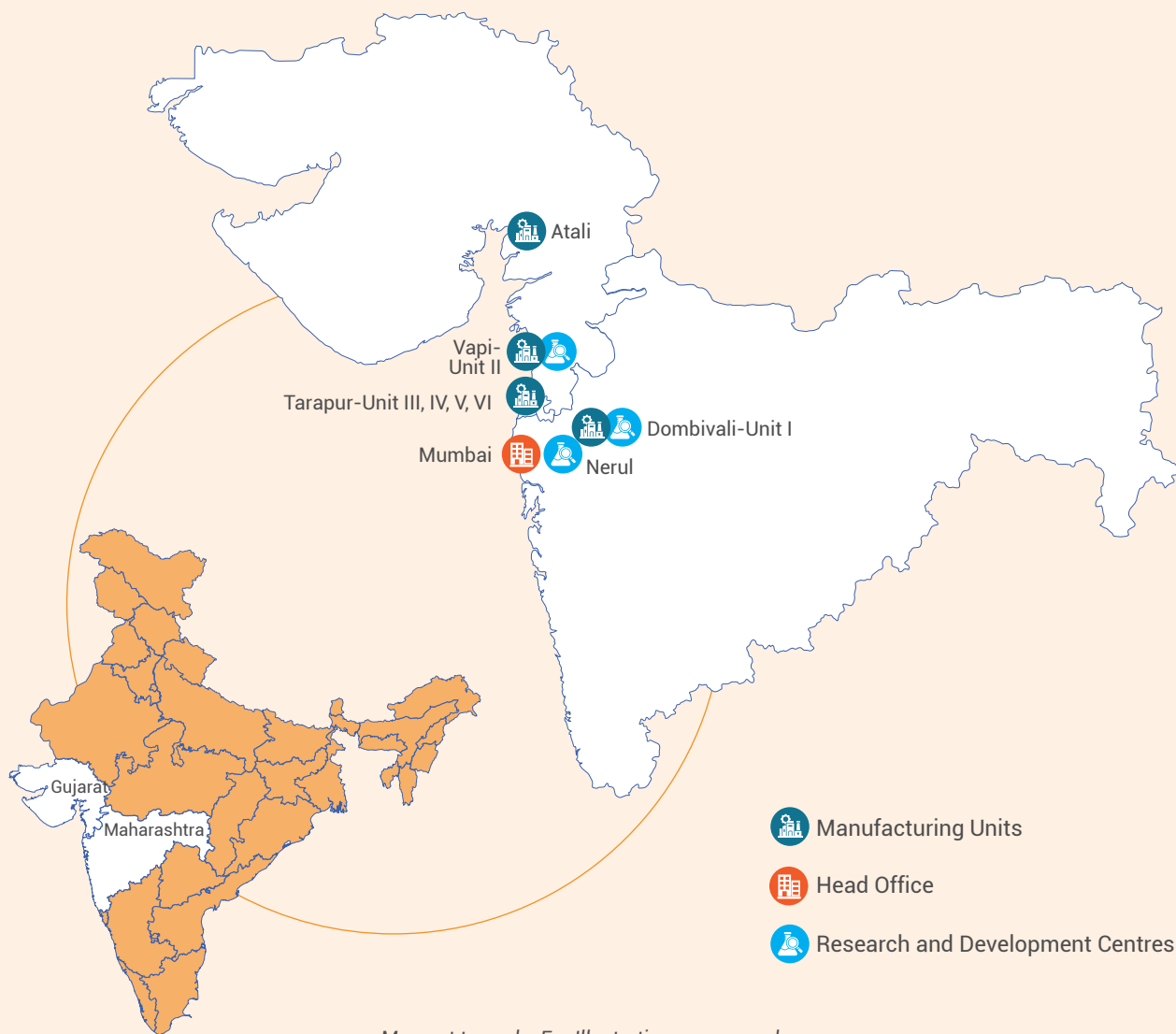
We have six sophisticated manufacturing units, across Maharashtra and Gujarat, which have accreditation from domestic and international agencies. Three of our facilities are approved by the USFDA, highlighting our adherence to global standards and ability to meet the stringent requirements of customers globally.

Our backward integration for most of the APIs further ensures reliable supplies of key raw materials, superior control over quality, and cost efficiencies.

FUTURE-READINESS WITH ADVANCED CAPABILITIES



OUR MANUFACTURING FOOTPRINT



Map not to scale. For Illustrative purpose only.

DOMBIVALI UNIT - I, MAHARASHTRA

Key features:

- Manufactures API, Intermediates, CDMO
- Has an R&D centre along with a manufacturing unit

Accredited or inspected:

USFDA, ISO 9001, ISO 14001, ISO 45001, FDA Maharashtra, cGMP



VAPI UNIT – II, GUJARAT CUSTOM SYNTHESIS DIVISION

Key features:

- Manufactures API, Intermediates, CDMO and six manufacturing blocks with large capacities

Accredited or inspected:

USFDA, ISO 9001:2015, ISO 45001:2018, ISO 14001:2015, FDCA



TARAPUR UNIT – III, MAHARASHTRA

Key features:

- Manufactures Xanthine derivatives (caffeine, theophylline, etofylline and aminophylline)

Accredited or inspected:

cGMP, ISO 9001:2015. HALAL India & Indonesia,

ISO 14001:2015, MFG License (KD-255), KOSHER

FSSAI, EIC, ISO 45001:2018, FSSC 22000, FDA Maharashtra



TARAPUR UNIT – IV, MAHARASHTRA

Key features:

- Manufactures API and CDMO-API

Accredited or inspected:

USFDA, EDQM, KFDA, COFEPRIS, WHO-GMP, ISO 9001:2000, ISO 9001:2015, ISO 9001:2018, FDA Maharashtra, Anvisa



TARAPUR UNIT - V

Key features:

- Manufactures Xanthine (caffeine)

Accredited or inspected:

cGMP, ISO 9001:2015, FSSC 22000, FSSAI, EIC, HALAL India & Indonesia, KOSHER

SMETA 4-pillar (Sedex), ISO 14001:2015, ISO 45001:2018, FDA Maharashtra



TARAPUR UNIT - VI

Key features:

- Intermediate unit of Xanthine, speciality & allied products

Accredited or inspected:

ISO 9001:2015, ISO 14001:2015, ISO 45001:2018



ATALI (UNDER CONSTRUCTION)

Key features:

- CDMO and Intermediates



STRATEGIC EXPANSION TO POWER FUTURE GROWTH

We are undertaking capex programmes to cater to the rising demand for our products. Upon completion, the projects will support our global expansion and drive growth.

Our expansion projects

Project

450 KL greenfield multipurpose plant at Atali, Gujarat

Xanthine derivatives expansion from 5,000 TPA to 9,000 TPA

Estimated capex

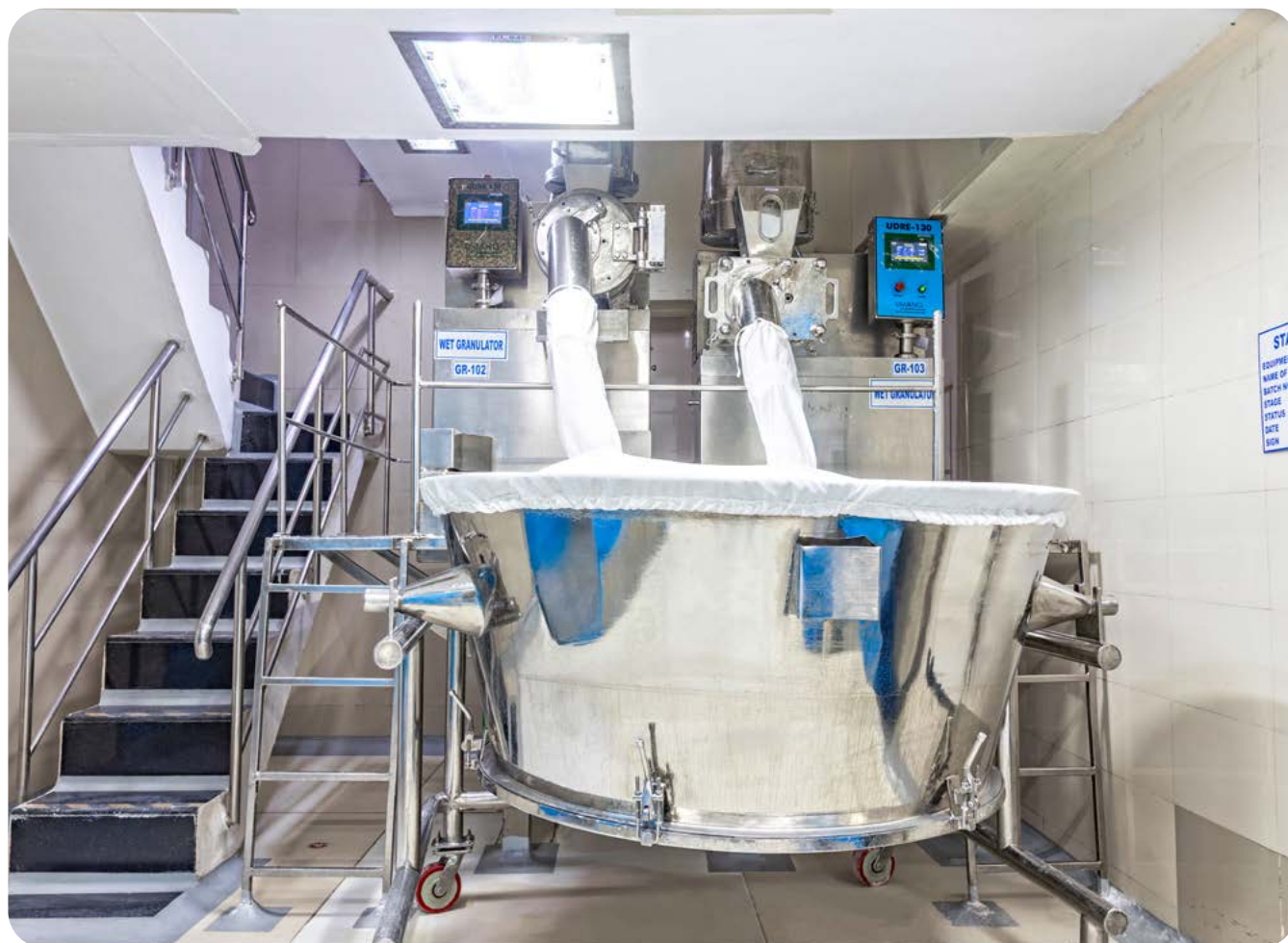
₹ 425 Crs

₹ 150 Crs

Status

Mechanical completion is expected by H1 FY26. Operationalisation in phases, with full ramp-up by FY 2025-26.

On track for commissioning in H2 FY26. Completed USDMFs and CEP filings.



TRANSLATING SCIENCE INTO SCALABLE SOLUTIONS

R&D THAT DELIVERS IMPACT

110[#]

Scientists (17 PhDs and 93 MScs)

40+^{*}

Products developed and manufactured on a kilo lab scale

25+^{*}

New products launched at the plant scale

55

APIs commercialised

58/28

Patents filed/granted

11

New APIs in the pipeline

₹ 42 Crs^{*}

R&D spend

5%^{*}

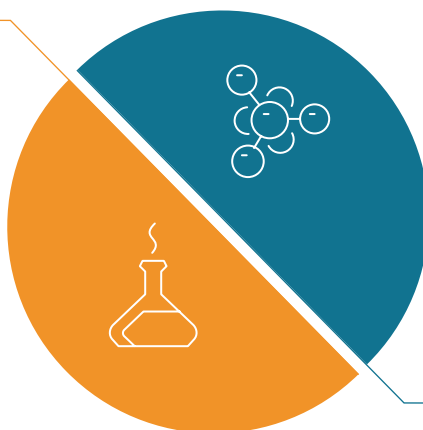
R&D Spend (as a % of API, Intermediates & CDMO sales)

^{*}in FY 2024-25, [#]as on March 31, 2025

We have multiple years of intellectual capital in the pharmaceutical industry, supported by an expert R&D team and world-class R&D facilities. This enables us to consistently deliver breakthrough products, meet customers' evolving requirements and stay ahead in the industry. Our expertise in process chemistry and scale-up engineering further ensures optimal asset utilisation, enabling us to deliver customised solutions to customers.

OUR R&D FOCUS AREAS

- Route scouting and design
- New product development
- Process optimisation and scale-up
- Life cycle technology management



EXPERTISE THAT ENABLES THIS

- Plant and lab scale expertise in various chemistries
- Analytical capabilities with a sophisticated laboratory
- Synthesis and process chemistry capability and infrastructure
- Process safety labs

Business Segment Review

API & INTERMEDIATES

~44%

Share of overall revenue

54%

Export sales

89%

Business from regulated & semi-regulated markets

1,100 KL+

Multipurpose reactor capacity*

55

APIs commercialised since inception

50

US DMF approvals obtained across multiple therapeutic areas

31

CEP approvals in the European Union across multiple therapeutic areas

140+

Generic intermediates at R&D, pilot and commercial and commercial scales

**This capacity is common between API & Intermediates and CDMO/CMO business.*



BUSINESS OVERVIEW

We specialise in developing and manufacturing Highly Potent Active Pharmaceutical Ingredients (HPAPIs), meeting critical drugs demand used in oncology, corticosteroids, and cytotoxic medicines.

OUR EDGE

- **End-to-end integration:** We have backward integration for most APIs, ensuring control over the production value chain and high-quality intermediates.
- **Global accreditations:** We have local regulatory approvals across the US, EU, Japan, Korea, Mexico, Brazil and China, including USFDA-approved facilities, giving us an edge over the competition.
- **Preferred partner:** Our robust regulatory documentation and IPR support make us a preferred partner in regulated markets.

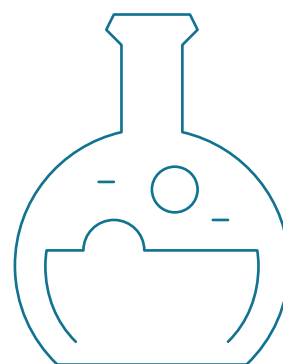


KEY HIGHLIGHTS FY 2024-25

- Recorded the highest-ever revenues, supported by sustained demand for products and full capacity operations at the recently added block five in the Tarapur API site
- Enhanced share from the regulated market aligned with our long-term focus
- 11 new APIs under development across R&D and validation stages
- 14 new intermediates under development across R&D and validation stages

WAY FORWARD

- Leverage our advantage as a preferred choice for customers for regulatory-compliant manufacturing and reducing China dependency
- Operationalise the under-development Atali facility alongside validation of batches to ensure a reliable supply of GMP-compliant intermediates



Business Segment Review

XANTHINE DERIVATIVES & ALLIED

~43%

Share of overall revenue

51%

Export sales

5,000 TPA

Operational capacity

9,000 TPA

Capacity after expansion

54%

Quantity sales to
beverage customers



BUSINESS OVERVIEW

We are India's largest manufacturer of Xanthine derivatives, including Caffeine, Theophylline Anhydrous, Aminophylline, Etophylline, and Theophylline. These compounds find application in beverages (cola and energy drinks), nutraceuticals, and the pharmaceutical industries. They are used as mild stimulants and bronchodilators, particularly in managing symptoms associated with Asthma or Influenza.

OUR EDGE

- **Market-leading position:** We hold 15-20% of the global Xanthine derivatives market and are the largest manufacturers, including caffeine, in India.
- **Large and growing capacity:** Our plants have a combined capacity of 5,000 MTPA, which is being expanded to 9,000 MTPA. With expanded capacity, we will rank amongst top 3 Xanthine derivatives manufacturers globally.
- **Secured supply chain:** Our minimal procurement dependence on China and integrated production aligns with the "China +1" strategy.



KEY HIGHLIGHTS FY 2024-25

- Delivered strong sales volumes despite competition headwinds from China, driven by long-term customer relationships, increasing volumes from existing customers and world-scale capacity
- Facilities operated at almost full utilisation, ensuring better cost and operational efficiency

WAY FORWARD

- With completion of capacity expansion, aim to address increasing customer demand and enhance market share from existing 15-20% to 20-25%
- Secure EU GMP CEP / USDMF certifications for the Tarapur Unit 3, to target a premium, regulated-oriented profile of customers



Business Segment Review

CDMO/CMO SERVICES

13%

Share of overall revenue

21

Customers

60

Active projects
(33 commercialised and 27
under development)*

* at customer's end



BUSINESS OVERVIEW

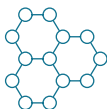
We are amongst the leading small molecule drug substance Contract Development and Manufacturing Organisations (CDMO/CMO) in India. We work with big pharma, innovators and biotech companies, functioning like their extended laboratory, providing scientific and project teams, accelerated development, and superior manufacturing capabilities.

OUR EDGE

- **One-Stop Shop:** Offering services ranging from synthetic route design to early clinical phase to commercial scale manufacturing, with robust regulatory support, thus becoming a one-stop shop for innovators and big pharma companies.
- **Chemistry Strength:** Proven capabilities in flow chemistry, biocatalysis reaction, cryogenic reaction, cynation and handling HPAPI and Cortico-steroid development.



Our long-term, phase-wise CDMO strategy



Phase I and 2

- Strategic engagement for long-term relationships
- Select molecule support



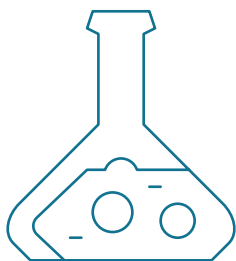
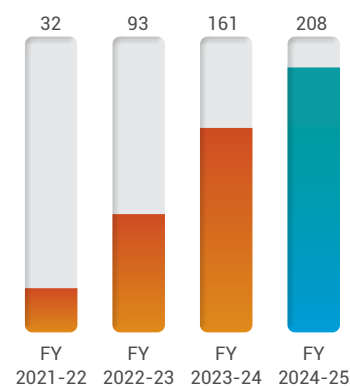
Phase 3 onwards

- Leveraging core manufacturing strength, including sustainable technology, processes and ESG integration to ensure reliable commercial-scale manufacturing
- Lifecycle management
- Consistent quality and supply assurance

KEY HIGHLIGHTS FY 2024-25

- Delivered strong growth, supported by the addition of five customers and 20 projects during the year
- Leveraged the new dedicated R&D centre to cater to growing customer projects

CDMO sales (₹ Crs)



WAY FORWARD

- Leverage strong manufacturing capability and global tailwind in the CDMO business to drive growth in the medium to long term
- Harness on-ground sales presence in the US and European Union regions to accelerate business development activities and partner with more innovators

Chairman's Message

DELIVERING VALUE WITH PURPOSE



“

Our future-focussed investments in capacity expansion and next-generation therapies are unlocking newer possibilities. The relationships we have nurtured are growing stronger, shaping our course ahead.

Dear Shareholders,

I am pleased to present to you the FY 2024-25 annual report of Aarti Pharmalabs. As I reflect on the year gone, I feel a deep sense of accomplishment. We have made exceptional progress on several fronts that resulted in excellent performance and reinforced the very foundation upon which we shape a better, value-accretive tomorrow.

At the heart of this progress are the relentless efforts by our team. Each year, they continue pushing boundaries to improve outcomes and make medicines more accessible, affordable and reliable. It is particularly striking to see how investments made in previous years are now delivering substantial returns. Our future-focussed investments in capacity expansion and next-generation therapies are unlocking newer possibilities. The relationships we have nurtured are growing stronger, shaping our course ahead. But we know that we have just scratched the surface, and a lot of ground needs to be covered.

I am equally proud of the value that we created for all stakeholders. Our community development outlay of ₹ 4.3 Crs benefited 71,000+ lives. As for our shareholders, a dividend of ₹ 5 per equity share was declared, resulting in a total outgo of ₹ 45 Crs.

A STABLE MACROECONOMIC CONTEXT

The fiscal 2024-25 was characterised by resilience amidst the rising geopolitical tensions and trade volatilities. Globally, the macroeconomic scenario was mostly stable, despite uneven recovery across geographies. While the US and select emerging economies demonstrated strength, those in the European and East Asian markets faced headwinds, resulting in a moderate 3.3% global GDP growth in 2024.

The Indian economy emerged as a bright spot yet again, supported by robust domestic demand, booming manufacturing and services sectors, and continued capex in infrastructure and digitalisation. These factors contributed to a healthy 6.5% GDP growth in FY 2024-25.

INDIA'S PHARMA MOMENT

The global pharmaceutical industry continued its growth trajectory in 2024. The spending on medicines during the year surged, driven by enhanced access to therapies, sustained demand for chronic and specialty



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treatments, and rapid progress in drug innovation. The industry also witnessed an interesting trend in the wider adoption of biosimilars and generics.

Having grown from strength to strength over the past decade, the Indian pharmaceutical industry was a notable outlier, demonstrating robust 8.4% growth in FY 2024-25. The nation's unique advantage lies in skilled, affordable talent, manufacturing excellence, and growing competencies in R&D and major therapies. This makes it a global hub for high-quality, low-cost medicines. The government's initiatives to spur innovation and promote local manufacturing, and the global supply chain shifts due to the China+1 strategy, are further benefiting the Indian players. This is reflected in the strong export performance, with growing traction across both regulated and semi-regulated markets.

THE BIG CONTRACT MANUFACTURING OPPORTUNITY

Perhaps one of the most interesting developments has been the significant uptick in the CDMO/CMO landscape. Globally, the pharmaceutical companies are increasingly focussing on an asset-light model by outsourcing manufacturing and concentrating their key competencies in innovation.

India is attractively positioned in this landscape for its ability to deliver cost-effective solutions, backed by a qualified talent pool and a favourable regulatory regime. Furthermore, the capability of Indian companies to address the growing preference for end-to-end service providers as strategic partners rather than mere service providers, places them competitively.

Several small and mid-sized Indian biotechs are progressing in tandem with global developments, while also making inroads in complex chemistries, new chemical/biological entities, and next-generation therapeutics.

APL AT THE FOREFRONT

Aarti Pharmed Labs has long been one of the frontrunners in the pharmaceutical space. Since commencing operations over two decades back, our ability to efficiently and reliably manufacture at scale while ensuring compliance has ensured that we remain differentiated. At the same time, we have continued to proactively invest in enhancing both capacity and capability ahead of time, including in advanced chemistries like hydrogenation, cryogenic reactions, flow chemistry, cyanation, and nucleotide handling.



Our growing competencies are evident in over 60 active CDMO/CMO projects that our innovator partners have entrusted us with, a significant proportion of which are now in phase III development.

These efforts have allowed us to handle more complex projects and enhanced our future-readiness to serve large pharma companies and innovators in regulated markets, making us their preferred CDMO/CMO partner. Our growing competencies are evident in over 60 active CDMO/CMO projects that our innovator partners have entrusted us with, a significant proportion of which are now in phase III development. Our ongoing expansion project at Atali, designed to supply GMP-compliant intermediates, will further enhance our ability to support global clients through commercialisation and beyond.

In addition to this, we are confident in the prospects for API & Intermediates segment. We bring the advantage of end-to-end integration, being a one-stop shop for RSM, KSM, GMP intermediates and API for global customers, with non-China dependency. For our customers, this means uninterrupted supplies with supply chain diversification and greater affordability, something that they deeply value.

In the Xanthine derivatives segment, we are among the leading players with 15-20% global market share. Through a focus on product stewardship and expanding our capacities, we aspire to enhance market share to 20-25% and rank in top 3 globally.

SUSTAINABILITY: MAKING EVERY MOLECULE COUNT

Sustainability at Aarti Pharmed Labs is not just about compliance; it is rather a core business aspect. It represents both responsibility and competitive edge that ensures creating lasting value.

Take, for example, our commitment to green chemistry through investments in sustainable processes and technologies. It not only reduces our environmental impact, but also contributes to business resilience through cost optimisation and productivity gains.

We have also made meaningful strides in decarbonisation. We commissioned a 21 MWp (DC) solar energy project at Akola, Maharashtra and signed up for another 9 MWp (DC) solar captive capacity for our Gujarat units. These projects combined are estimated to generate more than half of our current electricity requirement. We also commissioned solid multi-fuel boilers at two sites, which use bio-briquettes as a fuel and thus reducing fossil fuel requirements.

Our sustainability efforts earned us the prestigious EcoVadis Gold Rating, placing us among the top 5% globally. In another milestone, our GHG emission reduction targets covering all three scopes have been approved by SBTi. This makes us the sixth Indian Pharma CDMO player to achieve this comprehensive validation, reaffirming our dedication to responsible business practices.

STRONG FOUNDATIONS, BRIGHTER HORIZONS

As we look toward the future, we do so with greater confidence and conviction. The outlook for the global economy and the pharma industry remains positive.

As for India, robust demographic dividends, strong fundamentals, and positive policy, position the nation to become a global economic powerhouse over the next decade. The pharmaceutical sector stands to immensely benefit, given its inherent strengths. That said, there will be an urgency to sharpen its edge amidst rising competition. India must advance R&D capabilities to enhance its presence in the complex space and attain self-reliance in API and KSM to secure supply chains. While the PLI scheme has been a catalyst, more coordinated efforts by the government and industry players will be essential to achieve greater outcomes.

Aarti Pharmalabs will look to play a greater role. Our presence in India, scale and diversification give us a solid foundation. Our strong relationships with global customers assure repeat business and long-term contracts, ensuring not only growth but strengthening India's credibility as a global hub.

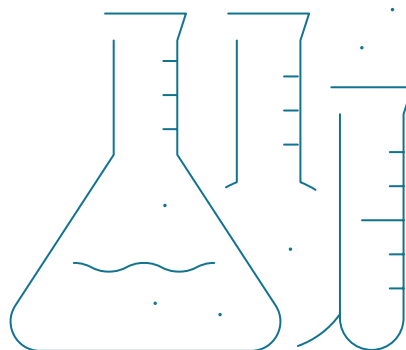
Lastly, I extend my gratitude to our customers and partners for choosing us and collaborating, so that we can achieve greater objectives together. I am thankful to our incredible team, who bring in the passion to work and drive excellence in everything they do to delight our customers and shape the future of healthcare. I also thank each of our valued shareholders for not just investing in a company, but in a mission. Your confidence in us inspires us to scale new heights.

Warm regards,

Rashesh Gogri
Chairman



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Managing Directors' Message

A YEAR OF EXECUTION, EXPANSION, AND ENDURING VALUE



Dear Shareholders,

It is a great pleasure to connect with you at the end of what has been a landmark year at Aarti Pharmalabs. FY 2024-25 was defined by best-ever financial performance across all businesses. Alongside this, we continued with long-term endeavours, including business expansion, widening portfolio and driving operational excellence that strengthens our competitive positioning. This performance reflects our team's hard work, the resilience of our business model, and our focus on purposeful growth since the demerger.

We are pleased of how the Company is shaping up in the global pharmaceutical landscape, harnessing advanced chemistry to catalyse a healthier tomorrow and win customers' trust.

SEIZING MOMENTUM AMIDST INDUSTRY TAILWINDS

The developments in pharmaceutical industry during FY 2024-25 were quite positive, driven by new advancements in science & technology transforming

disease treatment and healthcare outcomes. In addition, faster innovation cycles and stricter regulatory standards are compelling innovators and leading pharmaceutical companies to pursue ambitious product investments. They are also increasingly turning to contract services to accelerate speed to market and ensure efficient manufacturing.

As a long-time player with established competencies, process expertise and sustainable technologies, Aarti Pharmalabs remained at the forefront of opportunities. Our long-term partnership with the global giants and our dominant position in India enabled us to respond swiftly and effectively. Through ongoing engagements and collaborations with customers, we seized the healthy demand across all businesses, particularly in regulated markets and complex chemistries.

DELIVERING ALL-ROUND PERFORMANCE

Our efforts resulted in a strong all-round performance. We closed FY 2024-25 with a 14.3% increase in operational revenue to ₹ 2,115 Crs, driven by contributions across geographies and business segments. Profitability growth

was stronger, reflecting the strength of our operating leverage, process improvements and efficiency measures. EBITDA increased by 20% to ₹ 464 Crs, with a 112 basis points increase in margins to 20.84%. Profit after Tax was up 26% to ₹ 272 Crs, with a margin of 11.71%, a 117 basis points increase over the previous year.

Exports accounted for 52% of our total revenue, supported by sustained demand from key markets of the US, EU, and Japan. This is a testament to our high standards of quality and regulatory readiness.

In the Xanthine Derivatives segment, despite pricing pressure, we reinforced our market-leading position driven by long-term customer relationships and world-scale capacity. This segment contributed 43.5% of FY 2024-25 revenue.

The API & Intermediate business recorded highest ever sales, registering ~30% growth during the year and contributing to 43.6% of the revenue. The growth was driven by the regulated market and export-oriented business, aligned with our long-term strategy and focus on high-value offerings. We enhanced our global IPRs to 31 CEPs and 50 USDMFs, in addition to the multiple DMFs held in countries like Brazil, China, and Russia. Our portfolio now includes 55 commercialised and 11 under-development APIs, covering lifestyle therapeutics like anti-cancer, antihypertension, anti-asthma, and anti-diabetic treatments, among others.

The CDMO/CMO segment grew by 29% and accounted for 12.9% of the turnover. Our new dedicated R&D centre, equipped with advanced technologies and modern equipment, helped cater for the surge in customer projects. Additionally, the completion of the new semi-commercial block at our USFDA intermediate manufacturing site in Vapi proved pivotal in scaling operational excellence. It bridged the gap between small and medium batch sizes, enabling us to deliver gram-scale to tonne-scale offerings that meet our customers' needs.

We are currently working with 21 customers across 60 active projects (27 under development), as against 16 customers and 40 projects in the previous year. Encouragingly, over three-quarters of FY 2024-25 CDMO sales came from Phase-III and commercial projects, highlighting our strong foothold in late-stage development and providing visibility of sustained revenue.



Our efforts resulted in a strong all-round performance. We closed FY 2024-25 with a 14.3% increase in operational revenue to ₹ 2,115 Crs, driven by broad-based contributions across geographies and business segments.

EXECUTING STRATEGIC GROWTH WITH CONVICTION

Guided by our long-term vision and value creation efforts, we had embarked on an ambitious expansion programme in the previous year, which is now in the final stages of completion.

Our brownfield, debottlenecking project to enhance Xanthine capacity from 5,000 to 9,000 MTPA is progressing as planned, with phased commissioning estimated in H2 FY 2025-26. We have completed the filings for USDMFs and CEP, a critical step in strengthening our regulatory credentials. This will help us shift toward more regulated, high-value markets, reducing dependency on volatile spot sales and building a more predictable, long-term customer base for sustained growth.

The 450+ KL greenfield Atali plant in Gujarat is nearing mechanical completion. The multipurpose plant will operationalise in phases, with full ramp-up expected by the end of FY 2025-26 following GMP qualification intermediates.



We are delighted to share that CRISIL upgraded our credit rating to CRISIL AA-/Stable, recognising our improved risk profile and strong financial profile despite large working capital requirements and capex plans.

STRONGER FINANCIAL FOUNDATION

A total capex of ₹ 391 Crs was invested in FY 2024-25 towards the strategic growth projects. Despite this, prudent capital allocation helped us maintain a healthy balance sheet position. Our net operating cash flow was strong at ₹ 332 Crs, and our net debt to equity remained conservative at 0.19 as of March 31, 2025. This provides us with financial flexibility to reinvest in capacity expansion and R&D.

We are delighted to share that CRISIL upgraded our credit rating to CRISIL AA-/Stable, recognising our improved risk profile and strong financial profile despite large working capital requirements and capex plans. It reaffirms our established market position and the resilience to sustain profitability and liquidity, amid raw material volatility, regulatory and liquidity risks.

A BETTER, HEALTHIER TOMORROW

Headed into FY 2025-26, a positive industry outlook gives us confidence to build on our growth momentum. Our strong portfolio, long-term customer relationships and repeat orders remain key drivers of stability and growth.

Our immediate focus is on timely completion and ramp-up of expansion projects, along with sustained R&D investments, especially to expand the API & Intermediate pipeline, with a focus on molecules nearing patent expiry. An estimated capex of ₹ 400-450 Crs will support these growth priorities.

We expect EBITDA growth of ~12% to 15% in FY 2025-26, supported by an increase in contribution from higher margin products, improved process efficiencies and volume growth.

In closing, we express my gratitude to all our investors for believing in our growth journey and to all stakeholders for their outstanding contribution. We have come a long way since the demerger, and yet this is just the beginning. With our strong fundamentals and clear growth roadmap, we remain committed to creating long-term value for each of you.

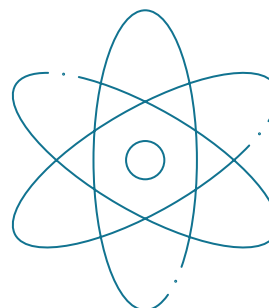
Warm Regards,

Hetal Gogri Gala

Vice Chairperson & Managing Director

Narendra J. Salvi

Managing Director





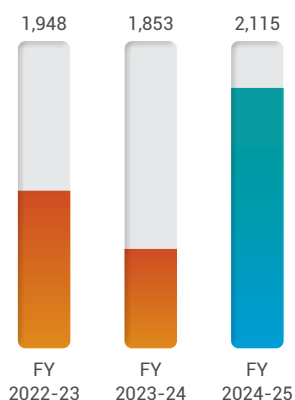
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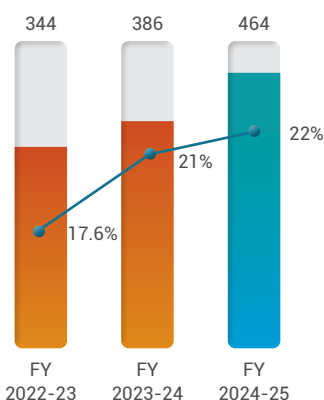
Performance Highlights

TRAJECTORY OF SUSTAINED PURPOSEFUL GROWTH SINCE DEMERGER

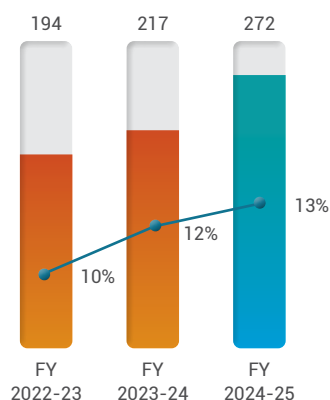
Revenue (₹ in Crs)



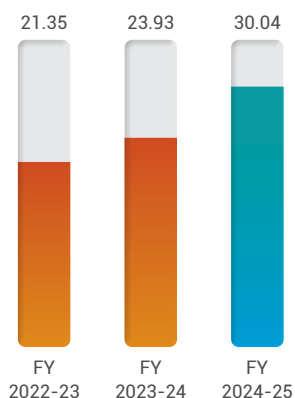
EBITDA (₹ in Crs) & EBITDA margin (%)



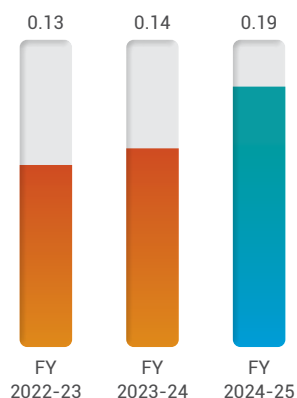
PAT (₹ in Crs) & PAT margin (%)



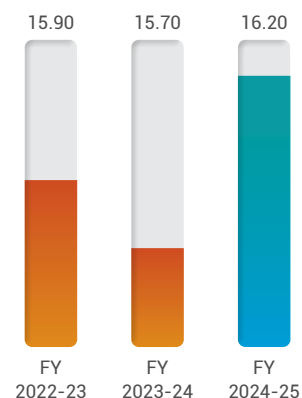
EPS (₹)



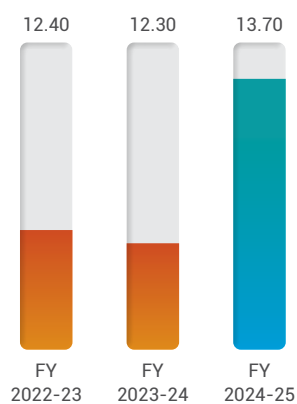
Net Debt to Equity



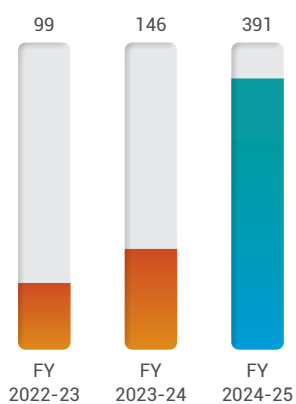
ROCE (%)



ROE (%)

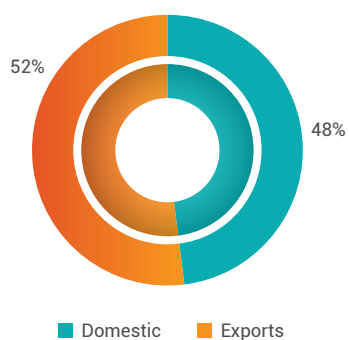


Capex* (₹ in Crs)

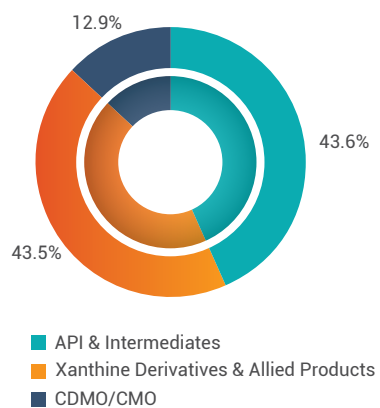


* does not include intangible assets

Revenue mix region-wise (%)



Revenue mix segment-wise (%)



Environmental, Social and Governance (ESG)

INTEGRATED APPROACH TO ESG

Our integrated ESG approach ensures commitment to responsible corporate citizenship and sustainable development and drives long-term value creation and organisational resilience. We have embedded it across all organisational levels, from Board oversight to operational execution, ensuring integration of environmental, social, and ethical considerations into strategic decisions.

SUSTAINABILITY FRAMEWORK, GOVERNANCE AND OVERSIGHT

Our robust sustainability governance framework ensures systematic ESG decision-making, aligned with long-term corporate goals. It outlines responsibilities across the Board, the Sustainability Department, and functional leadership teams. This multi-tiered system facilitates coordinated action, ensures alignment with international benchmarks, and enables integration of ESG goals into operational and strategic planning.

In FY 2024-25, we institutionalised the framework, allowing for seamless tracking of climate targets, stakeholder engagement outcomes, and ESG disclosures.

Board responsibility

Our Board oversees sustainability aspects. We have a highly experienced and diverse Board, whose combined perspectives strengthen corporate direction and ensure integration of ESG priorities across functions.

The Board's Risk Management Committee (RMC) monitors ESG-related risks and opportunities. It evaluates the implications of climate change, regulatory trends, and stakeholder expectations, ensuring responsive and future-ready risk controls.

Sustainability department

The Board is supported by the Sustainability Department, which leads the development and execution of ESG initiatives. It collaborates with other Board Committees and business functions to identify ESG risks and opportunities, develop mitigation strategies, and drive effective implementation.

In FY 2024-25, the department focussed on the most significant strategic and operational areas, enabling effective oversight of sustainability performance, including safety, environmental impact, climate-related concerns, and ethical supply chain practices. It also assisted in tracking ESG performance and periodic reviews for improvement.



STAKEHOLDER ENGAGEMENT

We maintain structured and transparent engagement with stakeholders to align sustainable growth with their expectations. Through surveys, consultations, disclosures, and partnerships, we capture emerging concerns and embed them into strategic planning and operational improvements to build mutual value.

[Read more in page 131](#)

MANAGING MATERIAL TOPICS

We regularly identify and review material topics that are most significant to our stakeholders and our long-term success. These topics are determined through a structured assessment process, and linked to specific performance metrics, risk controls, and continuous improvement initiatives. This helps deliver value across financial, environmental, and social dimensions.

COLLABORATIVE EFFORTS AND INDUSTRY PARTNERSHIPS

We actively collaborate with international agencies, government and regulatory bodies to advance sustainability efforts. This helps address complex ESG challenges, shape policy frameworks and stay aligned to and contribute to global best practices.

KEY COLLABORATIONS



United Nations Global Compact

Covering human rights, labour, environment, and anti-corruption



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Science Based Targets Initiative (SBTi)

SBTi validated greenhouse gas (GHG) reduction targets



Pharmaceutical Supply Chain Initiative (PSCI)

ESG audits and supplier development programmes

GOALS AND TARGETS

We have established quantifiable goals, including near-term targets for ESG material topics and long-term targets to achieve Net Zero emissions. In alignment with global climate action frameworks, we have committed to the Science Based Targets initiative (SBTi) for greenhouse gas emissions reduction, with both near-term (5–10 years) and long-term targets validated in FY 2024–25.

Net-Zero Target

Achieve net-zero greenhouse gas emissions across the value chain by FY 2049–50

Near-Term Targets

(by FY 2029–30, baseline FY 2023–24)

- **Scope 1 and 2:** Reduce absolute GHG emissions by 37.8%
- **Scope 3:** Reduce absolute GHG emissions by 22.5%

Long-Term Targets

(by FY 2049–50, baseline FY 2023–24)

- **Scope 1 and 2:** Reduce absolute GHG emissions 90%
- **Scope 3:** Reduce absolute GHG emissions by 90%

ESG ACHIEVEMENTS



Gold rating in the EcoVadis Sustainability Assessment (Score: 77 out of 100; 96th percentile global ranking)



B- for Climate Change
B- for Water Security
C for Forests

Environmental

ADVANCING GREEN CHEMISTRY AND SUSTAINABLE SCIENCE

Environmental responsibility is embedded in our purpose and practices, recognising its importance in safeguarding the planet and the health and well-being of future generations. We adopt a proactive, science-led environment approach. Through our investments in green chemistry, circularity and product stewardship, we are reducing our environmental footprint and enhancing resource efficiency. We ensure a cleaner, more resilient future, aligned with our long-term vision and global ambitions.

SUSTAINABLE MANUFACTURING PROCESSES

We are increasingly adopting green chemistry principles and sustainable manufacturing processes to minimise the impact of operations. Some of the efforts undertaken include:

Effective waste management

We have implemented targeted waste reduction initiatives, including process optimisation, recycling, and the recovery of solvents and other reusable materials. We have established a well-defined roadmap to continually reduce waste generation by upgrading to advanced waste management systems and introducing continuous process improvements across all sites.

Optimising energy consumption

We have adopted energy-efficient technologies and are actively integrating renewable energy sources to reduce energy consumption in operations. We have further deployed highly efficient motors & drives and smart IoT-based interlocks to minimise energy losses and improve overall process efficiency.

Striving for water positivity

We have undertaken strong measures to reduce water consumption and prevent pollution, ensuring our operations are compliant with stringent regulatory standards. We sensitise employees and have upgraded processes to reduce water consumption. All manufacturing facilities are equipped with Zero Liquid Discharge (ZLD) systems, which enable the recycling and reuse of water within processes.

CARBON FOOTPRINT REDUCTION

We are cognizant of our responsibility to contribute to climate mitigation by reducing operational emissions. The following measures undertaken have helped reduce our emissions:

Assessing product impact

We are actively focussed on product sustainability. Focussed on this, we have conducted Lifecycle Assessments (LCA) for key offerings. These insights have helped identify high-emission stages within the product lifecycle and inform strategies to reduce the carbon intensity of manufacturing processes.

Greening our power mix

We are actively investing in renewable energy across our operations to reduce our carbon footprint. During the year, we successfully commissioned a 21 MWp (DC) solar power plant in Akola, which has begun supplying renewable electricity to the Tarapur manufacturing cluster. Efforts are underway to extend the supply from this plant to the remaining facilities in Maharashtra. Furthermore, the installation of 9 MWp (DC) off-site solar energy systems to power our manufacturing units in Gujarat is underway and scheduled for completion in FY 2025-26. Together, these projects will generate more than half of our total electricity requirement, and are expected to play a significant role in advancing our decarbonisation strategy.



PRODUCT STEWARDSHIP

Research and development (R&D) is a strategic lever for long-term sustainability. We continue to make investments in developing cleaner, more efficient, and environmentally responsible manufacturing technologies. Our R&D teams are also working on sustainable process developments using greener solvents, catalysts, and reaction pathways to reduce waste and emissions.



RESPONSIBLE RAW MATERIAL SOURCING

Raw material selection significantly impacts the sustainability profile of pharmaceutical products, from extraction and processing to logistics. Focussed on this, we are working with suppliers to source materials in a way that minimises ecological impact. We prioritise vendors that adhere to environmental standards, support biodiversity conservation, and promote circular economy practices. Regular supplier assessments, audits, and alignment with green procurement policies ensure that environmental performance is upheld throughout the supply chain.

Additionally, we are exploring the use of bio-based and renewable feedstocks where feasible, aiming to replace high-impact synthetic inputs without compromising product quality or safety. This effort complements our broader commitment to environmental stewardship and sustainable innovation.

Social – Employees

PEOPLE FIRST, PROGRESS ALWAYS

Our business is highly technical in nature, with significant competition. A skilled, engaged, and motivated workforce is therefore indispensable to driving innovation, achieving operational excellence and sustaining long-term growth. We emphasise employee welfare and professional development to foster a productive, safe, and inclusive workplace.



BUILDING A SKILLED, FUTURE-READY WORKFORCE

We make significant investments in training and development to support career growth and capability building. A structured programme has been implemented to increase the average training hours per employee, with a focus on both technical and behavioural competencies. We have also invested in the digitisation of training and development platforms, aiming to increase access to skill enhancement and support professional growth across its workforce.

To enhance accessibility and trackability, we are in the process of launching a digitised learning platform that will centralise training modules and support continuous learning for all employees.

PRIORITISING SAFETY AND WELL-BEING

We are committed to achieving a zero-incidence goal, and have implemented comprehensive protocols that minimise occupational hazards and ensure a secure working environment. Through eliminating open handling of hazardous substances and using advanced powder handling technologies, we have significantly reduced workplace incidents across facilities and improved on-site safety performance. Additionally, we conduct regular meetings, awareness sessions and training programmes to strengthen safety culture and prevent incidents.



PROMOTING A DIVERSE AND INCLUSIVE WORKFORCE

We promote a workplace where all employees are treated with respect and have equal opportunities to succeed. Through conducive policies such as for Prevention of Sexual Harassment (POSH) and maternity, and various supportive initiatives, including flexible timings and work-personal life management, we encourage women's participation across various roles and leadership positions. These efforts have significantly increased women's representation to 5.90% in FY 2024-25.



LABOUR PRACTICES AND WORKFORCE WELL-BEING

We are committed to upholding high standards of human rights and labour policies and practices across our operations. Rooted in dignity, equity, and legal compliance, the practices ensure a safe, respectful, and inclusive working environment for all employees. We ensure strict adherence to these principles, supported by the Works Council and a robust grievance redressal mechanism. Our HR policies reflect adherence to national labour laws and international labour conventions, covering fair wages, non-discrimination, safe working conditions, and freedom of association.

Social – Suppliers

ETHICAL SOURCING AND SUPPLY CHAIN MANAGEMENT

The pharmaceutical sector involves the manufacture of regulatory-compliant products, with the raw material supply chain often global and complex. We have therefore implemented robust policies and processes to ensure all elements of our supply chain practices adhere to the highest ethical, social, and environmental standards. This ensures efficiency and resilience across the supply chain.

We have institutionalised supplier assessments to evaluate compliance with labour rights, human rights, environmental performance, and ethical business conduct. We have laid the foundation for a comprehensive, sustainable supplier programme, designed to promote transparency, accountability, and alignment with our ethical standards across all supplier relationships.

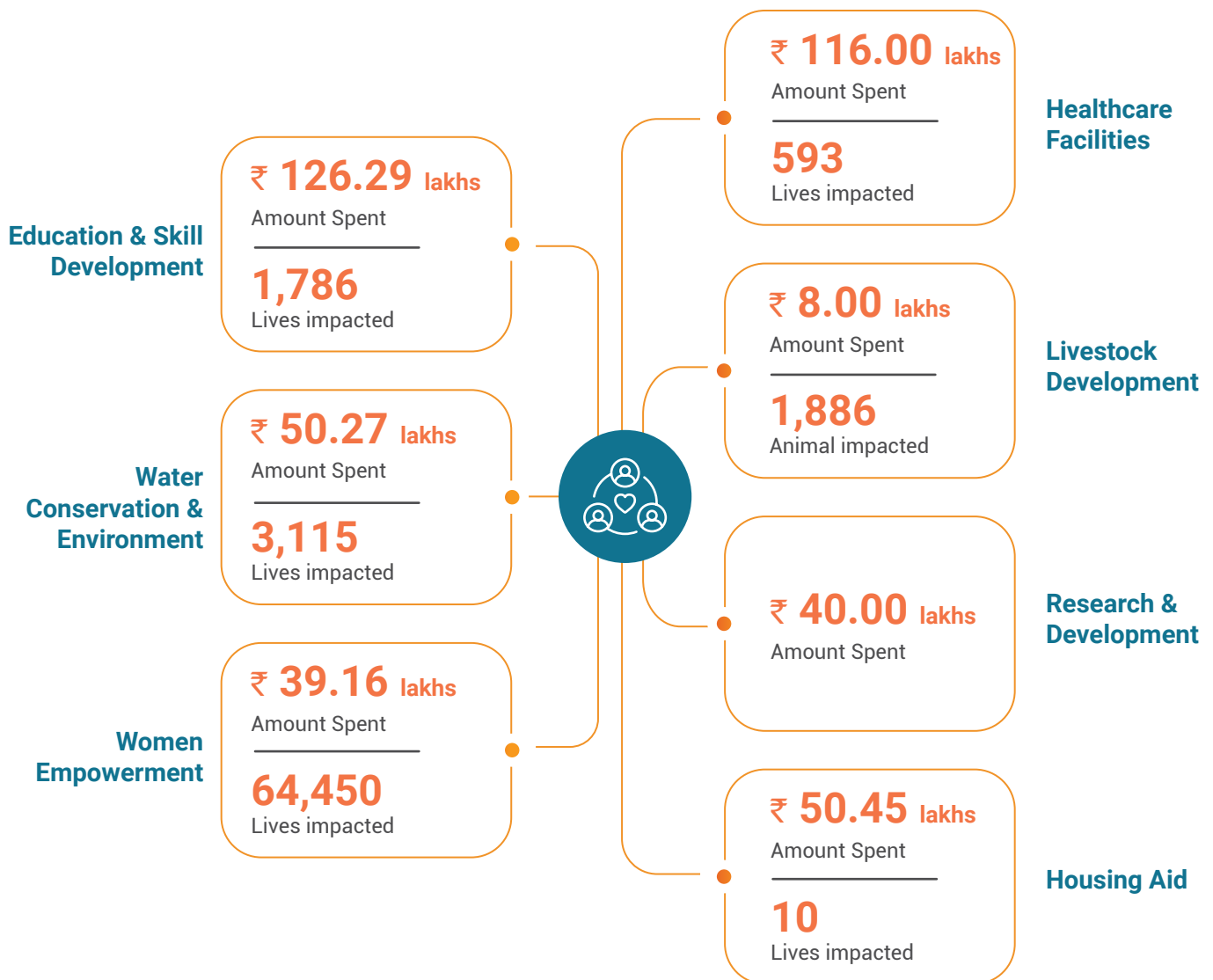
Further supporting ethical commitments, we have entered fair trade arrangements with key raw material suppliers. These agreements are aimed at fostering long-term partnerships that respect the livelihoods of producers and support the development of local communities. Through these efforts, we are reinforcing responsible sourcing as a cornerstone of our broader sustainability strategy.





SOCIAL – COMMUNITIES

Our commitment to social responsibility is an extension of our belief in equitable growth, ethical practices, and corporate accountability. Our CSR strategy is designed to address the pressing needs of the communities, while aligning with our business values of Care, Integrity, and Excellence. Through focussed interventions in education, healthcare, water conservation, women empowerment, and community development, we are driving sustainable and inclusive transformation.



EDUCATION AND SKILL DEVELOPMENT

Education is a key pillar of our CSR approach, aimed at fostering long-term social and economic empowerment. During the year, we supported numerous projects that enhanced infrastructure, provided scholarships, and promoted digital and inclusive education. These interventions aimed to bridge the education gap for marginalised groups and build a future-ready, skilled generation.

Institutions	Place	People Benefited	Amount Spent (₹ in lakhs)
Sushil Trust	Khadir	260	2.00
Lokhit Media Sangh	Palghar	242	4.00
Swapath Trust	Dang, Gujarat	25	7.29
Shri KVO Jain Mahajan Mumbai	Mumbai	217	13.00
Yusuf Meherally Centre	Kutch	863	22.50
Dev Mogra Foundation	Palghar	80	1.50
Lions Club of Bombay Uptown	Igatpuri	29	2.00
Shree Datta Shikshan Sansthan	Dalvatne, Dist. Ratnagiri	70	4.00
Vallabh Vidhyalaya	Mundra, Kutch	N.A.	70.00
Total		1786	126.29

Education Welfare, Palghar, Maharashtra

APL has supported Lokhit Media Sangh in their desk bag distribution initiative, which aims to provide essential educational resources to children in Palghar, a region known for its rural population and limited access to formal education infrastructure. A total of 242 desk bags were distributed across the Palghar region, with a primary focus on Anganwadi centres and children in rural areas where access to educational tools is often scarce.

Infrastructure Development, Maharashtra

APL, through different partners, has contributed to build and improve infrastructure of educational institutions in different parts of Maharashtra. We extended support to the Lions Club of Bombay Uptown for the reconstruction of a dilapidated school building at Zilla Parishad School, located in Bhandardarawadi, Igatpuri.

- Reconstruction of school building with 9 classrooms across grades 1 to 7
- Separate boys and girls toilet, dedicated computer room and headmaster's office
- Directly impacted 260 students, resulting in an improved gender ratio of 60% girls

Further, we provided support to institutions in Ratnagiri & Palghar in Maharashtra towards developmental programmes like nursing training for tribal region, creation of e-learning classes, construction of proper sanitation facilities for girls. These steps towards infrastructural enhancement would be enablers towards quality education in remote areas.

VALLABH VIDHALAYA

Vallabh Vidhalaya was established more than a decade back in Mundra, Gujarat with our support with a vision to provide quality education to local children. This school is managed by Yusuf Meherally Centre, Kutch and has two mediums of instruction. The Hindi medium has 603 students distributed across grades 1 to 9. The English medium, with grades till the primary section, has 140 students.

Impact

Most of the salt pan workers & fishermen keep migrating, and therefore their children are not enrolled in schools. Therefore, with an objective to impart primary education to the children of the fisherman and salt pan workers, an initiative was launched. In this unique initiative, the teachers visit the salt pan areas and the settlements of the fishermen. These teachers conduct classes in temporary structures, called Sagar Shalas.



Mundra, Kutch, Gujarat

863

No. of Lives Impacted

₹ 22.50 lakhs

Amount Spent



ADVANCING HEALTHCARE ACCESS AND INFRASTRUCTURE

As part of our community well-being focus, we undertook several healthcare-focussed initiatives to improve the overall quality of medical services while enhancing accessibility and affordability. These efforts are specially targeted at underprivileged communities.

Institutions	Place	People Benefited	Amount Spent (₹ in lakhs)
MI Mumbai Abhiyan Abhiman Pratishthan Trust	Sion, Mumbai	104	5.00
Shree Dombivli Manav Kalyan Kendra	Dombivli	155	5.00
Shree Shantinath Educational Medical Research & Charitable Trust	Powai, Mumbai	300	30.00
Tirthankar Mahavir Jain Hospital	Nalanda, Bihar	N.A.	65.00
Shree KVO Jain Mahajan Mumbai	Sion, Mumbai	34	11.00
Total		593	116.00

Medical Centre Renovation (SSEMRC Trust, Mumbai, Maharashtra)

We aided the renovation of Shree Shantinath Educational Medical Research Center (SSEMRC) medical building. It provides expert care in several medical fields and offers services at significantly lower prices than others, with special discounts / free treatment available for the extremely poor.

- Renovation includes addition of various facilities spanning across pathology, ophthalmology, orthopaedics, dentistry etc.
- Present Capacity: 25 doctors, 5 staff members, and serving 100 patients daily.
- Post Expansion Capacity: Expecting to have over 60 doctors, 5 nurses, 12 support staff, and serve 250-300 patients daily.

CASE STUDY

TIRTHANKAR MAHAVEER JAIN HOSPITAL

APL has contributed towards construction of a 300+ bedded hospital in Nalanda, Bihar, spread over 85,000 sq. ft. area. This modern healthcare facility will be equipped with advanced medical equipment and technology to provide top-quality healthcare services, including surgeries, critical patient care, medical imaging machines, and advanced pathology. It is planned to have mobile units for reaching remote areas, transportation for elderly patients through electric vehicles and regular health and awareness camps. With this hospital, our mission is to provide quality medical services at affordable prices, ensuring that everyone has access to the healthcare they need.



Nalanda, Bihar

300+

No. of Lives Impacted

₹ 22.50 lakhs

Amount Spent



EMPOWERING WOMEN, ENABLING LIVELIHOODS

We undertake targeted initiatives to empower women and drive inclusive development, particularly in rural and tribal communities. These efforts covered areas like education and skill-building to support their financial freedom and enable their contribution to economic progress and community leadership.

Details	Place	People Benefited	Amount Spent (₹ in lakhs)
Salwad Gram Panchayat	Salwad, Maharashtra	NA	14.16
Tribal Integrated Development & Education Trust	Assam	64,450	25.00
Total		64,450	39.16

In FY 2024-25, we helped construct a Multi-purpose Community Hall in Salwad village, creating a functional space for Self-Help Groups (SHGs) to undertake training, awareness programmes, and cultural activities.

We also partnered with Tribal Integrated Development & Education Trust in Assam to support livelihood programmes focussed on sustainable agriculture. These included kitchen gardens, micronutrient enhancement, and mushroom farming, benefiting 7,000 women, of whom 2,000 have started earning a regular income.



SECURING NATURAL RESOURCES, SUSTAINING ECOSYSTEMS

Our water conservation and environmental sustainability efforts are focussed on securing resources, preserving biodiversity and ecological balance, and strengthening climate resilience. Focussed on this, we undertook efforts to enhance green cover and support biodiversity.

Details	Place	People Benefited	Amount Spent (₹ in lakhs)
Plantation Officer Social Forestry Range	Thane & Kalyan	N.A.	0.65
Shiv Enterprises	Kirat, Palghar	N.A.	4.83
Samast Mahajan	Nana Bhadiya, Kutch	2,160	3.50
Shree Siddhivinayak Sevabhavi Sanstha	Beed	955	41.28
Total		3,115	50.27

CASE STUDY

SHREE SIDDHIVINAYAK SEVABHAVI SANSTHA

We have provided support for the construction of a check dam in Kanherwadi, located in Pardi Taluka of Beed district, Maharashtra. This check dam, which stores a total of 900 metres of water, has directly benefited around 250 farmers and 549 farming households by significantly improving the availability of water for irrigation. The increased water flow has enabled better agricultural productivity in the area. Additionally, we have extended our support to the Jayakwadi/Kalwa Dam canal desilting mega project. This project aims to clear silt buildup in the canal systems, which improves the water flow and distribution. As a result of this project, approximately 4,000 farmers have benefited due to the enhanced water supply, enabling them to increase their agricultural output and better support their farming activities.



Beed, Maharashtra

4,000

No. of Lives Impacted

₹ 41.3 lakhs

Amount Spent



BIODIVERSITY PROTECTION

To preserve the regional flora and fauna, we extended support to the Resqink Association for Wildlife Welfare (RAWW) for the rescue and rehabilitation of wild animals.

CASE STUDY

RAWW

We have made a contribution to the Resqink Association for Wildlife Welfare (RAWW) to further support their vital work in the rescue, treatment, and rehabilitation of injured, orphaned, and distressed wildlife. RAWW plays a crucial role in the preservation of biodiversity by responding to emergency situations, providing immediate medical care, and ensuring that animals are rehabilitated in a safe environment. Our contribution has significantly assisted in their efforts, helping to rescue, treat, and rehabilitate many animals and birds.



1,886

Animals Benefited

₹ 5 lakhs

Amount Spent

HOUSING AID AND SOCIAL SECURITY

We extended financial support to 10 deserving urban youth from low-income backgrounds to secure housing. The selection was conducted via a rigorous application and interview process through Shri K.V.O. Jain Mahajan. This programme promotes stability and dignity by offering essential housing support as a foundation for livelihood improvement.

₹ 50.45 lakhs

Financial support provided for houses

10 families

Impacted

RESEARCH & DEVELOPMENT FOR SOCIETAL IMPACT

We support R&D efforts focussed on environmental innovation, including sustainable production that benefits both society and industry. In FY 2024-25, we supported CSIR-NCL Pune's 'Living Lab' project focussed on decarbonising the Indian pharma and specialty chemical sector. The initiative aims to promote:

- Continuous manufacturing and process intensification
- Solvent-minimised production and recycling technologies
- Creation of a skilled green workforce

The initiative will help the sector advance sustainability efforts and create skilled workforce.

₹ 40 lakhs

Support R&D focussed on sustainable production methodologies

Governance

STRONG CORPORATE GOVERNANCE AND ETHICAL PRACTICES

Strong corporate governance is the foundation of our commitment to ethical conduct, sustainable development, and long-term value creation.

A robust governance structure ensures transparency, accountability, and the strategic integration of ESG priorities into business operations.

We recognise that responsible governance not only drives regulatory compliance but also ensures that sustainability becomes a shared value across the organisation.



BOARD GOVERNANCE AND OVERSIGHT

APL's governance framework is overseen by a diverse and experienced Board of Directors that provides strategic guidance and leadership in embedding ESG principles into corporate strategy. The Board regularly monitors progress on sustainability goals and ensures ESG matters are addressed at the highest level.

To strengthen ESG integration, the company has established monthly review meetings between senior management and key internal stakeholders. These meetings are designed to monitor ESG KPIs, track implementation progress, and guide decision-making. The Board also leverages its sub-committees to oversee ESG performance, risk mitigation, compliance, and alignment with global standards.

RISK MANAGEMENT MECHANISM

Our comprehensive enterprise risk management (ERM) framework safeguards the business from various internal and external risks. The function has the Board's RMC at the helm, which devises and executes mitigation plans. To ensure long-term resilience, we have also embedded ESG considerations into our ERM system. The framework includes periodic ESG risk assessments across all operational sites, covering areas such as climate change, water availability, employee safety, supply chain disruption, and regulatory compliance. This informs risk mitigation strategies and enhances decision-making.

COMPLIANCE AND ETHICAL CONDUCT

APL maintains an uncompromising stance on compliance and ethics, upholding all legal, regulatory, and voluntary commitments across jurisdictions. This is guided by a comprehensive set of policies and a formal Code of Conduct, applicable to all employees and directors. These frameworks embody our core values: Care, Integrity, and Excellence, and guide behaviour across all business activities.

Policies such as the Code of Business Ethics, Anti-Bribery and Corruption Policy, and Whistleblower Policy ensure compliance, transparency, and ethical governance. Our Code of Conduct sets clear ethical standards for all employees, partners, and vendors. The whistleblower policy ensures protection for employees raising ethical concerns.

100% of our employees and Key Managerial Personnel (KMPs) completed Code of Conduct training, and strictly adhere to it. Our Directors and Senior Management reaffirm their commitment to these standards annually, reinforcing accountability at the highest level.

How we ensured a culture of transparency and trust in FY 2024-25

Zero

Whistleblower cases reported

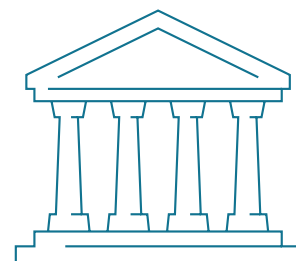
Zero

Instances of fines or violations of policies relating to bribery, fraud or non-adherence to Code

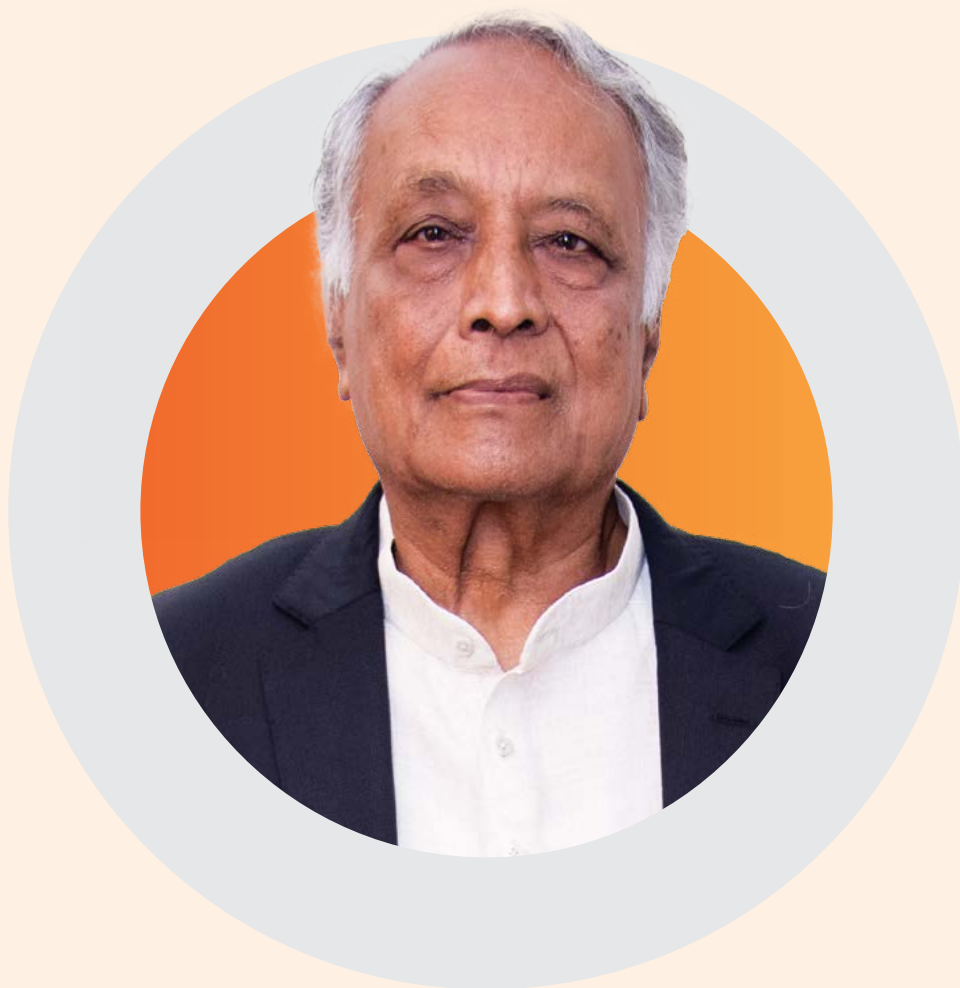


KEY GOVERNANCE POLICIES

- Code of Ethical Conduct
- Vigil Mechanism Policy
- Risk Management Policy
- Supplier Code of Conduct
- Responsible Procurement Policy
- Anti-Bribery and Corruption Policy
- Whistleblower Policy
- Environment Policy
- Occupational Health and Safety Policy
- Sustainability Policy
- Prevention of Sexual Harassment (PoSH) Policy



CHAIRMAN EMERITUS



SHRI CHANDRAKANT V. GOGRI

Shri Chandrakant V. Gogri is the founder of Aarti Industries Limited. He holds a degree in Chemical Engineering from the Institute of Chemical Technology (ICT), formerly known as the University Department of Chemical Technology (UDCT). With unparalleled expertise in chemical industry projects, operations, process development, and marketing, Shri Gogri played a pivotal role in guiding the Aarti Group through a crucial expansion period, thanks to his exceptional financial acumen.

In recognition of his significant contributions to the Indian chemical industry, Shri Chandrakant V. Gogri was awarded the prestigious Lala Shriram National Award for Leadership in the Chemical Industry in 2015 and the ICC's D.M. Trivedi Lifetime Achievement Award in 2019. In 2022, he received the Lifetime Contribution Award at the Chemical and Petrochemical Awards by FICCI and the Lifetime Achievement Award from the Gujarat Dyestuff Manufacturers' Association (GDMA).

BOARD OF DIRECTORS



Shri Rashesh C. Gogri
Chairman
(Non-Executive Director)



Smt. Hetal Gogri Gala
Vice Chairperson and
Managing Director



Shri Narendra J. Salvi
Managing Director



Shri Rajendra V. Gogri
Non-Executive Director



Shri Parimal H. Desai
Non-Executive Director



Smt. Nehal Garewal
Non-Executive Director



Shri Bhavesh R. Vora
Independent Director



Shri Vinay G. Nayak
Independent Director



Shri Vilas G. Gaikar
Independent Director



Smt. Jeenal K. Savla
Independent Director



Smt. Rupal A. Vora
Independent Director



Shri Pradeep H. Thakur
Independent Director

CORPORATE INFORMATION

CHAIRMAN EMERITUS

Shri Chandrakant V. Gogri

CHAIRMAN (NON-EXECUTIVE DIRECTOR)

Shri Rashesh C. Gogri

VICE CHAIRPERSON AND MANAGING DIRECTOR

Smt. Hetal Gogri Gala

MANAGING DIRECTOR

Shri Narendra J. Salvi

NON-EXECUTIVE DIRECTORS

Shri Rajendra V. Gogri

Shri Parimal H. Desai

Smt. Nehal Garewal

INDEPENDENT DIRECTORS

Shri Bhavesh R. Vora

Shri Vinay G. Nayak

Shri Vilas G. Gaikar

Smt. Jeenal K. Savla

Smt. Rupal A. Vora

Shri Pradeep H. Thakur

KEY MANAGERIAL PERSONNEL**COMPANY SECRETARY**

Shri Jeevan B. Mondkar
(w.e.f. December 13, 2024)

Shri Nikhil Natu
(till October 30, 2024)

CHIEF FINANCIAL OFFICER

Shri Piyush P. Lakhani

STATUTORY AUDITORS

Gokhale & Sathe
Chartered Accountant

SECRETARIAL AUDITOR

Sunil M Dedhia & Co.
Practicing Company Secretary

COST AUDITOR

Ketki D. Visariya & Co.
Cost Accountants

REGISTRAR & TRANSFER AGENT

MUFG INTIME INDIA PRIVATE LIMITED
(Formerly Link Intime India Private Limited)
C 101, Embassy 247,
L.B.S Marg, Vikhroli (West),
Tel No: + 91 22 49186000
Fax: +91 22 49186060
Email: mumbai@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

BANK/FINANCIAL INSTITUTION

Axis Bank Ltd
Citibank N.A.
Kotak Mahindra Bank Ltd
Standard Chartered Bank
State Bank of India
IDBI Bank Limited

REGISTERED OFFICE

Plot No. 22/C/1 & 22/C/2, 1st Phase,
GIDC Vapi - 396195, Valsad, Gujarat

CORPORATE OFFICE

204, Udyog Kshetra, 2nd Floor
Mulund-Goregaon Link Road, Mulund West
Mumbai - 400080, Maharashtra

CORPORATE IDENTITY NUMBER (CIN)

L24100GJ2019PLC110964

STATUTORY REPORTS AND FINANCIAL STATEMENTS



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

Global Economy

The global economy demonstrated resilience in 2024, expanding by 3.3% despite ongoing geopolitical considerations. This growth, however, exhibited regional variations, with robust momentum observed in the United States contrasting with a more moderate performance in the Euro area.

Looking ahead, global growth is projected to adjust to 2.8% in 2025 and 3.0% in 2026. This projected moderation reflects evolving trade dynamics and a heightened degree of policy uncertainty. Recent shifts in U.S. tariff policies, impacting imports from Canada, Mexico, and China, alongside subsequent responses from these nations, introduce complexities for global trade flows, potentially influencing inflation and the pace of economic expansion. Additionally, the prevailing global policy environment presents a degree of uncertainty, which could influence investor sentiment and impact the accessibility of financing flows.

(Source: IMF – World Economic Outlook April 2025)

Indian Economy

India has been one of the fastest-growing major economies in the world driven by private consumption, structural reforms and strong policy support by the government. According to the Provisional Estimates of GDP, India's GDP growth is expected at 6.5% in FY 2024-25, lower than 9.2% GDP growth in FY 2023-24. Manufacturing, services and infrastructure investment sectors witnessed good traction. Strong export growth was seen in pharmaceuticals, textiles and engineering goods.

The government's strong commitment to fostering economic growth and emerge as Viksit Bharat, was reflected in the Union Budget 2025-26. Key focus areas were boosting private sector investments, empowering MSMEs, and advancing infrastructure development, transformative reforms across taxation, financial regulation, agriculture, exports, and urban development. The RBI has estimated the Indian economic growth rate of 6.5% in FY 2025-26 similar to that of FY 2024-25. Robust industrial production, prediction of normal monsoons, good agricultural produce and increased household consumption aided by tax reliefs in Union Budget 2025-26, is expected to support economic growth.

(Source: NSO, RBI)

[NAD_PR_30may2025.pdf](#)

GLOBAL PHARMACEUTICAL INDUSTRY

The global pharmaceutical market is experiencing exponential

growth led by fundamental growth drivers like global health issues, rise in ageing population, pandemics, an increase in chronic diseases, and technological advancements. Accelerate pace of drug discovery led by artificial intelligence (AI) and machine learning (ML), improvement in supply chain transparency by blockchain, several gene editing tools, biosimilars, digital therapies, and mobile/remote healthcare are contributing to the growth in the sector. In 2024, the global pharmaceutical market revenue grew to US\$ 1,646 billion. While established developed markets continue to lead the growth in the pharmaceutical market, emerging regions present untapped opportunities due to their low access of medicines and technology. Major research and development in the pharma sector are supported by leading country hubs like the United States, India, Germany, the United Kingdom, and China.

The sector is continuously searching for more effective and efficient solutions for complex conditions such as cancer, autoimmune diseases, and genetic disorders which are increasingly becoming commonplace. Targeted therapies, biologics, and personalised medicine are emerging as great solutions for such complexities. The global pharmaceutical market is projected to reach US\$ 2,350 billion by 2030, growing at a 6.1% CAGR (2025-2030). With loss of patent exclusivity of a number of top-selling biological drugs, biosimilars are witnessing increased traction owing to their similar efficiency at lower costs. While North America continues to dominate the global pharmaceutical landscape, the Asia-Pacific market is experiencing rapid growth. Driven by increasing healthcare awareness and access, rising chronic disease prevalence, government initiatives to improve healthcare infrastructure, and strong R&D and manufacturing capabilities, China, India, and Japan are leading the market growth.

The prominence of biologics is continuously on the rise. However, small molecules continue to form the bedrock of the pharmaceutical landscape, comprising a significant portion of approved drugs and overall sales. Their advantages, such as oral bioavailability, easier manufacturing, lower production costs, and predictable metabolism, ensure their enduring relevance. The global small molecule drug discovery market is also experiencing robust growth, fuelled by continuous innovation. Advances in AI and computational modelling are significantly accelerating the design and development of new small molecule drugs, enabling more precise targeting of biological pathways. New modalities within small molecule research, such as molecular glues and PROTACs (proteolysis-targeting chimeras), are further expanding their therapeutic potential, including addressing previously undruggable targets.

Source: [Pharmaceutical Market Size & Share | Industry Report, 2030](#)

INDIAN PHARMACEUTICAL INDUSTRY

The Indian pharmaceutical industry plays a crucial role in manufacturing high-quality, cost-effective medicines for both domestic and global markets. Its dominance in branded generic medicines, competitive pricing, and a robust network of indigenous brand make it one of the most dynamic markets in the global pharmaceutical industry. India is the third-largest pharmaceutical market in the world in terms of volume and eleventh largest in terms of value. Globally, India is the largest supplier of generic drugs accounting for 20% of the global supply. India is also one of the biggest suppliers of low-cost vaccines in the world. India has been UNICEF's largest vaccine supplier for the past six to seven years, contributing 55-60% of total volume procured contributing 99%, 52% and 45% of the WHO demand for Diphtheria, Tetanus and Pertussis (DPT), Bacillus Calmette–Guérin (BCG) and the measles vaccines, respectively.

India has a strong pharma network, with 10,000+ manufacturing facilities, 3,000+ pharma companies, and 650 USFDA-compliant plants, the largest outside the US. The pharmaceutical industry is currently the fifth-largest contributor to India's manufacturing GVA, drives ~4% of foreign direct investment (FDI) inflows, sustains a US\$ 19 billion trade surplus, and supports over 2.7 million livelihoods, either directly or indirectly. In FY 2023-24, the sector was valued at ₹ 4,17,345 Crs and has exhibited an annual growth rate of ~10% over the last 5 years. India's pharma supplies reach approximately 200 countries and territories worldwide. In FY 2023-24, pharmaceutical exports stood at ₹ 2,19,439 Crs, signifying India's contribution in the global market. India's pharmaceutical exports are projected to grow 10-15x, reaching nearly US\$ 350 billion by 2047 riding expanding exports of specialty generics, boosting API exports and CDMO services, leveraging the China+1 theme, expanding vaccine exports to high-income countries, capitalizing on the biosimilars and innovative products opportunity.

The Indian pharmaceutical market is expected to grow 2.2-2.4x by 2030, reaching US\$ 120-130 billion and increasing India's share from 3-3.5% currently to nearly 5% by 2030s. The Indian pharmaceutical sector stands as a testament to India's growing capabilities in science, innovation, and manufacturing. Various government initiatives like the Production Linked Incentive (PLI) schemes, Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP), Make in India, etc. have played a vital role in bolstering domestic production and ensure equitable access to affordable healthcare solutions. India is poised to solidify its position as a global hub for high-quality, cost-effective medicines and medical technologies.

Source: [Healing the World: A Roadmap for Making India a Global Pharma Exports Hub | Bain & Company](#); [Press Release: Press Information Bureau](#)

KEY SEGMENTS AND GROWTH DRIVERS

Active Pharmaceutical Ingredients (APIs)

The Indian API market is a crucial part of the global pharmaceutical industry producing over 500+ types of APIs. Its unique features like diverse production capabilities, cost-effectiveness and innovation make it one of the world's largest manufacturing hubs of generic drugs and the third-largest API producer globally holding an 8% share of the global API market. India plays a crucial role in the global pharmaceutical supply chain, especially in terms of the production and export of APIs. Majority of the APIs supplied by India are included in the WHO prequalified list.

The Indian API market was valued US\$ 17.77 billion in 2024. Technological advancements in medicine, spike in public and private awareness-raising initiatives, strong domestic market demand and rise in government funding bode well for the growth prospects of the API market. The market is likely to reach US\$ 38.60 billion by 2033 growing at 8.1% CAGR. The growth may be attributable to rising generic drug demand, government incentives, API self-reliance, patent expirations, increasing chronic diseases, biologics expansion, cost advantages, foreign investments, export growth, R&D advancements, regulatory support, contract manufacturing, biosimilars adoption, and pharma sector expansion.

Source: [India Active Pharmaceutical Ingredients Market Size, 2033](#)

Contract Development and Manufacturing Organization (CDMO/CMO)

India's CRDMO industry, with a market share of 2-3% of a global market valued at over US\$ 140 billion in 2024, is on the verge of a transformative shift, driven by rising demand for outsourcing of innovative pharmaceutical services & upcoming realignment in global supply chains. Over 2019-2024, India's CRDMO segment grew at ~15%, double that of the global growth. Having built unique capacities and capabilities, Indian CRDMOs are at the forefront of driving innovation and become preferred partners for innovators across the world.

With global customers diversifying supply chains from China and increasing demand for cost-efficient drug manufacturing & research, geopolitics and geoeconomics provide strong tailwinds for India's CRDMO industry. The sector is expected to reach US\$ 25 billion by 2035, fuelled by competitive advantage in small molecule capabilities, faster startup time, focus on quality and cost advantage. With vital government support through critical reforms, the Indian CRDMOs can stay competitive, and position themselves as leaders in new modalities. Collaboration with academia to scale its scientific talent pool, building a self-reliant supplier ecosystem, establishment and implementation of a strict regulatory & economic ecosystem, and availability of capital remain key to this growth. Indian CRDMO segment has the potential to become a co-innovator on the world stage from being a preferred outsourcing destination currently.

Source: [bcg-ipso-whitepaper-unleashing-the-tiger.pdf](#)

Biosimilars

The biosimilar segment in India is faring better as compared with other countries, driven by a growing demand for safer biologics and effective biosimilars. This growth is supported by advancements in technology and manufacturing, rising deal activity and favourable government policies and support. In addition to being effective and safe, biosimilars, by targeting the prevalent chronic diseases that are increasing rapidly, play a crucial role. Biologics and biosimilars have also treated rare diseases and addressed unmet needs and conditions. Current treatments face challenges of safety, efficacy, convenience or other factors. Unlike generics with simpler manufacturing procedures, biosimilars are produced using living cells through intricate and multistep processes. This has driven significant advancements and innovations in biotechnology and chemical analytics. The revised Guidelines on Similar Biologics released by the Central Drugs Standard Control Organisation (CDSCO) and Department of Biotechnology (DBT) have provided a simplified, efficient and well-defined pathway for manufacturing processes assuring safety and efficacy. DBT, the Biotechnology Industry Research Assistance Council (BIRAC), and the Indian government are working to establish India as a leading hub for biotechnology innovation and research. This collaboration involves policy initiatives and investments, promoting industry-institute collaborations, creating entrepreneurship cells to support biotech start-ups and advancing skill development.

Of the global US\$ 30 billion biosimilars market, Indian pharma firms currently hold less than 5%. But increasing investment in R&D, expansion of drug pipelines with over 40 new products and plans to add ~100 KL of capacity over the next three to four years could increase India's share of global capacity. Over the next seven years, 130 drug patents valued at a total of \$180 billion are expected to expire, creating a sizeable opportunity for Indian companies. Public initiatives like the National Biopharma Mission, PLI programmes, and BIRAC-led initiatives are positioning India well to capitalize on biopharma growth. The Indian Government also supports the development of in-house biological drugs through Make in India by providing skill development platforms and research grants. The rapid growth in the Indian biosimilar market is projected to sustain through 2030 with key players strengthening their market positions through strategic collaborations, while new entrants benefiting from strong government support to enhance healthcare affordability and accessibility.

Source: [Positioning India as a Pharmaceutical Innovation Hub.pdf](#); [Healing the World: A Roadmap for Making India a Global Pharma Exports Hub | Bain & Company](#)

Formulations

The global generic formulations market valued at US\$ 460 billion is projected to grow at 8% CAGR to reach

US\$ 790 billion by 2030. Indian formulations exports currently valued at US\$ 19 billion, are striving to increase the volume of generic formulations and upgrade their value. Enhanced value can potentially come from providing high margin specialty generics in more complex forms like soft gel capsules, inhalants, injectables, and ophthalmics. Though specialty generics have a smaller market share, this segment is expected to grow faster than commodity generics driven by the increased demand for more cost-effective drugs for chronic diseases, and by efforts to increase patient adherence to prescription plans using novel drug delivery systems. Injectables and inhalants are expected to be the top two modalities (after orals) among the 1,000+ chemical patent expiries that are anticipated over the next seven to eight years. Specialty generics are difficult to manufacture, are subject to more stringent regulatory requirements, and often need clinical trials, and thus have a higher risk quotient. However, they command higher prices and they offer attractive margins to manufacturers, so many Indian companies have been pursuing this market to gain some pricing leverage. India is poised to double its generic exports to US\$ 35-40 billion by 2030 led by expertise in research & development, availability of talent, cost-effective manufacturing and rising incidence of chronic diseases.

Source: [Healing the World: A Roadmap for Making India a Global Pharma Exports Hub | Bain & Company](#)

COMPANY OVERVIEW

With two and a half decades of rich experience in the pharmaceutical sector, Aarti Pharmed Labs Limited (APL), formerly known as Aarti Organics, is a globally recognized manufacturer of generic Active Pharmaceutical Ingredients (APIs), Xanthine derivatives (particularly for regulated markets) and a leading player in CDMO/CMO services. An integral part of the Aarti Group, a diversified chemical conglomerate, we have demonstrated strong expertise in development of robust & cost-effective processes for rapid scale-up and commercial production. We have emerged as a trusted partner for global pharmaceutical innovators and leading firms. We are strategically located in western India with proximity to ports facilitating exports.

We excel in the development and production of Regulatory Starting Materials (RSMs), intermediates, and drug substances for New Chemical Entities (NCEs), spanning phases from I to III, through launch and commercialization. We have received accreditation from several agencies, including USFDA, EU GMP, EDQM (European Pharmacopoeia), KFDA (Korea), and COFEPRIS (Mexico).

We have six manufacturing units, three of which are USFDA approved, and three state-of-the-art R&D facilities with an employee base of 2,100+. We boast of proficiency in research and development, capable of efficient scale-up and

commercial production. Our portfolio of over 220 products, 58 patents, 50 US Drug Master Files (USDMF) and 31 Certificates of Suitability (CEP), is a testament of our strong brand equity across the globe. Our international revenue forms 52% of total sales with a significant portion derived from regulated markets. We export to over 500 clients in more than 50 countries globally, with primary markets being the USA, European Union, and Japan.

We pride in complying with exemplary standards in environmental health, safety, and quality across our facilities. We are the largest manufacturer of Xanthine derivatives and one of the leading small molecule CDMO/CMO in India. We continue to focus on backward integration of intermediates for the majority of APIs, we manufacture and invest in green energy to source our power requirements sustainably. With a view to maximize asset utilisation and ensure sustainable future growth we remain committed to integrating our expertise in process chemistry with scale-up engineering.

Products and Services

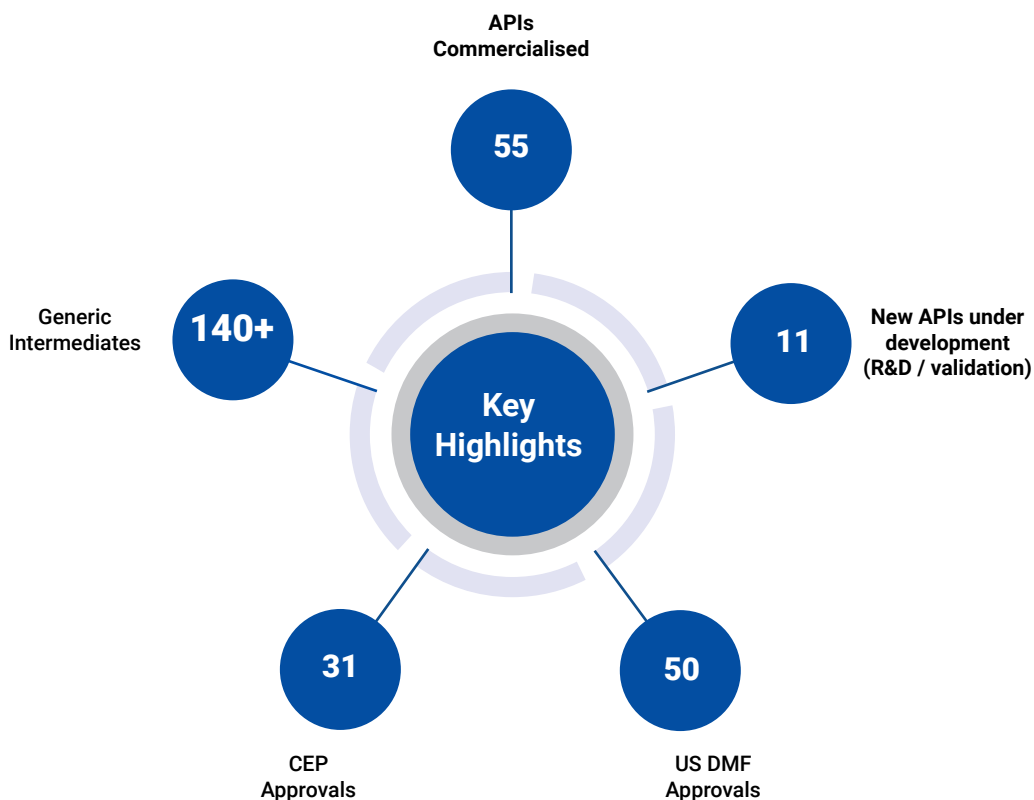
Active Pharmaceutical Ingredient (API) & Intermediates

We have established ourselves as a specialized player in the development and manufacturing of Highly Potent Active Pharmaceutical Ingredients (HPAPIs), catering to the demand for critical drugs used in oncology, corticosteroids,

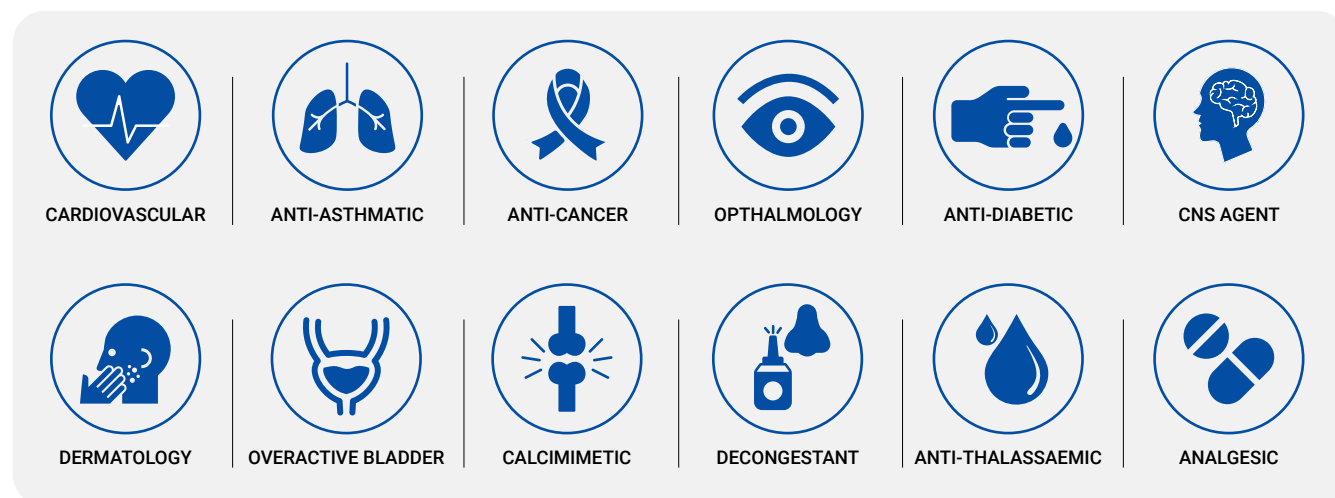
and cytotoxic medicines. These HPAPIs find therapeutic applications in the treatment of a variety of critical ailments including cancer, asthma, hypertensive etc. We stay ahead of competition led by our strict adherence to rigorous compliance and quality standards across our USFDA-approved manufacturing facilities and dedicated US, EU, Japan, Korea, Mexico, Brazil and China approvals. To ensure uninterrupted supply of high-quality materials and data control throughout the production chain we have worked on backward integration for most APIs. We also offer Intellectual Property Rights (IPR) support for global markets. We have 1,100+ kL multi-purpose reactor capacity and 14 API finished lines.

During the active patent period, we start the development of advanced intermediates for newly launched APIs well in advance leading to early generic API launches. Driven by robust regulatory documentation and IPR support we have become the preferred partner in regulated markets. This proactive approach supports our customers by facilitating effective validation of their APIs, ensuring a streamlined pathway to market entry.

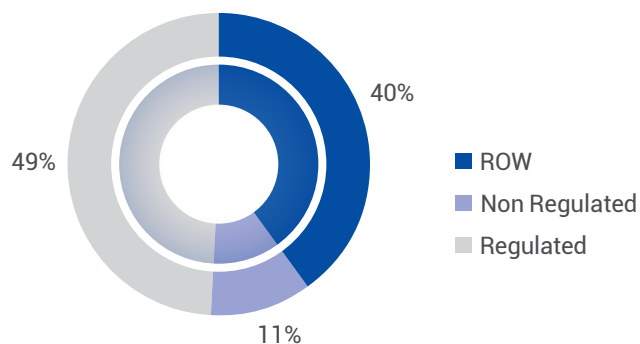
We expect the business momentum to continue in the near future led by a strong pipeline of new products in API and intermediate business.



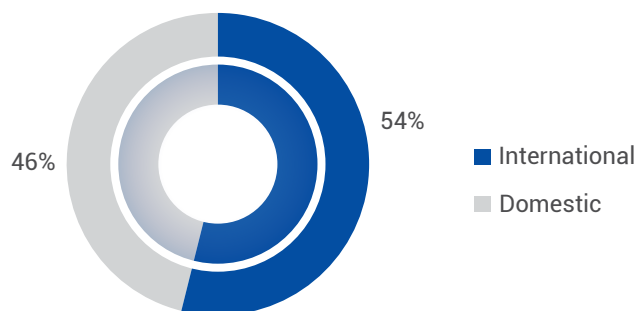
Therapeutic Segment



Market Segmentation FY 2024-25



Geographical Sales Split FY 2024-25



CDMO/CMO services

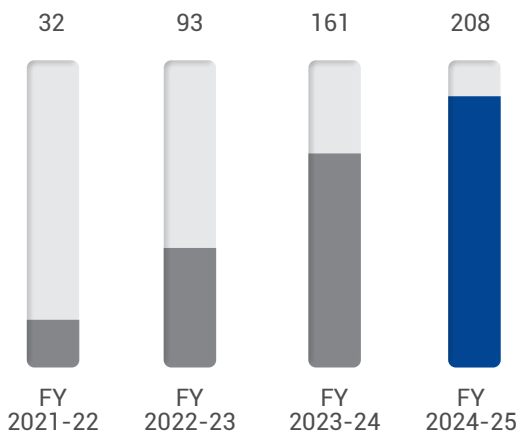
We are amongst the leading small molecules CDMO/CMO players in India working with big global innovators, pharmaceuticals and biotech companies. We offer end-to-end services including process development and manufacturing of KSMs, RSMs, Intermediates & GMPAPIs for small molecule NCEs, from early clinical phase (Phase1,2,3), launch to commercial supplies. We have rich experience in complex chemistries like cyanation, flow chemistry, nucleotides, amongst others.

We have three dedicated R&D centres and pilot facilities focussing on CDMO. We are currently working with 21 customers on 60 active projects, of which 33 are in the commercial stage and 27 are under different stages of development, both at customer's end. We have emerged as a reliable partner for global customers, contributing to repeat business driven by our strong manufacturing expertise with rapid scale-up.

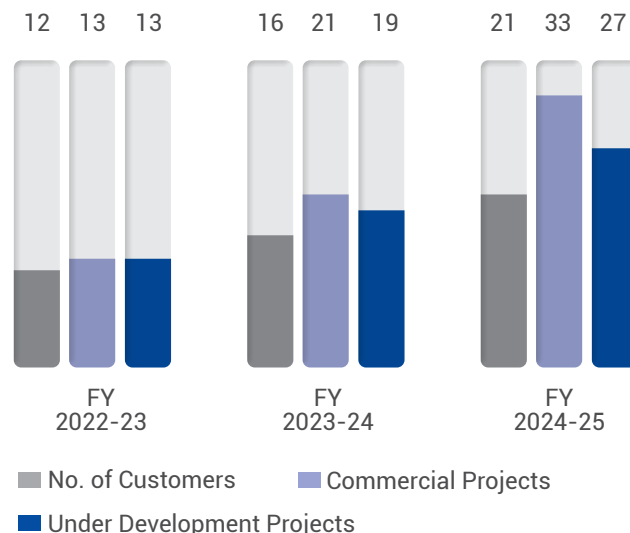
We function like an extended laboratory for our customers providing scientific and project teams, rapid development, superior manufacturing capabilities and strong cultural ethos. We enable our customers to achieve a quick turnaround time bringing the molecules to market faster through comprehensive services like robust process development (DoE & QbD studies), process validation and analytical method development & validation. Our capabilities include strong CMC documentation expertise to ensure smooth regulatory approvals. We focus on the creation of customised processes, their scaling up, and efficient manufacturing of API intermediates. CRAMS activity is focussed on APIs and intermediates.

We exercise stringent intellectual property protection on the services offered by signing confidentiality agreements with our customers to provide a reliable platform for rapid API development projects. This aids us in expanding our business footprint.

CDMO Sales (₹ Crs)



CDMO Customer & Projects



Xanthine Derivatives & Allied

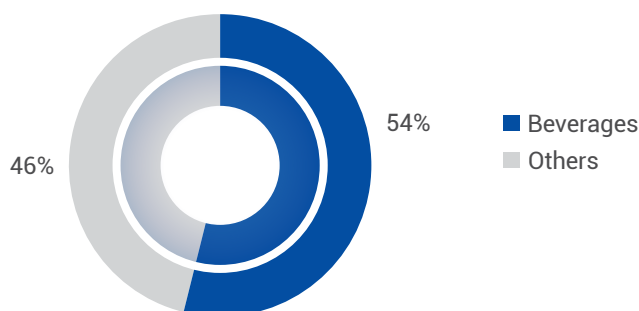
We are the largest Indian pharmaceutical manufacturer of Xanthine derivatives including caffeine, theophylline anhydrous, aminophylline, etophylline and theophylline. These substances find application in asthma and chronic obstructive pulmonary disease. Caffeine is used in beverages, nutraceuticals, and cosmetics. We boast of high-quality products, capacities and warehouses with a global supply chain. Being independent from Chinese influence and a fully backward integrated manufacturer of Xanthine derivatives, we offer strong geographical diversification amidst growing "China+1" shift, globally.

We have two dedicated manufacturing plants with star certifications, equipped with Star Kosher, Hazard Analysis Critical Control Point (HACCP), Sedex SMETA-4Pillar, FSSC-22000 (GFSI), and GMP. The combined installed capacity of these plants is 5,000+ Metric Tonnes Per Annum (MTPA). We

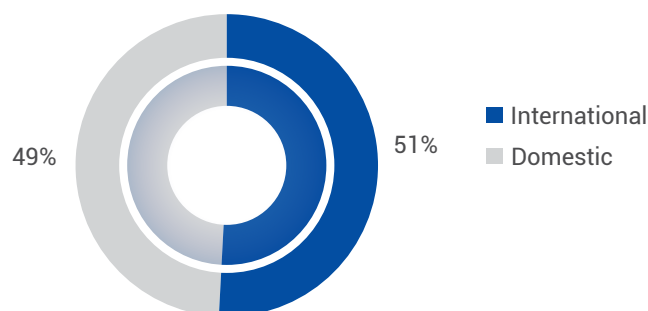
are in the process of capacity expansion to take total capacity to 9,000+ MTPA which is expected to go live in a phased manner in the second half of FY 2025-26. Post increased capacity, we target to take our global market share from 15-20% currently to 20-25%.

We also produce a variety of compounds based on sulphur and sulphonation including sulphuric acid, sulphur trioxide (SO₃), oil, dimethyl sulphate, diethyl sulphate, sodium vinyl sulfonate and dimethyl urea. Dimethyl urea & Dimethyl sulphate is a crucial basic ingredient for xanthine derivatives and Diethyl sulphate serves as alkylating agents in the production of dyes, medicines, and perfumes as well as a solvent for the extraction of aromatic hydrocarbons. Sodium vinyl sulfonate is used as a wetting agent, dispersion, and anti-static in polymerisation and surfactant. The production facility for these agents is ISO - 9901, 14001, and 45001 certified.

Sales Quantity Split FY 2024-25



Geographical Sales Split FY 2024-25



FINANCIAL PERFORMANCE

In ₹ lakhs	FY 2024-25	FY 2023-24	FY 2022-23
Total income	2,115.1	1,852.6	1,945.2
Total expenses	1,650.7	1,466.6	1,603.1
EBITDA	464.4	386.0	342.1
EBITDA margin	21.96%	20.84%	17.59%
Depreciation	86.9	73.2	62.5
Finance costs	26.9	17.2	21.1
PBT	360.7	300.5	260.8
Tax	88.3	83.6	67.3
PAT	272.4	216.9	193.5
PAT margin	12.88%	11.71%	9.95%

During FY 2024-25, the consolidated revenue increased 14.2% YoY to ₹ 2,115.1 lakhs from ₹ 1,852.6 lakhs in FY 2023-24. Decline in raw material prices & effective cost saving initiatives have led to strong EBITDA growth of 20.3% YoY to ₹ 464.4 lakhs from ₹ 386 lakhs in FY 2023-24. EBITDA margin expanded 112 basis points (bps) to 21.96% from 20.84% in FY 2023-24.

Profit after tax (PAT) grew 25.6% YoY to ₹ 272.4 lakhs in FY 2024-25 from ₹ 216.9 lakhs in FY 2023-24. PAT margin expanded 117 bps to 12.88% from 11.71% in FY 2023-24.

Total equity as on March 31, 2025 stood at ₹ 1,989.9 Crs against ₹ 1,757 Crs as on March 31, 2024. Total net debt to equity stood at 0.19x.

We have maintained our credit rating, CRISIL A+/Stable, for our working capital limits from banks.

BUSINESS OUTLOOK

FY 2024-25 has been a record year of highest ever EBITDA and PAT for us with significant achievements across our business segments led by a motivated workforce, strategic focus and resilient business model. Going forward, we remain confident of building on this growth momentum. We continue to base our growth strategy on the three pillars of growth, backward integration and financial discipline. In future, we expect the following:

- EBITDA growth of approximately 12-15% in FY 2025-26 on a standalone basis supported by an increase in contribution from higher margin products, improved process efficiencies and volume growth
- With xanthine capacity of 9,000 MT likely to be fully operationalised by Q1 FY27, we expect capacity utilisation of 80-90% over the next three years with 50% sales targeted to beverages and regulated customers

- For API and intermediate segment, we are continuously working towards product innovation and focussing on new molecules with patent expiry in the coming 3-5 years
- The CDMO/CMO segment revenue is expected to grow 30-40% in FY 2025-26 on the back of strong manufacturing capabilities and sound R&D setup

KNOWLEDGE MANAGEMENT

We have a strong Intellectual Property (IP) framework which confers to ISO 27001:2013 standards. The IP framework elaborates rigorous terms for access control, information sharing and authorised disclosure, ensuring comprehensive confidentiality of our processes and knowledge.

To effectively undertake chemical searches in the perspective of Freedom-to-Operate/Non-Infringed Process development, we have an experienced Knowledge Management team which makes use of adequate databases. The team implements and monitors the accreditation requirements of integrity, confidentiality and availability.

RESEARCH AND DEVELOPMENT (R&D)

We have emerged as a preferred partner for most of our clientele led by our unwavering focus on research and development capabilities.



RESEARCH CAPABILITIES

- Vast knowledge
- Rich experience
- Robust technical prowess
- Appropriate resources



EXPERTISE

- Specific chemistry knowledge
- Analytical competence
- Synthesis and process development laboratories
- Process chemistry infrastructure
- Proficient team of scientists - 17 PhDs and 110 R&D process scientists

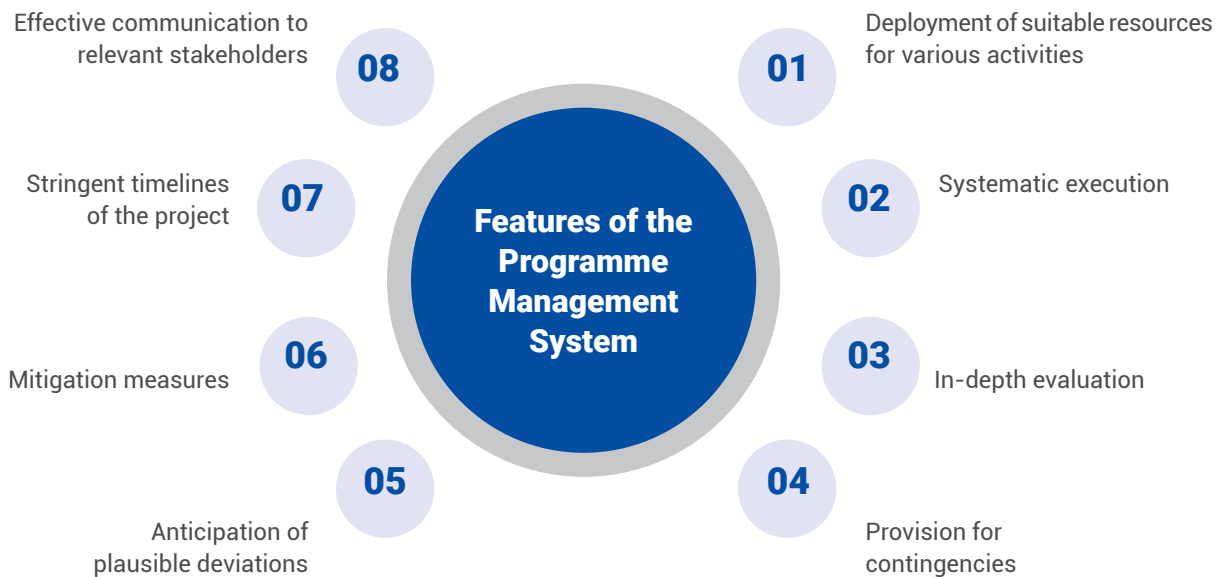


ACCOMPLISHMENTS

- 55 APIs commercialised
- 58 Process patents filed
- 28 Patents granted
- 40+ products developed and manufactured on kilo-lab scale in FY 2024-25
- 25+ products launched at plant scale in FY 2024-25

We have three technologically advanced R&D facilities located at Nerul and Dombivali in Maharashtra, and Vapi in Gujarat. The facilities conduct Route Scouting and Design, New Product/Process Development, Process Optimisation and Scale-up and Life Cycle Technology Management, on an on-going basis.

A strategic programme management system enables us to have an efficient work flow throughout the product lifecycle, from new enquiry to commercialisation, for every R&D project.



RISKS AND MITIGATION

To protect our business from various foreseeable potential internal and external risks, we have devised an extensive Risk Management framework to monitor, map and mitigate the various impending risks to business operations. The Board of Directors has constituted the Risk Management Committee for managing various organisational risks using adequate mitigation plans in response to any risks. The Committee closely monitors market and business developments to keep an eye on the emergence of a new threat /risk.

Risk	Mitigation measure
Regulatory Risk: Given the nature of the industry we operate in, it is imperative to ensure strict compliance with multiple rules and regulations governing different markets. Non-compliance/misinterpretation/delayed compliance of any new/existing regulation can lead to inadequate observance.	To ensure complete adherence to all applicable rules and regulations including new ones and any modifications in existing ones, we have a robust internal control system in place. Adequate policies and review mechanisms enable us to keep in check strict compliance.
R&D Risk: To remain relevant amidst evolving market conditions, we need to upgrade and invest in R&D and keep pace with the latest advancements in science and technology.	We have state-of-the-art R&D units handled by a competent team of scientists, tirelessly working on innovation and R&D. Our team is responsible and committed to remain relevant with technological advancements and we ensure adequate R&D investments for the same.
Competition Risk: Given the lucrative growth prospects of the pharmaceutical sector, we are exposed to heightened competitive pressure from domestic and/or international peers.	We have created a moat given our rich experience, diversified product and services portfolio, strong brand equity, relentless focus on R&D, superior quality and compliance standards and robust relationships with all stakeholders - employees, customers and vendors. To minimise costs and improve efficiency we are focussed on backward integration.

Risk	Mitigation measure
Raw Material Risk: We face the risk impact on profitability in the event of unavailability or limited availability of raw materials and/or price fluctuations of important raw materials.	Long-lasting relationships with our suppliers help us to ensure uninterrupted flow of inventory at competitive rates. We follow a RM-plus pricing mechanism to de-risk ourselves from price volatility.
Quality Risk: It is important for us and our vendors to adhere to GxP (Good Laboratory Practices, Good Manufacturing Practices, and similar standards) across the product value chain to maintain superior quality standards. Non-compliance not only attracts regulatory penalties and sanctions, but also impacts brand equity, thereby hindering business growth prospects.	At all manufacturing site, we have dedicated group of quality experts to ensure highest quality standards are met with. We strictly follow "RIGHT THE FIRST TIME" approach. All sites are audit-ready at all times. Latest information technology systems help streamline and optimise crucial procedures resulting in quality assurance and strengthening of quality control processes. To address historical quality concerns and prepare for prevention, we maintain a consistent quality improvement and training programme. In the event of non-conformity, adequate investigation is carried out, and Corrective and Preventive Action (CAPA) plans are immediately implemented to rectify the situation and prevent recurrence.
Health, Safety & Environment Risk: Operating in the healthcare space makes safety an integral part of business operations. Occurrence of any incident with respect to Health, Safety, and Environment (HSE) may pose substantial risk to regulatory compliance, reputation, and business continuity.	We remain committed to ensure the well-being of all our people across the supply chain. To ensure maintenance of standardised corporate Health, Safety and Environment (HSE) guidelines across manufacturing sites, we have an HSE team in place. The team closely monitors safety and operational exposures. Our robust HSE management system helps in timely risk identification and mitigation. We ensure strict adherence to industry-leading safety standards and applicable local regulations, and strive to minimise practices having a negative environmental impact. To encourage a safer working environment and spread awareness, monthly HSE campaigns are run focussing on different priority elements. Following ISO 14001 and ISO 45001 standards, periodic internal and external audits, and specialist external audits are conducted with strong focus on specific HSE aspects. Throughout product life cycle and operation, we conduct Hazard Study Checklist (design stage of product life cycle), Hazard Identification and Risk Assessment, and HAZOP Studies.

INFORMATION TECHNOLOGY

Information technology is an imperative pillar of organisational growth with advancements in technology. We remain committed to the highest level of data privacy, cybersecurity, and data security. Given the nature of our operations, it is mandatory to safeguard data privacy, confidentiality and integrity. Latest technology upgradation and adequate cybersecurity measures, enable us to address challenges and protect our business from malicious attacks and unauthorised access.

To ensure smooth handling of sensitive data, we have adopted stringent data security measures. With this we are able to handle critical data storage and transmission with ease, improve our decision-making capabilities and prevent the probability of incurring losses. Elaborate and well-defined procedures, controls and governance, coupled with appropriate responsibilities assigned to all stakeholders including our employees, contractors, customers, vendors, suppliers and visitors, allows strict adherence with the information security management system. We strive to protect the personal data of all our stakeholders. Our Business Continuity and Disaster Recovery plan is in place to minimise the impact of any negative event and ensure rapid recovery in restoration of operations.

QUALITY ASSURANCE

Aim

- Enhance quality of its products and services
- Exceed needs & expectations of relevant stakeholders especially customers
- Achieve and maintain quality leadership by incorporating best-in-class manufacturing technologies and quality standards
- Build trust with eco-friendly processes

Effort

- Sound quality systems to manufacture and deliver superior quality products
- Strict compliance to high quality standards, both, national and international
- Global standards of safety, quality and efficacy maintained at all our facilities
- Life cycle approach enables strict adherence to "RIGHT THE FIRST TIME" approach in planning and execution of all the process, products and services
- Work on constantly improving product and process through customer feedback

Result

- Highly motivated and competent team expert in their respective fields
- Superior quality products and services delivered to customers with Right Time First
- Surpass customer expectations
- Deep understanding of customer needs and market trends leading to competitive edge

INTERNAL CONTROLS, SYSTEMS AND ADEQUACY

We have a well-devised internal control framework in accordance with the size, nature and complexity of the industry we operate in. The control framework is capable of safeguarding our assets, preventing unauthorised use or disposition, guarantee complete and correct authorisation, record and report all business transactions and ensure strict compliance with all applicable rules and regulations. Our internal control system ensures optimum utilisation of resources, thus improving operational efficiency and productivity.

Our robust 'Compliance Management System' (CMS) is responsible for effective risk mitigation. CMS has a comprehensive list of applicable laws, readily available at any given point of time. CMS ensures good governance across all our business locations with its distinguished features like user-friendly alerts/escalations, customised reporting and mechanism to deal with timely regulatory updates.

CAUTIONARY STATEMENT

Aarti Pharmed Labs may, from time to time, make additional written and oral forward-looking statements, including statements contained in our filings with Bombay Stock Exchange and National Stock Exchange, and the reports to our shareholders. Aarti Pharmed Labs does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of us. All information contained in this report has been prepared solely by us. Aarti Pharmed Labs does not accept any liability whatsoever for any loss, however, arising from any use or reliance on this Annual Report or its contents or otherwise arising in connection therewith.

DIRECTORS' REPORT

To
 The Members of
Aarti Pharmalabs Limited

Your Directors are pleased to present this Sixth Annual Report of Aarti Pharmalabs Limited ("the Company" or "APL") together with the Audited Financial Statements for the financial year ended March 31, 2025 ("year under review" or "FY 2024-25").

1. FINANCIAL HIGHLIGHTS

(₹ In lakhs except EPS and Book Value)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Total Income from Operations (Gross)	177,135	1,50,213	2,11,507	1,85,261
EBITDA	42,654	34,616	46,436	38,605
Depreciation & Amortisation	7,906	6,601	8,690	7,324
Profit from Operations before Other Income, Finance Costs and Exceptional Items	34,748	28,014	37,746	31,281
Other Income	1,449	1,101	1,012	490
Profit before Finance Costs	36,197	29,115	38,758	31,771
Finance Costs	2,563	1,663	2,690	1,721
Profit before Tax	33,634	27,452	36,068	30,049
Total Tax Expenses	7,899	7,387	8,828	8,359
Non-controlling Interest	-	0	-	0
Net Profit for the period	25,735	20,065	27,240	21,690
Other Comprehensive Income (net of taxes)	(516)	13.31	(975)	(45.12)
Total Comprehensive income for the year	25,219	20,078	26,265	21,645
Earnings Per Share (₹)	28.39	22.14	30.06	23.93
(Basic & Diluted)	28.38	22.14	30.04	23.93
Book Value Per Share (₹)	203	179	220	194

2. COMPANY'S PERFORMANCE

On a standalone basis, the revenue for FY 2024-25 was ₹ 1,78,584 lakhs, higher by 18 % over the previous year's revenue of ₹1,51,314 lakhs in FY 2023-24. The PAT attributable to shareholders in FY 2024-25 was ₹ 25,735 lakhs registering a growth of 28 % over the PAT of ₹20,065 lakhs in FY 2023-24.

On a consolidated basis, the revenue for FY 2024-25 was ₹ 2,12,519 lakhs, higher by 14 % over the previous year's revenue of ₹1,85,750 lakhs. The profit after tax ("PAT") attributable to shareholders and non-controlling interests for FY 2024-25 and FY 2023-24 was ₹ 27,240 lakhs and ₹21,690 lakhs, respectively and registering a growth of 26 % over the PAT of ₹21,690 lakhs in FY 2023-24.

3. CONSOLIDATED FINANCIAL STATEMENTS

Your Directors are pleased to attach the Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 ("Act") and Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), prepared in accordance with the provisions of the Act and the Indian Accounting Standards ("IND AS").

4. STATE OF COMPANY'S AFFAIRS

The state of your Company's affairs is given in the Management Discussion and Analysis, which forms part of this Annual Report.

5. RESERVES

The Board of Directors ("Board") of your Company has decided not to transfer any amount to the Reserves for the year under review.

6. DIVIDEND

During the year under review, your Board has declared an Interim Dividend of ₹2.50 (@ 50%) per equity share of ₹ 5/- each aggregating to ₹2,265.65 lakhs. Further, Directors are pleased to recommend the Final Dividend of ₹ 2.50(@50%) per equity share of ₹ 5/- each subject to approval of the Shareholders at the ensuing Annual General Meeting ("AGM"), aggregating to a total Dividend of ₹ 5 for FY 2024-25, resulting in a total payout ₹ 4,531.68 lakhs (Previous Year: ₹2,718.78 lakhs). The dividend would be payable to all Shareholders whose names appear in the Register of Members as on Record Date.

The Dividend payout is in accordance with the Dividend Distribution Policy, which is available on the website of the Company. As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the top 1,000 listed companies shall formulate a Dividend Distribution Policy. Accordingly, the Policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Policy is available on the website of the Company and the web link thereto is <https://www.aartipharmalabs.com/investors/dividend-distribution-policy-feb-2023.pdf>

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source (TDS).

7. SHARE CAPITAL

Your Company's Equity Share Capital as on March 31, 2025 was as follows:

Particulars	No. of Shares	Face Value Per Share (in ₹)	Total Amount (in ₹)
Authorized Share Capital	10,00,00,000	5	50,00,00,000
Issued, Subscribed & Paid-up Share Capital	9,06,34,624	5	45,31,73,120

During the year 2024-25, 8616 number of equity shares were allotted on March 10, 2025 to the employees of the Company under Aarti Pharma Performance Stock Option Plan 2023' (PSOP 2023). Thus, Issued, Subscribed and Paid-up Capital of the Company stands increased to ₹ 45,31,73,120 comprising of 9,06,34,624 equity shares of ₹ 5/- each.

The shares so allotted rank pari passu with the existing share capital of the Company. Apart from the same, there was no other change in the share capital of the Company.

The Company has not defaulted on payment of any dues to the financial lenders.

During FY 2024-25, the Company's outlay towards capital expenditure was ₹ 43,332 lakhs for the standalone Company and ₹ 44,388 lakhs at the consolidated level.

8. SUBSIDIARY/JOINT VENTURE COMPANIES

As on March 31, 2025, the Company has two (2) direct subsidiaries, namely, Aarti Pharmachem Limited and Aarti USA Inc. and one Joint Venture Company, namely, Ganesh Polychem Limited. The said Joint Venture was effective from the beginning of this financial year, i.e., from April 01, 2025.

Aarti USA Inc. has generated turnover during the previous Financial Year more than 10% of the consolidated turnover of the Company. Accordingly, the said Company was material subsidiary of the Company in the immediately preceeding accounting year. However it ceased to be material subsidiary in the current accounting year. A policy on material subsidiaries has been formulated and is available on the website of the Company and the web link thereto is:

<https://www.aartipharmalabs.com/investors/policy-on-determination-of-material-subsiidiary-feb-2023.pdf>

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report.

Further a statement containing salient features of the financial statement of our Subsidiaries/Jointly controlled entity in the prescribed format AOC-1 is included in the Report as **Annexure-A** and forms an integral part of this Report.

9. CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility ('CSR') Committee in terms of the

requirements of Section 135 of the Act read with the rules made thereunder. The composition, detailed terms of reference of the CSR Committee, attendance at its meetings and other details have been provided in the Corporate Governance Report. The primary role of this Committee is to approve the CSR activities to be undertaken, allocate the necessary expenditure and oversee the execution and effectiveness of these initiatives.

The Company believes that Corporate Social goes beyond philanthropy and hence we encompass comprehensive community development and sustainability initiatives. We focus on water conservation, health and hygiene, waste management, regenerative agriculture, skill development, education, social advancement, gender equality, women empowerment, and rural development. Through these efforts, we aim to foster holistic community development and drive meaningful change.

During the year under review, our CSR initiatives were executed in accordance with the annual action plan previously approved by the Board. These activities, which are distinctly separate from our normal business operations, focus on pivotal and relevant areas such as livelihood and financial inclusion, animal welfare, agriculture, community development, education, and healthcare. Our aim is to continue focusing on these areas to achieve meaningful and positive outcomes that contribute to the Sustainable Development Goals.

The detailed Policy on Corporate Social Responsibility is available on the website of the Company and the web link <https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf>.

The CSR Annual Report which contains a brief note on various CSR initiatives undertaken during the year is annexed as **Annexure-B** and forms an integral part of this Report.

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to the provisions of section 134(3)(g) of the Act, details of loans, guarantees and investments covered under section 186(4) of the Act are given in the notes to the Audited Standalone Financial Statements, which forms part of the Annual Report.

During the year, the Company has entered into a Share Subscription and Shareholder's Agreement with Pro-zeal Green Power Private Limited (Promoter Company), Pro-Zeal Green Energy Five Private Limited, Special Purpose

Vehicle (SPV) formed for developing, constructing, operating and maintaining a solar power plant, for acquisition of 26.25% of the Equity Shares/ Voting Rights of SPV and investing through Compulsory Convertible Debentures.

11. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 read with Schedule V to the Listing Regulations, Management Discussion and Analysis for the year under review is presented in a separate section forming part of this Report.

12. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

I. Board of Directors

Your Company actively seeks to adopt global best practices for an effective functioning of the Board and believes in having a truly diverse Board whose wisdom and strength can be leveraged for creating greater stakeholder value, protection of their interests and better corporate governance. The Company's Board comprises eminent persons with proven competence and integrity, who bring in vast experience and expertise, strategic guidance and leadership qualities. The Board fulfills its fiduciary responsibilities with a steadfast commitment to safeguarding the interests of the Company and its stakeholders.

The Board of the Company is carefully structured to achieve an optimal balance, consisting of Executive and Non-Executive Directors, including two (2) Women Independent Directors. This composition adheres strictly to the current provisions of the Act and the Listing Regulations ensuring compliance with governance standards. The details of the Board of Directors and Committees along with their composition, number of meetings held and attendance at the meetings during FY 2024-25 are provided in the Corporate Governance Report which forms part of this Report. During the Financial Year under review Seven (7) Board Meetings were held.

Additionally, all directors of the Company have confirmed that they are not disqualified from being appointed as Directors, in accordance with Section 164 of the Act.

In accordance with the regulatory requirements, Shri Parimal H. Desai (DIN: 00009272), Non-Executive and Non Independent Director of the Company retires by rotation in the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Shareholders.

During the year your Company's Board at its meeting held on May 13, 2024, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of the following Directors;

1. Shri Pradeep Thakur (DIN: 00685992) as an Additional Director in the category of Non-Executive Independent Director; and
2. Smt. Nehal Garewal (DIN: 01750146) as an Additional Director in the category of Non-Executive Director.

The said appointments were affirmed by the Shareholders at their meeting held on August 07, 2024.

Shri. Jeevan Mondkar was appointed as the Company Secretary and Compliance Officer w.e.f. December 13, 2024, upon the resignation of Shri. Nikhil Natu as the Company Secretary and Compliance Officer of the Company w.e.f October 30, 2024.

The Board places on record its appreciation for Shri. Nikhil Natu for the valuable contribution provided to the Company.

Further, the term of Smt. Rupal Vora, Non-Executive Independent Director of Company shall end with effect from October 16, 2025. Thus, the Board at its meeting held on August 12, 2025 the recommendation of the Nomination and Remuneration Committee has recommended the re-appointment of Shri Rupal Vora to the members for approval at the ensuing AGM.

Pursuant to Regulation 36 of the Listing Regulations read with Secretarial Standard-2 on General Meetings, a brief profile of the Directors proposed to be appointed/ re-appointed is made available, as a part of the Notice convening this AGM.

Ms. Vora fulfils the criteria of independence under Regulation 16(1)(b) and Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Section 149(6) of the Act, 2013.

Pursuant to the provisions of Regulation 34(3) read with Schedule V to the Listing Regulations, the Company has obtained a Certificate from CS Sunil M. Dedhia (COP No. 2031), of Sunil M. Dedhia & Co.

Company Secretary in Practice and the Secretarial Auditor of the Company, certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) or by the Ministry of Corporate Affairs or by any such statutory authority. The said Certificate is annexed to the Corporate Governance Report of the Company for the FY 2024-25.

Commission to Non-Executive Directors:

Your Directors at their meeting held on May 13, 2024, on the recommendation of the Nomination and Remuneration Committee, approved the proposal for payment of commission to Non-Executive Directors as a percentage of profit. The said proposal was approved by the Shareholders' at the Annual General Meeting held on August 07, 2024. The Non-Executive Independent Directors of the Company are entitled to sitting fee and commission as per the statutory provisions and within the limits approved by the Shareholders which was approved by the Board of Directors as per the recommendation of the Nomination and Remuneration Committee.

Sr. No.	Name of the Director	Amount of Commission (In ₹)
1	Shri Rashesh C. Gogri	8,85,000
2	Shri Rajendra V. Gogri	7,89,000
3	Shri Parimal H. Desai	6,28,000
4	Dr. Vinay G. Nayak	12,07,000
5	Shri Bhavesh R. Vora	11,42,000
6	Prof Vilas G. Gaikar	9,50,000
7	Smt. Rupal A. Vora	5,64,000
8	Smt. Jeenal K. Savla	12,39,000
9	Shri Pradeep Thakur	5,00,000
10	Smt. Nehal Garewal	5,00,000
TOTAL		84,04,000

II. Key Managerial Personnel

As on the date of this Report, the Key Managerial Personnel of the Company, in accordance with the provisions of Section 2(51) and Section 203 of the Act include:

1. Managing Directors;
 - a. Smt. Hetal Gogri Gala (additionally she has also been designated as the Vice Chairperson)
 - b. Shri Narendra J. Salvi

2. Shri Nikhil Natu, Company Secretary*;
3. Shri Piyush Lakhani, Chief Financial Officer.
4. Shri Jeevan Mondkar, Company Secretary and Compliance officer**.

*Resigned w.e.f October 30, 2024.

**Appointed w.e.f December 13, 2024.

Other than above, during the year under review, there was no change in the Key Managerial Personnel of the Company.

13. INDEPENDENT DIRECTORS

The Company has received requisite declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. These declarations include confirmations that they are not barred from holding the office of director by any SEBI order or any other authoritative body. In the opinion of the Board, all the Independent Directors satisfy the criteria of independence as defined under the Act, rules framed thereunder and the Listing Regulations, and that they are independent of the Management of the Company. Furthermore, they have affirmed their adherence to the Code of Conduct outlined in Schedule IV of the Act.

In the opinion of the Board, all Independent Directors possess requisite qualifications, experience, expertise, proficiency and hold high standards of integrity for the purpose of Rule 8(5)(iii a) of the Companies (Accounts) Rules, 2014. In terms of the requirements under the Listing Regulations, the Board has identified a list of key skills, expertise and core competencies of the Board, including the Independent Directors, details of which are provided as part of the Corporate Governance Report.

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors (including those appointed during the year) have registered themselves with the Independent Directors Databank and also completed the online proficiency test conducted by the Indian Institute of Corporate Affairs.

Familiarisation Programme for Independent Directors

All the Independent Directors of the Company are made aware of their roles and responsibilities through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. Pursuant to Regulation 25(7) of the Listing Regulations, the Independent Directors of the Company were familiarised and the details of familiarization programmes imparted to them during the year, are placed on the website of the Company and the web link at <https://www.aartipharmalabs.com/regarding-independent-directors>

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Act, the Directors of your Company, to the best of their knowledge and based on the information and explanations received from the Company, confirm that:

- a) in the preparation of the Annual Financial Statements for the year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. ANNUAL PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, a structured questionnaire was prepared

after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The evaluation was undertaken by way of internal assessments, based on a combination of detailed questionnaires and verbal discussions.

The performance of the Committees and Independent Directors were evaluated by the entire Board of Directors except for the Director being evaluated. The performance evaluation of the Chairman, Non-Independent Directors and Board as a whole was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the outcome of evaluation and the process followed thereof.

16. AUDIT COMMITTEE

The details of the composition of the Audit Committee, terms of reference, meetings held, etc. are provided in the Corporate Governance Report, which forms part of this Report. During the year under review, there were no instances where the Board had not accepted any recommendation of the Audit Committee.

17. AUDITORS

a) Statutory Auditor and their Report

In accordance with the provisions of Section 139 of the Act, Gokhale & Sathe, Chartered Accountants (Firm Registration. No. 103264W) were appointed as the Statutory Auditors of the Company at the 4th AGM for a term of 5 (five) years to hold office till the conclusion of 9th AGM to be held in the year FY 2028.

The Statutory Auditors' Report forms part of the Annual Report. The said report does not contain any qualification, reservation or adverse remark for the year under review. During FY 2024-25, there were no instances of fraud which required the Statutory Auditors to report the same to the Central Government under Section 143(12) of Act and Rules framed thereunder.

b) Cost Auditor and their records

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and have them audited every year.

The Board has appointed Ketki D. Visariya, Cost Accountants, (Membership No. 16028),

as the Cost Auditor of the Company for FY 2025-26. The remuneration payable to the Cost Auditor is required to be placed before the Shareholders in a General Meeting for their approval. Accordingly, a resolution seeking Shareholder's ratification for the remuneration payable to Ketki D. Visariya, Cost Accountants, is included at Item No. 5 of the Notice convening the AGM.

The Company has maintained cost records as specified under section 148(1) of the Act.

c) Secretarial Auditor and their Report

Pursuant to provisions of Section 204(1) of the Act and Regulation 24A of the Listing Regulations, the Secretarial Audit Report for the Financial Year ended March 31, 2025 issued by CS Sunil M. Dedhia (COP No. 2031), of Sunil M. Dedhia & Co., Company Secretary in Practice and the Secretarial Auditor of the Company in Form MR-3 is annexed as Annexure-C and forms an integral part of this Report. During the year under review, the Secretarial Auditor had not reported any fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable. There is no qualification, reservation or adverse remark or disclaimer made by the Auditor in their report.

Pursuant to regulation 24A(2) of the SEBI Listing Regulations, a report on secretarial compliance for FY2025 has been issued by CS Sunil M. Dedhia and the same is submitted with the stock exchanges within the given timeframe. The report will also be made available on the website of the Company.

Pursuant to Section 179, 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of the Listing Regulations, the Board and Audit committee has recommended M/s Mehta & Mehta, Practising Company Secretaries (FRN:P1996MH007500) as the Secretarial Auditor of the Company to undertake the Secretarial Audit of the Company for term of five years commencing from FY 2025-26 subject to approval of members at the ensuing AGM.

Brief resume and other details of proposed secretarial auditors, forms part of the Notice of ensuing AGM. M/s Mehta & Mehta, Practising Company Secretaries have given their consent to act as Secretarial Auditors of the Company. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and SEBI Listing Regulations.

18. RISK MANAGEMENT

The Board takes responsibility for the overall process of risk management throughout the organization. Through an Enterprise Risk Management program, our business units and corporate functions address risks through an institutionalized approach aligned to our objectives. This is facilitated by an internal audit. The Business risk is managed through cross functional involvement and communication across businesses. The results of the risk assessment are presented to the senior management. The Risk Management Committee reviews business risk areas covering operational, financial, strategic and regulatory risks.

There have been no changes in our internal control over financial reporting that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

During FY25, we assessed the effectiveness of the Internal Control over Financial Reporting and has determined that our Internal Control over Financial Reporting as at March 31, 2025, is effective.

We continue to closely monitor, assess and implement mitigation plans in consideration of the turbulent geopolitical and economic landscape. This work is underpinned by foresight intelligence and scenario planning to look further ahead and build resilience to alternative futures. Our diverse global customer base gives us the flexibility to react to regional changes in demand by adjusting our sales mix into other markets, while we may adjust product features or content should we face supply challenges informed through our enhanced supply chain risk management framework.

We continue to monitor and assess the global tariff environments to manage their ramifications as effectively as possible, and take mitigating actions such as implementing cost discipline, pricing actions, evaluate our offerings and improving geographical mix.

Risk Management is an integral and important aspect of Corporate Governance. Your Company believes that a robust Risk Management Framework ensures adequate controls and monitoring mechanisms for smooth and efficient running of the business. A risk-aware Company is better equipped to maximize shareholder value.

Your Company has always worked to be contemporary in the application of technology for its business processes and its interface, both within and outside the Company. Towards this end, review of business process,

applications available and the digitisation of process with adequate controls is an ongoing work in progress. This calls for seamless integration with our consumers, customers and stakeholder operating ecosystems that can lead to a superior experience by improving agility and responsiveness across the business.

Cybersecurity is essential for any organisation to protect its digital assets from cyber-attacks, data breaches, and other security threats. Technology plays a critical role in cybersecurity and your Company has implemented several measures to enhance its Cybersecurity measures on the principles of Identify, Protect, Detect, Respond and Recover.

Your Company has constituted a Risk Management Committee ("RMC"), which assists the Board in monitoring and overseeing implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems and such other functions as mandated under the Listing Regulations and as the Board may deem fit from time to time. The Risk Management Policy also covers identification of elements of risk which, in the opinion of the Board, may threaten the existence of the Company.

Your Board has adopted a Risk Management Policy, which is available on the Company's website at https://www.aartipharmalabs.com/investors/APL_Risk%20Management%20Policy.pdf

The details of the composition of the RMC, terms of reference, meetings held, etc. are provided in the Corporate Governance Report, which forms part of this Report.

19. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your company has robust internal financial controls (IFC) systems, in line with the requirements of the Companies Act 2013. This system enhances transparency and accountability in the organization's process of designing and implementing internal controls.

These systems facilitate mapping with role-based authority to business and functional teams, ensuring smooth operations across the organization. The company's internal control systems are commensurate with the nature & size of its business considering both financial & non-financial controls.

The Company has appointed Manish Modi and Associates, Chartered Accountants as the Internal Auditor, who periodically audits the adequacy and

effectiveness of the internal controls laid down by the Management and suggests improvements. This ensures that all Assets are safeguarded and protected against loss from unauthorised use or disposition and that the transactions are authorised, recorded and reported diligently. Your Company's internal control systems are commensurate with the nature and size of its business operations. Internal Financial Controls are evaluated and Internal Auditors' Reports are regularly reviewed by the Audit Committee of the Board.

The Statutory Auditors Report on Internal Financial Controls as required under Clause (i) of sub-section 3 of Section 143 of the Act is annexed with the Independent Auditors' Report.

20. RELATED PARTY TRANSACTIONS

The Company has a Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions which is uploaded on the Company's website at <https://www.aartipharmalabs.com/investors/apl-rpt-policy-revised-feb-2025-final.pdf>. The Policy captures framework for Related Party Transactions and intends to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company or its subsidiaries on one side and Related Parties on the other, in compliance with the applicable laws and regulations as may be amended from time to time.

All transactions with related parties and subsequent material modifications, if any, are placed before the Audit Committee for its review and approval. An omnibus approval from the Audit Committee is obtained for the related party transactions which are repetitive in nature, based on the criteria approved by the Audit Committee. A statement of related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of transactions. A report of factual findings arising out of the accepted procedures carried out in regard to transactions with Related Parties is given by the Statutory Auditors on quarterly basis and the same is placed before the Audit Committee.

There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other Designated Persons which may have potential conflict with interest of the Company at large.

Since all related party transactions entered into by the Company were in ordinary course of business and were on an arm's length's basis, Form AOC-2 is not applicable

to Company. Further, there were no material related party transactions in terms of the Listing Regulations requiring approval of the Shareholders during the year under review.

Pursuant to Regulation 23(9) of the SEBI Listing Regulations, your Company has filed the reports on related party transactions with the Stock Exchanges within statutory timelines. Besides, the details of related party transactions are provided in the accompanying financial statements.

21. NOMINATION AND REMUNERATION COMMITTEE ("NRC") AND NRC POLICY

Pursuant to Section 178(3) of the Act and Regulation 19 of Listing Regulations your Company has framed a policy on Directors' appointment and remuneration and other matters which is available on the website of your Company and link for the same is <https://www.aartipharmalabs.com/investors/nomination-and-remuneration-policy-feb-2023.pdf>

The Remuneration Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the NRC for identifying the persons who are qualified to become the Directors. Your Company's Remuneration Policy is directed towards rewarding performance based on review of achievements. The Remuneration Policy is in consonance with existing industry practice.

The composition of the Committee, attendance at its meetings and other details have been provided as part of the Corporate Governance Report.

Your Company has adopted a Nomination and Remuneration Policy ("Policy") which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also lays down criteria for selection and appointment of Board Members.

The Committee also plays an important role and is responsible for administering the Stock Options Scheme as applicable to the eligible employees of the Company.

22. PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-D and forms an integral part of this Report. As per first proviso

to Section 136(1) of the Act and second proviso of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the report and financial statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2). However, these are available for inspection during business hours up to the date of the forthcoming AGM at the registered office of the Company. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office address of the Company.

23. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

At APL, our focus is "Right person for right job at right time", keeping this in mind we recruit people with the relevant experience and academic background and ensure long term engagement brings results in win-win situations for both employees as well as the organisation. We believe our people are assets in the organisation and invest quality time in nurturing their talent, improving productivity consistently and providing growth paths for them. People at APL are proud of their association with the company.

We firmly believe that our people are our greatest strength and the key to our continued success. Guided by this belief, our HR Department remains dedicated to attracting, developing, engaging, and retaining talent through people-centric policies and industry-leading practices. Our consistent focus on nurturing human capital enables us to deliver on our business goals while fostering a culture of trust, growth, and mutual success.

Positive Employee Satisfaction Survey Outcomes

In line with our commitment to fostering a progressive and healthy work culture, we conducted a comprehensive Employee Satisfaction Survey (ESS) covering all functions and locations. We are pleased to share that 75% of our employees reported high levels of satisfaction, reaffirming that our initiatives and work environment align well with their expectations and aspirations. The insights gained from this survey are being actively leveraged to further enhance our people practices and deepen employee engagement across the organisation.

Performance Appraisals & Rewarding System

Recognising and rewarding performance in a fair and timely manner remains a cornerstone of our HR strategy. During the year, we ensured that all employees up to the manager level received timely performance evaluations

and corresponding rewards in April 2025. For senior managers and above, appraisals were completed by May 2025. Notably, the average rewards provided were significantly higher than the previous year and exceeded the pharmaceutical industry benchmarks published in Deloitte's 2024–25 Pharma Report. This commitment to market-competitive recognition strengthens our employee value proposition and supports our efforts to attract and retain top talent. Additionally, the appraisal process identified key training needs, which are being addressed through targeted development programmes.

Attrition Management

The Company recognises that optimal workforce discipline and productivity are critical to sustaining operational excellence. Through an appropriate recruitment methodology, robust retention policies, and an enriching work environment, we have consistently strived to reduce the attrition rate and implement specific employee growth plans. As a result, we have successfully reduced our attrition rate to 11%, which is lower than the industry benchmark of 14% for 2024–2025. This achievement reflects the heightened sense of responsibility and commitment among our employees towards their work and the organisation.

In addition, we are committed to promoting gender equality by increasing recruitment opportunities for women, both at our offices and factory locations. While the industry average for female representation stands at 27%, over the next two years we aim to significantly increase the number of female employees across all levels.

Proactive Leadership & Talent Management

The Company has customised its organisational structure to align with evolving business requirements and to provide clarity on roles and responsibilities within each function. We have placed strong emphasis on strengthening second-line leadership across all critical areas. During the year, we identified high-potential employees at various levels and invested in preparing them for larger roles and greater responsibilities. This structured approach to succession planning ensures organisational stability and enhances our readiness to meet future challenges effectively. Clear role definitions and functional targets further support accountability and performance.

Developing a sustainable talent pool remains a key priority for us. To this end, we have partnered with reputed Tier II engineering colleges near our manufacturing facilities to recruit Graduate Engineer Trainees (GETs). These young graduates undergo a structured onboarding programme,

followed by continuous functional training modules to build the required competencies before they assume key roles within the Company. This initiative not only nurtures local talent but also contributes to reducing attrition by creating a steady pipeline of skilled professionals ready to step in as needed.

Employee Engagement Initiatives

At APL, we believe that an engaged workforce is more productive, innovative, and committed. To nurture this engagement, we organised a variety of activities during the year including inter-unit sports tournaments, regional picnics, festival celebrations, Women's Day special events, and health & wellness camps. Additionally, we honour local cultural traditions through site-specific poojas and gatherings, which strengthen team bonding and promote a sense of belonging. These efforts have played a vital role in enhancing employee morale and have directly contributed to the reduction in our attrition rate.

Way Forward

We believe that continuous learning is key to staying ahead of the competition. To support this, we have implemented a robust Learning Management System (LMS) and plan to establish a specialised Learning & Development (L&D) department to further enhance our training capabilities. Feedback on learning and development needs is regularly captured through our self-appraisal system, ensuring that training initiatives remain relevant and impactful.

We firmly believe that investing in our people today builds a stronger, more resilient organisation for tomorrow. As our people grow, so does APL — together, we are creating a workplace that is agile, inclusive, and prepared for sustained success. We have invested in LMS software and are actively developing a dedicated training and talent management team to take our capability-building efforts to the next level.

24. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure –E** and forms an integral part of this Report.

25. AARTI PHARMA PERFORMANCE STOCK OPTION PLAN 2023

Aarti Pharma Performance Stock Option Plan 2023 ("PSOP 2023") was approved by the shareholders at the

4th AGM of the Company held on September 14, 2023, under which stock options would be granted to the eligible employees in compliance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Pursuant to the PSOP 2023, the Company had granted 40,000 options to eligible employees as per the recommendation of the Nomination and Remuneration Committee, at its meeting held on May 13, 2024. Further the Committee has granted 42,000 options to eligible employees on May 10, 2025

Your Company has received a certificate for FY 2024-25 from CS Sunil M. Dedhia (COP No. 2031), of Sunil M. Dedhia & Co. Company Secretary in Practice and the Secretarial Auditor of the Company that PSOP 2023 has been implemented in accordance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolution passed by the shareholders. Any request for inspection of the said Certificate may please be sent investorrelations@aartipharmalabs.com.

The details of the stock options granted under the PSOP Scheme and the disclosures in compliance with Regulation 14 of the and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on the website of the Company at www.aartipharmalabs.com/other-disclosures.

26. CORPORATE GOVERNANCE

Your Company upholds a strong corporate governance framework, built on the foundation of effective leadership, well-defined policies, streamlined processes, and a deeply ingrained legacy of values. The Board, in collaboration with the management team, establishes and drives the Company's principles, ensuring that business operations align with these core values. These ethics and standards are seamlessly woven into the Company's culture, business practices, disclosure policies, and stakeholder relationships, maintaining alignment with international best practices and exemplary corporate conduct.

Your Company has fully adhered to the mandatory Corporate Governance requirements outlined in the Listing Regulations. In compliance with Regulation 34 of the Listing Regulations, a dedicated Corporate Governance Report is annexed hereto, forming an integral part of this Report. Additionally, the requisite certification

from Gokhale & Sathe, Chartered Accountants, is enclosed within the Corporate Governance Report.

27. HEALTH AND SAFETY

At Aarti Pharmed Labs Limited (APL), ensuring the health and safety of all stakeholders—employees, contractors, customers, and visitors—is a core organizational priority. The company integrates safety into every aspect of its operations, from manufacturing and R&D to supply chain activities through robust systems, advanced infrastructure, continuous training, and a strong safety culture. APL aims to proactively identify and mitigate risks, ensuring a secure and compliant working environment across all sites during FY 2024–25.

Governance Mechanism

APL has established strong governance mechanisms to oversee its health and safety framework. EHS Committees are operational at all levels, ensuring fair representation of employees and enabling active participation in health and safety decisions. These committees are responsible for reviewing risk assessments, ensuring the implementation of corrective actions, tracking incident reports, and addressing escalations. Risk mitigation follows a structured hierarchy: Elimination, Substitution, Engineering controls, and Administrative controls. The company enforces a strict Permit to Work system for high-risk activities such as confined space entry, hot work, and work at heights, with clear safety protocols, communication requirements, and control measures.

Occupational Health and Safety

APL prioritizes occupational health and safety across all business functions, ensuring alignment with ISO 45001:2018 standards. The company has established a comprehensive Occupational Health and Safety Management System under the Aarti Pharma Management System (APMS), covering all employees, contractors, and visitors. The system mandates thorough training in chemical handling, proper usage of personal protective equipment (PPE), and adherence to emergency response protocols. Regular safety drills, toolbox talks, inspections, and monthly safety campaigns are conducted to proactively identify and control workplace risks. Additionally, all employees undergo medical screening at onboarding and periodically thereafter, based on regulatory requirements. APL also introduced software platform at sites to identify and eliminate the risks timely.

Process Safety

APL operates a centralized Process Safety Laboratory equipped with advanced technologies such as Reaction Calorimeter (RC1mx) and Thermal Screening Units (TSu)

to assess and manage the risks of handling hazardous chemicals. This in-house facility generates crucial data on reaction behavior and powder safety, which informs safe plant design and processing decisions. During FY 2024–25, the lab performed 396 TSu sample analyses, 119 RC1mx tests, and 91 powder safety evaluations. The company follows a structured four-stage process safety risk assessment framework: Step 1 (Process Safety Information), Step 2 (Hazard Checklist & HIRA), Step 3 (HAZOP), and Step 4 (PSSR), supplemented by tools such as Fault Tree Analysis, FMEA, What-if and occupational exposure banding. External and internal training sessions continuously build process safety capabilities within the workforce.

Safety Training

APL conducts regular, targeted safety training programs designed to instill a proactive safety culture. These sessions cover hazard identification, safe work procedures, emergency preparedness, and the use of safety signage. In FY 2024–25, APL conducted 2280 Occupational Health and Safety (OHS) training sessions. The company's in-house experts, along with external consultants, deliver sessions via classroom formats, online meetings and on-site safety displays. Employees are encouraged to report unsafe conditions and empowered to stop work if they encounter any hazardous situation. Awareness is further reinforced through safety campaigns and practical emergency drills.

Contractor Health & Safety

APL has implemented stringent safety protocols for contractors working on its premises. These include pre-employment medical fitness evaluations, thorough induction training on safety protocols, and a mandatory work permit system to control site access and job authorization. Contractors are monitored closely for compliance with safety norms, ensuring that all work is conducted under controlled and authorized conditions.

Customer Health & Safety

Customer safety is a top priority for APL. The company adheres to globally accepted product safety standards, including the use of GHS-compliant labels and Material Safety Data Sheets (MSDS). APL also aligns its practices with the European Union's REACH regulations. In FY 2024–25, APL reported zero major complaints related to customer health and safety, reflecting the effectiveness of its product safety communication and hazard mitigation protocols.

Occupational Health Centres (OHC)

APL provides robust on-site occupational healthcare services at all manufacturing and R&D locations through

Occupational Health Centres (OHCs) as per regulatory mandates. Each centre is staffed by trained factory medical officers, supported by qualified nurses. These centres offer 24x7 coverage for medical needs, with specific emphasis on managing exposures related to powder, solvents, corrosive chemicals, and noise-intensive machinery. Onsite ambulances and first aid facilities ensure timely emergency response. Periodic medical surveillance, including annual or semi-annual health checkups, is conducted, and follow-up care is ensured until complete rehabilitation, as overseen by the Factory Medical Officer. All Occupational Health Centres (OHCs) maintain mutual aid arrangements with neighbouring industries and nearby hospitals located close to operational sites.

Incident Learning and Safety Culture

APL fosters a strong culture of safety learning through its monthly "Learning from Incidents" forum, where all incidents are reviewed and shared across sites to prevent recurrence. Global Corrective and Preventive Actions (CAPA) are assigned to ensure learnings are institutionalized company-wide. As a leading organization, APL proactively monitors potential incidents occurring in peer industry segments and implements relevant CAPA at its own sites. Employees are empowered to contribute safety suggestions through both anonymous drop boxes and internal software platforms. Open forums like Toolbox Talks encourage candid discussions and reinforce accountability across all organizational levels.

ENVIRONMENT

Energy Conservation & Consumption

During the fiscal year under review, our total energy consumption stood at 1,353,826.70 gigajoules (GJ). Out of total energy consumption stands 51,026.5 gigajoules (GJ) from renewable energy sources. As part of our long-term sustainability agenda, we have undertaken significant initiatives to reduce our dependence on conventional fossil fuels. Notably, multiple facilities have successfully transitioned from furnace oil to cleaner energy alternatives, thereby lowering overall emissions. In line with our renewable energy goals, we have also started getting renewable electricity from a solar power plant to our Tarapur cluster via a facility located in Akola district, Maharashtra. This project aims to harness solar energy to offset conventional energy usage and promote a low-carbon operational model across our value chain.

Hazardous Waste Management

We maintain a robust and systematic approach to waste management, ensuring that all hazardous and non-hazardous wastes generated across our facilities are carefully segregated, recovered, recycled, or

disposed of in strict accordance with their physical and chemical properties and in compliance with applicable environmental regulations. Our waste management procedures are routinely reviewed and upgraded to enhance material recovery and reduce the environmental burden.

Water & Wastewater Management

In FY 2024–25, our total water consumption reached 5,91,301 kiloliters (KL), sourced from both freshwater and recycled/recovered streams. Remarkably, 31% of this total consumption was met through recycled water, underscoring our commitment to circular water use. Freshwater is primarily drawn from industrial supply bodies, while we continue to improve our water stewardship through advanced treatment technologies.

To manage wastewater responsibly, we have implemented high-efficiency treatment systems, including Reverse Osmosis (RO) units, Multiple Effect Evaporators (MEEs), Mechanical Vapour Recompression (MVR) systems, and Agitated Thin Film Dryers (ATFD). These systems enable significant water recovery and reduce waste discharge. A Zero Liquid Discharge (ZLD) policy is rigorously enforced at all manufacturing units, ensuring that no untreated effluent is released into the environment and our operational water impact remains minimal.

Product End-of-Life Management

We have institutionalized a structured process for managing the end-of-life stage of all products manufactured at our facilities. Each product undergoes a comprehensive shelf-life evaluation based on detailed research and development assessments. Upon client request, we offer technical support and guidance to ensure safe and compliant disposal or treatment of expired products. We have also implemented an Extended Producer Responsibility (EPR) program to ensure the effective collection, treatment, and disposal of all plastic waste generated from the packaging of products and raw materials at the end of its lifecycle.

Significantly, during FY 2024–25, there were no reported cases requiring product end-of-life treatment, resulting in zero environmental impact under this category. This reflects our effective product lifecycle management practices and our continued emphasis on minimizing environmental liability from our offerings.

28. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

The Listing Regulations mandate the inclusion of the Business Responsibility & Sustainability Reporting as part of the Annual Report for top 1,000 listed entities

based on market capitalisation. BRSR for the year under review, as stipulated under Regulation 34(f) of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021 is in a separate section forming part of the Annual Report.

29. VIGIL MECHANISM

The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the Listing Regulations is implemented through the Company's Vigil Mechanism Policy. The said Policy of your Company is available on the Company's website at <https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf>

It enables the Directors, employees and all stakeholders of the Company to report genuine concerns (about unethical behaviour, actual or suspected fraud, or violation of the Code) and provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee.

No whistle-blower complaints have been received during the year under review.

30. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company believes that every woman employee should have the opportunity to work in an environment free from any conduct which can be considered as Sexual Harassment. The Company has Zero Tolerance towards sexual harassment at the workplace.

The Company is committed to treating every employee with dignity and respect. The Policy framed by the Company in this regard provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. The POSH Policy is gender inclusive and the framework ensures complete anonymity and confidentiality. The said Policy of your Company is available on the Company's website at <https://www.aartipharmalabs.com/investors/prevention-of-sexual-harrasment-policy.pdf>.

Internal Complaints Committees (ICC) has been set up to redress complaints received regarding sexual harassment.

During the year under review, your Company has not received any complaint pertaining to sexual harassment. Following are the details of complaints received, disposed and pending more than 90 days:

Number of sexual harassment complaints received during the financial year - Nil.

Number of complaints disposed of during the year - N.A.

Number of cases pending for more than 90 days- N.A.

Additionally the Company has complied with the provisions of Maternity Benefit Act, 1961.

Pursuant to the requirements of Rule 8(2)(ii)(b) of the Companies (Accounts) Rules, 2014 (as amended), the Company confirms that it has duly complied with the provisions of the Maternity Benefit Act, 1961 during the financial year under review.

The Company remains committed to providing a supportive and inclusive workplace for all employees and has ensured that all benefits and safeguards under the said Act have been extended to eligible women employees.

Further, awareness sessions have been conducted to apprise employees of their rights, and appropriate internal systems have been maintained to facilitate timely disbursement of maternity benefits.

31. SECRETARIAL STANDARDS

The Company has generally complied with all the applicable provisions of Secretarial Standard on Meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2), respectively issued by Institute of Company Secretaries of India

32. DETAILS OF DEPOSITS

During the year under review, your Company has neither invited nor accepted any deposits from the public falling within the ambit of Section 73 of the Act and the rules framed thereunder. The requisite return for FY 2024-25 with respect to amount(s) not considered as deposits has been filed.

BANK LOAN FACILITIES

Your Company continues to manage its treasury operations efficiently and has been able to borrow funds for its operations at competitive rates. During the year under review, your Company had below rating for its bank loan facilities of ₹ 700 Crs, which were revalidated from time to time;

Rating Agency	CRISIL Rating Limited
Rating	CRISIL A+/ Stable (Assigned)

On July 17, 2025, CRISIL Ratings Limited ('CRISIL Ratings') has upgraded the credit ratings for long-term bank loan facilities of the Company to "Crisil AA-/Stable" and the same was intimated to stock exchanges .

33. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company in Form MGT-7 for financial year 2024-25, is available on the Company's website at <https://www.aartipharmalabs.com/annual-return>

34. INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

Pursuant to the demerger of pharma undertaking of Aarti Industries Limited during FY 2022-23, proportionate number of shares (i.e. 3,13,656 shares) held by the shareholders of Aarti Industries Limited, which were then lying in the IEPF account, were credited to the IEPF demat account of the Company. As at March 31, 2025, 3,13,656 (Three Lakh Thirteen thousand Six Hundred and Fifty Six) equity shares are lying with IEPF. The Final Dividend for FY 2023-24 and Interim Dividend for FY 2024-25 accrued on such shares was credited to the designated bank account of the IEPF authority. Further, the final dividend for FY 2024-25, if approved by the shareholders at the ensuing AGM, shall be credited to the designated bank account of the IEPF authority.

Except for the above, no amount is due to be transferred to the IEPF Account.

35. COMPLIANCE MANAGEMENT SYSTEM

Your Company has deployed a Statutory Compliance Mechanism providing guidance on broad categories of applicable laws and processes for monitoring compliance.

In furtherance to this, your Company has instituted an online compliance management system within the organization to monitor compliances and provide updates to the senior management on a periodic basis.

The Audit Committee and the Board periodically monitor the status of compliances with applicable laws.

36. SWAYAM INVESTOR SELF-SERVICE PORTAL

'SWAYAM' is a secure, user-friendly web-based application, developed by "MUFG Intime india Private Limited" (Formally known as "Link Intime India Pvt Ltd."), our Registrar and Share Transfer Agents, that empowers shareholders to effortlessly access various services. This application can be accessed at <https://swayam.in.mpms.mufg.com/>

37. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, no significant material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations.

38. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no other material changes and commitments affecting the financial position of the Company, which had occurred between the end of the Financial Year to which these financial statements relate and the date of the Report.

39. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE FINANCIAL YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the FY 2024-25, there was no application made and proceeding initiated / pending by any Financial and/or Operational Creditors against your Company under the Insolvency and Bankruptcy Code, 2016 ("the Code").

Further, there is no application or proceeding pending against your Company under the Code.

40. DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE AT THE TIME OF TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the FY 2024-25, the Company has not made any settlement with its bankers for any loan/ facility availed or/and still in existence.

41. GENERAL DISCLOSURES

The Managing Director(s) have not received any remuneration or commission from the subsidiary of your Company.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions / events on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme save and except Employees Stock Option Schemes (ESOP) referred to in this Report.
3. Voting rights which are not directly exercised by the employees in respect of shares for the subscription / purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Act).

4. There has been no change in the nature of business of your Company.
5. There was no revision of financial statements and Board's Report of your Company during the year under review.

42. ACKNOWLEDGEMENT

The Board of Directors place on record its sincere appreciation for the dedicated services rendered by the employees of the Company at all levels and the constructive cooperation extended by them. Your Directors would like to express their grateful appreciation for the assistance and support by all Shareholders, Government Authorities, Auditors, Financial Institutions, Customers, Employees, Suppliers, other business associates and various other stakeholders.

For and on behalf of the Board

Place: Mumbai
Date: August 12, 2025

Narendra J. Salvi
Managing Director
DIN: 00299202

Hetal Gogri Gala
Vice Chairperson and Managing Director
DIN: 00005499

ANNEXURE A

FORM AOC-1

Salient features of Financial Statements of Subsidiary / Associates / Joint Ventures as per Companies Act, 2013

PART "A": SUBSIDIARIES AND JOINT VENTURE

(₹ in lakhs)

Sr. No.	Name of Subsidiary Company / Joint Venture	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% Of Shareholding
1	Aarti Pharmachem Limited	INR	25.00	-4.44	20.92	0.37	0	0	-0.41	0	-0.41	0	100%
2	Ganesh Polychem Limited	INR	309.83	15706.22	18311.52	2295.465	3168.245	14942.2	2980.12	856.995	2123.125		50%
3	Aarti USA Inc	US\$	1.00	-3.08	31.57	33.91	1.88	245.87	4.20	0.85	3.35		100%
		INR	65.76	-262.97	2698.18	2898.39	160.28	21016.77	358.94	72.25	286.69	0	

The Financial Statement of Aarti USA Inc whose reporting currency is other than INR are converted into Indian Rupees on the basis of appropriate exchange rate as per the applicable Accounting Standard. US\$ 1 = ₹ 85.48.

ANNEXURE B

THE ANNUAL REPORT ON CSR ACTIVITIES CARRIED OUT DURING FY 2024-25

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The CSR initiatives undertaken by your Company upholds the principles of a responsible corporate citizen and aims to distribute the economic benefits derived by it through active collaboration with credible institutions by contributing to the social and economic development of the communities in which it operates.

The Company's policy on CSR, sets out a statement containing the approach and direction given by the Board of Directors after taking into account the recommendations of its CSR Committee and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

This policy is framed pursuant to Section 135 of the Companies Act, 2013 read with the Rules made thereunder as amended time to time.

2. COMPOSITION OF CSR COMMITTEE

The Composition of the CSR Committee as on the date of this report is as follows:

Sr. No	Name of Director	Designation	Nature of Directorship	Number of meetings of CSR Committee held	Attendance at the Meeting
1.	Smt. Hetal Gogri Gala	Chairperson	Vice Chairperson & Managing Director	One Meeting was held on April 15, 2024	Yes
2.	Shri Rajendra Gogri	Member	Non-Executive Director		Yes
3.	Smt. Jeenal Savla	Member	Independent Director		Yes
4.	Shri Vilas Gaikar	Member	Independent Director		Yes

3. DISCLOSURES AT WEB LINK

The composition of the CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company www.aartipharmalabs.com

CSR Committee - <https://www.aartipharmalabs.com/investors/composition-of-committees.pdf>

CSR Policy - <https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf>

CSR Projects approved by Board: <https://www.aartipharmalabs.com/csr>

4. EXECUTIVE SUMMARY ALONG WITH THE WEB LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

In pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the impact assessment of CSR projects undertaken by the Company during FY 2024-25, is not applicable.

However, project wise amounts spent together with the lives impacted thereby have been covered later in this report.

5. (a)	Average net profit of the company as per sub-section (5) of section 135: -	₹ 2,13,86,72,243
(b)	Two percent of average net profit of the company as per sub-section (5) of section 135: -	₹ 4,27,73,445
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: -	Nil
(d)	Amount required to be set-off for the financial year, if any: -	Nil
(e)	Total CSR obligation for the financial year [(b)+(c) - (d)]: -	₹ 4,27,73,445

6. (a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): -	₹ 4,30,16,148
(b)	Amount spent on Administrative Overheads: -	Nil
(c)	Amount spent on Impact Assessment, if applicable: -	Nil
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]: -	₹ 4,30,16,148

- (e) CSR Amount spent/ Unspent for the Financial Year

Total Amount Spent for the Financial Year (₹ in lakhs)	Total Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
430.16	Not Applicable				

- (f) Excess amount for set off, if any:

Sr. No.	Particulars	Amount in ₹
(i)	Two percent of average net profit of the company as per section 135(5)	4,27,73,445
(ii)	Total amount spent for the Financial Year	4,30,16,148
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,42,703
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,42,703

7. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

Sr. No.	Preceding financial year(s)	Amount transferred to unspent CSR account under sub-section (6) of Section 135 (₹ in lakhs)	Balance amount in unspent CSR account under sub-section (6) of Section 135 (1) (₹ in lakhs)	Amount spent in the financial year (₹ in lakhs)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding financial years (₹ in lakhs)	Deficiency, if any
					Amount (₹ in lakhs)	Date of Transfer		
Not Applicable, since there is no Unspent CSR Amount for the preceding three financial years								

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

If Yes, enter the number of Capital assets created/ acquired: - Not Applicable

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUB- SECTION (5) OF SECTION 135: Not Applicable

For and on behalf of the Board

Place: Mumbai
Date: August 12, 2025

Hetal Gogri Gala
Chairperson of the Committee
DIN: 00005499

Rajendra V. Gogri
Director
DIN: 00061003

ANNEXURE C

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025

(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,
Aarti Pharmalabs Limited
(CIN: L24100GJ2019PLC110964)
Plot No 22/C/1 & 22/C/2,
1st Phase, GIDC, Vapi,
Valsad, Gujarat 396195.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aarti Pharmalabs 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, the Company has, during the audit period covering the Financial Year ended on March 31, 2025 ('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:

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, 2025 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, Overseas Direct Investment, External Commercial Borrowings during the Audit Period;

- (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 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 which were not applicable to the Company during the Audit Period;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015("SEBI LODR");
 - (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 which were not applicable to the Company during the Audit Period;
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 which were not applicable to the Company during the Audit Period; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 which were not applicable to the Company during the Audit Period;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the Audit Period under review and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above;

I further report that based on review of compliance system prevailing in the Company, I am of the opinion that the Company has adequate systems and processes in place commensurate with its size and nature of operations to monitor and ensure compliance with the following laws applicable specifically to the Company:

- (a) Drugs & Cosmetics Act, 1940 and rules made thereunder;
- (b) Narcotic Drugs and Psychotropic Substances Act, 1985;
- (c) The Insecticides Act, 1968;
- (d) Explosives Act, 1884 and Rules made thereunder;
- (e) Air (Prevention and Control of Pollution) Act, 1981;
- (f) Water (Prevention and Control of Pollution) Act, 1974;
- (g) The Noise (Regulation and Control) Rules, 2000;
- (h) Environment Protection Act, 1986 and other environmental laws;
- (i) The Indian Boilers Act, 1923 & The Indian Boilers Regulations, 1950;
- (j) Public Liability Insurance Act, 1991; and
- (k) Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016.

I 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 was given 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.

All decisions at the Board Meetings and Committee Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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.

I further report that during the Audit Period under review there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., having a major bearing on the Company's affairs.

This report is to be read with Annexure which forms an integral part of this report.

CS Sunil M. Dedhia

Proprietor, Sunil M. Dedhia & Co.

Company Secretaries

FCS No: 3483 C.P. No. 2031

UDIN: F003483G000814183

Peer Review Certificate No. 867/2020

Unique Identification No. S1993MH012200

Mumbai, Dated July 18, 2025

Annexure

The Members,

Aarti Pharmalabs Limited

(CIN: L24100GJ2019PLC110964)

Plot No 22/C/1 & 22/C/2, 1st Phase,

GIDC, Vapi, Valsad, Gujarat 396195.

My report of even date is to be read along with this letter.

- (1) Maintenance of Secretarial record 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 the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of 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, Standard is the responsibility of Management. My 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 the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

CS Sunil M. Dedhia

Proprietor, Sunil M. Dedhia & Co.

Company Secretaries

FCS No: 3483 C.P. No. 2031

UDIN: F003483G000814183

Peer Review Certificate No. 867/2020

Unique Identification No. S1993MH012200

Mumbai, Dated July 18, 2025

ANNEXURE D

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- A. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2024-25 as well as the percentage increase in remuneration of each Director, CEO, Chief Financial Officer and Company Secretary are as under:

[Explanation - (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values.]

Name of Director / Key Managerial Personnel	Ratio to Median Remuneration	% increase in remuneration over previous year
Managing Directors		
Smt. Hetal Gogri Gala	219.57:1	18.75
Shri Narendra J. Salvi	41.25:1	29.25
Non- Executive Directors		
Shri Rashesh C. Gogri	2.44:1	Refer note ¹
Shri Rajendra V. Gogri	2.08:1	
Shri Parimal H. Desai	1.83:1	
Dr. Vinay G. Nayak	3.27:1	
Shri Bhavesh R. Vora	3.07:1	
Prof Vilas G. Gaikar	2.66:1	
Smt. Rupal A. Vora	1.72:1	
Smt. Jeenal K. Savla	3.34:1	
Smt. Nehal Garewal*	1.38:1	
Shri Pradeep Thakur*	1.41:1	
Key Managerial Personnel		
Shri Piyush P Lakhani	-	26.19%
Shri Nikhil P Natus\$	-	NA
Shri Jeevan Mondkar#		NA

*Appointed w.e.f May 13, 2024

\$ Resigned w.e.f October 30, 2024

Appointed w.e.f December 13, 2024

Note:

- The remuneration to the Non-Executive Directors is paid by way of sitting fees for attending the Board / Committees Meetings during the year and commission.
- Mr Jeevan Mondkar was employed for part of the year, the field of % increase in remuneration is not applicable.
- The Median Remuneration of employees of the Company during FY 2024-25 was ₹ 4,70,606.

B. The percentage increase in the median remuneration of employees in FY 2024-25: 12.72%.

C. The number of permanent employees on the rolls of the Company as on March 31, 2025: 2163 nos.

D. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	% Change in remuneration
Average increase in salary of employees (other than Managerial Personnel*)	12.96%
Average increase in remuneration of Managerial Personnel*	35.6%

Note: 'Managerial Personnel' means employees belong to categories such as Key Managerial Personnel, Senior Management and Senior Leaders but does not include executive Directors of the Company.

E. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other employees is as per Remuneration Policy of the Company.

For and on behalf of the Board

Narendra J. Salvi
Managing Director
DIN: 00299202

Hetal Gogri Gala
Vice Chairperson and
Managing Director
DIN: 00005499

Place: Mumbai
Date: August 12, 2025

ANNEXURE E

A) ENERGY CONSERVATION

At Aarti Pharmalabs Limited, we are committed to conducting our operations with the highest standards of care and efficiency. Our efforts are driven by a clear vision, to contribute to a world where every individual enjoys a better quality of life and a sustainable future. To support this vision, we strive to enhance our eco-effectiveness and minimize our environmental footprint across all areas of our business.

To implement this, we have established dedicated utility expert teams at each of our locations. These teams are tasked with conceptualizing and executing energy-saving initiatives aimed at reducing our carbon footprint and conserving natural resources. We have adopted a comprehensive three-pronged strategy to promote energy conservation, which focuses on minimizing energy leaks, optimizing processes and equipment, and embracing new and efficient technologies.

Our commitment to energy efficiency is further strengthened by validated reduction targets approved by the Science Based Targets initiative (SBTi). These targets help us streamline and prioritize projects with defined timelines and measurable outcomes. To support these goals, we have undertaken extensive retrofitting projects by installing modern, energy-efficient devices and equipment. We have also implemented waste heat recovery systems to capture and reuse energy that would otherwise be lost. In addition, operational inefficiencies that hinder conservation efforts have been proactively identified and resolved.

In the financial year 2024–25, we successfully executed a range of energy-saving projects across our facilities. One of the major milestones was the installation of a solar power plant at our Akola site in Maharashtra, with an annual electricity generation capacity of 26.88 GWh. This plant now supplies clean energy to our operational sites in Maharashtra. We also commissioned green-fuel (briquette) boilers at two major locations at Tarapur, Maharashtra, significantly reducing reliance on fossil fuels for steam generation. Other notable initiatives include improving the power factor to unity, replacing outdated pumps with high-efficiency models, upgrading conventional lighting to LEDs, installing day timers to optimize streetlight usage, and using blowers and vacuum pumps equipped with variable frequency drives

(VFDs). Additionally, we installed pressure transmitter interlocks with VFDs in air compressors to improve energy management and efficiency. Collectively, these actions have led to meaningful energy savings.

To further maximize energy efficiency, we have installed cogeneration power plants and Mechanical Vapour Recompression (MVR) systems at multiple locations. These allow us to optimize the use of coal as an energy source and enable the reuse of steam for internal processes and electricity generation. By capturing and utilizing waste heat from our operations, we are able to meet a portion of our steam requirements while significantly reducing carbon emissions. In FY 2024–25, we generated 6,829.42 gigajoules (GJ) of electricity through our installed steam turbines demonstrating our commitment to sustainable energy practices.

Looking ahead, we continue to explore innovative solutions that align with our sustainability objectives. We have implemented PVA Gel technology at our Gujarat facility to reduce hazardous waste generation and electricity consumption, with plans to scale this across other sites. We have also commissioned new boilers operating on Piped Natural Gas (PNG) at our Dombivli locations in addition to our existing boiler located at Vapi, adopting cleaner fuels to further reduce our environmental impact.

We have replaced the traditional oil bath system with single fluid heating and cooling systems, replicating reactor conditions similar to those used in commercial-scale plants. At our Tarapur facility, we commissioned a non-contact steam ejector to recycle 100% of the condensate back to the boiler, resulting in a notable reduction in coal consumption. At our Dombivli and at one of the Tarapur sites, we successfully installed Screw Press Filters, replacing the conventional Filter Press systems. This upgrade has led to considerable energy savings and reduced operational costs, and we have extended this technology to other sites as communicated in previous years.

Through a combination of strategic planning, technological innovation, and focused execution, Aarti Pharmalabs Limited continues to lead the way in reducing energy consumption, minimizing environmental impact, and advancing toward a more sustainable and energy-efficient future.

Additional Investments & Proposals, if any, being implemented for Reduction of Consumption of Energy:

We have planned additional investments in the coming years to conserve energy and reduce our environmental footprint, including

- Installation of renewable energy source i.e Solar energy for CSD Vapi Gujarat cluster, targeting to provide 11.34 GWh per annum.
- Implementation of SCALEBAN in the cooling tower's make-up water line, reducing additional water treatment in MEE resulting into conservation of steam.

B) TECHNOLOGY ABSORPTION, ADAPTION, AND INNOVATION

We are embracing advanced technologies such as flow chemistry, packed bed catalytic reactions using fixed bed reactors, and peptide chemistry to enhance process efficiency and innovation.

The adoption of chiral catalysts is another key advancement, improving atom economy and enabling zero-effluent processes. This not only boosts process sustainability but also aligns with our commitment to environmentally responsible manufacturing.

Benefits derived as a result of above efforts:

- Reduction in product manufacturing costs
- Minimization of carbon emissions, waste, and effluents
- Improvement in overall process efficacy and sustainability

Expenditure incurred on Research and Development:

	(₹ In lakhs)		
₹ in lakhs	2024-25	2023-24	2022-2023
Revenue (Intangible)	4,184.10	4,318.09	1,752.86
Capital (incl. of WIP)	493.94	2,107.49	433.36
Total	4,678.04	6,425.58	2,186.22

Foreign Exchange Earnings and Outgo

The Foreign Exchange Earnings and Outgo were ₹ 92,361.80 lakhs & ₹ 33,480.00 lakhs respectively (previous year ₹ 74,192.95 lakhs & ₹ 25,851.72 lakhs respectively).

CORPORATE GOVERNANCE REPORT

The Company's Report on Corporate Governance for the financial year ended March 31, 2025 ("year under review" and "FY 2024-25"), is in compliance with the principles of Corporate Governance as prescribed in Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations").

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance and your Company's actions are governed by Values and Code of Conduct. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long term shareholder value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics. Your Company has an unwavering focus on sustainability, transparency, and

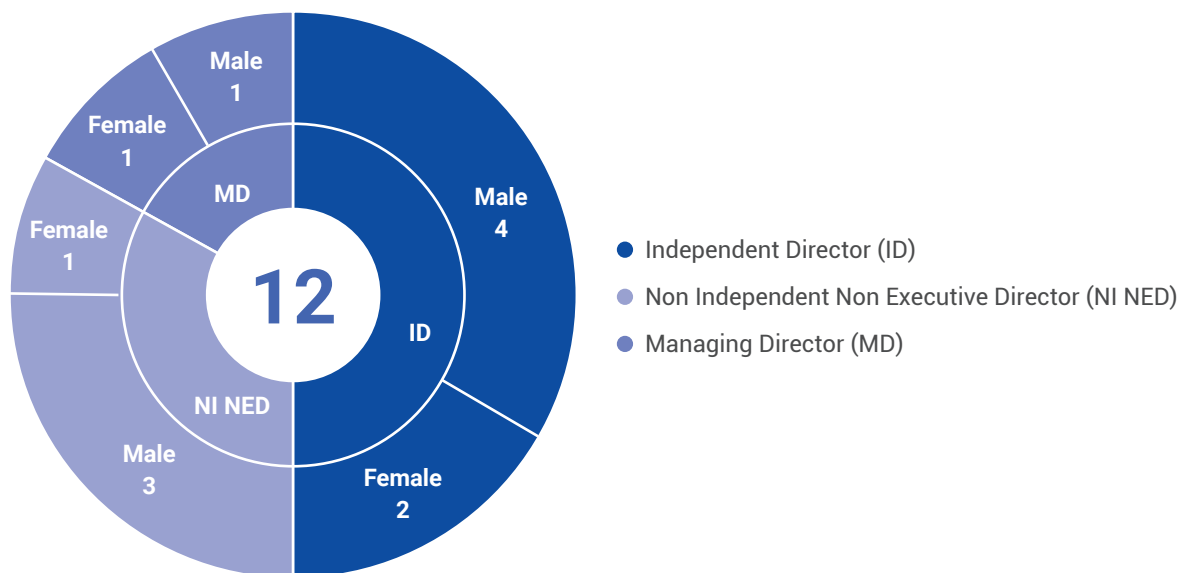
safety, thereby making it a truly responsible Company towards its stakeholders.

Our corporate governance reflects our value system, encompassing the culture, policies, and relationships with our stakeholders. Care, Integrity and Excellence are the key pillars of our corporate governance practices and performance. We endeavor to always gain and retain the trust of the stakeholders. We ensure this by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. These governance practices help us enhance the long-term interest of stakeholders and enable us to catalyze a healthier tomorrow.

Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

II. BOARD OF DIRECTORS

1. As on March 31, 2025, the composition of the Board, was as follows;



The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Sections 149 and 152 of the Companies Act, 2013 ("Act").

2. None of the Directors on the Board:
 - hold directorships in more than ten (10) public companies;
 - serve as Directors or as Independent Directors in more than seven (7) listed entities; and
 - who are the Executive Directors serve as Independent Directors in more than three (3) listed entities;

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2025, have been made by the Directors. Further, all the Directors have confirmed that they are not Members of more than ten (10) committees or do not act as Chairman of more than five (5) committees across all the public limited companies in which they are a Director. For the purpose of determining the limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

3. The Independent Directors declare that they meet the criteria of independence as specified under Section 149(6) of the Act and the Listing Regulations. The Board further confirms that the Independent Directors fulfil the conditions specified in terms of the Act and the Listing Regulations and that they are Independent of the management of the Company. Further, in terms of Regulation 25(8) of Listing Regulations, the Independent Directors are not aware of any circumstance or situation which exists or could be reasonably anticipated that would impair or impact their ability to discharge their duties. Independent Directors are appointed for a tenure not exceeding five years and are eligible for re-appointment for an additional term.

4. Minimum four (4) Board Meetings are held every year (once every quarter) and the interval between two meetings is well within the maximum period prescribed. Additional Board Meetings are convened to address the specific needs of the Company. The Company sends the notice of the meetings accompanied by agenda and agenda notes setting out the business to be transacted at the meetings to the Directors, at least seven (7) days in advance except in case of shorter notice to transact urgent business.

The Company Secretary sets the agenda in consultation with the Chairman and Managing Director and ensures appropriate recording of minutes of the meetings.

The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings and the functioning of the Board is democratic. Members of the Senior Management team are invited to attend the Board Meetings, who provide additional inputs to the agenda items discussed by the Board.

The Directors take an active part in the deliberations at the Board and Committee meetings and provide guidance and advice to the management on various aspects of business, strategy, governance, risk and compliance to ensure the fulfilment of stakeholder expectations and long-term value creation.

Your Directors are encouraged to be present in the meetings of the Board. During the year under review, seven (7) meetings of the Board were held on April 15, 2024, May 13, 2024, August 05, 2024, October 28, 2024, December 13, 2024, February 05, 2025 and March 13, 2025. All necessary information including but not limited to those mentioned in Part A of Schedule II to the Listing Regulations, are placed before the Board.

Name #	Number of Shares held along with % of paid up share capital	Attendance in Board Meeting	Attendance at the AGM held on August 07, 2024	Number of Directorship excluding Aarti Pharmalabs Limited\$	Directorship in Listed Companies	Category		Statutory Committees			
						ED/NED/ID	AC	NRC	SRC	CSRC	RMC
Shri Rashesh C. Gogri DIN: 00066291	3834404 (4.23%)	7	Yes	2	Aarti Industries Limited Aarti Pharmalabs Limited Aarti Drugs Limited	PG PG PG	ED NED ED	M - M	- M -	M - M	- C M
Smt. Hetal Gogri Gala DIN: 00005499	2615548 (2.89%)	7	Yes	1	Aarti Industries Limited Aarti Pharmalabs Limited	PG PG	NED ED	- M	- -	C -	C M
Shri Narendra J. Salvi DIN: 00299202	14951 (0.016%)	7	Yes	1	Aarti Pharmalabs Limited Aarti Drugs Limited	- -	ED NED	M -	- -	M -	- M
Shri Rajendra V. Gogri DIN: 00061003	1425900 (1.57%)	5	Yes	3	Aarti Industries Limited Aarti Pharmalabs Limited Prince Pipes and Fittings Limited Gala Precision Engineering Limited	P P - -	ED NED ID -	M - M -	M C -	M - -	- C -
Shri Parimal H. Desai DIN: 00009272	349571 (0.38%)	7	Yes	1	Valiant Organics Limited Aarti Pharmalabs Limited	- P	NED NED	M -	- -	- M	C M
Dr. Vinay G. Nayak DIN: 02577389	Nil	7	Yes	0	Aarti Pharmalabs Limited	-	ID	M	M	-	M
Shri Bhavesh R. Vora DIN: 00267604	Nil	7	Yes	0	Aarti Pharmalabs Limited	-	ID	C	-	M	-
Prof Vilas G. Gaikar DIN: 00033383	Nil	7	Yes	0	Aarti Pharmalabs Limited	-	ID	M	-	-	M
Smt. Rupal A. Vora DIN: 07096253	Nil	7	Yes	5	Aarti Pharmalabs Limited Walchandnagar Industries Limited GeeCee Ventures Limited Winro Commercial (India) Limited Saraswati Commercial (India) Limited	- - - - -	ID ID ID ID ID	- M C C C	- M C -	- M -	- C M M
Smt. Jeenal K. Savla DIN: 07545244	Nil	7	Yes	0	Sanathan Textiles Limited Aarti Pharmalabs Limited	- -	ID ID	- M	- C	M -	M -
Shri Pradeep Thakur# DIN: 00685992	Nil	5	Yes	2	Anuh Pharma Ltd Aarti Pharmalabs Limited Indo Amines Ltd	- - -	ID ID ID	M -	- -	- M	- -
Smt. Nehal Garewal# DIN: 01750146	11,22,487 (1.24%)	5	Yes	0	Aarti Pharmalabs Limited	P	NED	-	-	-	-

P - Promoter; PG - Promoter Group; ED - Executive; NED - Non-Executive; ID - Independent Director;

Mr. Rashesh Gogri, Chairman is the brother of Ms. Hetal Gogri, Managing Director and Vice Chairperson and nephew of Mr. Rajendra Gogri, Non executive Director of the Company. None of the other Directors and Key Managerial Personnel are related to each other

AC - Audit Committee; NRC - Nomination & Remuneration Committee; CSRC - Corporate Social Responsibility

Committee; SRC - Stakeholders' Relationship Committee;

RMC - Risk Management Committee; M - Members; C - Chairmanship

\$ While considering the total number of directorships, directorships in private companies,

The Company's Board at its meeting held on May 13, 2024, based on the recommendation of the

Nomination and Remuneration Committee, approved the appointment of the following Director, which was also approved by the members at the AGM held on August 07, 2024;

1. Shri Pradeep Thakur (DIN: 00685992) as a Director in the category of Non-Executive Independent Director; and

2. Smt. Nehal Garewal (DIN: 01750146) as a Director in the category of Non-Executive Director.

5. No of Shares held by Non Executive Directors

Sr No	Name of the Non Executive Director	No. of shares held as on March 31, 2025
1.	Rajendra V. Gogri	14,25,900
2.	Rashesh C. Gogri	38,34,404
3.	Nehal Garewal	11,22,487
4.	Parimal H. Desai	3,49,571

6 During FY 2024-25, one (1) meeting of the Independent Directors was held on March 13, 2025. All the Independent Directors were present for this meeting. The Independent Directors at the said meeting reviewed the performance of:

- Non-Independent Directors and the Board as a whole;
- The Chairman of the Company;
- Succession planning; and
- The quality, quantity, timeliness of flow of information between the Company management and the Board

that is necessary for the Board to effectively and reasonably perform their duties.

The suggestions received from Independent Director were shared with the Board for implementation.

7. **Familiarisation Programme:**

The Company arranges detailed presentations at the Board meetings to familiarize Independent Directors with the Company's business, strategy, annual plan and budget, operations, etc. Periodic updates, strategic updates including press releases to be submitted with the stock exchanges are shared with the Board members to keep them abreast of the material developments relating to the Company.

Details of familiarisation programmes in terms of programmes attended and hours spent as imparted to Independent Directors are disclosed on the Company's website at <https://www.aartipharmalabs.com/regarding-independent-directors>.

8. The Board periodically reviews the compliance reports of all laws applicable to the Company.

9. **Particulars of Senior Management:**

Sr. No.	Name	Designation
1	Dr. BS Patravale	R&D/ President
2	Shri Suresh Khimasia	Manufacturing/ General Manager
3	Dr. V. Balraju	Head CDMO/ R&D Nerul
4	Shri G.M. Naidu	Manufacturing/ Sr. General Manager
5	Shri Mayur Jasani	General Manager/ Quality Assurance / Quality Control
6	Shri Shyamsunder Desai	Quality Assurance/ Sr. General Manager
7	Dr. S. Subramanian	Regulatory Affairs/ Sr. General Manager
8	Shri Harshul Patel	Business/ Senior Manager
9	Shri Jasmin Mehta	Business/ Head Business Development and Direct Procurement
10	Shri Sudhakar Shetty	HR & Admin/ Sr. General Manager
11	Dr. Jitesh P	Sr. General Manager
12	Vijay Nisar	Director/ Manufacturing
13	Harsh Shroff	Deputy General Manager
14	Dinesh Thokade	Deputy General Manager
15	Manoj Singh Bhadoria	General Manager
16	Ravindra Gurav	General Manager
17	Piyush Lakhani	Chief Financial Officer
18	Jeevan Mondkar	Company Secretary and Legal Head

Directors Competence/ Skills /Expertise:

The Company is engaged in the manufacturing of Pharmaceuticals API. The table below summarises the broad list of core skills / expertise / competencies identified by the Board of Directors, as required in the context of the Company's business / sector and the said skills are available with the Board members;

List of core skills/expertise/competencies identified by the Board of Directors as required in the context of the business (es) and sector(s);

	Industry Experience Experience in Pharmaceutical industry
	Operations, Technology, Sales and Marketing Experience in sales and marketing management based on understanding of the consumer and consumer goods industry
	Leadership Extensive leadership experience of an organisation for practical understanding of the organisation, its processes, strategic planning, risk management for driving change and long-term growth
	Understanding of Global Business Owing to presence across the globe, the understanding of global business & market is seen as pivotal
	Finance and Banking Finance field skills/competencies/ expertise is seen as important intricate and high quality financial management and financial reporting processes
	Legal/Governance/ Compliance In order to strengthen and maintain the governance levels and practices in the organisation

Name of Director



Shri Rashesh C. Gogri
DIN: 00066291

✓

✓

✓

✓

x

x

Smt. Hetal Gogri Gala
DIN: 00005499

✓

✓

✓

✓

x

x

Shri Narendra J. Salvi
DIN: 00299202

✓

✓

✓

✓

x

x

Shri Rajendra V. Gogri
DIN: 00061003

✓

✓

✓

✓

x

x

Shri Parimal H. Desai
DIN: 00009272

✓

✓

✓

✓

x

x

Dr. Vinay G Nayak
DIN: 02577389

✓

x

x

x

x

x

Shri Bhavesh R. Vora
DIN: 00267604

x

x

x

x

✓

✓

Prof Vilas G. Gaikar
DIN: 00033383

✓

x

x

x

x

x

Smt. Rupal A. Vora
DIN: 07096253

x

x

x

x

x

✓

Smt. Jeenal K. Savla
DIN: 07545244

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✓

✓

Shri Pradeep Thakur
DIN: 00685992

✓

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✓

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x

Smt. Nehal Garewal
DIN: 01750146

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✓

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✓

x

x

III. COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions within the delegated authority. Each Committee of the Board, whether mandatorily required to be constituted or otherwise, functions according to its scope that defines its composition, power and role in accordance with the Act and the Listing Regulations. The Company has five (5) Statutory Committees of the Board, namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. The recommendations of the Committees are submitted to the Board for approval.

The Board has also constituted the Finance and Investment Committee to deal with routine operational matters. The Board also constitutes other functional Committees, from time to time, depending on business needs. During the year, all the recommendations of the Committees were accepted by the Board.

The composition and terms of reference of all the Committees are in compliance with the Act and the Listing Regulations. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functioning. Minutes of the proceedings of Committee meetings are circulated to the respective Committee members and also placed before the Board for its noting.

1. AUDIT COMMITTEE

The Audit Committee ("Committee") of the Board of Directors is entrusted with the responsibility of supervising the Company's financial reporting process and internal controls.

Terms of Reference:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- ii. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
- v. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- vii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. approval or any subsequent modification of transactions of the listed entity with related parties;
- ix. scrutiny of inter-corporate loans and investments;
- x. valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi. evaluation of internal financial controls and risk management systems;
- xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. to review the functioning of the whistle blower mechanism;
- xix. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. carrying out any other function as is mentioned in the terms of reference of the audit committee.
- xxi. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crs or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

xxii. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

xxiii. Such other acts, deeds, matters and things as may be stipulated in terms of the Act and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

Mandatorily review the following information:

- Management Discussion and Analysis of financial condition and results of operations;
- Management letters/ letters of internal control weaknesses issued by the statutory auditors;

- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Internal Auditor; and
- Statement of deviations.

Composition, Meeting and Attendance

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 read with Part C of Schedule II of the Listing Regulations.

As on March 31, 2025, the Committee comprised six (6) members, of which four (4) are Non-Executive Independent Directors. All the members of the Committee are financially literate and majority of them have accounting and financial management expertise.

During the year under review, six (6) the meetings were held. The dates of the meetings and attendance of the Committee members in the said meetings are given below;

Members	Category	Date of the Meetings					
		May 13, 2024	August 05, 2024	October 28, 2024	December 13, 2024	February 05, 2025	March 13, 2025
Shri Bhavesh R. Vora	Independent Director, Chairperson	✓	✓	✓	✓	✓	✓
Dr. Vinay G. Nayak	Independent Director, Member	✓	✓	✓	✓	✓	✓
Prof. Vilas G. Gaikar	Independent Director, Member	✓	✓	✓	✓	✓	✓
Smt. Jeenal K. Savla	Independent Director, Member	✓	✓	✓	✓	✓	✓
Smt. Hetal Gogri Gala	Managing Director and Vice - Chairperson	✓	✓	✓	✓	✓	✓
Shri Narendra J. Salvi	Managing Director, Member	✓	✓	✓	✓	✓	✓

The gap between the two meetings did not exceed one hundred and twenty days. The necessary quorum was present at all the meetings. The Company Secretary of the Company acted as the Secretary to the Committee. The Chairperson of the Audit Committee attended the 5th AGM held on August 07, 2024.

The Audit Committee Meetings are usually attended by the Chairman, Vice- Chairperson & Managing Director, Chief Financial Officer, representatives of the Statutory Auditors and the Internal Auditor

2. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of the Board of Directors ("NRC") is entrusted with the responsibility of

creating a high performance culture; attracting, retaining and motivating employees to achieve results.

Terms of Reference:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of

the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- iii. formulation of criteria for evaluation of performance of Independent Directors and the board of directors;
 - iv. devising a policy on diversity of board of directors;
 - v. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

vi. whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

vii. recommend to the board, all remuneration, in whatever form, payable to senior management.

viii. such other acts, deeds, matters and things as may be stipulated in terms of the Act and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

Composition, Meeting and Attendance

The composition, quorum, powers, role and scope are in accordance with Section 178 of the Act and the provisions of Regulation 19 read with Part D Para A of Schedule II of the Listing Regulations.

As on March 31, 2025, the Committee comprised three (3) members of which two (2) are Non-Executive Independent Directors.

During the year under review, three (3) NRC Meetings were held. The dates of the meetings and attendance of the NRC members in the said meeting are given below;

Members	Category	Date of the Meetings		
		May 13, 2024	December 13, 2024	February 05, 2025
Smt. Jeenal K. Savla	Independent Director, Chairperson	✓	✓	✓
Dr. Vinay G. Nayak	Independent Director, Member	✓	✓	✓
Shri Rashesh C. Gogri	Non-Executive Director, Member	✓	✓	✓

The necessary quorum was present at all the meetings. The Chairperson of the NRC attended the 5th AGM held on August 07, 2024.

Performance Evaluation

The performance evaluation process of the Board, its Committees, Non-Independent Directors, Independent Directors and Chairman established as mentioned below is in line with the regulatory requirements of the Act and Regulations 17 and 25 Listing Regulations.

The criteria for performance evaluation of Independent Directors include areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors is carried out by the Board of Directors without the presence of the Director being evaluated. Similarly, the performance evaluation of Non-

Independent Directors is carried out by the Independent Directors and Board without the presence of the Director being evaluated.

During the year under review, questionnaires were circulated to the members of the Board and respective Committees soliciting their feedback on the performance of the Board, its Committees and individual Directors for FY 2024-25. The evaluations are carried out in a confidential manner and the Directors provide their feedback by rating based on various metrics. The overall performance evaluation exercise was completed to the satisfaction of the Board.

In a separate meeting of the Independent Directors, the performance of the Non-Independent Directors, the Board as a whole and Chairman of the Company were evaluated

taking into account the views of Executive Directors and other Non-Executive Directors.

The NRC reviewed the performance of the individual Directors and the Board as a whole.

In the Board meeting that followed the meeting of the Independent Directors and the meeting of NRC, the performance of the Board, its Committees, and individual directors were discussed.

Nomination and Remuneration Policy

Criteria and Qualification for Nomination & Appointment

A person to be appointed as Director, Key Managerial Personnel ("KMP") or at Senior Management level should possess adequate and relevant qualification, expertise and experience for the position that he/ she is being considered for.

Policy on Remuneration

The Company considers human resources as its invaluable assets. The Remuneration Policy endorses equitable remuneration to all directors, key managerial personnel and employees of the Company consistent with the goals of the Company. The Company has in place a Nomination and Remuneration Policy ("NRC Policy") formulated as per the provisions of the Act and the Listing Regulations. The NRC Policy outlines the role

of the Committee and the Board, inter alia, determining the criteria for Board membership, approving, and recommending compensation and policies for Directors and Senior Management and lay down the effective manner of performance evaluation of the Board, its Committees, and the Directors. During the year under review, there has been no change to the Policy. The NRC Policy is available on the Company's website at <https://www.aartipharmalabs.com/investors/nomination-and-remuneration-policy-feb-2023.pdf>

Remuneration of Non-Executive Directors

Non-Executive Directors are presently receiving sitting fees (including reimbursement of expenses) for attending the meeting of the Board and its Committees as per the provisions of the Act and the rules made thereunder along with commission for the year 2024-25 which was approved by the members at the AGM held on August 07, 2024. No Stock options have been given to the Non-Executive Directors during the year.

Based on the recommendation of the NRC, the Board has approved the payment of commission to be paid to the Non- Executive Directors as stated below for FY25. While determining the commission, the NRC considered factors such as the Company's performance, time devotion by the Directors, roles and responsibilities handled as the chairman/member of the Board/Committee.

The details of the sitting fees paid and Commission to the Non - Executive Directors as on March 31, 2025 are as under:

Name of Directors	Commission (In ₹)	Sitting fees (In ₹)
Shri Rashesh C. Gogri	8,85,000	2,60,000
Shri Rajendra V. Gogri	7,89,000	1,90,000
Shri Parimal H. Desai	6,28,000	2,30,000
Dr. Vinay G. Nayak	12,07,000	3,30,000
Shri Bhavesh R. Vora	11,42,000	2,90,000
Prof Vilas G. Gaikar	9,50,000	3,00,000
Smt. Rupal A. Vora	5,64,000	2,30,000
Smt. Jeenal K. Savla	12,39,000	3,30,000
Shri Pradeep Thakur	5,00,000	1,60,000
Smt. Nehal Garewal	5,00,000	1,50,000
TOTAL	84,04,000	24,70,000

The Company does not have material pecuniary relationship or transactions with its Independent Directors except the payment of sitting fees for attending the meetings of Board / Committees and commission, as disclosed in this Report.

Based on the recommendation of the NRC, the Members of the Company approved the proposal for payment of commission to Non-Executive Directors as a percentage of profit at their meeting held on August 07, 2024.

Remuneration of Executive Directors

The Company remunerates its Executive Directors by way of salary and commission based on performance of the Company. Remuneration is paid within the limits as approved by the shareholders within the stipulated limits of the Section 197 read with Schedule V of Act and the Rules made thereunder. The remuneration paid to the Managing Directors is determined keeping in view the industry benchmark and the performance of the Company.

(₹ in lakhs)

Name of Director(s)	Designation	Salary	Commission	Total Remuneration
Smt. Hetal Gogri Gala	Managing Director and Vice - Chairperson	109.29	922.67	1031.97
Shri Narendra Salvi	Managing Director	110.00	83.87	193.87

Note:

- Figures are exclusive of cost of perquisites; contribution to provident fund, superannuation fund, driver's salary, taxable value of car perquisite and the Stock Options granted by the Committee under the APL Performance Stock Option Plan 2023 ("PSOP 2023"). Shri Narendra Salvi was granted 15,000 Stock Options (on Jan 04, 2024) by the Nomination and Remuneration Committee, which shall vest in him in FY 2025-26, FY 2026-27 and FY 2027-28. As per PSOP 2023, Smt. Hetal Gogri Gala is not eligible for Stock Options, since she is a part of the Promoter Group.
- Managing Directors are appointed under the contract each for a period of five years and with termination notice period of 180 days.

Key Managerial Personnel (KMP) and other employees:

The remuneration of KMP and other employees largely consists of basic salary, perquisites, allowances, performance incentives (wherever paid) and Stock options under the Company PSOP 2023. Perquisites and retirement benefits are paid according to the Company policy. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification and experience/merits, and performance of each employee.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board of Directors ("Committee") is entrusted with the responsibility of safeguarding the interests of debenture holders and other security holders.

Terms of Reference:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Noting: Shareholding Pattern, category wise composition of the ownership viz. institutional, non-institutional and promoters;
- Detailed deliberations on shareholder's complaint received, resolved and pending for the resolution;

- Review: measures taken for effective exercise of voting rights by shareholders;
- Review: Status of Cases in Suspense Accounts;
- Review: Balances Pending in Unclaimed Dividend/ Fractional Shares Dividend account and measures taken by Company to reduce the same;
- Review: Status of IEPF Cases;
- Review: Adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Updation - Regulatory changes impacting shareholders;
- Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

Composition, Meeting and Attendance

The composition, quorum, powers, role and scope are in accordance with Section 178 of the Act and the provisions of Regulation 20 read with Part D Para B of Schedule II of the Listing Regulations.

As on March 31, 2025, the Committee comprised four (4) members of which two (2) are Non-Executive Independent Directors.

The Committee met once (1) during the year under review. The date of the meeting and attendance of the Committee members in the said meeting is given below;

Members	Category	Date of the meeting
		February 05, 2025
Shri Rajendra V.Gogri	Non-Executive Director, Chairman	√
Shri Bhavesh R. Vora	Independent Director, Member	√
Smt. Rupal A. Vora	Independent Director, Member	√
Shri Narendra J.Salvi	Managing Director, Member	√

The necessary quorum was present at the said meeting. Shri Rajendra V. Gogri, Chairman of the Committee attended the 5th AGM held on August 07, 2024.

Name, Designation and Contact details of the Compliance Officer

Shri Jeevan Mondkar, Company Secretary (M. No. A22565) is the Compliance Officer of the Company w.e.f. December 13, 2024. The Compliance Officer can be contacted at the Corporate office of the Company at: Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund (West), Mumbai - 400080, Maharashtra, India; Tel.: +91 22 6797 6666, +91 22 6797 6697; Fax: +91 22 25653234, +912225653185; Email: investorrelations@aartipharmalabs.com; Website: <https://www.aartipharmalabs.com>

SEBI processes investor complaints in a centralised web-based complaints redressal system, i.e. SCORES. Through this system a Member can lodge a complaint against the Company for redressal of his/ her grievance. The Company uploads the action taken report on the complaint which can be viewed by the Member. The Company and Member can seek and provide clarifications online through SEBI.

Further, the Company has pursuant to SEBI Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, registered itself on the ODR platform, which gives an ease to investors on escalation of the complaints.

Details of investor complaints received and redressed during FY 2024-25 are as follows;

Opening as on April 1, 2024	Received during the year	Resolved during the year	Closing as on March 31, 2025
Nil	3	2	1

The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving investors complaints/queries.

Separate email id for the redressal of investors' complaints

As per Regulation 6 of Listing Regulations, the Company has designated a separate e-mail id investorrelations@aartipharmalabs.com exclusively for the registering complaints by the investors.

4. RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board of Directors ("the Committee") is entrusted with the responsibility of making recommendations to the Board on the risk management systems designed to enable an early detection of the risks and their effective supervision and Management. Additionally, it engages with risk owners to understand the risks associated with business strategy, and proposed mitigation plans to get assurance that the risks are identified proactively and being managed.

Terms of Reference:

- formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - measures for risk mitigation including systems and processes for internal control of identified risks.
 - business continuity plan.
- ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- iii. monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- iv. periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- v. keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vi. appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- vii. such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

Composition, Meeting and Attendance

The composition, quorum, powers, role and scope are in accordance with the provisions of Regulation 21 read with Part D Para C of Schedule II of the Listing Regulations.

As on March 31, 2025, the Committee comprised six (6) members of which One (1) is a Non-Executive Independent Director.

During the year under review, two (2) the Committee meetings were held. The dates of the meetings and attendance of the Committee members in the said meetings is given below;

Members	Category	Date of the Meetings	
		July 29, 2024	February 21, 2025
Shri Rashesh C. Gogri	Non-Executive Director, Chairman	✓	✓
Dr. Vinay G. Nayak	Independent Director, Member	✓	✓
Shri Rajendra V. Gogri	Non-Executive Director, Member	✓	✓
Shri Parimal H. Desai	Non-Executive Director, Member	✓	✓
Smt. Hetal Gogri Gala	Managing Director and Vice-Chairperson	✓	✓
Shri Narendra J. Salvi	Managing Director, Member	✓	✓

The gap between the two meetings did not exceed two hundred and ten days. The necessary quorum was present at all the meetings.

The Company has formulated a Risk Management Policy for early detection and effective supervision of the various risks associated with the business of the Company. The Policy is available on the Company's website at https://www.aartipharmalabs.com/investors/APL_Risk%20Management%20Policy.pdf

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee of the Board of Directors is entrusted with the responsibility of identifying the areas of CSR activity, recommending the amount of expenditure to be incurred and implementing and monitoring the CSR policy from time to time.

Terms of Reference:

- i. formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act, as amended, read with Rules framed thereunder;
- ii. recommend the amount of expenditure to be incurred on such activities and
- iii. monitor the CSR Policy of the Company from time to time.

Composition, Meetings and Attendance

The composition, quorum, powers, role and scope are in accordance with the provisions of Section 135 of the Act.

As on March 31, 2025, CSR committee comprised four (4) members.

The Committee met once (1) during the year under review. The necessary quorum was present at the said meeting. The date of the meeting and attendance of CSR committee members in the said meeting is given below;

Members	Category	Date of the Meeting April 15, 2024
Smt. Hetal Gogri Gala	Managing Director and Vice-Chairperson	✓
Prof. Vilas G. Gaikar	Independent Director, Member	✓
Smt. Jeenal K. Savla	Independent Director, Member	✓
Shri Rajendra V. Gogri	Non-Executive Director, Member	✓

The Company has formulated a CSR Policy for determining the activities and responsibilities of the Company for incurring expenditure as per the provisions of the act.

The policy is available on the Company's website <https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf>

The CSR Committee provides guidance in formulation of CSR strategy and its activities.

Further, some of the employees responsible for the CSR activities on ground are also invited to the Committee meetings to give the members a first-hand account of the work done. All the decisions and recommendations made by the Committee during the year were approved by a requisite majority by the members of the Committee.

The Annual Report on CSR activities as required to be given under Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure which forms part of the Directors' Report.

IV. GENERAL BODY MEETINGS

The details of Annual General Meetings convened during the last three years are as follows;

Financial Year	Day, Date and Time	Venue	Special Resolution passed for
2021-22	Monday, September 26, 2022 at 10:30 a.m.	Plot nos. 22/C/1 & 22/C/2, 1 st Phase, GIDC Vapi - 396 195, Dist- Valsad, Gujarat	Nil
2022-23	Thursday, September 14, 2023, at 11:00 a.m.	Through Video Conferencing / Other Audio Visual Means	Aarti Pharma Performance Stock Option Plan 2023 (PSOP 2023)
2023-24	Wednesday, August 07, 2025, at 11:00 a.m.	Through Video Conferencing / Other Audio Visual Means	Appointment of Shri Pradeep Thakur (DIN: 00685992) as an Independent Director of the Company. Payment of Commission to the Non-Executive Director(s) of the Company.

Extraordinary General Meetings –

No Extraordinary General Meetings of members were convened during FY 2024-25.

Details of Resolution passed through Postal Ballot

During the year under review, no resolutions were passed by members of the Company through the Postal Ballot. Further, no special resolution was passed through postal ballot as on date.

or 3 hours as the case may be, from the conclusion of the Board Meeting in which the same is approved. The results are usually published in Financial Express (English) edition and (Gujarati) edition published from Ahmedabad. These results are also available on the website of the Company at <https://www.aartipharmalabs.com/quarterly-results>

All data required to be filed electronically or otherwise pursuant to the Listing Regulations with the Stock Exchanges, such as annual report, quarterly financial statements, Shareholding pattern, report on Corporate Governance are being regularly filed with the Stock Exchanges, namely, National Stock Exchange of India

V. MEANS OF COMMUNICATION

Quarterly Results

The Company communicates to the Stock Exchanges about the quarterly financial results within 30 minutes

Limited (www.nseindia.com) and BSE Limited (www.bseindia.com) and available on their websites as well.

Further, all the disclosures made to the Stock Exchanges, are also available under the 'Investor' tab on the Company's website <https://www.aartipharmalabs.com/disclosures-under-regulation-46-of-the-sebi-lodr-regulations-2015> in compliance with Regulation 46 of the Listing Regulations.

Subsidiary Companies

As on March 31, 2025, the Company has 2 subsidiaries in India and across the globe. The Board of Directors or its Committees also have oversight of the affairs of the subsidiaries and regularly reviews various information w.r.t. the subsidiary companies, which inter-alia includes:

- Review of Financial Statements
- Investment made by the subsidiaries
- Minutes of the meeting of the Board of Directors of the subsidiaries
- A statement of significant transactions and arrangements entered by the subsidiaries.

The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. In compliance with Regulation 46 of the Listing Regulations, the presentations, audio recordings and transcripts of earning's conference call on performance of the Company are placed on the Company's website at <https://www.aartipharmalabs.com/financialinformation>

VI. GENERAL SHAREHOLDERS INFORMATION

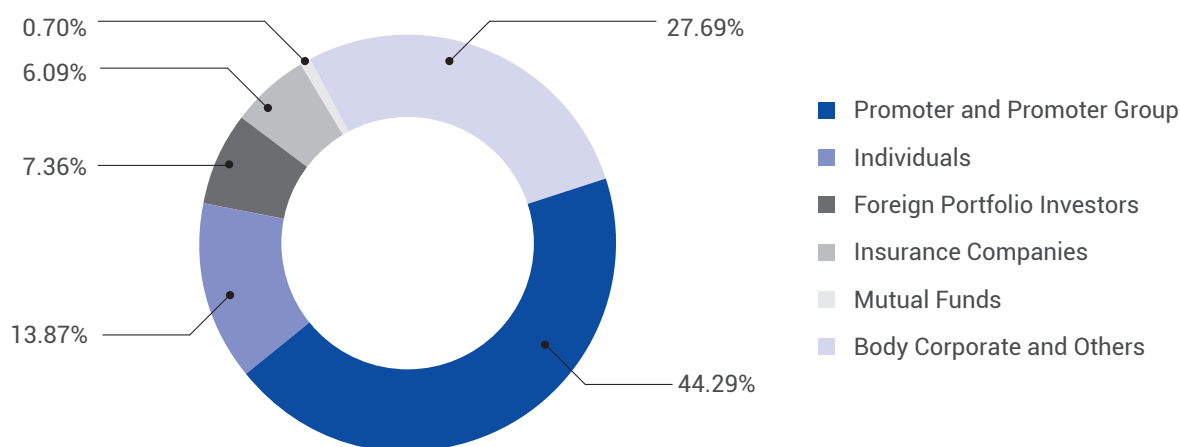
1	CIN	L24100GJ2019PLC110964
2	Registered Office Address for correspondence	Plot No. 22/C/1 & 22/C/2, 1 st Phase, G.I.D.C. Vapi, Valsad, Vapi, Gujarat, India, 396195 Udyog Kshetra, 2 nd Floor, Mulund Goregaon Link Road, Mulund (West), Mumbai - 400080, Maharashtra, India
3	Name and Address of each stock exchange(s) at which the listed entity's securities are listed and Stock Code	
	BSE Limited – (Stock Code)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 SCRIP CODE: 543748
	National Stock Exchange of India Limited – (Stock Code)	Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 SYMBOL: AARTIPHARM
The Company had paid the Annual Listing Fees of the Stock Exchanges and Annual Custodial Fees of the Depositories for the FY25.		
4	Registrar to an issue and Share transfer agents	M/s. MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083, Tel. No. +91 22 49186000 Fax No. 022 – 4918 6060 Email ID: rnt.helpdesk@in.mpms.mufg.com Website: www.in.mpms.mufg.com
5	Share transfer System	In terms of Regulation 40(1) of Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. April 1, 2019. None of the shareholders hold shares in physical form as on date. Thus, trading in the shares of the Company is in electronic mode only.
6	Plant Locations	- Unit - I, Plot No. D - 53, M.I.D.C., Phase-II, Kalyan Shil Road, Dombivli (East), District: Thane - 421 204 - Unit - II, Plot No. D - 55,56,57,59,60, M.I.D.C., Phase-II, Kalyan Shil Road, Dombivli (East), District: Thane - 421 204 - Unit - I, Custom Synthesis Division, Plot No. 22-C/1 & 22-C/2, 1st Phase, G.I.D.C., Vapi 396 195, District - Valsad - Unit II- Survey no 39 to 49, Village Atali,PCPIR Zone,Vagra,Taluka: Vagra, District: Bharuch, State: Gujarat, PIN: 392130 - Unit - III, Plot No. K - 17/18/19, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506

	vi. Unit - IV, Plot No. E - 50, 50/1, 59/1, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
	vii. Unit - V, Plot No. L - 28/29, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
	viii. Unit - I, Plot No. L-99, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
	ix. Plot No. L - 10, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
	x. Unit - VI, Plot No. D - 18, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
	xi. Unit - VII, Plot No. K - 65, M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
	xii. Unit - VIII, Plot No. K - 14, 15, 16 M.I.D.C., Tarapur, Taluka & District - Palghar - 401 506
7 Research and Development Centers	i. Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi 396 195, Dist. Valsad, Gujarat ii. Plot No. D - 54, M.I.D.C., Phase-II, Kalyan Shil Road, Dombivli (East), District - Thane - 421 204 iii. Plot No D - 176, 1st & 2nd Floor, TTC Industrial Area, M.I.D.C., Nerul, Navi Mumbai - 400 706
8 Financial Calendar	
Financial Year	April 01, 2024 to March 31, 2025
Tentative schedule for the Financial Year 2025-26	
June, 2025	Last week of July/ 1 st week of August, 2025
September, 2025	Last week of October/ 1 st week of November, 2025
December, 2025	Last week of January/ 1 st week of February, 2026
March, 2026	1 st /2 nd week of May, 2026
9 Annual General Meeting	
Day and Date	Monday, September 22, 2025
Time	11:00 A.M.
Venue	AGM would be held through video conference/other audio visual means. (Deemed venue for meeting: Registered Office of the Company).
10 Cut Off Date for E-voting	Monday, September 15, 2025
11 Dividend Payment Date	On or before Monday, October 20, 2025
12 Dematerialization of shares and liquidity	100% of the Paid-up Capital is held in Dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2025 under ISIN: INE0LRU01027
13 Credit Rating	The Company does not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended March 31, 2025. The details of Credit Ratings as on March 31, 2025 for Bank Loan Facilities is Crisil A+/ Stable (Assigned). On July 17, 2025, CRISIL Ratings Limited ('CRISIL Ratings') has upgraded the credit ratings to "Crisil AA-/Stable".
14 Cases where securities are suspended from trading	N.A.
15 Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, if any.	The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments.
16 Commodity price risk or foreign exchange risk and hedging activities, if any	During the FY 2024-25, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 40(A) to the Annual Accounts.
17 Designated email id for Investor Services	investorrelations@aartipharmalabs.com.

18 Shareholding as on March 31, 2025:

A. Category of Equity Shareholding:

Category	Equity Shares	
	No. of Shares	%
Promoter and Promoter Group	40,141,200	44.29
Individuals	1,23,75,376	13.87
Foreign Portfolio Investors	6,669,465	7.36
Insurance Companies	5,515,515	6.09
Mutual Funds	709,353	0.70
Body Corporate and Others	25,223,715	27.69
Total	9,06,34,624	100.00



B. Distribution of Shareholding:

No. of Shares	Shareholders		Share Amount	
	Number	%	₹	%
1-2500	192810	95.9607	40290785	8.8908
2501-5000	4112	2.0465	14898835	3.2877
5001-10000	2137	1.0636	14923965	3.2932
10001-15000	560	0.2787	7076470	1.5615
15001-20000	256	0.1274	4513990	0.9961
20001-25000	191	0.0951	4414770	0.9742
25001-50000	353	0.1757	12801415	2.8248
above 50001	507	0.2523	354252890	78.1716
Total	200926	100	453173120	100

19 Green initiative:

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, and Securities & Exchange Board of India enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address registered with the Depository Participant (DPs) and Registrar and Transfer Agent (RTA).

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in Demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with RTA, by sending a letter, duly signed by the first/joint holder quoting details of Folio Number.

VII. OTHER DISCLOSURES:

1. All related party transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. Details of related party transactions entered into by the Company are included in the notes to accounts. Material individual transactions with related parties are in the normal course of business and do not have potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of Business are placed before the Audit Committee periodically.

As required under Regulation 23(1) of Listing Regulations, the Company has formulated a policy on dealing with related party transactions. The said policy is also available under 'Investor' section of the website of the Company https://www.aartipharmalabs.com/investors/APL_Risk%20Management%20Policy.pdf. Half yearly disclosures of related party transactions have been filed with the exchanges.

2. There has been no instance of non-compliance by the Company, and no penalties or strictures have been imposed on the Company by the Stock Exchanges, the Securities and Exchange Board of India (SEBI), or any other statutory authority in connection with matters related to the capital markets during the last three years.

However, on January 02, 2025, the Company received a direction from the Gujarat Pollution Control Board (GPCB) under Section 33(A) of the Water (Prevention and Control of Pollution) Act, 1974, to cease operations at its plant located at Plot No. 22/

C-1, Phase 1, GIDC, Vapi – 396195, Tal: Pardi, Dist: Valsad, Gujarat, India. As part of the directive, the Company was required to submit a bank guarantee of ₹2,50,000/- as compliance assurance at the time of revocation, and to deposit an interim Environment Damage Compensation amount as determined by the GPCB.

This directive has since been permanently revoked, and the Company is currently in full compliance with all applicable regulations.

3. Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of Listing Regulations the, Audit Committee and the Board have adopted a Whistle-Blower policy which provides an environment where every director / employee feels free and secure to report specific incidents of unethical behaviour, actual or suspected incidents of fraud or violation of the Company's Code, investigate such reported incidents in a fair manner, taking appropriate disciplinary action against the delinquent director(s) and employee(s), ensuring that no director or employee is victimized or harassed for bringing such incidents to the attention of the Company. The said policy has been hosted under "Investor" section of the website of the Company at <https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf>.

The Company affirms that there were no incidences of reporting unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct during FY 2024-25. Further, none of the personnel has been denied access to the Audit Committee.

4. In order to restrict communication of Unpublished Price Sensitive Information (UPSI), the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The said Code is available on the website of the Company at the: <https://www.aartipharmalabs.com/investors/code-on-prohibition-of-insider-trading-feb-2023.pdf>.
5. The Company has complied with all the mandatory requirements of Listing Regulations.

6. Details with respect to discretionary requirements as specified in Part E of Schedule II are as follows:

Sr. No.	Particulars	Remarks
1	Non-Executive Chairman's Office	The Company has a Non-executive Chairman.
2	Shareholder's Rights	As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
3	Audit Qualifications	Auditors' Report on Company's financial statement for FY 2024-25 is unmodified.
4	Separate posts of Chairman and Chief Executive Officer ("CEO")	The Company has separate posts of Chairman and Managing Director.
5	Reporting of Internal Auditor	The Internal Auditor reports to the Audit Committee.

7. The 'Policy for Determining Material Subsidiary' pursuant to Regulation 16(1) (c) of Listing Regulations, has been adopted by the Board and has been hosted on website of the Company at <https://www.aartipharmalabs.com/investors/policy-on-determination-of-material-subsiary-feb-2023.pdf>.

In terms of the above policy, the Company's subsidiary, namely, Aarti USA Inc. is considered as a material subsidiary. Further, Rishab S Vora & Co., Chartered Accountants, are the Auditors of the Company, who were appointed on June 22, 2023. Except the said entity, the Company does not have any other material subsidiary. However it ceased to be a material subsidiary in the current accounting year.

8. During FY 2024-25, the Company has not raised funds through any kind of issue (public issue, rights issue, preferential issue, etc.)
9. None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.
10. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is part;

Particulars	₹ In lakhs.
Audit Fees	14.27
Certification Charges	1.65
Out of pocket expenses	1.12
Total	17.04

11. Disclosures in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013;

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

12. During the year under review, the Company has not given any loans and advances to firms/Companies in which directors are interested.
13. During FY 2024-25, the Company has submitted an intimation with the stock exchanges on December, 17, 2024 the requisite details regarding the agreement being entered into by and between the parties to record certain rights and obligations inter-se amongst themselves with respect to the shareholding in the Company. The details of the same are provided by the Company in its intimation dated December 17, 2024 by the Company which is available on the website.
14. The Company hereby confirms compliance with the requirements of the Corporate Governance report as specified in sub-para (2) to (10) of Part C of Schedule V as well as Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of the Listing Regulations.
15. The Company has complied with all the mandatory corporate governance requirements under the Listing Regulations.

16. As per Regulation 34(3) read with Schedule V of the Listing Regulations, the details of the shares in the Suspense Account are as follows:

Particulars	Unclaimed Suspense Account*		Demat Suspense Account*	
	No. of Shareholders	No. of equity Shares	No. of Shareholders	No. of equity shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on April 01, 2024	196	93,483	736	4,40,874
No. of shareholders who approached the Company for transfer of shares from suspense account during the year.	7	4,650	29	16,995
Number of shareholders to whom shares were transferred from the suspense account during the year	-	-	-	-
Shares transferred to IEPF A/c	-	-	-	-
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025.	189	88,833	707	4,23,479

* Pursuant to the Scheme of Arrangement, in respect of those shares lying in the Unclaimed Suspense Account and shares held in physical form by shareholders of AIL before demerger, proportionate number of shares were credited in the Company's Unclaimed Suspense Account and Demat Suspense Account, respectively.

The voting rights on unclaimed/outstanding shares in the Unclaimed Suspense Account as on March 31, 2025 will remain frozen till the rightful owner claims the shares. With respect to the shares lying in the Demat Suspense Account, shareholders are requested to refer to the notes contained in the Notice of the AGM for steps to vote on the resolutions proposed and to attend the AGM.

VIII. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors has adopted Code of Conduct for the Board of Directors and Senior Management Personnel of the Company in terms of Regulation 17(5) of the Listing Regulations. All Board members and Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2025. A declaration to this effect signed by the Managing Director is appended to this report. The said Code of Conduct may be viewed on the Company's website <https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf>

IX. CERTIFICATION FOR FINANCIAL REPORTING AND INTERNAL CONTROLS (CEO/ CFO CERTIFICATION):

Pursuant to Regulation 17 (8) of the Listing Regulations, a certificate duly signed by Smt. Hetal Gogri Gala, Vice Chairperson and Managing Director ("MD") and Shri Piyush Lakhani, Chief Financial Officer ("CFO") of the Company is appended to this report.

X. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

The Company has obtained a certificate from M/s Sunil Dedhia and Co., practising company secretary confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. A copy of the said certificate is appended hereto.

XI. CERTIFICATE FROM A PRACTISING CHARTERED ACCOUNTANT FOR COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

A certificate from Gokhale & Sathe, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in Part E of Schedule V of the Listing Regulations is appended to this Report.

For and on behalf of the Board

Hetal Gogri Gala

Vice Chairperson and Managing Director
DIN:00005499

Narendra Jagannath Salvi

Managing Director
DIN: 00299202

Place: Mumbai

Date: August 12, 2025

DECLARATION BY MANAGING DIRECTOR

All the Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Regulation 17(5)(a) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board

Hetal Gogri Gala

Vice Chairperson and Managing Director

DIN: 00005499

Place: Mumbai

Date: August 12, 2025

CEO / CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT TO THE BOARD PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATION, 2015) FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

We Certify that –

We have reviewed the Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2025 and we hereby certify and confirm to the best of our knowledge and belief the following:

- The Financial Statements and the Cash Flow Statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- The Financial Statements and the Cash Flow Statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- There are no transactions entered into by the Company during the Year ended March 31, 2025 which are fraudulent, illegal or violative of the Company's code of conduct;
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- There have been no Significant changes in the above mentioned internal controls over the financial reporting during the relevant period;
- There have been no Significant changes in accounting policies during the relevant period;
- We have not noticed any significant fraud particularly those involving the management or an employee having a significant role in the Company's internal control system over the financial reporting.

For **Aarti Pharmalabs Limited**

Sd/-

Hetal Gogri Gala

Vice Chairperson and Managing Director

DIN: 00005499

Sd/-

Piyush Lakhani

Chief Financial Officer

PAN No.: ABAPL1762B

Place: Mumbai

Date: May 10, 2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To:

Aarti Pharmalabs Limited

CIN: L24100GJ2019PLC110964

Plot No 22/C/1 & 22/C/2,

1st Phase, GIDC, Vapi,

Valsad, Gujarat 396195

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Aarti Pharmalabs Limited** having CIN: L24100GJ2019PLC110964 and having registered office at Plot No 22/C/1 & 22/C/2, 1st Phase, GIDC, Vapi, Valsad, Gujarat 396195 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for **the Financial Year ended on March 31, 2025** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name	DIN	Date of Appointment as Director	Date of Cessation as Director
1	Hetal Gogri Gala	00005499	07/08/2021	Continuing
2	Parimal Hasmukhlal Desai	00009272	17/10/2022	Continuing
3	Vilas Gajanan Gaikar	00033383	17/10/2022	Continuing
4	Rajendra Vallabhaji Gogri	00061003	07/08/2021	Continuing
5	Rashesh Chandrakant Gogri	00066291	07/08/2021	Continuing
6	Bhavesh Rasiklal Vora	00267604	17/10/2022	Continuing
7	Narendra Jagannath Salvi	00299202	07/08/2021	Continuing
8	Vinay Gopal Nayak	02577389	17/10/2022	Continuing
9	Rupal Anand Vora	07096253	17/10/2022	Continuing
10	Jeenal Kenil Savla	07545244	17/10/2022	Continuing
11	Pradeep Hari Thakur	00685992	13/05/2024	Continuing
12	Nehal Garewal	01750146	13/05/2024	Continuing

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Sunil M. Dedhia

Proprietor, Sunil M. Dedhia & Co.

Practising Company Secretary

FCS No: 3483 C.P. No. 2031

Peer Review Certificate No. 867/2020

UDIN: F003483G000463261

Place: Mumbai

Date: May 27, 2025

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
**The Members of
Aarti Pharmalabs Limited**

BACKGROUND:

We, Gokhale and Sathe, Chartered Accountants, being the Statutory Auditors of Aarti Pharmalabs Limited ("the Company") are issuing this certificate as required by the Company for annual submission to the Stock Exchanges and to be sent to the Shareholders of the Company. The Corporate Governance Report prepared by Aarti Pharmalabs Limited, contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2025.

MANAGEMENT RESPONSIBILITY:

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY:

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC1), Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.

The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria.

We have examined

- a. the minutes of the meetings of the Board of Directors of the Company (the "Board") and of committees of the Board, General Meetings of the Shareholders of the Company;
- b. declarations made by the Board under relevant statutory / regulatory requirements;
- c. relevant statutory registers maintained by the Company; and
- d. such other documents and records of the Company as deemed necessary, in connection with ascertaining compliance with the conditions of corporate governance by the Company, as prescribed under the Listing Regulations.

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

OPINION:

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, in our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with all the SEBI Listing Regulations, and the rules made thereunder, each as amended on Corporate Governance.

RESTRICTION ON USE:

This Certificate is issued to the Company solely for their consideration and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

DISCLAIMER:

Such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: August 12, 2025

Yours faithfully,
For **Gokhale & Sathe**
Chartered Accountants
Firm's Registration No: 103264W

Uday Girjapure
Partner
Membership No: 161776
UDIN: 25161776BHUM1127

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE ENTITY

Sr. No	Particulars	
1.	Corporate Identity Number (CIN) of the Company	L24100GJ2019PLC110964
2.	Name of the Company	Aarti Pharmalabs Limited
3.	Year of Incorporation	22.11.2019
4.	Registered office address	Plot No 22/C/1 & 22/C/2, 1 st Phase, GIDC Vapi 396195, Valsad, Gujarat
5.	Corporate office address	204, Udyog Kshetra, 2 nd floor, Mulund Goregaon Link Road, Mulund West, Mumbai-400080 Maharashtra
6.	E-mail id	info@aartipharmalabs.com
7.	Telephone	+91 022-69436100
8.	Website	www.aartipharmalabs.com
9.	Financial year for which reporting is being done	April 1, 2024, to March 31, 2025
10.	Name of the Stock Exchange(s) where shares are listed	a. BSE Limited b. National Stock Exchange of India Limited
11.	Paid-up capital	₹ 45,31,73,000.00
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Smt. Hetal Gogri Gala Vice Chairperson & Managing Director Tel: +91 022-69436100 Email: infoapi@aartipharmalabs.com
13.	Reporting boundary	Standalone basis
14.	Name of assessment or assurance provider	BRSR Core assurance is not mandatory for the Company, Aarti Pharmalabs Limited is undertaking it voluntarily as a proactive step to reinforce its commitment to transparency and responsible business conduct. The assurance is being carried out by SustainEDGE Business Solutions Pvt. Ltd., which is conducting a Type 2 Moderate Assurance of the Sustainability Report and BRSR Core indicators in accordance with AA1000AS standards.
15.	Type of assessment or assurance obtained	

II. PRODUCTS/SERVICES

16. Details of business activities

S. No.	Description of main activity	Description of business activity	% of total turnover contributed
1	Manufacturing of Pharmaceuticals and Nutraceuticals	Development of Active Pharmaceutical Ingredients (API) and New Chemical Entities (NCE), API intermediates, Regulatory Starting Materials (RSM), Basic Starting Materials, Key Building Blocks, and Xanthine Derivatives for use in clinical testing and commercial production.	100%

17. Products/services sold by the entity

S. No.	Product/Service	NIC Code	% of turnover
1	API (Active Pharmaceutical Ingredients), Pharmaceutical Intermediates, New Chemical Entities	210	56.50
2	Xanthine Derivatives	1104	43.50

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated.

Location	Number of plants*	Number of offices	Total
National	15*	3	18
International	0	0	0

* The number of plants mentioned includes our 3 dedicated R&D facilities.

19. Markets served by the entity

- a. Number of locations – This refers to locations where goods were transported to during the financial year, however the consumption of final product & even customer footprint is larger.

Locations	Number
National (No. of states)	24
International (No. of countries)	64

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

The company has a global presence with exports accounting for approximately 57.27% of its total turnover.

- c. A brief on types of customers

Aarti Pharmalabs Limited caters to a diverse spectrum of B2B customers across both regulated and non-regulated markets. Its customer base includes global pharmaceutical innovators and generic manufacturers who require high-quality APIs, advanced intermediates, and CDMO services—particularly for highly regulated regions such as the US, EU, and Japan. The company also supplies specialty ingredients like xanthine derivatives to leading nutraceutical, food & beverage companies worldwide. Additionally, APL serves agrochemical manufacturers, polymer and plastics companies, and dye and pigment producers by offering performance additives, monomers, and high-purity chemical intermediates. The company's customer relationships are built on its strong regulatory compliance, backward integration, and ability to deliver customized, scalable, and reliable solutions tailored to specific industry needs.

IV. EMPLOYEES

20. Details as of March 31, 2025

- a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1728	1626	94.09%	102	5.90%
2.	Other than permanent (E)	4	4	100%	0	0%
3.	Total employees (D + E)	1732	1630	94.11%	102	5.89%
WORKERS						
1.	Permanent (F)	434	434	100%	0	0%
2.	Other than permanent (G)	839	813	96.90%	26	3.10%
3.	Total workers (F + G)	1273	1247	97.95%	26	2.05%

b. Differently abled employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	2	100	0	0
2.	Other than permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	2	2	100	0	0
DIFFERENTLY ABLED WORKERS						
1.	Permanent (F)	1	1	100	0	0
2.	Other than permanent (G)	0	0	0	0	0
3.	Total differently abled workers (F + G)	1	1	100	0	0

21. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	12	4	33.3%
Key Management Personnel (other than BoD)	2	0	0%

22. Turnover rate for permanent employees

	FY 2024-25 (%)			FY 2023-24 (%)			FY 2022-23 (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employee	3.93	2.11	3.82	9.17	8.25	9.02	11.67	15.2	11.85
Permanent Workers	0.67	0	0.67	4.77	0	4.77	8.09	0	8.09

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Aarti Pharmachem Limited	Subsidiary	100%	No
2	Aarti USA Inc.	Subsidiary	100%	No
3	Ganesh Polychem Limited	Jointly Controlled	50%	No

VI. CSR DETAILS

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover	: ₹ 17,71,35,18,000.00
(iii) Net worth	: ₹ 18,43,87,10,000.00
(iv) Total amount spent on CSR for FY25	: ₹ 4,30,52,000.00

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

The Company's key stakeholders include investors, customers, employees, value chain partners/ suppliers and community besides governments/regulatory authorities.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	-	0	0	-	0	0	-
Investors (other than shareholders)	https://www.aartipharmalabs.com/investors-relations	0	0	-	0	0	-
Shareholders	https://www.aartipharmalabs.com/investors-relations	0	0	-	0	0	-
Employees and workers	https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-2023.pdf	0	0	-	0	0	-
Customers	https://www.aartipharmalabs.com/contact	44	3	-	17	3	-
Value Chain Partners	https://www.aartipharmalabs.com/contact	0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Learning and Development	Opportunity	Investing in continuous learning and upskilling enhances employee capability, fosters innovation, and improves retention. It also prepares the workforce for future challenges, making the business more adaptive and competitive.	Not Applicable	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Supplier Environmental Assessment	Risk	Suppliers operating without adequate environmental controls pose reputational and regulatory risks to APL. Proactive assessments ensure alignment with APL's sustainability standards and reduce risk exposure.	Conduct regular environmental audits, set supplier performance benchmarks, and initiate improvement plans where needed.	Negative
3.	Material Sourcing and Efficiency	Risk and Opportunity	Responsible sourcing reduces cost, improves supply chain resilience, and minimizes environmental impact. Inefficient sourcing can lead to delays, cost escalation, and non-compliance.	Enforce sustainable sourcing guidelines, supplier qualification protocols, and promote use of alternative materials.	Positive
4.	Supplier Social Assessment	Risk	Poor labour practices or human rights violations among suppliers can lead to reputational damage and legal consequences.	Conduct third-party audits and engage suppliers through training and corrective action programs.	Negative
5.	Climate Change	Risk and Opportunity	Climate-related events can disrupt operations but addressing them opens avenues for innovation in green technologies and products.	Develop climate resilience strategies, conduct scenario analysis, and invest in low-carbon technologies.	Positive
6.	GHG Emissions	Risk	High emissions can result in compliance risks, carbon taxation, and reputational loss in global supply chains.	Implement carbon accounting, switch to renewable energy sources, and track progress via emission intensity KPIs.	Negative
7.	Economic Performance	Risk and Opportunity	Sustained financial performance enables long-term investments in ESG and innovation. Weak performance can threaten viability.	Adopt strategic financial planning, cost efficiency programs, and revenue diversification.	Positive
8.	Energy Management	Risk and Opportunity	Energy efficiency reduces operating costs and emissions. Inefficiency increases exposure to volatile energy prices and regulatory scrutiny.	Invest in energy audits, LED lighting, automation, and renewable energy installations.	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Employee Wellbeing	Opportunity	Enhancing wellbeing supports workforce productivity, reduces turnover, and improves overall engagement and morale.	Not Applicable	Positive
10.	Waste Management	Risk and Opportunity	Effective waste management ensures legal compliance, lowers environmental impact, and can unlock resource recovery value.	Establish waste segregation, recycling partnerships, and zero waste-to-landfill initiatives.	Positive
11.	Water Management	Risk and Opportunity	Efficient water use ensures resource security, reduces costs, and mitigates regulatory risks in water-scarce regions.	Install water meters, recycle process water, and adopt rainwater harvesting.	Positive
12.	Business Ethics	Risk	Unethical behaviour can result in legal actions, stakeholder distrust, and operational disruption.	Implement ethics helplines, training programs, and enforce a strong code of conduct.	Negative
13.	Risk Management	Risk and Opportunity	Robust risk management prevents operational disruptions and supports agile decision-making.	Develop enterprise risk frameworks and regularly review risk registers and mitigation plans.	Positive
14.	Data Privacy and Security	Risk	Data breaches can result in penalties, reputational loss, and business disruptions.	Implement cybersecurity infrastructure, conduct regular audits, and train employees on data protection.	Negative
15.	Indirect Economic Impacts	Risk and Opportunity	Understanding community-level impacts can drive inclusive growth and prevent opposition from local stakeholders.	Conduct socioeconomic assessments and align CSR activities with community needs.	Positive
16.	Marketing and Labelling	Risk	Inaccurate or misleading labelling can damage trust and result in regulatory penalties.	Ensure regulatory compliance through quality assurance and legal review processes.	Negative
17.	Product Quality and Safety	Risk	Product failures can lead to recalls, health hazards, and regulatory sanctions.	Maintain stringent quality checks, GMP compliance, and continuous training.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
18.	Compliance	Risk	Non-compliance with laws can attract fines, business restrictions, or litigation.	Conduct compliance audits, maintain a compliance calendar, and ensure regular legal updates.	Negative
19.	Air Quality	Risk	Industrial emissions can harm health and violate norms, affecting operations and community relations.	Adopt air filtration systems, monitor emissions, and comply with regulatory limits.	Negative
20.	Diversity and Equal Opportunity	Opportunity	Diverse teams foster innovation and improve workplace culture and stakeholder perception.	Not Applicable	Positive
21.	Occupational Health and Safety	Risk	Workplace incidents can result in injury, loss of life, and operational disruptions.	Implement EHS training, safety audits, and incident response systems.	Negative
22.	Customer Health and Safety	Risk	Unsafe products can damage reputation and expose the company to liability.	Ensure quality standards, pharmacovigilance, and transparent labelling.	Negative
23.	Local Communities (CSR)	Opportunity	Engaging with communities builds trust, ensures social license to operate, and contributes to regional development.	Not Applicable	Positive
24.	Non-discrimination	Opportunity	Fostering an inclusive workplace enhances reputation and employee engagement.	Not Applicable	Positive
25.	Human Rights	Risk	Violations can lead to litigation and reputational damage, especially in global supply chains.	Enforce supplier code of conduct and integrate human rights due diligence.	Negative
26.	Access to Healthcare	Opportunity	As a pharmaceutical company, APL can contribute to global and local health equity through its products.	Not Applicable	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
POLICY AND MANAGEMENT PROCESS										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	The statutory policies are approved by the Board or Board Committees, as applicable. Other applicable policies are either approved by the Board or by the appropriate authority.								
	c. Web Link of the Policies, if available.	P1: - Code of Ethical Conduct: https://www.aartipharma.com/investors/code-of-conduct-feb-2023.pdf - Vigil Mechanism: https://www.aartipharma.com/investors/vigil-mechanism-policy-feb-2023.pdf - Risk Management Policy: https://www.aartipharma.com/investors/APL_Risk%20Management%20Policy.pdf - Supplier Code of Conduct: https://www.aartipharma.com/investors/supplier-code-of-conduct.pdf P2: - Environment Policy: https://www.aartipharma.com/investors/environment-policy.pdf https://www.aartipharma.com/investors/aarti-standalone-environment-policy.pdf - Occupational Health & Safety Policy: https://www.aartipharma.com/investors/ohs-policy.pdf https://www.aartipharma.com/investors/standalone-occupational-health-safety-policy.pdf - Quality Policy: https://www.aartipharma.com/assets/images/quality-policy-aarti-pharma-2022.pdf - Responsible Procurement Policy: https://www.aartipharma.com/investors/responsible-procurement-policy.pdf https://www.aartipharma.com/investors/standalone-responsible-procurement-policy.pdf P3: - Environment Policy: https://www.aartipharma.com/investors/environment-policy.pdf https://www.aartipharma.com/investors/aarti-standalone-environment-policy.pdf - Occupational Health & Safety Policy: https://www.aartipharma.com/investors/ohs-policy.pdf https://www.aartipharma.com/investors/standalone-occupational-health-safety-policy.pdf								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
				- Prevention of Sexual Harassment (PoSH) Policy: https://www.aartipharmalabs.com/investors/prevention-of-sexual-harrasment-policy.pdf - People Policy: https://www.aartipharmalabs.com/investors/people-policy.pdf					
				P4:					
				- People Policy: https://www.aartipharmalabs.com/investors/people-policy.pdf - Corporate Social Responsibility (CSR) Policy: https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf - Supplier Code of Conduct: https://www.aartipharmalabs.com/investors/supplier-code-of-conduct.pdf					
				P5:					
				- Environment Policy: https://www.aartipharmalabs.com/investors/environment-policy.pdf https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf - Occupational Health & Safety Policy: https://www.aartipharmalabs.com/investors/ohs-policy.pdf https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf - People Policy: https://www.aartipharmalabs.com/investors/people-policy.pdf - Code of Ethical Conduct: https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf - Supplier Code of Conduct: https://www.aartipharmalabs.com/investors/supplier-code-of-conduct.pdf					
				P6:					
				- Environment Policy: https://www.aartipharmalabs.com/investors/environment-policy.pdf https://www.aartipharmalabs.com/investors/aarti-standalone-environment-policy.pdf - Occupational Health & Safety Policy: https://www.aartipharmalabs.com/investors/ohs-policy.pdf https://www.aartipharmalabs.com/investors/standalone-occupational-health-safety-policy.pdf - Supplier Code of Conduct: https://www.aartipharmalabs.com/investors/supplier-code-of-conduct.pdf					

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	P8: - Corporate Social Responsibility (CSR) Policy: https://www.aartipharmalabs.com/investors/csr-policy-feb-2023.pdf P9: - Information Security Policy: https://www.aartipharmalabs.com/investors/information-security-policy.pdf - Quality Policy: https://www.aartipharmalabs.com/assets/images/quality-policy-aarti-pharmalabs-2022.pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, each department/function maintains its own set of procedures.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, we have a dedicated supplier code of conduct which covers all the applicable aspects under the BRSR principles.								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The national and international codes/certifications/labels/standards are as follows: - FDCA (Manufacturing License) - FDA Maharashtra - FDA (U.S. Food and Drug Administration) - FDCA (GMP) - Export Inspection Council - ISO 9001:2015 - ISO 14001:2015 - ISO 45001:2018 - FSSAI - FSSC 22000 - Star – K Kosher - Jamiat Ulama Halal Foundation (Mumbai, India) - Majelis Ulama (Halal) (Indonesia) - SEDEX, SMETA (SMETA 4 pillar Certified Company) - UNGC India Network - EcoVadis - CDP - Science Based Target Initiative (SBTi)								
5. Specific commitments, goals targets and performance by the entity with defined timelines, if any.	SBTi goal commitments & policies, https://www.aartipharmalabs.com/aarti-pharmalabs-imited-achieves-key-sustainability-milestone								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.									

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
GOVERNANCE, LEADERSHIP AND OVERSIGHT									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	At Aarti Pharmalabs Limited, we remain committed to integrating ESG principles into our core business strategy. In FY25, we strengthened our environmental performance, enhanced employee wellbeing and safety programs, and deepened our engagement with value chain partners. While we continue to face challenges such as climate-related risks and evolving regulatory expectations, we are proactively addressing them through structured targets and sustainability initiatives. For more detailed insights on our ESG priorities, challenges, and future outlook, please refer to the Managing Director's message in our Annual Report FY25.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Smt. Hetal Gogri Gala, Vice Chairperson & Managing Director (DIN: 00005499) and Shri Narendra J. Salvi, Managing Director (DIN: 00299202) are responsible for implementation and oversight of the Business Responsibility policies.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	At present, the Company does not have a dedicated Board-level leader for sustainability-related issues. However, the Risk Management Committee oversees broader sustainability aspects to provide guidance to the Management to ensure Safety and Sustainability impacts are duly addressed in all strategic initiatives under the Board's guidance. The Risk Management Committee comprises Mr. Rashesh Gogri, Ms. Hetal Gogri, Mr. Narendra Salvi, Mr. Rajendra Gogri, Mr. Parimal Desai and Mr. Vinay Nayak.								
10. Details of Review of NGRBCs by the Company									
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee & Frequency								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	All policies outlined have been approved by the Board and Senior Management of the Company. To ensure compliance and effectiveness, we conduct regular internal audits and reviews of all policies and processes. This ongoing evaluation guarantees that our policies and procedures align with industry standards and best practices.								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Yes,theCompanyhasundertakenanythird-partyassessments of its policies however shall continue to take up internal assessments periodically to ensure smooth implementation of the policies. We are in the process of undertaking independent third-party assurance for our sustainability performance. For the reporting year, the authenticity of the data and systems disclosed in our sustainability disclosures has been assured by an independent third-party assurance provider. This assurance was provided as per AA1000AS v3 'Type 2 - Moderate' Assurance. Additionally, relevant third-party assessments and certifications are periodically conducted across our business units.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of directors	1	We regularly give updates to our Board of Directors during the Board Meetings, on various matters pertaining to business updates, project updates, budget and governance. Over and above, other programs cover topics such as Code of conduct, anti-bribery and anti-corruption, human rights, health and safety as well as various other regulatory updates for Key Managerial personnel, employees and workers.	100%
Key Managerial Personnel (Other than BoD)	2		100%
Employees other than BOD and KMPs	784		100%
Workers	760		100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine Settlement Compounding Fee	Principle 6: Businesses should respect and make efforts to protect and restore the environment	Gujarat Pollution Control Board (GPCB)	₹2,50,000 (Bank Guarantee) + interim Environment Damage Compensation	Closure directions issued under Section 33A of the Water (Prevention & Control of Pollution) Act, 1974 for the plant at Plot No. 22/C-1, Phase 1, GIDC Vapi, Gujarat, due to alleged violations of environmental norms. However, the GPCB revoked the closure directions subsequently.	No

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial Institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment		NIL		
Punishment				

3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.

Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

APL has established a robust Code of Conduct and Vigil Mechanism policy centred on sustainability principles. The policy prioritizes combating corruption and bribery, underscoring the company's commitment to ethical practices. APL expects all employees to adhere strictly to these guidelines, conducting themselves with integrity, honesty, and fairness in all business dealings. The policy unequivocally prohibits bribery or any form of unfair advantage, emphasizing transparency and accountability in pursuit of sustainable practices.

For further information, please refer to,

- Vigil mechanism Policy:
<https://www.aartipharmalabs.com/investors/vigil-mechanism-policy-feb-2023.pdf>
- Code of Conduct: <https://www.aartipharmalabs.com/investors/code-of-conduct-feb-2023.pdf>

5. Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	0	-	0	-
Number of complaints received in relation to issues of conflict of interest of KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable as there were no fines or penalties reported during the reporting period.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
Number of days of accounts payables*	103 days	83 days

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	19.04	13.94
	b. Number of trading houses where purchases are made from	118	107
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	12.34	10.52
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	13	20
	b. Number of dealers / distributors to whom sales are made	148	90
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	6	10.73
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	11.38	16
	b. Sales (Sales to related parties / Total Sales)	8.84	6
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	90.59	19
	d. Investments (Investments in related parties / Total Investments made)	68.86	34

Leadership Indicators:

- Awareness programmes conducted for value chain partners on any of the principles during the financial year.

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
3	Sustainable Supply Chain, ESG, GHG emissions, BRSR Reporting, GRI reporting, Role of supplier in APL ESG journey.	28.93

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the board? (Yes/No)
If yes, provide details of the same.

Yes. Aarti Pharmalabs Limited has established processes to manage conflicts of interest, as outlined in its Board-approved Code of Conduct. Directors are required to disclose any potential conflicts and recuse themselves from related decisions. Additionally, regular trainings are conducted to reinforce awareness and compliance with ethical and governance standards.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators:

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	36.23%	7.35%	Fume hoods, HVAC units, Scrubbers, Innovative technologies like flow reactors, etc.
Capex	23.74%	8.04%	Solar Powered Electricity Generation Plant, HVAC Units, Mechanical Vapour Recompression System, Scrubbers, Fire Extinguishers, etc.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) - Yes

b. If yes, what percentage of inputs were sourced sustainably?

Yes, APL has implemented a robust Responsible Procurement Policy that serves as a strategic framework to embed sustainability across its value chain. This policy guides the company in promoting ethical sourcing, environmental stewardship, and social responsibility. As part of this commitment, 40.52% of APL's key raw material suppliers have been assessed for alignment with the company's sustainability standards.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

APL integrates the 3R principle—Reduce, Reuse, Recycle—into its core waste management strategy, ensuring its application across all operations and waste streams. This approach reflects the company's commitment to resource conservation and sustainable practices. Advanced waste management systems are in place at all facilities to support efficient handling, with a focus on minimizing waste generation, maximizing reuse opportunities, and facilitating responsible recycling.

- A. Plastic Waste: All plastic waste is systematically routed to authorized recyclers for environmentally sound processing.
- B. E-Waste: Electronic waste is safely disposed of through certified e-waste recyclers, ensuring compliance with environmental standards.
- C. Hazardous Waste: Managed in strict adherence to applicable regulations, hazardous waste is disposed of at Common Hazardous Waste Treatment, Storage, and Disposal Facilities (CHWTSDFs) through landfill or incineration. Select categories are also sent to authorized recyclers in accordance with consent conditions under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

This comprehensive approach enables APL to mitigate environmental impact while fostering a circular economy within its operations.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, APL's waste collection strategy is fully aligned with its Extended Producer Responsibility (EPR) plan, reflecting the company's proactive approach to environmental stewardship. APL has obtained its EPR targets from the Central Pollution Control Board (CPCB) and has initiated the necessary implementation activities to meet these obligations. As a registered entity with CPCB for EPR compliance, APL reinforces its commitment to managing post-consumer waste responsibly and contributing to a circular, sustainable economy.

Leadership Indicators:

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of the Product/ Service	% of turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web link.
210	Ramipril	6	Cradle to Gate	No	No
1104	Caffeine	32	Cradle to Gate	Yes	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

No. Currently, no significant social or environmental concerns or risks have been identified through Life Cycle Assessments or other evaluations related to the production or disposal of Aarti Pharmalabs' products and services.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Aarti Pharmed Limited's Active Pharmaceutical Ingredients (API) and Pharmaceutical Intermediates business segments currently do not utilize recycled input materials in their production processes, owing to the stringent quality, safety, and purity standards required in pharmaceutical manufacturing. However, in its Specialty Chemicals segment, the company adopts circular practices by reusing methanol and recycling sodium sulphate as input materials, contributing to resource efficiency and waste reduction.

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24
Methanol	0.70%	0.65%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format

Product reclamation is not applicable due to the nature of APL's bulk chemical and pharmaceutical products. Packaging materials such as drums, containers, and cartons are partially reclaimed and processed through authorized vendors.

	FY 2024-25			FY 2023-24		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	456.77 MT	NIL	NIL	330.53 MT
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	NIL	NIL	NIL	NIL	NIL	NIL

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

As a B2B chemical and pharmaceutical manufacturer, most products are supplied in bulk to industrial buyers, where reclamation at end-of-life is not directly applicable. However, APL facilitates safe return and recycling of packaging materials where feasible.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. A. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	1626	1525	93.78	1626	100	0	0	0	0	0	0
Female	102	88	86.27	102	100	102	100	0	0	0	0
Total	1728	1613	93.34	1728	100	102	5.90	0	0	0	0
OTHER THAN PERMANENT EMPLOYEES											
Male	4	4	100	4	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	4	4	100	4	100	0	0	0	0	0	0

B. Details of measures for the well-being of workers

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT WORKERS											
Male	434	298	68.66	434	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	434	298	68.66	434	100	0	0	0	0	0	0
OTHER THAN PERMANENT WORKERS											
Male	813	0	0	813	100	0	0	0	0	0	0
Female	26	0	0	26	100	26	100	0	0	0	0
Total	839	0	0	839	100	26	3.1	0	0	0	0

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of total revenue of the company	0.43%	1%

2. Details of retirement benefits for the current and previous financial year

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.) *	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.36	100	Y	90.43	67.99	Y
Gratuity	98.84	100	Y	94.92	67.99	Y
Employee State Insurance (ESI)	11.74	100	Y	11.90	100	Y
Others	-	-	-	-	-	-

3. Accessibility of workplaces: Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. Aarti Pharamalabs Limited is committed to creating an inclusive and accessible work environment. The company ensures that its premises and offices are aligned, to the extent applicable.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the entity has laid out the necessary provisions in the HR Policy in line with the Rights of Persons with Disabilities Act, 2016. The Company ensures compliance of 100% employee related applicable statutes which ensures social security. For more details <https://www.aartipharmalabs.com/responsible-workforce>

5. Return to work and retention rates of permanent employees that took parental leave.

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	NA	NA
Female	100%	100%
Total	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.

Yes/No (If yes, then give details of the mechanism in brief)	
Permanent Employees	Yes
Other than Permanent Employees	Yes
Permanent Workers	Yes
Other than Permanent Workers	Yes

7. Membership of employees in association(s) or unions

Category	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	1728	0	0	1627	0	0
Male	1626	0	0	1543	0	0
Female	102	0	0	84	0	0
Total Permanent Workers	434	132	30.41	468	140	29.91
Male	434	132	30.41	468	140	29.91
Female	0	0	0	0	0	0

8. Details of training given to employees

Category	FY 2024-25					FY 2023-24				
	Total (A)	On health and safety/ wellness measures		On skill upgradation		Total (A)	On health and safety measures/ wellness		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES									
Male	1630	1630	100	1630	100	1,610	1,316	81.74	1,162	72.17
Female	102	102	100	102	100	104	62	59.61	65	62.5
Total	1732	1732	100	1732	100	1,714	1,378	80.40	1,227	71.58
	WORKERS									
Male	1247	1247	100	434	34.80	1462	210	14.36	490	33.51
Female	26	26	100	0	0	7	3	42.85	2	28.57
Total	1273	1723	100	434	25.18	1469	213	14.49	492	33.49

9. Details of performance and career development reviews* of employees

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES						
Male	1630	1398	85.77	1,529	1,316	86.07
Female	102	69	67.64	85	66	77.65
Total	1732	1467	84.69	1,614	1,382	85.62
WORKERS						
Male	434	312	71.89	468	458	97.86
Female	0	0	0	0	0	0
Total	434	312	71.89	468	458	97.86

10. Health and safety management system

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

Yes. APL maintains an ISO 45001:2018 certified occupational health and safety management system. The company operates an ISO 45001:2018 certified Occupational Health and Safety Management System, reflecting its strong commitment to safeguarding the well-being of its workforce. With a clear vision of achieving zero incidents, APL continuously strengthens its safety protocols through systematic reviews and proactive risk mitigation. The company's comprehensive Health, Safety, and Environment (HSE) manual upholds its "Safety First" legacy, ensuring consistent implementation across all sites and operations.

To foster a culture of safety, APL delivers extensive training and awareness programs, achieving 100% coverage for both employees and contractors. These efforts are integral to maintaining a safe, healthy, and sustainable work environment.

- b. What are the processes used to identify work -related hazards and assess risks on a routine and non-routine basis by the entity?

To identify and assess work-related hazards and risks, APL conducts periodic meetings involving all operational safety personnel. The company's ISO 45001:2018 certification ensures adherence to comprehensive safety standards and protocols, aimed at achieving operational excellence. APL also conducts regular safety trainings and assessments to ensure employee welfare. Routine safety measures include Hazard Identification and Risk Assessment (HIRA), WPS, MOC, HAZOP (for process deviation), PSSR, what-if analysis, hazard checklists, and Quantitative Risk/Impact Assessment (QRA) during project stages. For nonroutine work, APL utilizes Job Safety Analysis (JSA) to enhance safety protocols and mitigate potential risks effectively.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, Aarti Pharmalabs Limited has implemented multiple safety modules in alignment with the Aarti Pharma Management System (APMS) guidelines to strengthen workplace safety and empower workers to report hazards effectively. These modules cover key areas such as General Plant Condition, Unsafe Acts, Unsafe Conditions, Near Miss Reporting, Behaviour-Based Safety (BBS), and Toolbox Talks. Reporting is facilitated through digital platforms, including the mySetu module and G-Suite, ensuring ease of access and timely action. The company places a strong emphasis on social security and adopts a proactive, participative approach to fostering a safe and secure working environment for all personnel.

- d. Do the employees have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, APL ensures the well-being of its employees and workers through comprehensive health and welfare measures. The company provides coverage under a Group Term Life Insurance Policy, offering financial security to its workforce. To support non-occupational healthcare needs, APL has partnered with hospitals that facilitate access to visiting doctors. Furthermore, APL conducts regular vaccination programs to prevent the spread of communicable diseases such as Hepatitis B and tetanus, reinforcing its commitment to a healthy and protected workforce.

11. Details of safety related incidents

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.00
	Workers	0.00	0.32
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
No. of fatalities (safety incident)	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Aarti Pharmalabs Limited (APL) has established a comprehensive Health, Safety, and Environment (HSE) policy aimed at fostering a safe, healthy, and compliant workplace for all individuals. The company is fully committed to adhering to statutory requirements, including the Factories Act of 1948, while continually enhancing its safety practices. To strengthen process safety, APL employs structured hazard identification tools such as hazard checklists and conducts regular Hazard and Operability Studies (HAZOP) across its facilities. A dedicated Process Safety Laboratory plays a key role in proactively identifying and addressing potential risks associated with both existing and new processes.

In alignment with the Aarti Pharma Management System (APMS), APL implements a range of safety protocols including a robust Permit-to-Work system, General Plant Condition (GPC) assessments, Management of Change (MoC) procedures, and Pre-Start-Up Safety Reviews (PSSR). Engineering controls such as advanced scrubbing units and enhanced air ventilation systems are installed across sites to reduce workplace exposure to hazardous substances. APL has also introduced an Industrial Hygiene program designed to identify operations with potential health risks and mitigate them effectively. Regular medical check-ups are conducted for both employees and contract workers, with trained medical personnel available onsite to manage work-related health concerns and emergencies.

To ensure comprehensive protection, APL provides specialized Personal Protective Equipment (PPE) tailored to specific job roles and operational risks. The company also offers compensation for any workplace incidents, underscoring its commitment to safeguarding the health, safety, and well-being of its workforce.

13. Number of complaints on the following made by employees

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	-	0	0	-
Health and safety	0	0	-	0	0	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

There are no significant risks/concerns identified from the health and safety assessments.

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of a. Employees (Y/N) and b. Workers (Y/N)

Yes, for both employees and workers. Aarti Pharmed Labs Limited extends life insurance and compensatory benefits to both employees and workers in the unfortunate event of death. These benefits include group life insurance coverage, ex-gratia payments, and statutory compensation as per applicable labour laws.

- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

APL has implemented a due diligence mechanism to monitor compliance by its value chain partners. This includes regular documentation checks, compliance declarations, and audits to ensure that statutory dues such as PF, ESI, and taxes are properly deducted and deposited by suppliers, contractors, and service providers. Non-compliance triggers corrective actions or disqualification from vendor engagement.

- Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/Workers		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	0	0	0
Workers	0	1	0	0

- Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

No. Currently, Aarti Pharmed Labs Limited does not have formal transition assistance programmes in place for employees retiring or exiting due to termination. However, the company ensures compliance with all applicable statutory benefits and exit procedures as per regulatory requirements.

- Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	40.52
Working conditions	

- Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No. There have been no significant risks or concerns identified from assessments of health and safety practices and working conditions of value chain partners that required corrective action.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS**Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

At APL, our key stakeholders include customers, investors, board members, employees, clients, suppliers, regulatory bodies, and the broader community. We recognize that building trust and cultivating collaborative relationships with these stakeholders is essential to our long-term success and sustainability. Open, transparent, and consistent communication lies at the heart of our stakeholder engagement strategy. Over the years, we have developed strong, trust-based relationships founded on mutual respect and shared values. By engaging regularly through multiple channels, we actively listen to stakeholder needs, expectations, and concerns—ensuring our initiatives remain aligned, responsive, and forward-looking. This continuous dialogue enables us to co-create value and drive sustainable growth together.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half yearly/ Quarterly / Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Board and Committees	No	Presentations, reports, surveys, awareness sessions	Quarterly and as needed	Oversight of operations, business performance, risks and opportunities, strategy alignment, ESG initiatives, compliance, and crisis management.
Employees and Workers	No	Email, website, notice boards, training sessions, surveys	Daily	Engagement to foster a safe, inclusive workplace, provide updates on company and industry developments, encourage feedback and innovation, and support professional growth.
Suppliers	No	Supplier audits, meetings, topic-based engagement	Frequent and as needed	Ensure business continuity, quality compliance, address ESG parameters, and resolve product-related issues and feedback.
Customers	No	Customer meetings, audits, surveys, structured engagements	Frequent	Enhance market share, introduce new products, ensure fair business practices, and address customer feedback and queries.
Government and Regulators	No	Submissions, meetings, emails, website	Need-based	Compliance with regulations, facilitate product development and manufacturing, and uphold high standards of operational compliance.
Community	Yes	Physical visits, digital channels	Frequent and as needed	Support sustainable development, address local community needs, focus on health, education, gender equality, afforestation, and infrastructure development.
Investors/ Financial Partners	No	Investor meetings, conferences, earnings calls, press releases	Frequent and as needed	Provide updates on financial performance, strategic direction, sustainability goals, and significant events impacting the company's performance.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how feedback from such consultations is provided to the Board.

At Aarti Pharmedlabs, we engage with stakeholders on economic, environmental, and social matters through periodic, structured consultations. These include surveys, feedback sessions, and materiality assessments, all coordinated by senior management and relevant functional leads. Direct consultations with the Board occur quarterly via conference calls, while broader stakeholder insights are compiled, analysed, and presented during quarterly sustainability review meetings and through ESG performance reports. This structured approach ensures that the Board remains well-informed and actively integrates stakeholder perspectives into strategic decision-making. For more details, please visit our website: <https://www.aarti-pharmedlabs.com/concalls>

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Stakeholder consultation plays a key role in identifying and prioritizing material environmental and social topics at Aarti Pharmedlabs. For example, during the recent materiality assessment, inputs from external stakeholders—including customers, suppliers, and industry bodies—highlighted expectations around climate action, employee health and safety, and responsible sourcing. These inputs were incorporated into APL's ESG roadmap, leading to enhancements in energy efficiency programs, occupational safety initiatives, and supplier assessment processes.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups. –

APL engages with vulnerable and marginalized stakeholder groups—such as contract workers, communities around its manufacturing sites, and economically disadvantaged groups—through targeted CSR initiatives, welfare programs, and open-house consultations. For instance, health camps, skill development training, and sanitation infrastructure projects have been undertaken in nearby rural areas to address local needs. Additionally, safety awareness programs and grievance mechanisms are extended to contract workers to ensure fair and safe working conditions.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
EMPLOYEES						
Permanent	1728	1728	100	1627	1347	82.79
Other than permanent	4	4	100	87	0	0.00
Total Employees	1732	1728	100	1714	1347	78.58
WORKERS						
Permanent	434	434	100	468	467	99.78
Other than permanent	839	0	0.00	994	0	0.00
Total Workers	1273	434	34.09	1,001	467	46.65

2. Details of minimum wages paid to employees

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
	EMPLOYEES									
Permanent	1728	0	0	1728	100	1627	0	0	1627	100
Male	1626	0	0	1626	100	1543	0	0	1543	100
Female	102	0	0	102	100	84	0	0	84	100
Other than Permanent	4	0	0	4	100	0	0	0	0	0
Male	4	0	0	4	100	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
	WORKERS									
Permanent	434	0	0	434	100	468	0	0	468	100
Male	434	0	0	434	100	468	0	0	468	100
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	839	839	100	0	0	1001	1001	100	0	0
Male	813	813	100	0	0	994	994	100	0	0
Female	26	26	100	0	0	7	7	100	0	0

3. A. Details of remuneration/salary/Wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD) (including whole-time directors)	1	11000004	1	10929583
Key Managerial Personnel (other than BoD)	2	1845821	0	NA
Employees other than BoD and KMP*	1873	512066	117	311067
Workers	541	451507	0	NA

B. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	3.84	3.00

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Aarti Pharmed Labs Limited is firmly committed to upholding and advancing human rights across all aspects of its operations. This commitment is embedded within the company's corporate responsibility framework, with the Works Council playing a key role in monitoring and ensuring compliance with these fundamental principles.

APL places the highest importance on respecting the dignity, rights, and freedoms of every employee, worker, and external stakeholder involved in its business activities. The company maintains a zero-tolerance approach toward any practices that could undermine human rights and strives to foster a respectful, inclusive, and supportive work environment that promotes the overall well-being of all individuals within the organization.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

Aarti Pharmedlabs Limited places strong emphasis on the well-being, dignity, and rights of all individuals connected to its operations. To uphold this commitment, the company has established a comprehensive grievance redressal mechanism designed to promptly and effectively address any human rights-related concerns.

APL promotes a culture of openness and transparency, offering multiple channels through which employees and stakeholders can raise concerns or seek support without fear of retaliation. A dedicated team oversees the fair, unbiased, and confidential handling of all grievances, ensuring timely resolution in line with the company's ethical standards. APL remains committed to continuously strengthening its grievance redressal system to foster a safe, inclusive, and respectful workplace for all.

6. Number of complaints on the following made by employees and workers

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

Aarti Pharmedlabs Limited upholds a strict zero-tolerance policy against any form of sexual harassment in the workplace. In alignment with its commitment to creating a safe and respectful work environment, the company has instituted a robust grievance resolution framework under its Prevention of Sexual Harassment (PoSH) policy. APL's Code of Conduct and HR Policy Manual clearly define the standards for appropriate workplace behaviour and outline comprehensive measures for the prevention and redressal of sexual harassment. All employees—including new hires—undergo mandatory PoSH training during onboarding, with regular refresher sessions conducted to reinforce awareness and compliance throughout their tenure. To ensure the effective handling of complaints, APL has established a dedicated Internal Complaints Committee (ICC) responsible for the timely, impartial, and confidential resolution of cases. The committee plays a critical role in monitoring, investigating, and taking appropriate action on reported incidents, ensuring that the rights and dignity of all individuals are protected.

9. Do human rights requirements form part of your business agreements and contracts?

Yes, At APL, all the business agreements and contracts carry the clauses of human rights for promoting sustainable, fair and equitable competition for all its stakeholders.

10. Assessments for the year

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify (Health & Safety)	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable. There have been no significant risks or concerns identified from the assessments referenced in Question 9 that required corrective action.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.

Currently, no specific business process has been modified or introduced as a result of human rights grievances or complaints. However, Aarti Pharmedlabs maintains a grievance redressal mechanism and a Code of Conduct to address such concerns proactively and ensures a respectful and inclusive work environment.

2. Details of the scope and coverage of any human rights due diligence conducted.

Aarti Pharmedlabs undertakes human rights due diligence as part of its overall compliance and risk management processes. The scope includes aspects related to non-discrimination, fair treatment of workers (including contractual and third-party workers), prevention of child and forced labour, and safe working conditions. These assessments are conducted across the company's own operations and select value chain partners, especially those operating in high-risk categories or geographies.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. Aarti Pharmedlabs Limited is committed to creating an inclusive and accessible work environment. The company ensures that its premises and offices are aligned, to the extent applicable.

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	40.52
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable. There have been no significant risks or concerns identified from the assessments referenced in Question 4 that required corrective action.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A) in GJ	40,110.97	0
Total fuel consumption (B) in GJ**	1,93,649.99	1,80,534.69
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C) in GJ**	2,33,760.96	1,80,534.69
From non-renewable sources		
Total electricity consumption (D) in GJ	4,00,858.37	2,87,347.98
Total fuel consumption (E) in GJ	6,60,575.88	8,64,831.57
Energy consumption through other sources (F) in GJ	2,38,163.99	1,31,548.79
Total energy consumed from non-renewable sources (D+E+F) in GJ	12,99,598.24	12,83,728.34
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) GJ/INR	0.000073	0.000085
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)*	0.001515	0.001904
Energy intensity in terms of physical output (GJ/kg of production)**	0.006099	0.01579

* PPP – IMF conversion factors for FY25: 20.66 and FY24: 22.4

** Error corrected in calculations that does not qualify as a methodology change: error of unit, error in calculation formulas for FY 2023-24

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Yes, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water.

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	4,31,675.00	3,91,904.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4,31,675.00	3,91,904.00
Total volume of water consumption (in kilolitres)	4,31,675.00	3,91,904.00

Parameter	FY 2024-25	FY 2023-24
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00002437	0.00002609
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	0.000504	0.000584
Water intensity in terms of physical output (KL/Kg of production)**	0.002025	0.004082

* PPP – IMF conversion factors for FY25: 20.66 and FY24: 22.4

** Error corrected in calculations that does not qualify as a methodology change: error of unit, error in calculation formulas for FY 2023-24

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – Yes, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

4. Provide the following details related to water discharged:

	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency –

Yes, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Aarti Pharmalabs Limited (APL) has implemented a comprehensive mechanism to achieve Zero Liquid Discharge (ZLD) across all its units. The company ensures 100% recycling of liquid waste generated and has established the necessary infrastructure and systems to comply with ZLD conditions specified by the MPCB's/GPCB's Consent to Operate (CTO) requirements. This commitment highlights APL's dedication to sustainable practices and responsible waste management.

6. Please provide details of air emissions (other than GHG emissions) by the entity.

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	tonne	200.28	122.83
SOx	tonne	481.68	320.44
Particulate matter (PM)	tonne	542.83	361.38
Persistent organic pollutants (POP)	tonne	-	-
Volatile organic compounds (VOC)	tonne	-	-
Hazardous air pollutants (HAP)	tonne	-	-
Others – please specify	tonne	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – Yes, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	73,461.10	75,429.87
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	105,577.65	81,619.04
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent per Rupee	0.00001011	0.00001045
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)*	Metric tonnes of CO ₂ equivalent per Rupee	0.000209	0.000234
Total Scope 1 and Scope 2 emission intensity in terms of physical output**	Metric tonnes of CO ₂ equivalent per Kg of production	0.00084	0.001932

* PPP – IMF conversion factors for FY25: 20.66 and FY24: 22.4

** Error corrected in calculations that does not qualify as a methodology change: error of unit, error in calculation formulas for FY 2023-24

Values are corrected after SBTi validation

1. **Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency** – Yes, The assurance is being carried out by SustainEDGE Business Solutions Pvt. Ltd

2. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, Aarti Pharmed Labs Limited has undertaken several key initiatives as part of its commitment to sustainable energy and emissions reduction. A solar energy project has been successfully installed in the Akola district of Maharashtra, supplying clean electricity to the Tarapur Cluster and resulting in a reduction of approximately 8,100.187 tCO₂e in Scope 2 emissions. Additionally, the company has deployed biofuel-based boilers to reduce Scope 1 emissions across select facilities.

APL's greenhouse gas (GHG) emission reduction targets have been validated by the Science Based Targets initiative (SBTi), reinforcing its commitment to science-aligned climate action and timely completion of decarbonization projects.

Further, a new solar energy installation is currently underway at the CSD Vapi cluster in Gujarat, projected to generate 11.34 GWh per annum of renewable energy upon completion, supporting APL's transition to a low-carbon operational footprint.

8. Provide details related to waste management by the entity, in the following format:

Parameter (in metric tonnes)	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	166.37	98.48
E-waste recycled (B)	2.48	1.72
Bio-medical waste (C)	1.55	0.80
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	0.45	4.44
Radioactive waste (F)	0.00	0.00
Other Hazardous Waste. Please specify, if any. (G)	14,119.64	12,702.62
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	1,259.55	868.28
Total (A+B + C + D + E + F + G + H)	15,550.04	13,676.33
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00000088	0.00000091
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)*	0.000018	0.000020
Waste intensity in terms of physical output (MT of Waste per kg of production)**	0.000073	0.00017
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)#		
Category of waste		
(i) Recycled	5,561.05	3,072.52
(ii) Re-used	17.39	0.32
(iii) Other recovery operations	0.0	0.0
Total	5,578.44	3,072.84
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	738.78	1,091.89
(ii) Landfilling	9,229.93	9,429.03
(iii) Other disposal operations	0	0
Total	9,968.71	10,520.92

* PPP – IMF conversion factors for FY25: 20.66 and FY24: 22.4

** Error corrected in calculations that does not qualify as a methodology change: error of unit, error in calculation formulas for FY 2023-24

3 metric tons of hazardous and non-hazardous waste were stored at one of the sites in FY 2024-25.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

Yes, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

APL has implemented a comprehensive and environmentally responsible waste management system that reflects its strong commitment to sustainability. Recognizing the importance of minimizing environmental impact, the company has developed a strategy that aligns with the highest industry standards and regulatory frameworks. APL's approach is structured and systematic covering the identification, segregation, handling, treatment, and safe disposal of all types of waste. The core objectives of this strategy include minimizing waste generation, maximizing opportunities for recycling and reuse, and ensuring the environmentally sound disposal of hazardous materials.

As part of its ongoing efforts to reduce the use of hazardous and toxic substances and minimize waste generation at the source, APL has undertaken the following key initiatives:

- **Green Chemistry Integration:** APL has embedded green chemistry principles into its product design phase by incorporating hazard checklists. To date, over 60 newly designed stages have been assessed, with 58 meeting satisfactory criteria for the use of safer materials. Where risks were identified in 2 processes were revised to substitute hazardous chemicals with safer alternatives.
- **Innovative By-Product Utilization:** Within the Xanthine product chain, APL has developed a novel process to treat and convert by-products into valuable resources. This innovation not only reduces waste but also supports circularity and sustainable resource use.
- **Emission Management:** APL facilities are equipped with advanced scrubbing systems that effectively capture and control emissions, thereby preventing the release of harmful substances into the atmosphere and supporting cleaner air quality.
- **Wastewater Management:** APL has invested in cutting-edge wastewater treatment technologies, including Reverse Osmosis (RO), Multiple-Effect Evaporators (MEEs), and Agitated Thin Film Dryers (ATFD), to recover and reuse water from industrial streams. The company has also adopted Mechanical Vapour Recompression (MVR) systems for treating industrial effluents and installed Sewage Treatment Plants (STPs) to manage domestic wastewater.
- **Zero Liquid Discharge (ZLD) Policy:** Reinforcing its environmental stewardship, APL has adopted a Zero Liquid Discharge policy across all operational units. This ensures that all wastewater is treated and reused internally, with no liquid effluents being released into the environment.

Through these measures, APL continues to enhance its environmental performance, reduce ecological footprint, and contribute to the development of a more sustainable and circular manufacturing ecosystem.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details.

None of our operational sites are situated in ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

No, during the reporting year there were no projects eligible for undertaking the EIA.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.

Yes, Aarti Pharmalabs Limited is in full compliance with all applicable laws and regulations as per the Environmental Protection Act of 1986, the Water (Prevention and Control of Pollution) Act of 1974, and the Air (Prevention and Control of Pollution) Act of 1981. The company closely monitors and ensures adherence to these stringent environmental standards.

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Tarapur and Vapi

Note: As per WRI Aqueduct tool (Version 4.0). Sites with water stress High (40% to 80%) are considered

- (ii) Nature of operations: Manufacturing of API, Intermediates, New Chemical Entities & Xanthine derivatives

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	4,06,813.00	3,95,431.00
(iv) Seawater / desalinated water	0	0.00
(v) Others	0	0.00
Total volume of water withdrawal (in kilolitres)	4,06,813.00	3,95,431.00
Total volume of water consumption (in kilolitres)	4,06,813.00	3,95,431.00
Water intensity per rupee of turnover (Water consumed / turnover) KL/₹	0.000023	0.000026
Water intensity per kg of production KL/kg	0.0019	0.0049
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,74,599.14	1,99,028.05
Under Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO ₂ equivalent per Rupee	0.000009856	0.00001325
Total Scope 3 emission intensity in terms of physical output	Metric tonnes of CO ₂ equivalent per kg of production	0.0008194	0.002449

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. -

Yes, The assurance is being carried out by third party SustainEDGE Business Solutions Pvt. Ltd.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable. Aarti Pharmalabs Limited does not have any significant direct or indirect impact on biodiversity in ecologically sensitive areas, as reported in Question 11 of the Essential Indicators. Therefore, no specific prevention or remediation activities are applicable.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative Undertaken	Details of the Initiative (weblink, if any, may be provided along with summary)	Outcome of the Initiative
1	Renewable Electricity Generation Plant	We have installed a 15 MW AC solar power plant in Akola, which supplies renewable electricity to the Tarapur cluster	40110.97 GJ energy savings done in the fiscal year. (Reduced carbon footprint by 8100.19 tCO ₂ e)
2	Automation of Equipment	We have initiated the implementation of additional interlocks and process automation using smart IoT devices on 24/7 running equipment to optimize current load based on real-time output demand.	8816.79 GJ energy savings done in the fiscal year. (Reduced carbon footprint by 1780.50 tCO ₂ e)
3	Improvement of Efficiency of Electrical Equipment	We have run a campaign to replace low efficiency motors (IE2) by efficient motors (IE3).	1658.60 GJ energy savings done in the fiscal year. (Reduced carbon footprint by 334.94 tCO ₂ e)

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes. Aarti Pharmalabs Limited has a robust Business Continuity and Disaster Management Plan in place to ensure uninterrupted operations during unforeseen events such as natural disasters, industrial accidents, or pandemics. The plan includes risk assessments, emergency response protocols, recovery strategies, and periodic drills across critical manufacturing sites. The company also ensures backup systems, communication protocols, and safety stock management to maintain supply chain resilience. The disaster preparedness measures are regularly reviewed and updated in line with evolving risks and regulatory requirements.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse environmental impacts have been reported from the value chain of Aarti Pharmalabs. However, as a preventive measure, the company engages in environmental due diligence for select high-risk suppliers, promotes cleaner production practices, and encourages the use of certified vendors for waste handling, transportation, and disposal to minimize potential environmental risks.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Approximately 40.52% of value chain partners were assessed for environmental impacts, focusing on those with high materiality or risk potential—such as raw material suppliers, logistics providers, and waste management vendors.

8. How many Green Credits have been generated or procured:

a. By the listed entity – None

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners - None

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
Currently, Aarti Pharmalabs is not affiliated with any chambers/associations, however the company is a participant of the United Nations Global Compact of India Network (UNGCI).
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to:
Currently, Aarti Pharmalabs is not affiliated with any chambers/associations, however the company is a participant of the United Nations Global Compact of India Network (UNGCI).
2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.
Nil. No adverse orders received from regulatory authorities.

Leadership Indicators

1. Details of public policy positions advocated by the entity
None. Aarti Pharmalabs Limited has not formally advocated for any public policy positions as of now.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.
Not Applicable, the Company has not undertaken any SIA during the reporting period.
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.
Not Applicable, the company has not undertaken any projects which required R&R.
3. Describe the mechanisms to receive and redress grievances of the community.
APL is deeply committed to being a responsible corporate citizen and maintaining positive relationships with the communities in which it operates. To enhance transparency and accountability, the company will establish a grievance redressal mechanism for these communities. This platform will allow community members to voice their concerns, provide feedback, and seek resolution regarding any operational issues. APL recognizes the importance of actively engaging with and addressing community concerns, and this mechanism will be crucial in fostering open dialogue and building trust.
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	13.56%	14.95%
Sourced directly from within the district and neighbouring districts	19.77%	15.22%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24
Rural	0	0
Semi-Urban	29.64	38.16
Urban	38.99	26.17
Metropolitan	31.37	35.67

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)

No significant negative social impacts were identified in the Social Impact Assessments conducted by Aarti Pharmalabs; hence no mitigation actions were required.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

Aarti Pharmalabs has not undertaken CSR projects specifically in designated aspirational districts during the reporting period. However, the company continues to implement CSR initiatives in other areas focusing on healthcare, education, sanitation, and community development.

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. Aarti Pharmalabs does not currently have a formal preferential procurement policy targeting marginalized or vulnerable groups.

- b. From which marginalized /vulnerable groups do you procure? What percentage of total procurement (by value) does it constitute?

Not applicable, as there is no formal preferential procurement policy in place.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

None. Aarti Pharmalabs has not derived or shared any benefits from intellectual properties based on traditional knowledge during the current financial year.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable. There have been no adverse orders or disputes related to intellectual property involving traditional knowledge for Aarti Pharmalabs during the reporting period.

6. Details of beneficiaries of CSR Projects

Sr. No.	Project	SDGs	No. of persons benefitted	% of beneficiaries from vulnerable and marginalized groups
1	Education & Skill Development	SDG 4	1786	90.92%
2	Healthcare Initiative	SDG 3	593	
3	Women Empowerment	SDG 5	64450	
4	Green Environment & Water Conservation	SDG 6 SDG 13	3115	
5	Livestock Development	SDG 15	1886 (animals)	

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

APL has developed a robust system to effectively address and resolve consumer complaints. The company's dedicated marketing department serves as the primary point of contact for these complaints, promptly forwarding them to the Quality department based on their nature and specifics. APL prioritizes resolving consumer complaints quickly and efficiently. Our skilled and experienced Quality team diligently investigates each complaint to determine the appropriate course of action, ensuring the highest standards of product quality are maintained. Committed to meeting customer expectations, APL aims to continuously improve its products and services through our consumer complaint resolution mechanism, thereby strengthening our bond with valued customers.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

As a percentage to total turnover	
Environmental and social parameters relevant to the product	100%, The company provides safety data sheets that are shared with the customers for all its products wherever applicable and as required. Our products are not sold to retail customers as it is and therefore product information is not provided.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY25		Remarks	FY24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	5	0	-	2	1	All pending complaints closed in FY 2024-25
Others	39	3	APL shall ensure timely resolution of all the pending complaints	15	1	All pending complaints closed in FY 2024-25

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, APL has established rigorous measures and guidelines to protect sensitive information and maintain data confidentiality. The company adheres to an Information Security policy approved by the Board, demonstrating our dedication to data privacy and outlining specific measures implemented. For more details, please refer to the policy via the following web link: <https://www.aartipharmlabs.com/investors/information-security-policy.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No incidents reported hence no corrective actions

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Aarti Pharmalabs provides detailed information on its products and services through its official website under the "Products & Services" section, which includes modules on APIs, intermediates, CDMO services, caffeine/xanthine derivatives, acid & allied products, and more. This serves as the primary platform for customers to explore APL's offerings. For more details, please refer to the product and services via the following web link:

<https://www.aartipharmalabs.com/products-and-services>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

APL actively engages in product safety and stewardship, assessing each product based on hazard and exposure profiles. The company provides clients—and their downstream users—with tailored technical guidance, safety instructions, training, logistical support, and environmental, health, and safety (EHS) advice. They also collect regular feedback from customers to continuously improve safety measures and usage information.

3. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. In addition to legal labelling, APL provides supplementary safety information and detailed product stewardship documentation that exceeds statutory requirements, ensuring customers are fully informed about chemical hazards, handling protocols, and risk mitigation measures. APL regularly gathers consumer feedback on health and safety aspects of its products and services. While not explicitly described as a formal survey, these feedback mechanisms are integral to their product stewardship and continuous improvement processes.

4. Provide the following information relating to data breaches

- a. Number of instances of data breaches along with impact - Nil
- b. Percentage of data breaches involving personally identifiable formation of customer – Nil

INDEPENDENT AUDITORS' REPORT

To the Members of
Aarti Pharmalabs Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Aarti Pharmalabs Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including the statement on Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements (including summary of the material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025 and its profit, and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment (including Capital Work-in-Progress) The carrying value of property, plant and equipment (including capital work in progress) as on 31 March 2025 of ₹1,31,438.90 Lakhs (as on 31 March 2024 of ₹ 99,449.95 Lakhs) includes ₹16,904.86 Lakhs capitalised /transferred from capital work in progress during the year (₹12,942.03 Lakhs for FY 2024). Cost Recognition of Property, Plant and Equipment as specified in Ind AS 16 is based on completion of asset construction activities and management assessment and judgement that the asset is capable of operating in the manner intended.	Our audit procedures, amongst others, include the following – Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure. We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16: Property, Plant and Equipment. We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment as well as its assessment that the asset is ready for its intended use.

Sr. No.	Key Audit Matter	Auditor's Response
	The asset capitalisation is the outcome of various procurements, approvals from operations experts in the Company and judgements by the management and therefore, required significant audit attention. Refer Note 4: Property, Plant and Equipment in Notes to the Standalone Financial Statements.	We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23: Borrowing Costs. Ensuring adequacy of disclosures in the standalone financial statements.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises information included in the Management Discussion and Analysis, Board's Report including annexures thereto, Business Responsibility and Sustainability Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the additional information mentioned above that will be included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial

performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning

the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. Insofar as the modification on maintaining an audit trail in the accounting software is concerned, refer paragraph (i) (vi) below;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash

Flows dealt with by this Report are in agreement with the books of accounts.

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modification arising from the maintenance of the audit trail on the accounting software, comprising the application and database are as stated in the paragraph (i) (vi) below on reporting under Rule 11(g);
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 35 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief as disclosed in note no. 41 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in note no. 41 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in note no 14 to the standalone financial statements
 - (a) The Interim dividend and final dividend proposed in the previous year, declared and paid by the Company during the year

is in accordance with Section 123 of the Act, as applicable.

- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination which included test checks, the Company has used the accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility in respect of the application and the same has operated throughout the year for all relevant transactions. We did not come across any instance of the audit trail feature being tampered with in respect of accounting software. Normal/Regular users are not granted direct database or super user level access.

However, unauthorised changes to the database by a super user specifically does not carry the feature of a concurrent real time audit trail.

With the exception of audit trail functionality at the database level as mentioned above, we confirm that the Company has preserved the audit trail in accordance with statutory requirements for record retention.

For **Gokhale & Sathe**
Chartered Accountants
FRN: - 103264W

Uday Girjapure
Partner
Membership No. 161776
UDIN: 25161776BMOHSG1657

Place: Mumbai
Date: May 10, 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

(Referred to in para 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Pharmalabs Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property Plant and Equipment, Right-of-use assets and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets as at the year end.

b) As informed to us, the Company has in place a regular program for verification of Property, Plant

and Equipment and right of use assets so to cover all such assets once every 3 years. No material discrepancies were noticed on such verification which were not properly dealt with in the books of accounts.

c) According to the information and explanations given to us, the records examined by us and based on examination of the copies of the Sale Deed / Conveyance Deed / Transfer Deed, land revenue records provided to us, we report that, except for the properties mentioned in the table below, title deeds of all immovable properties (other than properties where the Company is lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed separately in Property Plant & Equipment in the financial statements, the lease agreements are in the name of the Company itself.

Description of the Property (Freehold & Leasehold Lands)	Gross Carrying Value (₹ In Lakhs)	Held in the Name of	Whether promoter, director or their relative or employee	Period held (since)	Reason for not being held in the name of company. Also indicate if in dispute and period for which it has been held
Atali Site	3858.72	Aarti Industries Limited	No	2021	Properties were transferred from Aarti Industries Limited under Scheme of Demerger approved by the NCLT vide order dated 21 September 2022 w.e.f. 01 July 2021. The transfer of title deed in the name of company is in progress.

d) The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) and intangible assets during the year ended 31 March 2025.

e) On the basis of information and explanations given to us, no proceedings have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed and discrepancies if any are properly dealt with by the Management of the Company.

- b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. As mentioned in notes to the Standalone Financial Statements, the difference between the quarterly returns filed by the Company with banks and books of accounts are on account of explainable items and not material in nature.
- iii. a) According to the information and explanations given to us and on the basis of our examination, the Company has not granted loans, advances in the nature of loans, or provided any guarantee or security to companies, firms, limited liability partnerships or any other parties during the year except as given below. No new loans have been granted during the year. Only interest has accrued, and the closing balance has been accordingly accumulated.

Particulars	INR in Lakhs
Aggregate amount granted during the year:	
- Aarti Ventures Private Limited	-
Balance outstanding as at Balance Sheet date in respect of above cases:	
- Aarti Ventures Private Limited	730.13

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, and the terms and conditions of the grant of loans granted in the earlier years are not prejudicial to the interest of company.
- c) According to the information and explanations given to us and based on our examination of the records, in respect of the loan given to a Company as mentioned above, there is no stipulation of schedule of repayment of principal and payment of interest, and hence we are unable to comment on the regularity of repayment of principal and payment of interest.
- d) Since there is no stipulated repayment schedule for the loans as mentioned above, there is no overdue amount for more than ninety days.
- e) According to the information and explanations given to us and based on our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the over dues of existing loans given to the same party.

- f) According to the information and explanations given to us and based on our examination of the records of the Company, loans have been granted to related parties with an aggregate amount of ₹ 730.13 lakhs as on 31 March 2025, which is 100% of the total loans granted by the Company.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of Investment made and loans and advances.
- v. The Company has not accepted deposits or amounts which are deemed to be deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provision of section 73 to 76 any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, Cess and other material statutory dues in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and based on the records of the company examined by us, there were no disputed statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2025.
- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed

as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- ix.
 - a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
 - b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c) In our opinion and according to information and explanations given to us, the Company has utilised the money obtained by way of term loans for the purposes for which they were raised.
 - d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x.
 - a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
 - b) During the year, the Company has made allotment of 8616 equity shares to eligible employees pursuant to the Employee Stock Option Plan. The requirements of Section 62(1)(b) of the Companies Act, 2013 have been complied with.
- xi.
 - a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - b) As informed by the management, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed

under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

- c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards.
- xiv.
 - a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.
 - a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
 - b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditor during the year. Accordingly, reporting under clause 3(xviii) of the order is not applicable to company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of

financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there

is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act.

- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Gokhale & Sathe**
Chartered Accountants
FRN: - 103264W

Uday Girjapure
Partner
Membership No. 161776
UDIN: 25161776BMOHSG1657

Place: Mumbai
Date: May 10, 2025

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

OPINION

We have audited the internal financial controls over financial reporting of Aarti Pharmed Labs Limited ("the Company") as on 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March, 2025 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our

audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may

become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Gokhale & Sathe**
Chartered Accountants
FRN: - 103264W

Uday Girjapure
Partner
Membership No. 161776
UDIN: 25161776BMOHSG1657

Place: Mumbai
Date: May 10, 2025

STANDALONE STATEMENT OF BALANCE SHEET

as at 31st March, 2025

Particulars		Notes	As at 31 st March, 2025	As at 31 st March, 2024
(₹ In Lakhs)				
ASSETS				
(I) Non-Current Assets				
(a)	Property, Plant and Equipment	4	101,346.46	91,600.24
(b)	Capital Work-in-Progress	4	30,092.45	7,849.71
(c)	Right to use Assets	4	1,530.38	2,047.17
(d)	Other Intangible Assets	4	3,055.44	1,685.55
(e)	Intangible Assets Under Developments	4	6,777.13	5,841.96
(f)	Financial Assets			
(i)	Investment in Subsidiaries & Jointly Controlled Entity	5.1	1,351.62	1,351.62
(ii)	Other Investments	5.2	2,763.79	3,031.53
(iii)	Loans	6.1	730.13	585.23
(iv)	Other Financial Assets	7.1	1,345.09	1,065.85
(g)	Other Non-Current Assets	8.1	2,088.23	1,226.02
Total Non-Current Assets (I)			151,080.72	116,284.89
(II) Current Assets				
(a)	Inventories	9	54,422.44	58,215.32
(b)	Financial Assets			
(i)	Investments	5.3	1,587.77	1,783.07
(ii)	Trade Receivables	10	55,259.04	44,882.30
(iii)	Cash and Cash Equivalents	11	283.51	399.62
(iv)	Bank Balance Other than (ii) above	12	68.54	43.09
(v)	Loans	6.2	75.81	92.57
(vi)	Other Financial Assets	7.2	513.99	628.20
(c)	Current Tax Assets (Net)	13	316.92	305.34
(d)	Other Current Assets	8.2	8,751.97	7,056.74
Total Current Assets (II)			121,280.00	113,406.25
TOTAL ASSETS (I+II)			272,360.71	229,691.14
EQUITY AND LIABILITIES				
(I) Equity				
(a)	Equity Share Capital	14	4,531.73	4,531.30
(b)	Other Equity	15	179,855.37	157,614.68
Total Equity (I)			184,387.10	162,145.98
Liabilities				
(II) Non-Current Liabilities				
(a)	Financial Liabilities			
(i)	Borrowings	16.1	10,355.56	-
(ii)	Lease Liabilities	17.1	1,166.89	1,665.91
(iii)	Other Financial Liabilities	18	1,540.54	-
(b)	Provisions	19.1	708.85	527.62
(c)	Deferred Tax Liabilities (Net)	20	11,968.63	9,793.24
Total Non-Current Liabilities (II)			25,740.46	11,986.78
(III) Current Liabilities				
(a)	Financial Liabilities			
(i)	Borrowings	16.2	29,129.95	25,079.73
(ii)	Lease Liabilities	17.2	496.23	449.14
(iii)	Trade Payables Due to	21		
-	Total outstanding dues of micro and small enterprises		939.85	1,890.08
-	Total outstanding dues of creditors other than micro and small enterprises"		23,957.00	23,588.44
(iv)	Other Financial Liabilities	22	5,019.82	2,842.45
(b)	Provisions	19.2	1,053.89	624.35
(c)	Other Current Liabilities	23	1,636.41	1,084.19
Total Current Liabilities (III)			62,233.15	55,558.39
Total Liabilities (II+III)			87,973.61	67,545.17
TOTAL EQUITY AND LIABILITIES (I+II+III)			272,360.71	229,691.14

The accompanying notes are an integral part of these Standalone Financial Statements.

Previous year figures have been regrouped/rearranged wherever necessary.

Notes forming part of the financial statements [Note No. 1-42]

As per our report of even date

For and on behalf of the Board of Directors

For **Gokhale and Sathe**

Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure

Partner
M. No. 161776

Place: Mumbai

Date: 10th May 2025

Hetal Gogri Gala

Vice Chairperson & Managing Director
DIN: 00005499

Piyush Lakhani

Chief Financial Officer

Narendra Salvi

Managing Director
DIN: 0299202

Jeevan Mondkar

Company Secretary
ICSI M.No.: A22565

STANDALONE STATEMENT OF PROFIT AND LOSS

for the Year Ended 31st March, 2025

(₹ in Lakhs except EPS)

Particulars	Notes	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
(I) Income			
(a) Revenue from Operations	24	177,135.18	150,213.20
(b) Other Income	25	1,449.02	1,100.91
Total Income (a+b)		178,584.20	151,314.11
(II) Expenses			
(a) Cost of Materials Consumed	26	80,398.34	76,157.11
(b) Purchase of Stock In trade	27	2,743.13	1,375.98
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	28	4,784.95	(2,336.12)
(d) Employee Benefits Expense	29	15,288.19	13,033.33
(e) Finance Costs	30	2,563.33	1,663.46
(f) Depreciation and Amortisation Expenses	31	7,905.91	6,601.38
(g) Other Expenses	32	31,266.23	27,367.04
Total Expenses (a to g)		144,950.09	123,862.19
(III) Profit before Exceptional Items and Tax (I-II)		33,634.11	27,451.93
(IV) Exceptional Items		-	-
(V) Profit before Tax (III-IV)		33,634.11	27,451.93
(VI) Tax Expenses			
(a) Current Tax		6,208.00	4,912.00
(b) Tax Adjustments relating to earlier years		(536.91)	(306.27)
(c) Deferred Tax Charge (Net)		2,228.13	2,781.65
Total Tax Expenses (a to c)		7,899.23	7,387.39
(VII) Profit for the year (V-VI)		25,734.88	20,064.54
(VIII) Other comprehensive income / (loss)			
(a) Items that will not be reclassified to Statement of Profit and Loss			
- Fair Value Change of Equity Instruments through Other Comprehensive Income (Net of Tax)		(279.01)	13.31
- Remeasurement of defined employee benefit plans (net of tax)		(142.31)	-
(b) Items that will be reclassified to Statement of Profit and Loss			
- MTM of forward contracts (Net of Tax)		(94.41)	-
Other comprehensive income / (loss) for the year, net of tax		(515.73)	13.31
(IX) Total comprehensive income for the year, net of tax (VII+VIII)		25,219.15	20,077.85
(X) Earnings Per Equity Share (Face Value Per Share - ₹ 5 Each)	33		
Basic		28.39	22.14
Diluted		28.38	22.14

The accompanying notes are an integral part of the Ind AS financial statements

Previous year figures have been regrouped/rearranged wherever necessary

Notes forming part of the financial statements [Note No. 1-42]

As per our report of even date

For and on behalf of the Board of Directors

For **Gokhale and Sathe**

Chartered Accountants

(Firm Regn No.103264W)

Uday Girjapure

Partner

M. No. 161776

Hetal Gogri Gala

Vice Chairperson & Managing Director

DIN: 00005499

Narendra Salvi

Managing Director

DIN: 0299202

Place: Mumbai

Date: 10th May 2025

Piyush Lakhani

Chief Financial Officer

Jeevan Mondkar

Company Secretary

ICSI M.No.: A22565

STANDALONE CASH FLOW STATEMENT

for the Year Ended 31st March, 2025

		(₹ in Lakhs)	
Sr. No.	Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Tax	33,634.11	27,451.93
	Adjusted for:		
	- Finance Costs	2,563.33	1,663.46
	- Depreciation and Amortization Expenses	7,905.91	6,601.38
	- Dividend Received	(898.49)	(929.48)
	- Loss/(profit) share in LLP	0.27	0.20
	- Loss on Sale of Property	168.96	-
	- R&D Project Expensed Out	1,353.00	675.73
	- Provision for Expected Credit Loss	69.88	106.76
	- Interest Received	(258.01)	(47.01)
	Operating Profit before Working Capital Changes	44,538.95	35,522.97
	Adjusted for:		
	- (Increase)/Decrease in Trade and Other Receivables	(12,780.48)	(12,439.01)
	- (Increase)/Decrease in Inventories	3,792.88	(4,447.50)
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	4,299.22	4,431.98
	Working Capital Changes	(4,688.38)	(12,454.53)
	Cash Generated from Operations	39,850.57	23,068.44
	Direct Taxes Paid	(5,850.00)	(4,699.00)
	Net Cash Flow from Operating Activities (A)	34,000.57	18,369.44
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant & Equipment (Including CWIP)	(39,147.59)	(14,595.70)
	Intangible Assets (Including Intangible Assets under development)	(4,184.10)	(4,318.09)
	Other Investments	195.30	(502.22)
	Dividend Received	898.49	929.48
	Interest Received	258.01	47.01
	Loss on Sale of Investments	(0.27)	(0.20)
	Net Cash Flow used in Investing Activities (B)	(41,980.16)	(18,439.73)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Bank Borrowing (Term Loan)	10,000.00	-
	Proceeds/(Repayment) from Short Term Borrowings (Net)	3,966.98	4,408.44
	Finance Cost Paid	(2,327.07)	(1,663.46)
	Repayment of lease liability	(604.95)	(492.64)
	Proceed from issue of Equity Share under ESOP Scheme	0.43	-
	Dividends Paid	(3,171.91)	(1,812.52)
	Net Cash Flow from Financing Activities (C)	7,863.48	439.82
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(116.11)	369.53
	Cash and Cash Equivalent at the beginning of the year	399.62	30.09
	Cash and Cash Equivalent at the end of the year	283.51	399.62

Notes:

- The above statement of Cash Flows should be read in conjunction with the accompanying notes.
- Previous year figures have been recasted/restated wherever necessary
- Figures in brackets indicate cash outgo.
- The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS 7 Statement of Cash Flow
- Cash flows from operating activities include ₹ 430.16 lakhs (March 31, 2024: ₹ 272 lakhs) being expenses towards Corporate Social Responsibility initiatives.

STANDALONE CASH FLOW STATEMENT

for the Year Ended 31st March, 2025

6 Cash and Cash Equivalents comprises of:

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
a. Cash on Hand	9.62	8.11
b. Balances with Banks	273.89	391.51
Total	283.51	399.62

7 Changes in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	As at March 31, 2024	Net Cash Flow	Foreign Exchange movement	Accrued Interest/ Addition	Other Changes	As at March 31, 2025
Non-current Financial Liabilities						
- Borrowings (Non Current) (Note No. 16.1)	-	10,000.00	355.56	-	-	10,355.56
- Lease Liabilities (Note No. 17.1)	1,665.91	-	-	-	(499.02)	1,166.89
Current Financial Liabilities						
- Current Borrowing (Note No. 16.2)	25,079.73	3,966.98	83.24	-	-	29,129.95
- Lease Liabilities (Note No. 17.2)	449.14	(604.95)	-	153.01	499.02	496.23
	27,194.79	13,362.03	438.80	153.01	-	41,148.63

Changes in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	As at March 31, 2023	Net Cash Flow	Foreign Exchange movement	Accrued Interest/ Addition	Other Changes	As at March 31, 2024
Non-current Financial Liabilities						
- Lease Liabilities (Note No. 17.1)	53.19	-	-	2,393.06	(780.34)	1,665.91
Current Financial Liabilities						
- Current Borrowing (Note No. 16.2)	20,671.29	4,350.17	58.27	-	-	25,079.73
- Lease Liabilities (Note No. 17.2)	44.48	(492.64)	-	116.96	780.34	449.14
	20,768.96	3,857.53	58.27	2,510.02	-	27,194.79

Notes forming part of the financial statements [Note No. 1-42]

As per our report of even date

For and on behalf of the Board of Directors

For **Gokhale and Sathe**
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 0299202

Place: Mumbai
Date: 10th May 2025

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31st March, 2025

A. EQUITY SHARE CAPITAL

Current Reporting Period

(₹ in Lakhs)			
Particulars	Balance as on April 1, 2024	Changes in equity share capital during the period	Balance as on March 31, 2025
Ordinary Equity Shares	4,531.30	0.43	4,531.73
Total	4,531.30	0.43	4,531.73

Previous Reporting Period

(₹ in Lakhs)			
Particulars	Balance as on April 1, 2023	Changes in equity share capital during the period	Balance as on March 31, 2024
Ordinary Equity Shares	4,531.30	0.00	4,531.30
Total	4,531.30	0.00	4,531.30

B. OTHER EQUITY

(₹ in Lakhs)							
Particulars	Retained Earnings	General Reserve	Securities premium	Capital Redemption Reserve	Performance Stock Option Plan Reserve	Other Comprehensive Income	Total
Opening balance as on April 01, 2023	85,954.94	8,187.56	44,032.54	25.00	-	1,126.46	139,326.50
Performance Stock Option Plan Reserve					22.84		22.84
Other comprehensive income (net of tax)						13.31	13.31
Profit for the year	20,064.54						20,064.54
Dividend paid	(1,812.52)						(1,812.52)
Balance as at 31st March, 2024	104,206.96	8,187.56	44,032.54	25.00	22.84	1,139.77	157,614.68

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	Ratained Earnings	General Reserve	Securities premium	Capital Redemption Reserve	Performance Stock Option Plan Reserve	Other Comprehensive Income	Total
Balance as at 31 st March, 2024	104,206.96	8,187.56	44,032.54	25.00	22.84	1,139.77	157,614.68
Performance Stock Option Plan Reserve					193.45		193.45
Issue of Shares Premium for PSOP			43.24		(43.24)		-
Other comprehensive income (net of tax)						(373.42)	(373.42)
Profit for the year	25,734.88						25,734.88
Dividend Paid	(3,171.91)						(3,171.91)
Remeasurement of defined employee benefit plans (net of tax)	(142.31)						(142.31)
Balance as at 31 st March, 2025	126,627.62	8,187.56	44,075.78	25.00	173.06	766.36	179,855.37

Notes

- The above Statement of Changes in Equity be read in conjunction with the accompanying notes
- Previous Year's figures are regrouped / rearranged wherever required.

C. NOTES FORMING PART OF THE FINANCIAL STATEMENTS [NOTE NO. 1-42]

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors

For **Gokhale and Sathe**
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 0299202

Place: Mumbai
Date: 10th May 2025

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

1 CORPORATE INFORMATION

The Standalone financial statements comprise financial statements of AARTI PHARMALABS LIMITED ("APL" or "the Company") (CIN L24100GJ2019PLC110964) for the year ended 31st March, 2025. The company is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 2013

Its shares are listed on the National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange ('BSE').

The registered office of the company is located at Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad Gujarat – 396195.

The Company is engaged in manufacture of Active Pharmaceutical Ingredients (API), Pharmaceutical Intermediates and Xanthine Derivatives in India.

2 SUMMARY OF BASIS OF COMPLIANCE, PREPARATION, PRESENTATION, CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

2.1 Basis of Compliance

The company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment.

These financial statements have been approved by the Board of Directors at their meeting held on 10th May, 2025.

2.2 Basis of Preparation and Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies

Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS and in accordance with guidelines issued by the Securities and Exchange Board of India ("SEBI").

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Certain financial instruments are measured at fair value (refer accounting policy regarding financial instruments); and
- (ii) Employee's Defined Benefit Plan as per actuarial valuation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the status of realisability and expected settlement in cash and cash equivalents of the respective assets and liabilities and other criteria set out in the Schedule III to the Companies Act 2013, the Company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

Functional & Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

values in the financial statements are rounded off to the nearest rupees in lakhs except otherwise indicated.

2.3 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented along with the accompanying disclosures.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

The following are the critical estimates, assumptions and judgments that the management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements:

(i) Provision for Income Tax and Deferred Tax Assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

(ii) Useful Lives of Property, Plant and Equipment ("PPE"):

Property, plant and equipment represents a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(iii) Defined Benefit Plans (Gratuity):

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Provisions and Contingent Liabilities:

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

(v) Provision against Obsolete and Slow-Moving Inventories:

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use at each balance sheet date. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions.

(vi) Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as market risk, liquidity risk and credit risk.

(vii) Allowance for Credit Losses on Receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

(viii) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset

is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by other available fair value indicators.

(ix) Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgment in assessing the lease term and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are

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required to lease period relating to the existing lease contracts.

3 MATERIAL ACCOUNTING POLICIES

3.1 Classification of Current versus Non-Current:

All assets and liabilities in the financial statements have been classified as current or non-current as per the Company's normal operating cycle of up to twelve months.

For the purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is expected to realise the asset within twelve months after the reporting period; or
- (iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification

All other liabilities are classified as non-current.

3.2 Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will

flow to the company and the cost of the item can be measured reliably. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use less accumulated depreciation and accumulated impairment losses, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs is capitalised in accordance with the company's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Long term lease arrangements of land are treated as PPE, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected with the carrying amount of any component accounted for as a separate asset is derecognised when replaced. Gains or losses arising from de-recognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation methods, estimated useful lives and residual value:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided using straight line method, so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at

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each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation on additions/ disposals is provided on a pro-rata basis i.e. from/ upto the date on which asset is ready for use/ disposed.

The Company uses different useful lives than those prescribed in Schedule II to the Act for some of the assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

The company has used the following useful lives to provide depreciation on the following assets:

PARTICULARS	Management's estimate of useful life
Leasehold Land	Over the tenure of lease
Factory Building	Over a period of 19-30 years
Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 9- 19 years
Vehicle	Over a period of 5 - 7 years
Computers	Over a period of 3 years
Furniture and Fixtures	Over a period of 10 years
Office Equipment	Over a period of 5 years
Intangible Assets	Over a period of 5- 7 year, except for those where the finite period of provided.

3.3 Capital Work-in-Progress

Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. The same is carried at cost, comprising of direct costs, related incidental expenses and attributable borrowing costs. Project expenses pending allocation are apportioned to the PPE of the project proportionately on capitalisation.

3.4 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets re stated at original cost net of tax/duty credits availed,if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation:

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as change in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in the statement of profit

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and loss unless such expenditure forms part of carrying value of another assets.

Intangible Assets without finite life are tested for impairment at each Balance sheet date and impairment provision, if any are debited to profit and loss.

The estimated useful lives of the amortisable intangible assets are as follows:

PARTICULARS	DEPRECIATION
Intangible Assets – R&D	Over a period of 5 years
Computer software	Over a period of 5 years

3.5 Impairment of Non-Financial Assets:

The Company assesses at each reporting date, whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for such asset is required, the Company estimates the asset's recoverable amount in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount which is higher of asset's (or cash generating unit's) net selling price or the value in use. The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset (or cash generating unit) and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset (or cash generating units).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or

cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit). A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.6 Inventories:

Inventories are valued, after providing for obsolescence as given below:

Raw Materials, Packing Materials and Stores and Spares:

(i) Raw Materials, Packing Materials and Stores and Spares:

Raw materials, packing materials and stores and spares are valued at lower of Cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average Basis method.

(ii) Work-in-process:

Work-in-process is valued at the lower of cost and net realizable value. The cost is computed on Weighted Average Basis method.

(iii) Finished Goods, Semi-Finished Goods and Traded Goods:

Finished goods, Semi-finished goods and traded goods are valued at lower of cost and net realisable value. The cost is computed on Weighted Average Basis method.

Cost is determined on Weighted Average Basis method which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit),

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cost of conversion and other costs incurred in acquiring the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.7 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with an original maturity of three months or less.

3.8 Employee Benefits:

(i) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages short-term compensated absences, expected cost of bonus, etc. are recognised in the period in which the employee renders the related services.

(ii) Post-employment benefits:

(a) Defined Contribution Plan:

The Company makes defined contribution to Employee Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance, and Superannuation Schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related service which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

(b) Defined Benefit Plan

The gratuity liability of the company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made

at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

(iii) Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected unit credit method, actuarial valuations being carried out at each Balance Sheet date.

(iv) Performance Stock Option Plan:

The Company recognizes compensation expense relating to share-based payments based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding accounts.

3.9 Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions

The Company recognizes a provision when it has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation; and the amount has been

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reasonably estimated. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

(ii) Contingent Liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

(iii) Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefit will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(iv) Onerous Contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

3.10 Taxes:

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

(i) Current Tax:

Tax on income for the current period is determined on the basis of estimated

taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting and are

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recognized to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded in other comprehensive income or in equity along with the tax as applicable.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

3.11 Revenue Recognition:

(i) Revenue from Operations:

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

(ii) Sale of Goods:

The Company recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the

goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

(iii) Sale of Services:

Revenue from services is recognised when the performance obligation is met and the right to receive income is established.

(iv) Interest Income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(v) Dividend Income:

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(vi) Export Incentives:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

(vii) Other Income:

Revenue with respect to Other Operating Income and Other Income including insurance

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and other claims are recognised when a reasonable certainty as to its realisation exists.

3.12 Leases:

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

(i) As a Lessee:

The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

- (a) control the use of an identified asset,
- (b) obtain substantially all the economic benefits from use of the identified asset, and
- (c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Right-of-Use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-of-Use asset or the end of the lease term. The

estimated useful lives of Right-of-Use assets are determined on the same basis as those of property, plant and equipment. In addition, the Right-of-Use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprises fixed payments, including amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option. The lease liability is subsequently measured at amortised cost using the effective interest method.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Finance charges are recognised as finance costs in the statement of profit and loss.

(ii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value

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assets recognition exemption to leases that are considered of low value (range different for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straightline basis over the lease term.

3.13 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

In determining the amount of borrowing costs eligible for capitalization, any income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.14 Foreign Currency Transactions:

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.15 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to

equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.16 Exceptional items:

When items of income or expense within the statement of profit & loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such material items are disclosed separately as exceptional items.

3.17 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity. The Company determines the classification of its financial assets and liabilities at initial recognition.

(a) Initial Recognition:

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the transaction values, at fair values. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from as the case may be, from the fair value of on initial recognition.

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(b) Classification and Subsequent Measurement of Financial Assets:

The Company classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset.

(i) Financial Assets measured at Amortised Cost:

A Financial Asset is measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

(ii) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

(iii) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

(c) Classification and Subsequent Measurement of Financial Liabilities:

(i) Financial liabilities measured at Fair Value Through Profit or Loss (FVTPL):

Financial liabilities are classified as FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

(ii) Other Financial liabilities:

Other financial liabilities (including loans and borrowings, bank overdraft and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(d) Debt and Equity Instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are

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recognised at the proceeds received, net of direct issue costs.

(e) Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(f) Investments in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

(g) De-recognition of Financial Instruments:

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Company has neither transferred nor retained substantially all of the risks and

rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(h) Impairment of Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowance for expected credit losses, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(i) Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(j) Cash Flow hedges

The Company defines the risk management objective and strategy for undertaking the hedge. The Company also defines the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The company is exposed to foreign exchange risk arising from foreign currency transactions,

primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions. The company risk management policy is to hedge forecasted foreign currency net sales for the subsequent 12 to 36 months. As per the risk management policy, appropriate foreign currency hedges are executed or undertaken to hedge forecasted net sales.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity. If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately classified as a statement of profit and loss.

(k) RESEARCH AND DEVELOPMENT

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

- future economic benefits are probable; and
- the company intends to, and has sufficient resources to complete development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and

accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually."

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

NOTE 4 PROPERTY, PLANT AND EQUIPMENT (FY 2024-2025)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	1 st April, 2024	Addition	Deduction/ Adjustments	31 st March, 2025	1 st April, 2024	Depreciation charge for the year	31 st March, 2025	31 st March, 2024
Property, Plant and Equipment								
I Tangible Assets								
Freehold Land	3,858.72			3,858.72	-		3,858.72	3,858.72
Leasehold Land	3,274.60	653.14	32.38	3,895.36	217.01	34.82	3,645.83	3,057.60
Buildings	16,102.72	2,012.55	221.58	17,893.69	5,422.17	795.13	11,827.71	10,680.55
Plant and Machinery	113,411.96	13,706.10	315.78	126,802.28	40,221.76	5,799.18	80,905.01	73,190.19
Furniture and Fixtures	755.44	137.48		892.91	422.04	62.00	408.87	333.39
Office Equipments	220.83	1.92		222.74	174.69	19.35	28.70	46.13
Computers, Printers	707.77	156.79	1.38	863.19	570.31	78.01	216.24	137.46
Vehicles	585.18	236.88	100.48	721.59	288.99	74.59	455.38	296.19
Total	138,917.21	16,904.86	671.59	155,150.47	47,316.97	6,863.09	101,346.46	91,600.24
II Right to Use Assets								
Leasehold Building	2,701.05	-		2,701.05	653.88	516.79	1,530.38	2,047.17
Total	2,701.05	-	-	2,701.05	653.88	516.79	1,530.38	2,047.17
III Intangible Assets								
IT software & Other Intangible Assets	3,829.40	-	-	3,829.40	3,789.16	9.57	30.67	40.24
R&D Products	1,767.29	1,895.93	-	3,663.22	121.97	516.47	3,024.78	1,645.31
Total	5,596.68	1,895.93	-	7,492.61	3,911.13	526.04	3,055.44	1,685.55
IV Gross Total	147,214.93	18,800.79	671.59	165,344.13	51,881.97	7,905.91	105,932.28	95,332.96
V CWIP - Tangible							30,092.45	7,849.71
VI CWIP - Intangible							6,777.13	5,841.96

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

PROPERTY, PLANT AND EQUIPMENT (FY 2023-2024)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	1 st April, 2023	Addition	Deduction/ Adjustments	31 st March, 2024	1 st April, 2023	Depreciation charge for the year	31 st March, 2024	31 st March, 2023
Property, Plant and Equipment								
I Tangible Assets								
Freehold Land	3,858.72	-	-	3,858.72	-	-	3,858.72	3,858.72
Leasehold Land	2,173.98	1,100.62	-	3,274.60	194.92	22.09	3,057.60	1,979.06
Buildings	15,135.81	966.91	-	16,102.72	4,674.98	747.19	10,680.55	10,460.83
Plant and Machinery	102,894.58	10,517.38	-	113,411.96	35,150.84	5,070.92	73,190.19	67,743.74
Furniture and Fixtures	675.76	79.68	-	755.44	364.83	57.21	333.39	310.92
Office Equipments	220.83	-	-	220.83	153.75	20.95	46.13	67.08
Computers, Printers	629.55	78.21	-	707.77	504.89	65.42	137.46	124.66
Vehicles	396.54	199.23	10.59	585.18	233.89	57.28	296.19	162.65
Total	125,985.76	12,942.03	10.59	138,917.21	41,278.10	6,041.05	91,600.24	84,707.67
II Right to Use Assets								
Leasehold Building	588.05	2,427.60	314.60	2,701.05	474.30	433.32	2,047.17	113.75
Total	588.05	2,427.60	314.60	2,701.05	474.30	433.32	2,047.17	113.75
III Intangible Assets								
IT software & Other Intangible Assets	3,802.32	27.10	0.02	3,829.40	3,784.23	4.97	40.24	18.09
R&D Products	-	1,767.29	-	1,767.29	-	122.03	1,645.31	-
Total	3,802.32	1,794.38	0.02	5,596.68	3,784.23	127.00	1,685.55	18.09
IV Gross Total	130,376.13	17,164.01	325.21	147,214.93	45,536.63	6,601.38	95,332.96	84,839.51
V CWIP - Tangible								
VI CWIP - Intangible							7,849.71	6,223.15
							5,841.96	3,966.88

(₹ in Lakhs)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Notes:

a. Movement in Capital Work In Progress/Intangibles under development

(₹ in Lakhs)

Particulars	Capital Work In Progress	Intangible assets under development	Total
Opening balance as on April 01, 2023	6,223.16	3,966.88	10,190.04
Add - Additions during the year	13,190.52	4,318.09	17,508.61
Less - Impaired during the year	-	(675.72)	(675.72)
Less - Capitalized during the year	(11,563.97)	(1,767.29)	(13,331.26)
Closing balance as on March 31, 2024	7,849.71	5,841.96	13,691.68
Add - Additions during the year	39,147.59	4,184.10	43,331.69
Less - Impaired during the year	-	(1,353.00)	(1,353.00)
Less - Capitalized during the year	(16,904.86)	(1,895.93)	(18,800.79)
Closing balance as on March 31, 2025	30,092.45	6,777.13	36,869.58

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March, 2025 is 5.24 Lakhs (31st March, 2024: NIL)

b. Capital Work-in-Progress Ageing- Tangible

Ageing for Capital Work-in-Progress as at 31st March, 2025 is as follows:

(₹ in Lakhs)

Capital Work-in-Progress - Tangible	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	26,583.51	2,037.57	947.58	523.79	30,092.45
Projects temporarily suspended	-	-	-	-	-
	26,583.51	2,037.57	947.58	523.79	30,092.45

Ageing for Capital Work-in-Progress as at 31st March, 2024 is as follows:

(₹ in Lakhs)

Capital Work-in-Progress - Tangible	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	5,176.94	1,153.70	1,519.08	-	7,849.71
Projects temporarily suspended	-	-	-	-	-
	5,176.94	1,153.70	1,519.08	0.00	7,849.71

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Capital Work-in-Progress Ageing- Intangible

Ageing for Capital Work-in-Progress as at 31st March, 2025 is as follows:

(₹ in Lakhs)

Intangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,535.26	2,717.33	1,524.54	-	6,777.13
Projects temporarily suspended	-	-	-	-	-
	2,535.26	2,717.33	1,524.54	0.00	6,777.13

Ageing for Capital Work-in-Progress as at 31st March, 2024 is as follows:

(₹ in Lakhs)

Intangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	4,318.09	1,523.87	-	-	5,841.96
Projects temporarily suspended	-	-	-	-	-
	4,318.09	1,523.87	0.00	0.00	5,841.96

Note:

There are no projects under capital work in progress where the completion is overdue or has exceeded its cost compared to its original plan in previous year. In current year there are no projects which have exceeded its cost compared to its original plan.

c. Title deeds of Immovable Properties not held in the name of the Company

(₹ in Lakhs)

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying Value		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
		As at 31 st March, 2025	As at 31 st March, 2024				
Land	Village -Atali, Tal-Vagra, Dist - Bharuch, Gujarat - 392130	3,858.72	3,858.72	Aarti Industries Limited	No	2021	Properties were transferred from Aarti Industries Limited under Scheme of Demerger approved by the NCLT vide order dated 21 September 2022 w.e.f. 01 July 2021. The transfer of title deed in the name of company is in progress.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

5 INVESTMENTS

5.1 Investment in Subsidiaries and Jointly Controlled Entity (non-current)

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
Unquoted Investments		
Investment in subsidiaries and Jointly Controlled Entity - measured at cost		
Aarti USA Inc.	65.76	65.76
Aarti Pharmachem Limited	25.00	25.00
Ganesh Polychem Limited	1,260.86	1,260.86
Total	1,351.62	1,351.62

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No of Share	Amount	No of Share	Amount
Unquoted Investments				
Equity Shares of Subsidiary Companies (Unquoted)				
Aarti USA Inc.	10,000,000	65.76	10,000,000	65.76
Aarti Pharmachem Limited	250,000	25.00	250,000	25.00
Total		90.76		90.76

Note: Aggregate value of Unquoted Investments is ₹ 90.76 lakhs (PY 90.76 lakhs).

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No of Share	Amount	No of Share	Amount
Unquoted Investments				
Investment in Jointly Controlled Entity - measured at cost				
Ganesh Polychem Limited	3,098,257	1,260.86	3,098,257	1,260.86
Total		1,260.86		1,260.86

Note: Aggregate value of Unquoted Investments is ₹ 1260.86 lakhs (PY 1260.86 lakhs).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

5.2 Other Investments (non-current)

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
I Unquoted Investments -FVTOCI		
Investments in Equity Shares	2,009.86	1,978.05
- Dilesh Roadlines Private Limited	1,265.08	1,239.40
- Aarti Ventures Private Limited	738.48	738.65
- Pro-Zeal Green Energy Five Private Limited	6.30	-
II Unquoted Investments - Amortised Cost		
Investments in Equity Shares	126.23	425.52
- Share in Co-operative Society	61.97	61.97
III Investment in Limited Liability Partnership - Amortised Cost		
Aarti Udyog Limited Liability Partnership	565.72	565.99
Total	2,763.79	3,031.53

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No of Share	Amount	No of Share	Amount
I Unquoted Investments -FVTOCI				
Dilesh Roadlines Private Limited	464,550	1,265.08	464,550	1,239.40
Aarti Ventures Limited	454,364	738.48	454,364	738.65
Pro-Zeal Green Energy Five Private Limited	63,000	6.30	-	-
II Unquoted Investments - Amortised Cost				
Tarapur Environment Protection Society	47,274	61.97	47,274	61.97
Derma Touch Inc.	N.A.	126.23	N.A.	425.52
III Investments in Limited Liability Partnership (Unquoted)				
Aarti Udyog Limited Liability Partnership	N.A.	565.72	N.A.	565.99
Total		2,763.79		3,031.53

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

5.3 Investments (Current)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Quoted Investments		
Investment in Bond's (Quoted) - Measured at FVOCI	1,587.77	1,783.07
Total	1,587.77	1,783.07

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No of Units	Amount	No of Units	Amount
Investment in Bonds (Quoted)				
8.50% Bank of Baroda	100	997.96	100	999.15
8.35% Tata Motors Fin Ltd - P/C	3	285.28	3	282.19
10.90% Tvs Credit service Ltd	-	-	20	100.61
11.10% Tata Motors Fin Ltd - P/C	-	-	10	100.64
9.55% Tata Motors Fin Ltd - P/C	10	102.85	10	101.69
9.10% Tata Motors Fin Ltd - P/C	20	201.68	20	198.79
Total Investment		1,587.77		1,783.07

6 LOAN

6.1 Non Current

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Unsecured, Considered Good		
- Loan to Related Party (refer note 38)	730.13	585.23
Total	730.13	585.23

The company has given unsecured loan to Aarti Ventures Limited. The loan carries interest rate of 9 % p.a.

6.2 Current (at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Unsecured, Considered Good		
- Loan to Employees	75.81	92.57
Total	75.81	92.57

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

7 OTHER FINANCIAL ASSETS

7.1 Non-current

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
Unsecured, Considered Good		
- Security Deposits	1,345.09	1,065.85
Total	1,345.09	1,065.85

7.2 Current

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
Unsecured, Considered Good		
- Interest Receivable	111.42	222.34
- Insurance Receivable	402.57	405.86
Total	513.99	628.20

8 OTHER ASSETS

8.1 Non-current

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
(Unsecured, unless otherwise stated)		
- Capital Advances	2,088.23	1,226.02
Total	2,088.23	1,226.02

8.2 Other Current Assets

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
(Unsecured, unless otherwise stated)		
- Balance with Government Authorities	6,438.82	5,629.91
- Advances to Suppliers	1,469.72	658.04
- Prepaid Expenses	609.57	586.12
- Export Benefits Receivable	233.87	182.67
Total	8,751.97	7,056.74

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

9 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Raw Material, Fuel and Packing Material (including goods in transit)	21,963.74	20,944.37
- Stock in progress	12,148.17	12,039.03
- Finished Goods	19,927.28	24,821.38
- Stores and spares	383.25	410.54
Total	54,422.44	58,215.32

9.1 Inventories

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Raw Material (In Transit Stock)	1,518.44	1,127.34
Total	1,518.44	1,127.34

10 TRADE RECEIVABLES (CURRENT)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Trade Receivables	55,481.48	45,106.68
- Less - Impairment Provision	(222.44)	(224.38)
Trade Receivables (Net)	55,259.04	44,882.30
Break up of Security Details		
(i) Unsecured, Considered good	55,259.04	44,882.30
(ii) Unsecured, Credit impaired	222.44	224.38
	55,481.48	45,106.68
Less - : Impairment allowance (allowance for bad and doubtful debts)	(222.44)	(224.38)
Total	55,259.04	44,882.30

- a Due to the short nature of credit period given to customers, there is no financing component in the contract.
- b The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowance for expected credit losses, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

c Trade receivables ageing schedule

31st March, 2025

(₹ in Lakhs)

Particulars	Not due	Outstanding from due date of Payment					Total
		Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	
(i) Undisputed Trade Receivable - Considered Good	42,642.64	12,167.89	195.85	143.20	115.22	216.66	55,481.47
(ii) Undisputed Trade Receivables – credit impaired							0.00
(iii) Disputed Trade Receivables – considered good							0.00
(iv) Disputed Trade Receivables – credit impaired							0.00
Sub 'Total Trade Receivable	42,642.64	12,167.89	195.85	143.20	115.22	216.66	55,481.48
Less: Impairment Allowance				0.00	0.00	0.00	(222.44)
Total	42,642.64	12,167.89	195.85	143.20	115.22	216.66	55,259.04

31st March, 2024

(₹ in Lakhs)

Particulars	Not due	Outstanding from due date of Payment					Total
		Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	
(i) Undisputed Trade Receivable - Considered Good	27,473.96	16,653.07	442.79	204.25	58.46	274.14	45,106.67
(ii) Undisputed Trade Receivables – credit impaired				0.00	0.00	0.00	0.00
(iii) Disputed Trade Receivables – considered good							0.00
(iv) Disputed Trade Receivables – credit impaired							0.00
Sub 'Total Trade Receivable	27,473.96	16,653.07	442.79	204.25	58.46	274.14	45,106.68
Less: Impairment Allowance				0.00	0.00	0.00	(224.38)
Total	27,473.96	16,653.07	442.79	204.25	58.46	274.14	44,882.30

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

d Movement in expected credit loss allowance of trade receivables

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Balance at the beginning of the year	224.38	250.00
Allowances / (write back) during the year	69.88	106.76
Written off against provision	(71.82)	(132.38)
Balance at the end of the year	222.44	224.38

11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Cash & Cash Equivalents		
- Cash on hand	9.62	8.11
- Balance with banks	273.89	391.51
Total	283.51	399.62

12 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Earmarked balances for Unclaimed Dividend	34.92	14.31
- Fixed Deposits with Banks	33.62	28.78
Total	68.54	43.09

Includes Fixed Deposit amounting ₹ 28.40 Lakhs (March 31, 2024 ₹ 28.40 Lakhs) given as Bank Guarantees to Statutory Authorities and other bodies.

13 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Advance Tax and Tax Deducted at Source (Net of Provision)	316.92	305.34
Total	316.92	305.34

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

14 SHARE CAPITAL:

A Authorised Share Capital

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
Authorised Share Capital		
10,00,00,000 Equity Shares of ₹ 5/- each (PY - 10,00,00,000)	5,000.00	5,000.00
Total	5,000.00	5,000.00

B Issued, Subscribed & Paid Up:

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
9,06,34,624/- Equity Shares of ₹ 5/- each (PY - 9,06,26,008)	4,531.73	4,531.30
Total	4,531.73	4,531.30

14.1 Reconciliation of number of Equity Shares outstanding:

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
	No' Of Shares	No' Of Shares
Equity Shares at the beginning of the year	90,626,008	90,626,008
Add: Shares issued under PSOP	8,616	-
Equity Shares at the end of the year	90,634,624	90,626,008

14.2 Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares with voting rights having par value of ₹ 5 each post Scheme of Arranment is Effective and the holder of the equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

14.3 Details of shareholders holding more than 5% shares:

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Life Insurance Corporation Of India	5490515	6.06%	5676870	6.26%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

14.4 Deatils of Shares held by promoters and promoter group

Particulars	As at 31 st March, 2025		As at 31 st March, 2024		% change during the year
	Number of Shares held	% of holding	Number of Shares held	% of holding	
Rashesh Chandrakant Gogri	3,834,404	4.23%	3,834,404	4.23%	0.00%
Jaya Chandrakant Gogri	3,204,310	3.54%	2,691,310	2.97%	0.57%
Mirik Rajendra Gogri	2,793,094	3.08%	2,793,094	3.08%	0.00%
Hetal Gogri Gala	2,615,548	2.89%	2,615,548	2.89%	0.00%
Renil Rajendra Gogri	2,542,750	2.81%	2,792,750	3.08%	-0.28%
Sarla Shantilal Shah	2,435,830	2.69%	2,435,830	2.69%	0.00%
Rajendra Vallabhaji Gogri	1,425,900	1.57%	1,425,900	1.57%	0.00%
Nehal Garewal	1,122,487	1.24%	1,122,487	1.24%	0.00%
Nikhil Parimal Desai	716,754	0.79%	768,754	0.85%	-0.06%
Aarnav Rashesh Gogri	550,000	0.61%	550,000	0.61%	0.00%
Aashay Rashesh Gogri	550,000	0.61%	550,000	0.61%	0.00%
Manisha Rashesh Gogri	550,000	0.61%	550,000	0.61%	0.00%
Bhavna Shah Lalka			513,941	0.57%	-0.57%
Arti Rajendra Gogri	455,256	0.50%	475,256	0.52%	-0.02%
Parimal Has Mukhlal Desai	349,571	0.39%	399,571	0.44%	-0.06%
Ratanben Premji Gogri	344,332	0.38%	337,807	0.37%	0.01%
Heena Bhatia	322,588	0.36%	322,588	0.36%	0.00%
Rajendra Vallabhaji Gogri (Huf)	308,274	0.34%	308,274	0.34%	0.00%
Shantilal Tejshi Shah Huf	278,881	0.31%	278,881	0.31%	0.00%
Indira Madan Dedhia	182,250	0.20%	182,250	0.20%	0.00%
Mananjay Singh Garewal	162,510	0.18%	162,510	0.18%	0.00%
Chandrakant Vallabhaji Gogri	155,500	0.17%	155,500	0.17%	0.00%
Hetvi Rohan Ghalla	150,000	0.17%	-	0.00%	0.17%
Monisha Bhatia	121,121	0.13%	121,121	0.13%	0.00%
Shreya Suneja	112,500	0.12%	112,500	0.12%	0.00%
Dinesh Devchand Ghalla	100,000	0.11%	-	0.00%	0.11%
Gunavanti Navin Shah	86,644	0.10%	86,644	0.10%	0.00%
Krishna Yogesh Nahar	42,740	0.05%	-	0.00%	0.05%
Jayesh Shah	14,957	0.02%	16,416	0.02%	0.00%
Prasadi Yogesh Banatwala	4,245	0.00%	4,245	0.00%	0.00%
Pooja Renil Gogri	382	0.00%	382	0.00%	0.00%
Saswat Trusteeship Private Limited	2,841,504	3.14%	2,841,504	3.14%	0.00%
Alabhya Trusteeship Private Limited	1,308,496	1.44%	1,308,496	1.44%	0.00%
Barclays Wealth Trustees India Private Limited	833,859	0.92%	833,859	0.92%	0.00%
Barclays Wealth Trustees India Pvt Ltd	804,101	0.89%	804,101	0.89%	0.00%
Gloire Trusteeship Services Private Limited	707,500	0.78%	1,649,000	1.82%	-1.04%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Particulars	As at 31 st March, 2025		As at 31 st March, 2024		% change during the year
	Number of Shares held	% of holding	Number of Shares held	% of holding	
Relacion Trusteeship Services Private Limited	687,500	0.76%	1,649,000	1.82%	-1.06%
Relacion Trusteeship Services Private Limited	680,000	0.75%	687,500	0.76%	-0.01%
Gloire Trusteeship Services Private Limited	624,500	0.69%	624,500	0.69%	0.00%
Alabhya Trusteeship Private Limited	37,900	0.04%	37,900	0.04%	0.00%
Anushakti Enterprise Private Limited	2,992,950	3.30%	2,972,700	3.28%	0.02%
Safechem Enterprises Private Limited	1,463,000	1.61%	1,463,000	1.61%	0.00%
Alchemie Financial Services Limited	673,006	0.74%	673,006	0.74%	0.00%
Gogri Finserv Pvt. Ltd.	337,505	0.37%	337,505	0.37%	0.00%
Alchemie Finserv Pvt. Ltd.	264,105	0.29%	264,105	0.29%	0.00%
Nikhil Holdings Private Limited	180,891	0.20%	180,891	0.20%	0.00%
Dilesh Roadlines Pvt Ltd	8,318	0.01%	8,318	0.01%	0.00%
Valiant Organics Limited	7,500	0.01%	7,500	0.01%	0.00%
Bhanu Pradip Savla	155,737	0.17%	155,737	0.17%	0.00%
Total	40,141,200	44.29%	42,106,585	46.46%	-2.17%

14.5 Distribution Made and Proposed

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Cash Dividends on Equity Shares declared and/or paid:		
Final Dividend for the year ended March 31, 2024: (March 31, 2023 : ₹ NIL)	906.26	-
Interim Dividend for the year ended March 31, 2025: ₹ 2.50/- per share (March 31, 2024 : - 2.00/- per share)	2,265.65	1,812.52
Total	3,171.91	1,812.52
Proposed Dividend on Equity Shares:		
Dividend for the year ended March 31, 2025: ₹ : 2.50/- per share (PY: ₹ 1.00/-)	2,265.87	906.26
Total	2,265.87	906.26

Footnote: The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Company <https://www.aarti-pharmalabs.com/investors/dividend-distribution-policy-feb-2023.pdf>

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31st March 2025.

14.6 Equity shares reserved for issue under employee stock options and share appreciation rights

For number of stock options against which equity shares to be issued by the Company upon vesting and exercise of those stock options and rights by the option holders as per the relevant schemes - refer note 34.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

15 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
a Retained Earning	126,627.62	104,206.96
b Securities Premium	44,075.78	44,032.54
c Capital Redemption Reserve	25.00	25.00
d General Reserve	8,187.56	8,187.56
e Performance Stock Option Plan Reserve	173.06	22.84
f Other Comprehensive Income	766.36	1,139.77
Total	179,855.37	157,614.68

Nature and Purpose of Reserves

Security Premium:

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve :

This reserve comprises of amount on Equity share cancellation on account of Scheme of arrangement on Demerger. This reserve can be utilised in accordance with the provision of section 69 of the Companies Act, 2013

General Reserve :

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations adjusted by utilisation of reserve in accordance with companies act in earlier years before demerger. The requirement to mandatorily transfer a specified percentage of the net profit to general reserve before declaration of dividend has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained Earning :

Retained earning are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

Performance Stock Option Plan :

The share options outstanding account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium, upon exercise of stock options, and transferred to general reserve on account of stock options not exercised by employees.

Equity instruments through Other Comprehensive Income :

Other comprehensive income includes unrealized gains and losses that are not recognized in the income statement, comprising fair value changes in debt investments classified as fair value through other comprehensive income (FVTOCI), fair value changes in equity investments designated as FVTOCI, and mark-to-market adjustments on forward contracts used for hedging purposes. These unrealized gains and losses are accumulated within the other comprehensive income reserve within equity, and the Company transfers amounts from this reserve to retained earnings for equity investments when derecognized, and to the statement of profit or loss for debt instruments upon maturity or redemption and for forward contracts when hedge accounting ceases to apply.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
a Retained Earning		
Opening Balance	104,206.96	85,954.94
Add: Net Profit for the year	25,734.88	20,064.54
Less: Interim and Final Dividend	(3,171.91)	(1,812.52)
Add :Remeasurement of defined employee benefit plans (net of tax)	(142.31)	-
Closing Balance	126,627.62	104,206.96
b Securities Premium		
Opening Balance	44,032.54	44,032.54
Add : Transfer from Employee Stock Option Plan Reserve	43.24	-
Closing Balance	44,075.78	44,032.54
c Capital Redemption Reserve		
Opening Balance	25.00	25.00
Movement during the year	-	-
Closing Balance	25.00	25.00
d General Reserve		
Opening Balance	8,187.56	8,187.56
Add : Transfer from Retained Earning		
Closing Balance	8,187.56	8,187.56
e Performance Stock Option Plan Reserve		
Opening Balance	22.84	-
Add : Expenses recognised during the period	193.45	22.84
Less: Transfer to Securities Premium	(43.24)	-
Closing Balance	173.06	22.84
f Other Comprehensive Income		
Opening Balance	1,139.77	1,126.46
Add: Fair value changes of various Financial instruments (net off tax)	(373.42)	13.31
Closing Balance	766.36	1,139.77
Total	179,855.37	157,614.68

16 BORROWINGS

16.1 Borrowings - Non Current

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
Term loan from Bank	10,355.56	-
Total	10,355.56	0.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

16.2 Borrowings - Current

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Repayable on demand from Banks (secured)		
- Cash Credit Facility	4.75	1,424.06
- Working Capital Demand Loan	18,611.16	8,007.15
- Packing Credit in foreign currency	10,514.04	15,648.52
Total	29,129.95	25,079.73

Notes:

- As at March 31, 2025, ₹ 29,129.95 lakhs (March 31, 2024: ₹ 25,079.73 lakhs) of the total outstanding borrowings were secured by a first charge on current assets and second charge of movable fixed assets.
- Working capital facilities from banks as at March 31, 2025 amounting to ₹ 18,611.16 lakhs (March 31, 2024 of ₹ 8,007.15 lakhs) were secured by a first pari passu charge on the stock of raw materials, finished goods, stock in process, consumable stores and book debts of the Company. These credit facilities carry average interest rates in the range of 7.00% to 8.00% p.a. (31 March, 2024: 7.00% to 8.00% p.a.).
- The company do not have any charges which are yet to be registered with ROC beyond the statutory period except for working capital ₹ 75 Cr.
- In respect of working capital borrowings from banks timely stock statements are submitted to the banks and there are no material discrepancies noted in comparison with the books of accounts. Such on material differences are arising on account of different methodology & classification requirements by the banks vis-a-vis the ones adopted in financial statements.
- The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- Currency and interest exposure of borrowings including current maturities is as below:**

(₹ in Lakhs)

Particulars	As at 31 st March, 2025			As at 31 st March, 2024		
	"Fixed Rate"	"Floating Rate"	Total	"Fixed Rate"	"Floating Rate"	Total
a Indian National Rupee (INR) - Total	18,615.91	-	18,615.91	9,431.21	-	9,431.21
b United States Dollar (USD) - Total	10,514.04	10,355.56	20,869.60	15,648.52	-	15,648.52
	29,129.95	10,355.56	39,485.52	25,079.73	-	25,079.73
a Indian National Rupee (INR) - Unhedged	18,615.91	-	18,615.91	9,431.21	-	9,431.21
b United States Dollar (USD) - Unhedged	10,514.04	10,355.56	20,869.60	15,648.52	-	15,648.52
	29,129.95	10,355.56	39,485.52	25,079.73	-	25,079.73
% of Total Borrowings	73.77%	26.23%	100.00%	100.00%	0.00%	100.00%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Term loans as on 31 March 2025, amounting to ₹ 10,355.56 lakhs were secured by a first charge on movable fixed assets and second charge of current assets. The term loan originally payable across 16 equal Quartely instalments starting from August 2026 till May 2030. as mentioned in the table below

Repayment of Term loan

Particulars	(₹ in Lakhs)		
	Repayment Tenor		
	0-1 Year	1-2 Year	Beyond 2 year
Term Loan from Banks	-	1,942.12	8,413.45

17 LEASE LIABILITIES

17.1 Non-current

Particulars	(₹ in Lakhs)	
	As at	As at
	31 st March, 2025	31 st March, 2024
- Long term maturities of finance lease obligations	1,166.89	1,665.91
Total	1,166.89	1,665.91

17.2 Current

Particulars	(₹ in Lakhs)	
	As at	As at
	31 st March, 2025	31 st March, 2024
- Short term maturities of finance lease obligations	496.23	449.14
Total	496.23	449.14

- i The Company has lease contracts for its office premises and godowns with lease term between 1 year to 5 years. The Company obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of office premises and godowns with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

- a The movement in lease liabilities during the year ended 31 March, 2025 and 31 March, 2024 is as follows:

Particulars	(₹ in Lakhs)	
	As at	As at
	31 st March, 2025	31 st March, 2024
Balance at the beginning	2,115.05	97.67
Additions	-	2,393.06
Accretion of interest	153.01	116.96
Payment of lease liabilities	(604.95)	(492.64)
Balance at the end	1,663.12	2,115.05
Non -current	1,166.89	1,665.91
Current	496.23	449.14

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

b The following are the amounts recognised in profit or loss:

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
Depreciation on right-of-use assets (refer note no 4)	516.79	433.32
Interest expense on lease liabilities (refer note no 30)	153.01	116.96
Expense relating to short-term leases (refer not no 32)	99.82	94.45
Total amount recognised in statement of profit and loss	769.62	644.74

c Details of carrying amount of right-of-use assets and movement during the period.

- i The maturity analysis of lease liabilities are disclosed in Note 40 (c) 'Liquidity Risk Management'
- ii The effective interest rate for lease liabilities is 9%, with maturity between 2023-2028
- iii Expense relating to short-term leases are disclosed under the head Rent paid in other expenses.

18 NON CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
- Advance received from Related Parties	1,540.54	-
Total	1,540.54	-

Note : The company has received loan from Ganesh Polychem Limited. The loan carries interest rate of 8 % p.a.

19 PROVISIONS

19.1 Non Current Provisions

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
Provision For Employees Benefit		
- Provision for Leave Salary (Refer Note No - 29)	708.85	527.62
Total	708.85	527.62

19.2 Current Provisions

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
Provision For Employees Benefit		
- Provision for Gratuity (Refer Note No - 29)	375.83	4.48
- Provision for Leave Salary (Refer Note No - 29)	87.74	94.29
- Provision for Bonus	590.31	525.58
Total	1,053.89	624.35

Notes:

- i The Company presents provision for gratuity and leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employees, etc.
- ii Detailed disclosure in respect of post-retirement defined benefit scheme is provided in note 29.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

20 DEFERRED TAX LIABILITIES COMPRISES :

(₹ in Lakhs)

Particulars	Balance Sheet		Statement of profit and loss	
	As at 31 st March, 2025	As at 31 st March, 2024	As at 31 st March, 2025	As at 31 st March, 2024
Deferred tax liabilities, on account of				
Depreciation for tax purposes	12,231.38	9,897.86	2,333.52	2,817.58
Deferred tax assets, on account of				
Expenses allowable on payment basis	(351.06)	(214.12)	(136.94)	(18.84)
Fair valuation of Investments	145.17	126.59	(28.34)	126.59
MTM on Forward Contract	(23.46)	-	23.46	-
Right of Use and Lease as per Ind AS 116	(33.41)	(17.08)	(16.32)	(17.08)
Deferred tax liabilities (net)	11,968.63	9,793.24	2,175.38	2,908.24

Deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Opening balance as per last balance sheet	9,793.24	6,885.00
Deferred tax charged/(credited) to profit and loss account during the year	2,228.13	2,781.65
Deferred tax charged/(credited) to profit and loss account (Other Comprehensive Income) during the year	(52.75)	126.59
Deferred tax liabilities (net)	11,968.63	9,793.24

Reconciliation of tax expense and accounting profit for the year:

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Profit before tax	33,634.11	27,451.93
Income Tax Expenses @ 25.168% (Previous year: 25.168%)	8,465.03	6,909.10
Tax effect on non-deductible expenses	2,340.23	1,978.39
Effect of concessions (depreciation under income tax act)	(3,426.81)	(2,365.98)
Effect of Income which is deductible expenses under income tax	(1,170.54)	(1,609.51)
Total	6,207.91	4,912.00
Adjustment of tax relating to earlier periods	(536.91)	(306.27)
Tax expense as per Statement of Profit and Loss	5,671.00	4,605.73

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

21 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(a) Total Outstanding Dues of Micro enterprises and Small Enterprises; and	939.85	1,890.08
(b) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	23,957.01	23,588.44
Total	24,896.86	25,478.52

31st March, 2025

(₹ in Lakhs)

Particulars	Not due	Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
MSME	795.65	144.20	-	-	-	-	939.85
Others	11,514.66	11,837.35	35.34	170.65	172.44	226.58	23,957.01
	12,310.31	11,981.55	35.34	170.65	172.44	226.58	24,896.86

31st March, 2024

(₹ in Lakhs)

Particulars	Not due	Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
MSME	842.41	1,047.67	-	-	-	-	1,890.08
Others	13,918.90	7,960.56	356.68	260.84	534.02	557.44	23,588.44
	14,761.31	9,008.23	356.68	260.84	534.02	557.44	25,478.52

Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (as amended)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
1) (a) Principal amount remaining unpaid to any supplier	939.85	1,890.08
(b) Interest on (1)(a) above	-	-
2) The amount of interest paid along with the principal payment made to the supplier	-	-
3) Amount of interest due and payable on delayed payments	-	-
4) Amount of further interest remaining due and payable for the earlier years	-	-
5) Total Outstanding dues of Micro & Small Enterprises		
- Principal	939.85	1,890.08
- Interest	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

22 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Liability for Capital Goods	1,445.62	441.17
- Unclaimed Dividends	34.90	14.30
- Salaries, Wages, Bonus and Other Employee Payables	1,948.00	1,433.24
- Forward Contract MTM	94.41	-
- Others Expenses	1,496.89	953.74
Total	5,019.82	2,842.45

Note:

There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2025.

23 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Statutory liabilities	358.40	521.41
- Advance from Customers and Others	1,278.02	562.78
Total	1,636.41	1,084.19

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Sale of Manufactured Products	170,724.85	144,089.33
(b) Sale of Traded Products	2,819.79	1,400.10
(c) Sale of Services	928.29	1,313.47
(d) Other Operating Revenues	2,662.25	3,410.29
Total	177,135.18	150,213.20

Other Operating Revenues

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Export Benefits and Incentives	2,492.55	3,203.33
(b) Scrap Sales	169.69	206.96
Total	2,662.25	3,410.29

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Footnotes:

(a) Disaggregate revenue information

Refer Note 36 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

- (b) In case of Domestic Sales, payment terms range from 60 days to 120 days based on geography and customers. In case of Export Sales these are either against documents at sight, documents against acceptance or letters of credit - 60 days to 120 days. There is no significant financing component in any transaction with the customers.
- (c) The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- (d) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

25 OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Interest Income		
Investments in debt instruments measured at fair value through OCI	200.61	7.34
Other financial assets carried at amortised cost	57.40	39.67
(b) Dividend Income		
Dividends from Unquoted equity investments	898.49	929.48
(c) Other Non-operating Income		
Net Gain on Foreign Currency transactions	169.33	-
Realised Gain on forward contract	123.18	65.34
Miscellaneous Income	-	59.10
Total	1,449.02	1,100.91

26 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Opening Stock	21,354.91	19,243.54
Add: Purchases	81,390.42	78,268.49
	102,745.33	97,512.03
Less: Closing Stock	22,346.99	21,354.91
Cost of Materials Consumed	80,398.34	76,157.11

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

27 PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Purchases of stock-in-trade	2,743.13	1,375.98
Total	2,743.13	1,375.98

28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Opening Inventories		
Finished Goods	24,821.38	21,190.05
Work-in-Progress	12,039.03	13,334.24
Total	36,860.41	34,524.29
Closing Inventories		
Finished Goods	19,927.28	24,821.38
Work-in-Progress	12,148.17	12,039.03
Total	32,075.45	36,860.41
(Increase)/decrease in inventories	4,784.95	(2,336.12)

29 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Directors Remuneration and Commission (Including Contribution to Provident Fund)	1,306.02	1,018.56
(b) Salaries, Wages and Bonus	12,146.75	10,708.48
(c) Contribution to Provident Fund, Other Funds and Gratuity	888.13	749.80
(d) Staff welfare expenses	753.85	533.65
(e) Expenses on Performance Stock Option Scheme	193.45	22.84
Total	15,288.19	13,033.33

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

A Post-employment benefits

(i) Provident Fund (defined contribution plan)

The company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan are ₹ 695.29 lakhs (PY ₹ 591.46 lakhs).

(ii) Retirement Gratuity (defined benefit plans)

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

"Defined benefit plans typically expose the Company to actuarial risks such as: Investment Risk, Interest Risk, Longevity Risk and Salary Risk.

(i) Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

(ii) Interest risk:

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.

(iii) Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

(iv) Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

B Details of defined benefit obligations and plan assets (Gratuity)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

(₹ in Lakhs)		
Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Obligation at the beginning of the year	1,663.36	1,297.93
Current service cost	197.97	158.15
Interest costs	120.26	97.60
Remeasurement (gain)/loss	161.10	174.29
Benefits paid	(92.44)	(64.62)
Obligation at the end of the year	2,050.24	1,663.36
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,658.87	1,153.86
Interest income	119.94	86.77
Assets Transferred In/Acquisitions	-	512.36
Employers' contribution	17.13	-
Benefits paid	(92.44)	(64.62)
Return on Plan Assets, Excluding Interest Income	(29.08)	(29.50)
Fair value of plan assets at the end of the year	1,674.42	1,658.87
(c) Net defined benefit asset/ (liability) recognised in the balance sheet		
Present Value of Obligation	2,050.24	1,663.36
Fair Value of Plan Assets	(1,674.42)	(1,658.87)
	375.83	4.48
Recognised as:		
Provision for Gratuity (non-current)	-	-
Provision for Gratuity (current)	375.83	4.48
(d) Expense/(gain) recognised in the statement of profit and loss consists of:		
Employee benefits expenses:		-
Current service cost	197.97	158.15
Net Interest Cost	0.32	10.83
Net defined benefit expense debited to statement of profit and loss	198.29	168.99
(e) Remeasurement (gain)/ loss recognised in other comprehensive income		
Return on Plan Assets, Excluding Interest Income	161.10	174.29
Actuarial (Gains)/Losses on Obligation For the Period	29.08	29.50
Recognised in other comprehensive income	190.18	203.79

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(f) Broad categories of plan assets as a percentage of total assets		
Insurer Managed Funds	100.00%	100.00%
(g) Principal assumptions used in determining defined benefit obligation		
Discount Rate	6.79%	7.23%
Rate of escalation in Salary	5.00%	5.00%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
(h) Maturity profile of defined benefit obligation		
1 st following year	245.21	148.11
2 nd following year	147.85	137.40
3 rd following year	158.53	151.77
4 th following year	192.02	158.49
5 th following year	156.45	159.03
Sum of year 6 To 10	874.78	719.31
Sum of years 11 and above	2,117.80	1,838.12
(i) Sensitivity analysis for significant assumptions:		
Defined Benefit Obligation on Current Assumptions	2,050.24	1,663.36
Delta Effect of +1% Change in Rate of Discounting	(143.11)	(115.87)
Delta Effect of -1% Change in Rate of Discounting	164.61	133.04
Delta Effect of +1% Change in Rate of Salary Increase	156.07	128.25
Delta Effect of -1% Change in Rate of Salary Increase	(139.02)	(114.01)
Delta Effect of +1% Change in Rate of Employee Turnover	20.27	21.39
Delta Effect of -1% Change in Rate of Employee Turnover	(23.24)	(24.35)

Notes:

- (i) The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
- (ii) The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- (iii) Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- (iv) There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

- (v) The Company is expected to contribute ₹ 256.29 lakhs to defined benefit plan obligations funds for the year ended March 31, 2026.
- (vi) Expected return on assets is determined by multiplying the opening fair value of the plan assets by the expected rate of return determined at the start of the annual reporting period, taking account of expected contributions & expected settlements during the reporting period.
- (vii) The Weighted Average Duration of the Plan works out to 9 years.

(viii) **Asset Liability matching strategy:**

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Company to fully prefund the liability of the Plan.

C Other long-term employee benefits

Annual Leave

(a) Financial Assumptions

(₹ in Lakhs)		
Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Discount Rate		
Discount Rate	6.79%	7.23%
Salary increases allowing for Price inflation	5.00%	5.00%

(b) Demographic Assumptions

(₹ in Lakhs)		
Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Employee Turnover	5.00%	5.00%
Leave Availment Ratio	2.00%	2.00%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

30 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) on borrowings from banks and others	2,410.31	1,546.49
(b) on lease obligations	153.01	116.96
Total	2,563.33	1,663.46

31 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Depreciation of Property, Plant and Equipment (Refer Note 4)	6,863.09	6,041.05
(b) Amortisation of Intangible Assets (Refer Note 4)	526.04	127.00
(c) Depreciation of Right of Use (ROU) Assets (Refer Note 4)	516.79	433.32
Total	7,905.91	6,601.38

32 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Power and water	8,018.52	8,291.97
(b) Freight and handling charges	1,842.23	1,940.91
(c) Processing Charges	625.50	887.11
(d) Environmental health and safety expenses	904.49	896.09
(d) Labour Contract Charges	4,218.52	3,516.14
(e) Safety & Security Charges	329.26	258.25
(f) Repairs and Maintenance:		
- Buildings	232.59	283.52
- Plant and Machinery	4,070.45	3,466.40
(g) Insurance Charges	714.91	453.28
(h) Research & Development Expenses	3,283.21	837.01
(i) Laboratory charges	893.25	831.68
(j) Loading & Unloading charges	70.48	90.56
(k) Rates and Taxes	257.67	318.77
(l) Legal & Professional Fees	736.64	665.76
(m) Director Sitting Fees	24.70	16.86
(n) Payments to the Auditors (note (a) below)	14.77	13.31
(o) Export, C&F and Freight Expenses	2,220.89	1,549.17
(p) Advertisement & Sales Promotion	263.83	639.92
(q) Rent paid	99.82	94.45

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(r) Commission and Incentives on sales	799.63	698.82
(s) Provision for Expected Credit Loss	69.88	106.76
(t) Expenditure towards Corporate Social Responsibility (note (b) below)	430.16	272.00
(u) Miscellaneous Expenses*	1,144.82	1,238.29
Total	31,266.23	27,367.04

* It does not include any item of expenditure with a value of more than 1% of Revenue from Operations.

Notes:

(a) Details of payments to Auditors (excluding GST)

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Payment to Auditors		
(a) as Auditors	12.00	12.00
(b) for Certification Services	1.65	0.85
(c) for Reimbursement of Expenses	1.12	0.46
Total	14.77	13.31

(b) Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Details are as under:

Details of CSR Expenditure:

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Gross amount required to be spent by the Company during the year	427.73	244.72
(b) Amount approved by the Board to be spent during the year		
Construction / acquisition of any asset		
On purposes other than above	427.73	244.72
Total	427.73	244.72
(c) Details of ongoing project and other than ongoing project		
(i) In case of Section 135(5) (other than ongoing project)		
Opening Balance	(27.28)	-
Amount required to be spent during the year	427.73	244.72
Amount spent during the year	430.16	272.00
Excess spent	(29.71)	(27.28)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(d) Details related to spent / unspent obligations :		
(i) Education and skill Development	126.29	89.03
(ii) Livestock Development	8.00	55.44
(iii) Medical Grants, Healthcare Facilities	40.00	45.00
(iv) Tribal Welfare, Rural and socially backward society Development	64.97	-
(v) Water Management- Conservation	44.78	20.00
(vi) Women Empowerment And Livelihood	25.00	50.00
(vii) Green Environment Project	5.48	12.53
(viii) Health Care	116.00	-

Nature of CSR activities for the year ended 31st March, 2025 and 31st March, 2024:

Promoting education and women empowerment, preventive healthcare, supporting sports activities in rural areas of country, promoting hygiene sanitation practices, supporting clean and pollution free environment, for renovation of school, and for other activities as prescribed under Schedule VII of The Companies Act, 2013.

33 EARNING PER SHARE (EPS):

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Net Profit available for Equity Shareholders (In lakhs)	25,734.88	20,064.54
(b) No. of Equity Shares as per financial statement	90,634,624.00	90,626,008.00
(c) Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.)	90,634,624.00	90,626,008.00
(d) Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.)	90,692,995.67	90,633,563.89
(e) Face value per Equity Share	₹ 5	₹ 5
(f) Basic Earnings Per Share (in ₹) = (a/c)	28.39	22.14
(g) Diluted Earnings Per Share (in ₹) = (a/d)	28.38	22.14

Footnotes:

- (a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.
- (b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(c) Number of Shares for Computation of EPS

Particulars	(₹ in Lakhs)	
	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Basic EPS (in Nos)		
Existing number of equity shares	90,634,624	90,626,008
Weighted average number of Equity Shares	90,634,624	90,626,008
Diluted Earnings Per Share (in Nos)		
Existing number of equity shares	90,634,624	90,626,008
ESOP (with effect from 4 th January 2024)	23,084	7,556
ESOP (with effect from 13 th May 2024)	35,288	-
Weighted average number of Equity Shares	90,692,996	90,633,564

34 SHARE BASED PAYMENTS

a Scheme details

The Company has Employees' Stock Option Scheme i.e. PSOP under which options have been granted at the exercise price of ₹ 5 per share to be vested from time to time on the basis of performance and other eligibility criteria.

Details of number of options outstanding have been tabulated below:

Details of Performance Stock Option granted from 1st April, 2023 to 31st March, 2025

Financial Year (Year of Grant)	Number of Options Outstanding		Financial Year of Vesting	Exercise Price (K)	Market value at Grant Date
	31 st March, 2025	31 st March, 2024			
2023-24	23,084	31,700	2024-25 to 2026-27	₹ 5	₹ 496.84
2024-25	40,000	-	2025-26 to 2027-28	₹ 5	₹ 520.05

Exercise period would commence from the date of Vesting or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee of the Board.

b Fair Value on the grant date

The fair value at grant date is determined using "Black Scholes Model" which takes into account the exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31st March, 2024 and 31st March, 2025 are mentioned below:

Particulars	PSOP 2	PSOP 1
i Grant price - (R)	5	5
ii Grant dates	13-05-2025	04-01-2024
iii Vesting commences on	13-05-2025	04-01-2025
iv Options granted and outstanding at the beginning of the year	-	-
v Vesting commences on	2024-25 to 2026-27	2025-26 to 2027-28

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Particulars	PSOP 2	PSOP 1
vi Options granted	40,000	31,700
vii Options exercised	-	8,616
viii Lapses during the year	1,600	-
ix Options granted and outstanding at the end of the year, of which	38,400	23,084
x Options vested	-	-
xi Options yet to vest	38,400	23,084
xii Weighted average remaining contractual life of options (in years)	3	2

Particulars	PSOP 2	PSOP 1
i Risk-free interest rate	7.22%	7.18%
ii Expected life of options	2.50	2.50
iii Expected volatility	0.42	0.55
iv Expected dividends over the life of the option	0.38%	0.40%
v Share price as on grant date	520.05	506.00
vi Exercise price	5	5
vii Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option	

Movement in share options during the year:

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Balance at the beginning of the year	31,700	5	-	5
Granted during the year	40,000	5	31,700	5
Exercised during the year	-8,616	5	-	5
Options forfeited / lapsed during the year	-1,600	5	-	5
Balance at the end of the year	61,484	5	31,700	5

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

35 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(a) Contingent Liabilities

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
Claims against the Company not acknowledged as debts		
(i) Bank Guarantees issued to Statutory Authorities and other bodies	719.94	33.81
Total	719.94	33.81

(b) Commitments

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
Estimated amount of contracts remaining to be executed on		
Capital account and not provided for (net of advances)	6,696.78	2,869.12
Total	6,696.78	2,869.12

36 SEGMENT INFORMATION

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers (CODM). The board is responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Pharmaceuticals.

(a) Revenue from Type of Product and Services

There is only one operating segment of the Company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

(b) Geographical Information

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2025	As at 31 st March, 2024
Segment Revenue		
Within India	82,280.82	72,839.99
Outside India	92,361.80	74,169.88
Total revenue from customers	174,642.62	147,009.87
Add : Incentive	2,492.55	3,203.33
Total	177,135.18	150,213.19
Non-Current Assets*		
Within India	144,890.09	110,250.66
Outside India	0.00	0.00
Total	144,890.09	110,250.66

* includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets.

(c) Information about major customers

During the year ended March 31, 2025 and March 31, 2024, no single customer who contributed 10% or more to the Company's revenue.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

37 RESEARCH AND DEVELOPMENT ACTIVITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Recurring Expenditure (see note No 32)	3,283.21	837.01
Capital expenditure		
(a) Tangible Assets (see note No 4)	493.94	2,107.49
(b) Intangible Assets (see note No 4)	4,184.10	4,318.09
Total	7,961.25	7,262.59

The details of research and development expenditure of ₹ 7961.25 Lakhs (Previous year: ₹ 7262.59 Lakhs) included in these financial statements.

38 RELATED PARTY TRANSACTIONS

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below:

(a) Subsidiaries (where control exists):

Particulars	Country of Incorporation	% of Holding as at 31.03.2025	% of Holding as at 31.03.2024
(i) Aarti USA Inc	India	100.00	100.00
(ii) Aarti Pharmachem Limited	USA	100.00	100.00

(b) Jointly Controlled Entity (where control exists):

Particulars	Country of Incorporation	% of Holding as at 31.03.2025	% of Holding as at 31.03.2024
Ganesh Polychem Limited	India	50.00	50.00

(c) Key Managerial Personnel:

Name	Designation
(i) Shri Rashesh C. Gogri	Chairman
(ii) Smt. Hetal Gogri Gala	Vice Chairperson & Managing Director
(iii) Shri Narendra Salvi	Managing Director
(iv) Shri Rajendra V. Gogri	Non- Executive Director
(v) Shri Parimal H. Desai	Non- Executive Director
(vi) Smt Nehal Garewal	Non- Executive Director (w.e.f. May 13, 2024)
(vii) Shri Vilas Gaikar	Independent Director
(viii) Shri Bhavesh Vora	Independent Director
(ix) Shri Vinay Nayak	Independent Director
(x) Smt. Jeenal Savla	Independent Director
(xi) Smt. Rupal Vora	Independent Director
(xii) Shri Pradeep Thakur	Independent Director (w.e.f. May 13, 2024)
(xiii) Shri Piyush Lakhani	Chief Financial Officer
(xiv) Shri Nikhil Natu	Company Secretary (ceased w.e.f October 30, 2024)
(xv) Shri Jeevan Mondkar	Company Secretary (w.e.f December 13, 2024)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(d) Close family members of Key Managerial Personnel who are under the employment of the Company:

Shri Chandrakant V Gogri

(e) Other entities/persons where significant influence exist:

(i) Post employment-benefit plan entity:

The Trustees Aarti Pharmalabs limited

(ii) Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promoters/ Group of Promoters

Aarti Industries Limited

Aarti Drugs Limited

Alchemie Gases and Chemicals Private Limited

Valiant Organics Limited

Aarti USA Inc

Ganesh Polychem Limited

Valiant Laboratories Limited

Alchemie Finechem Limited

Pinnacle Lifesciences Private Limited

Aanvi Speciality Chemicals

Prozeal Green Energy Private Limited

Aarti Venture Limited

Alchemie Europe Ltd

Pro-Zeal Green Energy Five Private Limited

Compensation of key management personnel of the Company:

		(₹ in Lakhs)	
Particulars		As at	As at
		31 st March, 2025	31 st March, 2024
(i) Short-term employee benefits including Remuneration and Commission		1,322.07	1,097.87
(ii) Director Sitting fees		24.70	16.86

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Details of transactions with and balances outstanding of subsidiaries and Jointly Controlled Entity :

Name of related party	Nature of transaction	31 st March, 2025		31 st March, 2024	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Aarti USA INC	Equity Investment	-	65.76	-	65.76
	Revenue from Sale of Products	532.80	427.90	742.25	196.36
Aarti Pharmachem Limited	Equity Investment	-	25.00	-	25.00
Ganesh Polychem Limited	Equity Investment	-	1,260.86	-	1,260.86
	Interest on Loan	40.54	40.54		
	Advance received	1,500.00	1,500.00		
	Purchase of goods or services	244.90	-	39.14	
	Revenue from Sale of Products	941.64	0.23	693.70	278.45

The company has received loan from Ganesh Polychem Limited. The loan carries interest rate of 8 % p.a.

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promoters/ Group of Promoters

Name of related party	Nature of transaction	31 st March, 2025		31 st March, 2024	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Shri Chandrakant V Gogri	Rent	14.82	(0.97)	9.87	0.97
The Trustees Aarti Pharmalabs limited	Contribution to the Gratuity Funds	17.13	1,674.42	17.72	1,658.87
Aarti Industries Limited	Purchase of goods or services	2,314.64	(71.51)	8,379.28	(4,507.70)
	Revenue from Sale of Products	9,290.88	-	3,809.46	
Aarti Drugs Limited	Purchase of goods or services	18.00	-	5.21	
	Revenue from Sale of Products	269.79	116.47	179.67	36.76
Alchemie Gases and Chemicals Private Limited	Purchase of goods or services	3.35	-	7.01	-
	Revenue from Sale of Products	-	-	-	2.65
Valiant Organics Limited	Purchase of goods or services	6,402.07		2,655.43	(292.64)
	Revenue from Sale of Products	2,035.77	728.19	1,642.32	
Valiant Laboratories Limited	Purchase of goods or services	643.39	(72.76)	776.98	
	Revenue from Sale of Products	239.74		336.36	54.40
	Rent	354.00			

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Name of related party	Nature of transaction	31 st March, 2025		31 st March, 2024	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Alchemie Finechem Limited	Purchase of goods or services	165.93	-	70.61	-
	Revenue from Sale of Products	1,834.63	55.01	1,205.17	120.48
Pinnacle Lifesciences Private Limited	Purchase of goods or services	-	-	-	-
	Revenue from Sale of Products	480.54	377.19	44.99	10.98
Aanvi Speciality Chemicals	Purchase of goods or services	193.95	(25.12)	133.96	(30.92)
	Revenue from Sale of Products	34.28	-	10.04	-
Prozeal Green Energy Private Limited	Purchase of goods or services	8,550.76	(7.11)	460.40	4.57
	Revenue from Sale of Products	-	-	-	-
Aarti Ventures Private Limited	Interest Income	52.70	-	52.67	-
	Investment	-	738.48	-	738.65
	Loan ICD	-	730.13	-	684.11
Pro-Zeal Green Energy Five Private Limited	Equity Investment	6.30	6.30	-	-
Amulya Techline Engineers (Div of Dilesh Roadlines Private Limited)	Purchase of goods or services	1,131.22	(1.16)	-	-
Alchemie Europe Ltd	Revenue from Sale of Products	-	-	(33.20)	-

The company has given unsecured loan to Aarti Ventures Limited. The loan carries interest rate of 9 % p.a.

39 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUES

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Category-wise classification for applicable financial assets:

(₹ in Lakhs)

Particulars	Current/ NonCurrent	31 st March, 2025				31 st March, 2024			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets									
Financial assets measured at cost									
Investment in Subsidiaries	Non- Current	1,351.62	-	-	-	1,351.62	-	-	-
Financial assets measured at amortised cost									
Security Deposits	Non- Current	1,345.09	-	-	-	1,065.85	-	-	-
Loans to Other	Non- Current	730.13	-	-	-	585.23	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	Current/ NonCurrent	31 st March, 2025				31 st March, 2024			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Trade Receivables	Current	55,259.04	-	-	-	44,882.30	-	-	-
Cash on hand	Current	9.62	-	-	-	8.11	-	-	-
Balance with Banks	Current	273.89	-	-	-	391.51	-	-	-
Other Fixed Deposits	Current	68.54	-	-	-	43.09	-	-	-
Loans to employees	Current	75.81	-	-	-	92.57	-	-	-
Interest Receivable	Current	111.42	-	-	-	222.34	-	-	-
Other Receivables	Current	402.57	-	-	-	405.86	-	-	-
		59,627.73	-	-	-	49,048.47	-	-	-
Financial assets measured at fair value through other comprehensive income (FVTOCI)									
Investments in Equity Shares	Non - Current	2,763.79	-	-	2,763.79	3,031.53	-	-	3,031.53
Investments in Bonds	Current	1,587.77	1,587.77	-	-	1,783.07	1,783.07	-	-
		4,351.56	1,587.77	-	2,763.79	4,814.60	1,783.07	-	3,031.53
Total Financial Assets	-	63,979.29	1,587.77	-	2,763.79	53,863.06	1,783.07	-	3,031.53
Financial Liabilities									
Financial liabilities measured at amortised cost									
Long term borrowings - Term Loans from Banks	Non - Current	10,355.56	-	-	-	-	-	-	-
Long-term maturities of lease obligations	Non - Current	1,166.89	-	-	-	1,665.91	-	-	-
Short -term maturities of lease obligations	Current	496.23	-	-	-	449.14	-	-	-
Short term borrowings - Working capital loans from Banks	Current	29,129.95	-	-	-	25,079.73	-	-	-
Trade Payables									
- Due to Micro, Small and Medium Enterprises	Current	939.85	-	-	-	1,890.08	-	-	-
- Due to Others	Current	23,957.01	-	-	-	23,588.44	-	-	-
- Non Current Financial Liabilities		1,540.54							
Other Current Financial Liabilities		5,019.82	-	-	-	2,842.45	-	-	-
Total Financial Liabilities		72,605.85				55,515.76			

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Fair value hierarchy

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, listed redeemable preference shares for which sufficient observable market data was not available during the year, etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level followed is given in the table above

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's Risk Management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge foreign currency risk and interest rate risk exposure . Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

A Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market interest rates. Company's interest rate risk arises from borrowings.

The following table demonstrates the sensitivity on the Company's profit before tax, to a reasonably possible change in interest rates of variable rate borrowings on that portion of loans and borrowings affected, with all other variables held constant:

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax

(₹ in Lakhs)		
Particulars	FY 2024-25	FY 2023-24
50 BPS increase would (decrease) the Profit before Tax by (refer note no 16.6)	51.78	0.00
50 BPS decrease would increase the Profit before Tax by (refer note no 16.6)	-51.78	0.00

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts in several currencies and consequently the Company is exposed to foreign exchange risk through its sales outside India, and purchases from overseas suppliers in various foreign currencies. The company also has borrowings in foreign currency. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates / depreciates against these currencies. Foreign currency exchange rate exposure is partly balanced by purchase of raw materials and services in the respective currencies.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

(₹ in Lakhs)				
Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Amount in foreign currency	Amount (INR)	Amount in foreign currency	Amount (INR)
Liabilities				
United States Dollar (USD)	(299.78)	(25,625.17)	(239.23)	(19,947.62)
Euro	(0.14)	(12.90)	(0.52)	(44.38)
GBP	-	-	-	-
AED	(0.05)	(1.12)	(0.13)	(2.77)
CNY	(0.08)	(0.99)	(2.70)	(31.00)
CHF	0.58	56.13	-	-
JPY	(4.26)	(2.42)	-	-
	(303.73)	(25,586.46)	(242.57)	(20,025.77)
Assets				
United States Dollar (USD)	352.72	30,150.31	291.34	24,300.69
Euro	1.35	124.65	0.26	23.02
GBP	-	-	0.10	10.09
AED	23.18	539.28	24.96	566.79
CNY	40.11	471.29	3.44	39.49
CHF	-	-	0.37	33.72
	417.36	31,285.53	320.46	24,973.80

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Amount in foreign currency	Amount (INR)	Amount in foreign currency	Amount (INR)
Net foreign currency denominated monetary liability/(asset) (total)				
United States Dollar (USD)	52.94	4,525.14	52.11	4,353.06
Euro	1.21	111.74	(0.26)	(21.36)
GBP	-	-	0.10	10.09
AED	23.13	538.17	24.83	564.02
CNY	40.03	470.31	0.74	8.49
CHF	0.58	56.13	0.37	33.72
	117.88	5,701.48	77.88	4,948.03
Foreign exchange derivatives				
USD (Hedged)	101.00	8,591.00	115.00	9,592.15
	101.00	8,591.00	115.00	9,592.15
Net foreign currency denominated monetary liability/(asset) (unhedged)				
United States Dollar (USD)	(48.06)	(4,065.86)	(62.89)	(5,239.09)
Euro	1.21	111.74	(0.26)	(21.36)
GBP	-	-	0.10	10.09
AED	23.13	538.17	24.83	564.02
CNY	40.03	470.31	0.74	8.49
CHF	0.58	56.13	0.37	33.72
	16.88	(2,889.52)	(37.12)	(4,644.12)

Foreign Currency Risk Sensitivity

The following tables demonstrate foreign currency sensitivity on unhedged exposure (0.5% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

(₹ in Lakhs)

Particulars	FY 2024-25		FY 2023-24	
	+50 bps	-50 bps	+50 bps	-50 bps
United States Dollar (USD)	(20.33)	20.33	(26.20)	26.20
Euro	0.56	(0.56)	(0.11)	0.11
GBP	0.00	0.00	0.05	(0.05)
AED	2.69	(2.69)	2.82	(2.82)
CNY	2.35	(2.35)	0.04	(0.04)
CHF	0.28	(0.28)	0.17	(0.17)

Forward Contracts

Particulars	Currency	Notional Amount	Maturity	Fair Value
Forward Contracts	USD	8,591	Within 1 Year	8496.59

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets. The Company ensures that sales of products are made to customers with appropriate creditworthiness. Outstanding customer receivables are regularly monitored by the management. An impairment analysis is performed at each reporting date on an individual basis for major customers. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks.

Refer footnotes c and d below note no.10 for ageing of trade receivables and movement in credit loss allowance.

(C) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to undrawn lines of committed borrowing/facilities. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk. The company consistently generates sufficient cash flows from operations or from cash and cash equivalents to meet its financial obligations including lease liabilities as and when they fall due.

(i) Financing arrangements

(₹ in Lakhs)		
Particulars	FY 2024-25	FY 2023-24
Secured borrowing facilities		
- Amount used (Fund based)	39,129.95	25,079.73
- Amount used (Unfund based)	2,264.03	33.81
- Amount unused	13,606.02	23,586.46
Total	55,000.00	48,700.00

(ii) Financing arrangements

Maturity profile of financial liabilities

(₹ in Lakhs)			
Particulars	March 31, 2025		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2025			
- Borrowings	29,129.95	10,355.56	-
- Lease Liabilities	496.23	1,166.89	-
- Other Financial Liabilities	5,019.82	770.27	770.27
- Trade Payables	24,896.86	-	-
Total	59,542.86	12,542.86	770.27

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	March 31, 2024		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2024			
- Borrowings	25,079.73	-	-
- Lease Liabilities	449.14	1,665.91	-
- Trade Payables	25,478.52	-	-
- Other Financial Liabilities	2,842.45	-	-
Total	53,849.85	1,665.91	-

(D) Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value, safeguard business continuity and support the growth of the Company. The Company manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

(₹ in Lakhs)

Particulars	FY 2024-25	FY 2023-24
Borrowings - Current and Non-Current	39,485.52	25,079.73
Long-term maturities of Lease obligations	1,166.89	1,665.91
Current maturities of Lease obligations	496.23	449.14
Less: cash and cash equivalent	(283.51)	(399.62)
Less: other balances with banks	(68.54)	(43.09)
Less: current investments	(1,587.77)	(1,783.07)
Net Debts	39,208.82	24,969.01
Total Equity	184,387.10	162,145.98
% Net debt to equity ratio	21.26%	15.40%

41 OTHER DISCLOSURES

(a) Details of Benami Property Held

The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(b) Relationship With Struck off Companies

The Company has no transactions/balance with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956

(c) Willful Defaulter

The Company has not been declared a willful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(d) Registration Of Charges Or Satisfaction With Registrar Of Companies

The company do not have any charges which are yet to be registered with ROC beyond the statutory period except for working capital ₹ 75 Cr.

(e) Details Of Crypto Currency Or Virtual Currency

The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year

(f) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) directly or indirectly advanced or lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
- (ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(g) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(h) Undisclosed Income

- (i) The Company has not had any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(i) Borrowings Obtained on the Basis of Security of Current Assets

For the borrowings secured against current assets, the company has filed Quarterly statements of current assets with the banks and the same are in agreement with the books of accounts.

(j) Utilisation of Borrowed Funds and Share Premium

As on March 31, 2025 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(k) Revaluation Of Property, Plant And Equipment And Intangible Assets

The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(l) Compliance With Number of Layers of Companies

The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017

(m) The Company uses SAP ECC as its accounting software. SAP ECC ensures an audit trail, providing standard functionality and logging of all data changes in the system. This functionality and audit trail feature in SAP ECC has been operational throughout the year for all relevant transactions recorded through the application. The Company uses accounting documents to record all business transactions – posted documents are stored in SAP ECC for every transaction, and

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

a financial document once posted cannot be deleted or changed for data points impacting the financials. The SAP ECC environment is appropriately governed, and only authorized users can make postings while interacting with the system through the application layer. Normal/regular users are not granted direct database or super user level access that would allow them to make changes to financial documents directly after they have been posted through the application. To operate the SAP ECC application and the database, the system necessarily requires a set of super-users to have database-level access. These super-users are obligated to perform system-related tasks and are not allowed to carry out any direct changes/edits to financial transactions in the database, which if carried out would be unauthorized. In the event of an unauthorized change by a super user, these can be detected through an investigative approach and/or using services provided by SAP as part of their financial data quality check service, which validates the consistency of financials based on client request. Therefore, while the database does not currently have the concurrent real-time audit trail feature due to technical constraints, the tracking of changes can be accomplished through a focused inquiry process.

(n) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors in case of a company, and, by the corresponding approving authority in case of any other entity for issue. Two types of events can be identified:

- (i) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (ii) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

As on 10th May, 2025 there were no material subsequent events to be recognized or reported that are not already disclosed.

42 RATIO ANALYSIS

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasoning
a) Current Ratio	Current Assets	Current Liabilities = Total current liabilities - Current maturities of non-current borrowings and lease obligations	1.96	2.06	-4.54%	
b) Net Debt to Equity ratio	Net debt = Non-current borrowings + Current borrowings + Non-current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including noncurrent earmarked balances)	Equity [Equity = Equity share capital + Other equity]	0.21	0.15	38.09%	Company availed long term loan to meets capex outlay.
c) Debt Service Coverage Ratio	Earnings before interest, tax, Depreciation & Amortisation	Total debt service [Total debt service = Finance Cost + Long Term Borrowings + Current Portion of Long Term Borrowings + Lease Liabilities]	3.02	9.45	-68.00%	Company availed long term loan to meets capex outlay.
d) Return on Equity Ratio	Profit after tax	Average total equity [Equity = Equity share capital + Other equity]	14.85%	13.11%	13.26%	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasoning
e) Inventory Turnover Ratio	Cost of goods sold	Average Inventory	1.56	1.34	16.25%	
f) Trade Receivables Turnover Ratio	Revenue from Sale of Products and Services	Average Trade Receivable	3.54	3.66	-3.38%	
g) Trade Payable Turnover Ratio	Adjusted Expenses [Adjusted Expenses = Total Expenses - Finance Cost - Depreciation and Amortisation Expense – Employee Benefit Expenses – Other expenses with respect to Rates & Taxes, Provision for Doubtful Debts, Sundry Balances Written-off, CSR and Foreign Exchange Gain/ Loss]	Average Trade Payable	4.71	4.37	7.74%	
h) Net Capital Turnover Ratio	Revenue from Operations	Average Working capital = Current assets – Current liabilities	3.03	2.78	9.05%	
i) Net Profit Ratio	Profit after tax	Revenue from operations	14.24%	13.37%	6.52%	
j) Return on Capital Employed	Earnings before interest and tax	Average Capital Employed [Capital Employed = Total Assets - Current Liabilities]	18.84%	16.00%	17.75%	
k) Return of Investment	Earnings before interest and tax	Average Total Assets	16.03%	14.43%	11.09%	

As per our report of even date

For **Gokhale and Sathe**
Chartered Accountants
(Firm Regn No.103264W)

For and on behalf of the Board of Directors

Uday Girjapure
Partner
M. No. 161776

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 0299202

Place: Mumbai
Date: 10th May 2025

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

INDEPENDENT AUDITORS' REPORT

To the Members of
Aarti Pharmalabs Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Aarti Pharmalabs Limited (the "Holding Company") and its subsidiaries and a jointly controlled entity (the Holding Company, its subsidiaries and a jointly controlled entity together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025 and its consolidated profit, and consolidated total comprehensive income, consolidated

changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment (including Capital Work-in-Progress) The carrying value of property, plant and equipment (including capital work in progress) as on 31 March 2025 of ₹1,39,526.89 lakhs (as on 31 March 2024 of ₹1,07,271.69 lakhs) includes ₹ 17,383.78 lakhs capitalised /transferred from capital work in progress during the year (₹ 13,941.30 lakhs for FY 2024). Cost Recognition of Property, Plant and Equipment as specified in Ind AS 16 is based on completion of asset construction activities and management assessment and judgement that the asset is capable of operating in the manner intended.	Our audit procedures, amongst others, include the following – Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure. We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16: Property, Plant and Equipment. We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment as well as its assessment that the asset is ready for its intended use.

Sr. No.	Key Audit Matter	Auditor's Response
	The asset capitalisation is the outcome of various procurements, approvals from operations experts in the Company and judgements by the management and therefore, required significant audit attention. Refer Note 4: Property, Plant and Equipment in Notes to the consolidated financial statements.	We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23: Borrowing Costs. Ensuring adequacy of disclosures in the consolidated financial statements.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises information included in the Management Discussion and Analysis, Board's Report including annexures thereto, Business Responsibility and Sustainability Report, Corporate Governance Report, and Shareholder Information, but does not include the consolidated financial statements and our auditor's report thereon, which we expect to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the additional information mentioned above that will be included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated

cash flows, and changes in equity of the Group including its components in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group, its subsidiaries, and a jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and of its components to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the respective management either intends to liquidate the Group or the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance

but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its components to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or its components to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the

disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

1. Financial Results of Subsidiaries and Jointly Controlled Entity NOT audited by us
 - a) We did not audit the financial statements of 1 subsidiary and 1 jointly controlled entity, whose financial statements reflect total assets of ₹ 18,332.44 Lakhs as at 31 March 2025, total revenues (excluding other revenue) of ₹ 14,461.97 Lakhs, total net profit after tax of ₹ 2,122.72 Lakhs and net cash outflows amounting to ₹ 104.52 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated

financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

- b) We did not audit the financial statement of 1 foreign subsidiary, whose financial statement reflect total assets of ₹ 2,698.18 Lakhs as at 31 March 2025, total revenues (excluding other revenue) of ₹ 21,016.77 Lakhs, total net profit after tax of ₹ 286.69 Lakhs and net cash outflows amounting to ₹ 1,295.94 Lakhs for the year ended as on that date, as considered in the consolidated financial statements. This audited financial statement has been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such audited financial statement.
- c) Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and other financial information of subsidiaries and a jointly controlled entity, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. Insofar as the modification on maintaining an audit trail in the accounting software is concerned in respect of the Holding Company, which is company incorporated in India, refer paragraph (h) (vi) below;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the underlying books of account maintained by the Holding Company and its subsidiaries for the purpose of preparation of the Consolidated Financial Statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and a jointly controlled entity incorporated in India, none of the directors of the Group Companies incorporated in India, is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) The modification arising from the maintenance of the audit trail on the accounting software, comprising the application and database are as stated in the paragraph (h) (vi) below on reporting under Rule 11(g) so far as relates to the Holding Company, which is company incorporated in India.
 - g) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and a jointly controlled entity, as noted in the 'Other matter' paragraph:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group

- Refer note 36 (a) (i) to the consolidated financial statements.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company its subsidiary companies and jointly controlled entity incorporated in India.
- iv. a. The respective management of holding company, its subsidiaries and jointly controlled entity which are the companies incorporated in India, whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and jointly controlled entity respectively that, to the best of its knowledge and belief, as disclosed in note no. 42 to the Consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and jointly controlled entity to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries and jointly controlled entity ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The respective managements of the Holding company, its subsidiaries and jointly controlled entity which are the companies incorporated in India, whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and jointly controlled entity respectively

that, to the best of their knowledge and belief, as disclosed in note no. 42 to the Consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries and jointly controlled entity from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any such subsidiaries and jointly controlled entity shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company, its subsidiaries and a jointly controlled entity, which are companies incorporated in India, whose Financial Statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries and jointly controlled entity that are Indian companies under the Act,
 - a. The interim dividend declared and paid by the Holding Company and jointly controlled entity during the year and until the date of this report is in accordance with section 123 of the Act. Its subsidiaries have neither declared nor paid any dividend during the year.
 - b. The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of

dividend proposed is in accordance with section 123 of the Act, as applicable.

has not been tampered with and is preserved as required by law.

- vi. In respect of the Holding Company, based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility in respect of the application and the same has operated throughout the year for all relevant transactions. We did not come across any instance of the audit trail feature being tampered with in respect of accounting software. Normal/Regular users are not granted direct database or super user level access.

However, unauthorised changes to the database by a super user specifically does not carry the feature of a concurrent real time audit trail.

With the exception of audit trail functionality at the database level as mentioned above, we confirm that the Company has preserved the audit trail in accordance with statutory requirements for record retention.

As reported by the auditors of these entities in their audit reports, the subsidiaries and jointly controlled entity incorporated in India have complied with all requirements relating to maintenance of audit trail. The audit trail

2. In our opinion, and according to information and explanations given to us, the remuneration paid by the Holding Company and its components, which are the companies incorporated in India, to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.
3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Gokhale & Sathe**
Chartered Accountants
FRN: - 103264W

Uday Girjapure
Partner
Membership No. 161776
UDIN: 25161776BMOHSH6459

Place: Mumbai
Date: May 10, 2025

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Pharmalabs Limited of even date)

Report on the Internal Financial Controls under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")

OPINION

We have audited internal financial controls with reference to consolidated financial statements of Aarti Pharmalabs Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and a jointly controlled entity (together referred to as "the Group") as of 31 March 2025 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company, its subsidiaries and a jointly controlled entity, which are the companies incorporated in India, have, in all material respects, an adequate internal financial controls and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

MANAGEMENTS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiaries and a jointly controlled entity are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting

records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements include obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance

with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the group's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference

to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to financial statements of subsidiary companies and a jointly controlled entity, which are the companies incorporated in India, to the extent applicable, are based on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of this matter.

For **Gokhale & Sathe**
Chartered Accountants
FRN: - 103264W

Uday Girjapure
Partner
Membership No. 161776
UDIN: 25161776BMOHSH6459

Place: Mumbai
Date: May 10, 2025

CONSOLIDATED BALANCE SHEET

as at 31st March, 2025

Particulars		Notes	(₹ In Lakhs)	
			As at 31 st March, 2025	As at 31 st March, 2024
ASSETS				
(I)	Non-Current Assets			
(a)	Property, Plant and Equipment	4	108,868.72	99,421.98
(b)	Capital Work-in-Progress	4	30,658.18	7,849.71
(c)	Right to use Assets	4	1,543.28	2,047.17
(d)	Goodwill	4	178.06	178.06
(e)	Other Intangible Assets	4	3,066.82	1,685.44
(f)	Intangible Assets Under Developments	4	6,777.13	5,841.96
(g)	Financial Assets			
(i)	Investments	5.1	2,924.05	3,677.95
(ii)	Loan	6.1	730.13	585.23
(iii)	Other Financial Assets	7.1	1,402.76	1,132.90
(h)	Other Non-Current Assets	8.1	2,274.67	1,226.02
	Total Non-Current Assets (I)		158,423.79	123,646.41
(II)	Current Assets			
(a)	Inventories	9	58,757.94	64,285.84
(b)	Financial Assets			
(i)	Investments	5.2	4,756.01	7,039.39
(ii)	Trade Receivables	10	57,540.47	51,934.44
(iii)	Cash and Cash Equivalents	11	673.37	2,363.49
(iv)	Bank Balances Other than Cash & Cash Equivalents	12	191.19	43.09
(v)	Loans	6.2	101.44	125.11
(vi)	Other Financial Assets	7.2	514.00	628.20
(c)	Current Tax Assets (Net)	13	-	344.28
(d)	Other Current Assets	8.2	9,682.29	7,800.24
	Total Current Assets (II)		132,216.72	134,564.10
	TOTAL ASSETS (I+II)		290,640.51	258,210.51
EQUITY AND LIABILITIES				
(I)	Equity			
(a)	Equity Share Capital	14	4,531.73	4,531.30
(b)	Other Equity	15	194,458.91	171,172.62
	Total Equity (I)		198,990.64	175,703.92
LIABILITIES				
(II)	Non-Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	16.1	10,355.56	3.88
(ii)	Lease Liabilities	17.1	1,166.89	1,665.91
(iii)	Other Financial Liabilities	18	770.27	-
(b)	Provisions	19.1	811.78	605.90
(c)	Deferred Tax Liabilities (Net)	20	12,840.41	10,792.00
	Total Non-Current Liabilities (II)		25,944.92	13,067.68
(III)	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	16.2	29,279.67	26,406.47
(ii)	Lease Liabilities	17.2	509.40	449.14
(iii)	Trade Payables Due to	21		
-	Total outstanding dues of micro and small enterprises		1,152.06	1,890.08
-	Total outstanding dues of creditors other than micro and small enterprises		26,630.98	35,941.61
(iv)	Others Financial Liabilities	22	5,134.47	3,020.46
(b)	Provisions	18.2	1,173.83	631.37
(c)	Current Tax Liabilities (Net)	23	114.49	-
(d)	Other Current Liabilities	24	1,710.07	1,099.77
	Total Current Liabilities (III)		65,704.95	69,438.91
	Total Liabilities (II+III)		91,649.87	82,506.59
	TOTAL EQUITY AND LIABILITIES (I+II+III)		290,640.51	258,210.51

The accompanying notes are an integral part of the Ind AS financial statements

Previous year figures have been Regrouped/rearranged wherever necessary.

Notes forming part of the financial statements [Note No. 1-44]

As per our report of even date

For and on behalf of the Board of Directors

For **Gokhale and Sathé**
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 0299202

Place: Mumbai
Date: 10th May 2025

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the Year Ended 31st March, 2025

(₹ in Lakhs except EPS)

Particulars	Notes	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
(I) Income			
(a) Revenue from Operations	25	211,507.45	185,260.93
(b) Other Income	26	1,011.92	489.51
Total Income (a+b)		212,519.38	185,750.44
(II) Expenses			
(a) Cost of Materials Consumed	27	88,702.24	85,844.71
(b) Purchase of Stock In trade	28	17,663.47	18,221.79
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	29	6,422.04	(1,994.77)
(d) Employee Benefits Expense	30	16,195.95	13,840.74
(e) Finance Costs	31	2,689.64	1,721.47
(f) Depreciation and Amortization Expenses	32	8,690.40	7,323.53
(g) Other Expenses	33	36,086.69	30,743.77
Total Expenses (a to g)		176,450.42	155,701.25
(III) Profit before Exceptional Items and Tax (I-II)		36,068.95	30,049.20
(IV) Exceptional Items			
(V) Profit before Tax (III-IV)		36,068.95	30,049.20
(VI) Tax Expenses			
(a) Current Tax		7,220.26	5,883.75
(b) Earlier Year Tax		(469.52)	(306.27)
(c) Deferred Tax		2,077.74	2,781.51
Total Tax Expenses (a to c)		8,828.47	8,358.99
(VII) Profit for the year (V-VI)		27,240.48	21,690.21
(VIII) Other comprehensive income / (loss)			
(a) Items that will not be reclassified to Statement of Profit and Loss			
- Fair Value Change of Equity Instruments through Other Comprehensive Income (Net of Tax)		(659.11)	13.31
- Remeasurement of defined employee benefit plans (net of tax)		(142.31)	-
(b) Items that will be reclassified to Statement of Profit and Loss			
- Foreign Subsidiary Translation Reserve		(79.90)	(58.44)
- MTM of forward contracts (Net of Tax)		(94.41)	-
Other comprehensive income / (loss) for the year, net of tax		(975.73)	(45.12)
(IX) Total comprehensive income for the year, net of tax (VII+VIII)		26,264.75	21,645.09
(X) Earnings per share of ₹ 5 each - in ₹	34		
Basic		30.06	23.93
Diluted		30.04	23.93

The accompanying notes are an integral part of the Ind AS financial statements

Previous year figures have been Regroup/rearranged wherever necessary

Notes forming part of the financial statements [Note No. 1-44]

As per our report of even date

For and on behalf of the Board of Directors

For **Gokhale and Sathe**

Chartered Accountants

(Firm Regn No.103264W)

Uday Girjapure

Partner

M. No. 161776

Hetal Gogri Gala

Vice Chairperson & Managing Director

DIN: 00005499

Narendra Salvi

Managing Director

DIN: 0299202

Place: Mumbai

Date: 10th May 2025

Piyush Lakhani

Chief Financial Officer

Jeevan Mondkar

Company Secretary

ICSI M.No.: A22565

CONSOLIDATED CASH FLOW STATEMENT

for the Year Ended 31st March, 2025

		(₹ in Lakhs)	
Sr. No.	Particulars	For the year ended 31 st March, 2025	For the year ended 31 st March, 2024
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Tax	36,068.95	30,049.19
	Adjusted for:		
	- Finance Costs	2,689.64	1,721.47
	- Depreciation and Amortization Expenses	8,690.40	7,323.53
	- R&D Project Expensed Out	1,353.00	675.73
	- Provision for Expected Credit Loss	128.14	106.76
	- Dividend Income	(5.07)	(3.21)
	- Interest Income	(709.61)	(304.19)
	- Profit on sales Assets/Investments	-	(55.06)
	Operating Profit before Working Capital Changes	48,215.46	39,514.22
	Adjusted for:		
	- (Increase)/Decrease in Trade and Other Receivables	(8,443.29)	(12,553.54)
	- (Increase)/Decrease in Inventories	5,527.90	(3,966.36)
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	(5,691.25)	4,334.84
	Working Capital Changes	(8,606.64)	(12,185.06)
	Cash Generated from Operations	39,608.81	27,329.16
	Taxes Paid (Net)	(6,452.66)	(5,693.70)
	Net Cash Flow from Operating Activities (A)	33,156.15	21,635.46
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant & Equipment (Including CWIP)	(40,203.74)	(15,560.42)
	Intangible Assets (Including Intangible Assets under development)	(4,184.10)	(4,318.09)
	Other Investments	2,283.38	(1,940.39)
	Dividend Income	5.07	3.21
	Interest Income	709.61	304.19
	Proceeds from Sale of Investments	-	55.06
	Net Cash Flow used in Investing Activities (B)	(41,389.77)	(21,456.44)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Bank Borrowing (Term Loan)	10,000.00	-
	Proceeds/(Repayment) from Short Term Borrowings (Net)	2,786.08	4,999.35
	Finance Cost Paid	(2,451.15)	(1,721.47)
	Dividends Paid	(3,171.91)	(1,812.52)
	Repayment of lease liability	(619.95)	(493.00)
	Proceed from issue of Equity Share under ESOP Scheme	0.43	-
	Net Cash Flow from Financing Activities (C)	6,543.50	972.35
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,690.12)	1,151.38
	Cash and Cash Equivalent at the beginning of the year	2,363.49	1,212.12
	Cash and Cash Equivalent at the end of the year	673.37	2,363.49

Notes:

- The above statement of Cash Flows should be read in conjunction with the accompanying notes.
- Previous year figures have been regrouped/rearranged wherever necessary
- Figures in brackets indicate cash outgo.
- The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS 7 Statement of Cash Flow
- Cash flows from operating activities include ₹ 489.02 lakhs (March 31, 2024: ₹ 319.50 lakhs) being expenses towards Corporate Social Responsibility initiatives. (refer note no 33)

CONSOLIDATED CASH FLOW STATEMENT

for the Year Ended 31st March, 2025

6 Cash and Cash Equivalents comprises of:

(₹ in Lakhs)

Particulars	For the Year Ended 31-03-2025	For the Year Ended 31-03-2024
a. Cash on Hand	13.87	9.13
b. Balances with Banks	659.50	2,354.36
Total	673.37	2,363.49

7 Changes in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	As at March 31, 2024	Net Cash Flow	Foreign Exchange movement	Accrued Interest/ Addition	Other Changes	As at March 31, 2025
Non-current Financial Liabilities						
- long Term Borrowing (Note No. 16.1)	3.88	10,000.00	355.56	-	(3.88)	10,355.56
- Lease Liabilities (Note No. 17.1)	1,665.91	-	-	25.93	(524.95)	1,166.89
Current Financial Liabilities						
- Current Borrowing (Note No. 16.2)	26,406.47	2,786.08	83.24	-	3.88	29,279.67
- Lease Liabilities (Note No. 17.2)	449.14	(619.95)	-	155.25	524.95	509.40
Total	28,525.40	12,166.13	438.80	181.18	-	41,311.52

Changes in liabilities arising from financing activities

(₹ in Lakhs)

Particulars	As at March 31, 2023	Net Cash Flow	Foreign Exchange movement	Accrued Interest/ Addition	Other Changes	As at March 31, 2024
Non-current Financial Liabilities						
- long Term Borrowing (Note No. 16.1)	18.35	-	-	-	(14.48)	3.88
- Lease Liabilities (Note No. 17.1)	53.19	-	-	2,393.06	(780.34)	1,665.91
Current Financial Liabilities						
- Current Borrowing (Note No. 16.2)	21,415.26	4,918.46	58.27	-	14.48	26,406.47
- Lease Liabilities (Note No. 17.2)	44.48	(492.64)	-	116.96	780.34	449.14
Total	21,531.28	4,425.82	58.27	2,510.02	-	28,525.40

Notes forming part of the financial statements [Note No. 1-44]

As per our report of even date

For and on behalf of the Board of Directors

For **Gokhale and Sathe**

Chartered Accountants

(Firm Regn No.103264W)

Uday Girjapure

Partner

M. No. 161776

Hetal Gogri Gala

Vice Chairperson & Managing Director

DIN: 00005499

Narendra Salvi

Managing Director

DIN: 0299202

Place: Mumbai

Date: 10th May 2025

Piyush Lakhani

Chief Financial Officer

Jeevan Mondkar

Company Secretary

ICSI M.No.: A22565

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31st March, 2025

A. EQUITY SHARE CAPITAL

Current Reporting Period

(₹ in Lakhs)

Particulars	Balance as on April 1, 2024	Changes in equity share capital during the period	Balance as on March 31, 2025
Ordinary Equity Shares	4,531.30	0.43	4,531.73
Total	4,531.30	0.43	4,531.73

Previous Reporting Period

(₹ in Lakhs)

Particulars	Balance as on April 1, 2023	Changes in equity share capital during the period	Balance as on March 31, 2024
Ordinary Equity Shares	4,531.30	-	4,531.30
Total	4,531.30	-	4,531.30

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Retained Earnings	General Reserve	Securities premium	Capital Reserve	Capital Redemption Reserve	Employee Stock Option Plan	Foregin Currency Translation Reserve	Other Comprehensive Income	Total
Opening balance as on April 01, 2023	88,939.50	8,524.77	44,032.54	8,943.81	25.00	-	(274.72)	1,126.46	151,317.36
Transfer to General reserve	(240.51)	240.51							-
Other comprehensive income (net of tax)								13.17	13.17
Profit for the year	21,690.20								21,690.20
Employee Stock Option Plan						22.84			22.84
Dividend paid	(1,812.52)								(1,812.52)
Foreign Exchange Difference on Translation							(58.44)		(58.44)
Balance as at 31st Mar, 2024	108,576.68	8,765.28	44,032.54	8,943.81	25.00	22.84	(333.16)	1,139.63	171,172.62

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Year Ended 31st March, 2025

									(₹ in Lakhs)
Particulars	Retained Earnings	General Reserve	Securities premium	Capital Reserve	Capital Redemption Reserve	Employee Stock Option Plan	Foregin Currency Translation Reserve	Other Comprehensive Income	Total
Transfer to General reserve	(218.25)	218.25							-
Other comprehensive income (net of tax)	-							(753.52)	(753.52)
Transferred from OCI Reserve on disposal of FVOCI Equity	46.46							(46.46)	-
Profit for the year	27,240.48								27,240.48
Employee Stock Option Plan	-					193.45			193.45
Issue of Shares Premium for ESOP	-		43.24			(43.24)			-
Remeasurement of defined employee benefit plans (net of tax)	(142.31)								(142.31)
Dividend paid	(3,171.91)								(3,171.91)
Foreign Exchange Difference on Translation	-						(79.90)		(79.90)
Balance as at 31st Mar, 2025	132,331.15	8,983.53	44,075.78	8,943.81	25.00	173.05	(413.06)	339.65	194,458.91

Notes

- 1 The above Statement of Changes in Equity be read in conjunction with the accompanying notes
- 2 Previous Year's figures are regrouped / rearranged wherever required.

C. NOTES FORMING PART OF THE FINANCIAL STATEMENTS [NOTE NO. 1-44]

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date

For and on behalf of the Board of Directors

For **Gokhale and Sathe**
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 0299202

Place: Mumbai
Date: 10th May 2025

Piyush Lakhani
Chief Financial Officer

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

1 CORPORATE INFORMATION

The Consolidated financial statements comprise financial statements of AARTI PHARMALABS LIMITED ("APL" or "the Company") (CIN L24100GJ2019PLC110964) for the year ended 31st March, 2025. The company is a public company limited by shares domiciled in India, incorporated under the provisions of Companies Act, 2013

Its shares are listed on the National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange ('BSE')

The registered office of the company is located at Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad Gujarat – 396195.

The Company is engaged in manufacturer of Active Pharmaceutical Ingredients (API), Pharmaceutical Intermediates and Xanthine Derivatives in India.

Details of Subsidiaries

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Indian Subsidiary:		
- Aarti Pharmachem Limited	India	100
Foreign Subsidiary:		
- Aarti USA Inc.	USA	100
Jointly Controlled Entity		
- Ganesh Polychem Limited	India	50

2 STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND CONSOLIDATION

2.1 Basis of Compliance

The company's consolidated financial statements have been prepared in accordance with the provisions of the Companies

Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards)

Rules, 2015 issued by Ministry of Corporate Affairs in respect of Section 133 read with Rule 3 of the Companies (Indian

Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except if compliance with other statutory promulgations require a different treatment.

These Consolidated financial statements have been approved by the Board of Directors at their meeting held on 10th May, 2025.

2.2 Basis of Preparation and Presentation of Financials Statements

The Consolidated Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS and in accordance with guidelines issued by the Securities and Exchange Board of India ("SEBI").

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Certain financial instruments measured at fair value (refer accounting policy regarding financial instruments); and
- (ii) Employee's Defined Benefit Plan as per actuarial valuation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

PRINCIPLES OF CONSOLIDATION:

- (a) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company, Its Subsidiary & Joint Control drawn up to the same reporting date i.e 31st March 2025.
- (b) Subsidiary Companies are all the entities over which the Group has control. Subsidiary companies are consolidated on the date on which control is transferred to the Group. The Group re assesses whether or not it controls an investee if facts and circumstances indicate that there are one or more changes to elements of control described above.
- (c) In case of Foreign Subsidiary revenue items are consolidated at the average rate prevailing during the period. All Assets (except Fixed Assets) and liabilities are converted at the rates prevailing at the end of the year. In case of Fixed Assets the same is consolidated at the rate applicable in the year of acquisition of the said assets. Any exchange difference arising on consolidation is recognised as Translation difference in Reserves & Surplus.
- (d) **Process of Consolidation**
 - (i) Combine like items of assets, liabilities, other equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date
 - (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
 - (iii) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (e) When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.
- (e) Non Controlling Interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance sheet separately.
- (f) As far as possible the consolidated financial statements have been prepared using uniform Accounting Policies for like transactions and other events in similar circumstances. Differences in Accounting Policies if any will be disclosed separately.

2.3 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, assumptions and judgments that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented along with the accompanying disclosures.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Impact on account of revisions to accounting estimates are recognised in the period in which the estimates are revised, and future periods are affected.

The following are the critical estimates, assumptions and judgments that the management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the financial statements:

(i) Provision for Income Tax and Deferred Tax Assets:

The Company uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

(ii) Useful Lives of Property, Plant and Equipment ("PPE"):

Property, plant and equipment represents a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(iii) Defined Benefit Plans (Gratuity):

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Provisions and Contingent Liabilities:

The Company estimates the provisions that have present obligations as a result of past events, and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

(v) Provision against Obsolete and Slow-Moving Inventories:

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use at each balance sheet date. Company estimates the net realisable value for

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

such inventories based primarily on the latest invoice prices and current market conditions.

(vi) Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as market risk, liquidity risk and credit risk.

(vii) Allowance for Credit Losses on Receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

(viii) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be

identified, an appropriate valuation model is used. These calculations are corroborated by other available fair value indicators.

(ix) Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Company uses significant judgment in assessing the lease term and the applicable discount rate.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

3 MATERIAL ACCOUNTING POLICIES

3.1 Classification of Current versus Non-Current:

All assets and liabilities in the financial statements have been classified as current or non-current as per the Company's normal operating cycle of up to twelve months.

For the purpose of Balance Sheet, an asset is classified as current if:

- (i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

- (iii) It is expected to realise the asset within twelve months after the reporting period; or
- (iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- (i) It is expected to be settled in the normal operating cycle; or
- (ii) It is held primarily for the purpose of trading; or
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification

All other liabilities are classified as non-current.

3.2 Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use less accumulated depreciation and accumulated impairment losses, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs is capitalised in accordance with the company's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they were incurred.

Long term lease arrangements of land are treated as PPE, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected with the carrying amount of any component accounted for as a separate asset is derecognised when replaced. Gains or losses arising from de-recognition of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation methods, estimated useful lives and residual value:

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided using straight line method, so as to write off the cost of the assets (other than freehold land and capital work-in-progress) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation on additions/ disposals is provided on a pro-rata basis i.e. from/ upto the date on which asset is ready for use/ disposed.

The Company uses different useful lives than those prescribed in Schedule II to the Act for some of the assets. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets. The estimated useful life is reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

The company has used the following useful lives to provide depreciation on the following assets:

PARTICULARS	DEPRECIATION
Leasehold Land	Over the tenure of lease
Factory Building	Over a period of 19-30 years
Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 9- 19 years
Vehicle	Over a period of 5 - 7 years
Computers	Over a period of 3 years
Furniture and Fixtures	Over a period of 10 years
Office Equipment	Over a period of 5 years
Intangible Assets	Over a period of 5- 7 year, except for those where the finite period of provided.

3.3 Capital Work-in-Progress

Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes project expenses pending allocation. The same is carried at cost, comprising of direct costs, related incidental expenses and attributable borrowing costs. Project expenses pending allocation are apportioned to the PPE of the project proportionately on capitalisation.

3.4 Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an

indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation:

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as change in accounting estimates. Amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another assets.

Intangible Assets without finite life are tested for impairment at each Balance sheet date and impairment provision, if any are debited to profit and loss.

The estimated useful lives of the amortisable intangible assets are as follows:

Particulars	Depreciation
Intangible Assets – R&D	Over a period of 5 years
Computer software	Over a period of 5 years

3.5 Impairment of Non-Financial Assets:

The Company assesses at each reporting date, whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for such asset

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is required, the Company estimates the asset's recoverable amount in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount which is higher of asset's (or cash generating unit's) net selling price or the value in use. The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset (or cash generating unit) and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset (or cash generating units).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit). A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.6 Inventories:

Inventories are valued, after providing for obsolescence as given below:

Raw Materials, Packing Materials and Stores and Spares:

(i) Raw Materials, Packing Materials and Stores and Spares:

Raw materials, packing materials and stores and spares are valued at lower of Cost or

net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average Basis method.

(ii) Work-in-process:

Work-in-process is valued at the lower of cost and net realizable value. The cost is computed on Weighted Average Basis method.

(iii) Finished Goods, Semi-Finished Goods and Traded Goods:

Finished goods, Semi-finished goods and traded goods are valued at lower of cost and net realisable value. The cost is computed on Weighted Average Basis method.

Cost is determined on Weighted Average Basis method which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit), cost of conversion and other costs incurred in acquiring the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.7 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid financial instruments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value with an original maturity of three months or less.

3.8 Employee Benefits:

(i) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Benefits such as salaries, wages short-term compensated absences, expected cost of bonus, etc. are recognised in the period in which the employee renders the related services.

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(ii) Post-employment benefits:

(a) Defined Contribution Plan:

The Company makes defined contribution to Employee Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance, and Superannuation Schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related service which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

(b) Defined Benefit Plan

The gratuity liability of the company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

(iii) Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability. The cost of providing benefits is actuarially determined using the projected

unit credit method, actuarial valuations being carried out at each Balance Sheet date.

(iv) Performance Stock Option Plan:

The Company recognizes compensation expense relating to share-based Payment based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding accounts.

3.9 Provisions, Contingent Liabilities and Contingent Assets

(i) Provisions

The Company recognizes a provision when it has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reasonably estimated. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost.

(ii) Contingent Liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

(iii) Contingent Assets

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefit will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Provisions, contingent liabilities

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and contingent assets are reviewed at each balance sheet date.

(iv) Onerous Contracts:

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

3.10 Taxes:

The tax expenses comprise of current tax and deferred income tax charge or credit. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

(i) Current Tax:

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases

used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded in other comprehensive income or in equity along with the tax as applicable.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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3.11 Revenue Recognition:

(i) Revenue from Operations:

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

(ii) Sale of Goods:

The Company recognises revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

(iii) Sale of Services:

Revenue from services is recognised when the performance obligation is met and the right to receive income is established.

(iv) Interest Income:

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the

estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(v) Dividend Income:

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(vi) Export Incentives:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

(vii) Other Income:

Revenue with respect to Other Operating Income and Other Income including insurance and other claims are recognised when a reasonable certainty as to its realisation exists.

3.12 Leases:

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

(i) As a Lessee:

The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

- (a) control the use of an identified asset,
- (b) obtain substantially all the economic benefits from use of the identified asset, and
- (c) direct the use of the identified asset

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The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Right-of-Use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the Right-of-Use asset or the end of the lease term. The estimated useful lives of Right-of-Use assets are determined on the same basis as those of property, plant and equipment. In addition, the Right-of-Use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the

Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease payments included in the measurement of the lease liability comprises fixed payments, including amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option. The lease liability is subsequently measured at amortised cost using the effective interest method.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. Finance charges are recognised as finance costs in the statement of profit and loss.

(ii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (range different for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straightline basis over the lease term.

3.13 Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such

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assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

In determining the amount of borrowing costs eligible for capitalization, any income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.14 Foreign Currency Transactions:

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.15 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split

(consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.16 Exceptional items:

When items of income or expense within the statement of profit & loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such material items are disclosed separately as exceptional items.

3.17 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity. The Company determines the classification of its financial assets and liabilities at initial recognition.

(a) Initial Recognition:

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the transaction values, at fair values. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to or deducted from as the case may be, from the fair value of on initial recognition.

(b) Classification and Subsequent Measurement of Financial Assets:

The Company classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income

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("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

(i) Financial Assets measured at Amortised Cost:

A Financial Asset is measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

(ii) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

(iii) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

(c) Classification and Subsequent Measurement of Financial Liabilities:

(i) Financial liabilities measured at Fair Value Through Profit or Loss (FVTPL):

Financial liabilities are classified as FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

(ii) Other Financial liabilities:

Other financial liabilities (including loans and borrowings, bank overdraft and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(d) Debt and Equity Instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

(e) Equity Investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(f) Investments in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

(g) De-recognition of Financial Instruments:

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers

the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(g) Impairment of Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowance for expected credit losses, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for

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forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(g) Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(h) Cash Flow hedges

The Company defines the risk management objective and strategy for undertaking the hedge. The Company also defines the economic relationship between the hedged item and the hedging instrument, including whether the

changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions. The company risk management policy is to hedge forecasted foreign currency net sales for the subsequent 12 to 36 months. As per the risk management policy, appropriate foreign currency hedges are executed or undertaken to hedge forecasted net sales.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity. If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately classified as a statement of profit and loss.

(i) RESEARCH AND DEVELOPMENT

Research costs are expensed as incurred. Development expenditures on an individual

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project are recognised as an intangible asset when the Company can demonstrate:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the company intends to, and has sufficient resources to complete development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

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NOTE 4 PROPERTY, PLANT AND EQUIPMENT (FY 2024-2025)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Balance as at 1 st April, 2024	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 1 st April, 2024	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31 st March, 2025	Balance as at 31 st March, 2024
Property, Plant and Equipment								
I Tangible Assets								
Freehold Land	3,858.72	-	-	-	-	-	3,858.72	3,858.72
Leasehold Land	3,935.12	653.14	32.38	297.18	42.02	2.30	4,218.98	3,637.94
Buildings	16,680.55	2,017.70	221.58	5,451.99	811.14	151.31	12,364.85	11,228.55
Plant and Machinery	125,191.91	14,151.25	318.38	45,523.34	6,497.13	125.33	87,129.64	79,668.57
Furniture and Fixtures	819.19	137.48	-	428.00	64.95	-	463.71	391.19
Office Equipments	222.52	3.63	-	175.11	19.86	-	31.18	47.41
Computers, Printers	709.05	158.08	1.38	607.59	79.63	1.38	179.90	101.45
Vehicles	947.43	262.51	100.48	459.28	125.82	97.38	621.73	488.15
Total	152,364.49	17,383.78	674.19	52,942.51	7,640.55	377.69	108,868.72	99,421.98
II Right to Use Assets								
Leasehold Factory Building	2,789.50	19.92	-	742.33	523.82	-	1,543.28	2,047.17
Total	2,789.50	19.92	-	742.33	523.82	-	1,543.28	2,047.17
III Intangible Assets								
Goodwill on Consolidations	178.06	-	-	-	-	-	178.06	178.06
IT software & Other Intangible Assets	3,829.40	11.49	-	3,789.20	9.57	-	42.11	40.19
R&D Products Asset	1,767.29	1,895.93	-	122.04	516.47	-	3,024.71	1,645.24
Total	5,774.74	1,907.42	-	3,911.24	526.04	-	3,244.88	1,863.50
IV Gross Total	160,928.72	19,311.13	674.19	57,596.08	8,690.40	377.69	113,656.87	103,332.64
V Capital Work-in-Progress							30,658.18	7,849.71
VI Capital Work-in-Progress- Intangible							6,777.13	5,841.96

(₹ in Lakhs)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

PROPERTY, PLANT AND EQUIPMENT (FY 2023-2024)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Balance as at 1 st April, 2023	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 1 st April, 2023	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31 st March, 2024	Balance as at 31 st March, 2023
Property, Plant and Equipment								
I Tangible Assets								
Freehold Land	3,858.72	-	-	-	-	-	3,858.72	3,858.72
Leasehold Land	2,834.50	1,100.62	-	267.89	29.29	-	3,637.94	2,566.61
Buildings	15,677.86	1,002.69	-	4,689.27	762.72	-	11,228.55	10,988.59
Plant and Machinery	113,839.75	11,386.02	33.87	39,807.87	5,727.95	12.48	79,668.57	74,031.88
Furniture and Fixtures	739.51	79.68	-	367.82	60.18	-	391.19	371.69
Office Equipments	221.25	1.27	-	153.82	21.30	-	47.41	67.43
Computers, Printers	629.78	79.27	-	541.75	65.84	-	101.45	88.03
Vehicles	666.27	291.74	10.59	365.53	95.93	2.18	488.15	300.74
Total	138,467.65	13,941.30	44.45	46,193.96	6,763.21	14.66	99,421.98	92,273.69
II Right to Use Assets								
Leasehold Factory Building	676.50	2,427.60	314.60	562.75	433.32	253.75	2,047.17	113.75
Total	676.50	2,427.60	314.60	562.75	433.32	253.75	2,047.17	113.75
III In Tangible Assets								
Goodwill on Consolidations	178.06	-	-	-	-	-	178.06	178.06
IT software & Other Intangible Assets	3,802.32	27.10	0.02	3,784.23	4.97	-	40.19	18.09
R & D Products Asset	-	1,767.29	-	-	122.04	-	1,645.24	-
Total	3,980.38	1,794.38	0.02	3,784.23	127.01	-	1,863.50	196.15
IV Gross Total	143,124.52	18,163.28	359.08	50,540.94	7,323.54	268.40	103,332.64	92,583.59
V Capital Work-in-Progress							7,849.71	6,220.37
VI Capital Work-in-Progress-Intangible							5,841.96	3,966.88

(₹ in Lakhs)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Notes:

a. Movement in capital work in progress

(₹ in Lakhs)

Particulars	Capital Work In Progress	Intangible assets under development	Total
Opening balance as on April 01, 2023	6,220.37	3,966.88	10,187.25
Add - Additions during the year	13,190.52	4,318.09	17,508.61
Less - Impaired during the year	-	(675.72)	(675.72)
Less - Capitalized during the year	(11,561.18)	(1,767.29)	(13,328.46)
Closing balance as on March 31, 2024	7,849.71	5,841.96	13,691.68
Add - Additions during the year	40,203.74	4,184.10	44,387.84
Less - Impaired during the year	-	(1,353.00)	(1,353.00)
Less - Capitalized during the year	(17,395.27)	(1,895.93)	(19,291.20)
Closing balance as on March 31, 2025	30,658.18	6,777.13	37,435.31

The amount of borrowing costs added to cost of capital work-in-progress during the year ended 31st March, 2025 is 5.24 Lakhs (31st March, 2024: NIL)

b. Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st March, 2025 is as follows:

(₹ in Lakhs)

Capital Work-in-Progress - Tangible	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	27,149.24	2,037.57	947.58	523.79	30,658.18
Projects temporarily suspended	-	-	-	-	-
Total	27,149.24	2,037.57	947.58	523.79	30,658.18

Ageing for Capital Work-in-Progress as at 31st March, 2024 is as follows:

(₹ in Lakhs)

Capital Work-in-Progress - Tangible	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	5,176.94	1,153.70	1,519.08	-	7,849.71
Projects temporarily suspended	-	-	-	-	-
Total	5,176.94	1,153.70	1,519.08	-	7,849.71

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Capital Work-in-Progress Ageing - Intangible

Ageing for Capital Work-in-Progress as at 31st March, 2025 is as follows:

(₹ in Lakhs)

Intangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,535.26	2,717.33	1,524.54	-	6,777.13
Projects temporarily suspended	-	-	-	-	-
Total	2,535.26	2,717.33	1,524.54	-	6,777.13

Ageing for Capital Work-in-Progress as at 31st March, 2024 is as follows:

(₹ in Lakhs)

Intangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	4,318.09	1,523.87	-	-	5,841.96
Projects temporarily suspended	-	-	-	-	-
Total	4,318.09	1,523.87	-	-	5,841.96

Note:

There are no projects under capital work in progress where the completion is overdue or has exceeded its cost compared to its original plan in previous year. In current year there are no projects which have exceeded its cost compared to its original plan.

c. Title deeds of Immovable Properties not held in the name of the Company

(₹ in Lakhs)

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying Value		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter /director	Property held since which date	Reason for not being held in the name of the Company
		As at 31 st March, 2025	As at 31 st March, 2024				
Land	Village -Atali, Tal-Vagra, Dist - Bharuch, Gujarat - 392130	3,858.72	3,858.72	Aarti Industries Limited	No	2,021.00	Properties were transferred from Aarti Industries Limited under Scheme of Demerger approved by the NCLT vide order dated 21 September 2022 w.e.f. 01 July 2021. The transfer of title deed in the name of company is in progress.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

5 INVESTMENTS

5.1 Other Investments (Non-current)

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
I Unquoted Investments -FVTOCI		
Investments in Equity Shares	2,009.86	1,978.04
- Dilesh Roadlines Private Limited	1,265.08	1,239.40
- Aarti Ventures Private Limited	738.48	738.65
- Pro-Zeal Green Energy Five Private Limited	6.30	-
II Unquoted Investments - Amortised Cost		
Investments in Equity Shares	348.48	1,071.95
III Investment in Limited Liability Partnership - Amortised Cost		
Aarti Udyog Limited Liability Partnership	565.72	565.99
Total	2,924.06	3,677.95

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No of Share	Amount	No of Share	Amount
I Unquoted Investments -FVTOCI				
Dilesh Roadlines Private Limited	464,550	1,265.08	464,550	1,239.40
Aarti Ventures Private Limited	454,364	738.48	454,364	738.65
Pro-Zeal Green Energy Five Private Limited	63,000	6.30		-
II Unquoted Investments - Amortised Cost				
Tarapur Environment Protection Society	47,274	61.97	47,274	61.97
Derma Touch Inc.	NA	286.51	NA	946.95
Invatech Pharma Solutions LLC	NA	-	NA	125.00
III Investments in Limited Liability Partnership (Unquoted)				
Aarti Udyog Limited Liability Partnership	NA	565.72	NA	565.99
Total		2,924.05		3,677.95

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

5.3 Investments (Current)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Quoted Investments		
Investment in Bond's (Quoted) - Measured at FVOCI	4,756.01	7,039.39
Total	4,756.01	7,039.39

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No of Units	Amount	No of Units	Amount
Investment in Bonds (Quoted)				
8.50% Bank of Baroda	100	997.96	100	999.15
8.35% Tata Motors Fin Ltd - P/C	3	285.28	3	282.19
10.90% Tvs Credit service Ltd	-	-	20	100.61
11.10% Tata Motors Fin Ltd - P/C	-	-	10	100.64
9.55% Tata Motors Fin Ltd - P/C	10	102.85	10	101.69
9.10% Tata Motors Fin Ltd - P/C	20	201.68	20	198.79
Capsave Finance Pvt Ltd	-	-	14	140.00
Cholamandalam Investment & Finance company	50	262.50	50	250.00
CreditAccess Grameen Ltd	9,000	90.66	9,000	90.00
CreditAccess Grameen Ltd	15,000	184.08	-	-
Indostar Capital finance Ltd	-	-	150	150.00
Mindspace Business Parks REIT	-	-	15	150.00
Piramal Capital & Housing Finance Ltd	12,500	93.52	12,500	91.18
9.25% CREDIT ACCESS GRAMIN LTD 2026	12,500	125.99	-	-
SK Finance Ltd	-	-	100	99.38
UP POWER CORPORATION LTD	-	-	10	100.00
Investment in Bond's (Unquoted)				
Aventus Finance Pvt Ltd	15	149.92	-	-
Aventus Finance Pvt Ltd	25	124.90	-	-
Investment in ICD's (Quoted)				
Ambit Finvest Pvt Ltd	150	162.38	150	150.00
Investment in ICD's (Unquoted)				
Phillip Finance & Investments Services India pvt ltd	22	72.00	22	99.90
Phillip Finance & Investments Services India pvt ltd	33	108.00	33	149.18

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	No of Units	Amount	No of Units	Amount
Investment in MLD's (Quoted)				
Ambit Finvest Pvt Ltd	-	-	15	150.00
Belstar Microfinance Ltd	-	-	10	100.00
Mas Financial Services Ltd	-	-	15	150.00
Piramal Enterprises Ltd	-	-	10	100.00
SK Finance Ltd	-	-	10	100.00
Spandana Sphoorty Financial Limited	150	18.76	150	92.04
Investment in NCD's (Quoted)				
Belstar Microfinance Ltd	-	-	10	100.00
Incred Financial Services Ltd	15,000	102.49	15,000	150.00
Incred Financial Services Ltd	15,000	102.49	15,000	130.79
Incred Financial Services Ltd	15,000	99.72	15,000	149.50
Mas Financial Services Ltd	100	100.00	100	98.97
Shriram City Union Finance Ltd	-	-	20	197.30
Spandana Sphoorty Financial Limited	-	-	125	122.19
UGRO Capital Ltd	-	-	125	122.42
UGRO Capital Ltd	15,000	149.01	-	-
9.41% 360 ONE PRIME LIMITED 2026	5,938	59.58	-	-
9.50% FIVE STAR BUSINESS LTD 2026	150	154.14	-	-
9.61% 360 ONE PRIME LIMITED 2027	11,875	118.84	-	-
Indostar Capital finance Ltd	250	250.25	-	-
IIFLFinance Ltd	12,500	122.46	-	-
Investment in NCD's (Unquoted)				
Agilmed investments Pvt Ltd	15	148.71	15	148.71
AVENDUS FINANCE PRIVATE LIMITED	-	-	15	150.00
AVENDUS FINANCE PRIVATE LIMITED	-	-	25	250.00
Zuari Agro Chemicals Ltd	10	100.67	10	100.00
Investment in Equity share (Quoted)				
PGINVIT	150,000	117.00	150,000	188.80
Aarti Industries Ltd	-	-	175,000	1,185.96
Investment measured at FVTPL				
Tata Equity Plus Absolute Returns Fund AIF - Cat III	15,019	150.19	-	-
Total Investment		4,756.01		7,039.39

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

6 LOAN

6.1 Non Current

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
Unsecured, Considered Good		
- Loan to Related Party (refer note 39)	730.13	585.23
Total	730.13	585.23

The company has given unsecured loan to Aarti Ventures Private Limited. The loan carries interest rate of 9 % p.a.

6.2 Current

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
Unsecured, Considered Good		
- Loan to Employees	101.44	125.11
Total	101.44	125.11

7 OTHER FINANCIAL ASSETS

7.1 Non-current

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
Unsecured, Considered Good		
-Security Deposits	1,402.76	1,132.90
Total	1,402.76	1,132.90

7.2 Current

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2025	31 st March, 2024
Unsecured, Considered Good		
- Interest Receivable	111.42	222.34
- Insurance Receivable	402.57	405.86
Total	514.00	628.20

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

8 OTHER ASSETS

8.1 Non-current

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(Unsecured, unless otherwise stated)		
- Capital Advances	2,274.67	1,226.02
Total	2,274.67	1,226.02

8.2 Current

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(Unsecured, unless otherwise stated)		
- Balance with Government Authorities	7,123.89	6,069.44
- Advances to Suppliers	1,502.35	658.04
- Prepaid Expenses	634.39	614.82
- Export Benefits Receivable	314.95	293.83
- Other Receivable	106.72	164.11
Total	9,682.29	7,800.24

9 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Raw Material, Fuel and Packing Material (including goods in transit)	22,214.49	21,306.17
- Work-in-progress	13,025.34	12,887.30
- Finished Goods	21,555.00	24,951.35
- Stock-in-trade	1,549.62	4,713.35
- Stores and spares	413.48	427.66
Total	58,757.94	64,285.84

9.1 Inventories

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Raw Material (In Transit Stock)	1,518.44	1,127.34
Total	1,518.44	1,127.34

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

10 TRADE RECEIVABLES (CURRENT)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Trade Receivables	57,821.17	52,158.82
Less - Impairment Allowance	(280.70)	(224.38)
Trade Receivables (Net)	57,540.47	51,934.44
Break up of Security Details		
(i) Unsecured, Considered good	57,540.47	51,934.44
(ii) Unsecured, Credit impaired	280.70	224.38
Sub total	57,821.17	52,158.82
Less - Impairment Allowance	(280.70)	(224.38)
Total	57,540.47	51,934.44

- a** Due to the short nature of credit period given to customers, there is no financing component in the contract.
- b** The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowance for expected credit losses, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information.

c Trade receivables ageing schedule

31st March, 2025

(₹ in Lakhs)

Particulars	Not due	Outstanding from due date of Payment					Total
		Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	
(i) Undisputed Trade Receivable - Considered Good	42,272.91	14,739.33	214.39	143.24	199.27	252.03	57,821.17
(ii) Undisputed Trade Receivables – credit impaired							-
(iii) Disputed Trade Receivables – considered good							-
(iv) Disputed Trade Receivables – credit impaired							-
Sub 'Total Trade Receivable	42,272.91	14,739.33	214.39	143.24	199.27	252.03	57,821.17
Less: Impairment Allowance							(280.70)
Total	42,272.91	14,739.33	214.39	143.24	199.27	252.03	57,540.47

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

As at March 31, 2024

(₹ in Lakhs)

Particulars	Receivable but not due	Outstanding from due date of Payment					Total
		Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	
(i) Undisputed Trade Receivable - Considered Good	30,268.00	20,699.30	445.63	356.65	80.20	309.04	52,158.82
(ii) Undisputed Trade Receivables – credit impaired				0.00	0.00	-	-
(iii) Disputed Trade Receivables – considered good							-
(iv) Disputed Trade Receivables – credit impaired							-
Sub 'Total Trade Receivable	30,268.00	20,699.30	445.63	356.65	80.20	309.04	52,158.82
Less: Impairment Allowance							(224.38)
Total	30,268.00	20,699.30	445.63	356.65	80.20	309.04	51,934.44

Movement in expected credit loss allowance of trade receivables

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Balance at the beginning of the year	224.38	250.00
Allowances / (write back) during the year	128.14	106.76
Written off against past provision	(71.82)	(132.38)
Balance at the end of the year	280.70	224.38

11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Cash & Cash Equivalents		
- Cash on hand	13.87	9.13
- Balance with banks	659.50	2,354.36
Total	673.37	2,363.49

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

12 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Earmarked balances (Unpaid Dividend account)	34.92	14.31
- Fixed Deposits with Banks	156.27	28.78
Total	191.19	43.09

Includes Fixed Deposit amounting ₹ 28.40 Lakhs (March 31, 2024 ₹ 28.40) given as Bank Guarantees to Statutory Authorities and other bodies.

13 CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Advance Tax and Tax Deducted at Source (Net of Provision)	-	344.28
Total	-	344.28

14 SHARE CAPITAL:

A Authorised Share Capital

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Authorised Share Capital		
10,00,00,000 Equity Shares of ₹ 5/- each (PY - 10,00,00,000)	5,000.00	5,000.00
Total	5,000.00	5,000.00

B Issued, Subscribed & Paid Up:

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
9,06,34,624 Equity Shares of ₹ 5/- each (PY - 9,06,26,008)	4,531.73	4,531.30
Total	4,531.73	4,531.30

14.1 Reconciliation of number of Equity Shares outstanding:

Particulars	As at 31 st March, 2025 No' Of Shares	As at 31 st March, 2024 No' Of Shares
Equity Shares at the beginning of the year	90,626,008	90,626,008
Add: Equity Shares issue for ESOP scheme	8,616	-
Equity Shares at the end of the year	90,634,624	90,626,008

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

14.2 Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares with voting rights having par value of ₹ 5 each post Scheme of Arranment is Effective and the holder of the equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

14.3 Details of shareholders holding more than 5% shares:

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Life Insurance Corporation Of India	5,490,515	6.06%	5,676,870	6.26%

14.4 Deatils of Shares held by promoters and promoter group

Particulars	As at 31 st March, 2025		As at 31 st March, 2024		% change during the year
	Number of Shares held	% of holding	Number of Shares held	% of holding	
Rashesh Chandrakant Gogri	3834404	4.23%	3834404	4.23%	0.00%
Jaya Chandrakant Gogri	3204310	3.54%	2691310	2.97%	0.57%
Mirik Rajendra Gogri	2793094	3.08%	2793094	3.08%	0.00%
Hetal Gogri Gala	2615548	2.89%	2615548	2.89%	0.00%
Renil Rajendra Gogri	2542750	2.81%	2792750	3.08%	-0.28%
Sarla Shantilal Shah	2435830	2.69%	2435830	2.69%	0.00%
Rajendra Vallabhaji Gogri	1425900	1.57%	1425900	1.57%	0.00%
Nehal Garewal	1122487	1.24%	1122487	1.24%	0.00%
Nikhil Parimal Desai	716754	0.79%	768754	0.85%	-0.06%
Aarnav Rashesh Gogri	550000	0.61%	550000	0.61%	0.00%
Aashay Rashesh Gogri	550000	0.61%	550000	0.61%	0.00%
Manisha Rashesh Gogri	550000	0.61%	550000	0.61%	0.00%
Bhavna Shah Lalka	-	0.00%	513941	0.57%	-0.57%
Arti Rajendra Gogri	455256	0.50%	475256	0.52%	-0.02%
Parimal Hasmukhlal Desai	349571	0.39%	399571	0.44%	-0.06%
Ratanben Premji Gogri	344332	0.38%	337807	0.37%	0.01%
Heena Bhatia	322588	0.36%	322588	0.36%	0.00%
Rajendra Vallabhaji Gogri (Huf)	308274	0.34%	308274	0.34%	0.00%
Shantilal Tejshi Shah Huf	278881	0.31%	278881	0.31%	0.00%
Indira Madan Dedhia	182250	0.20%	182250	0.20%	0.00%
Mananjay Singh Garewal	162510	0.18%	162510	0.18%	0.00%
Chandrakant Vallabhaji Gogri	155500	0.17%	155500	0.17%	0.00%
Hetvi Rohan Ghalla	150000	0.17%	0	0.00%	0.17%
Monisha Bhatia	121121	0.13%	121121	0.13%	0.00%
Shreya Suneja	112500	0.12%	112500	0.12%	0.00%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Particulars	As at 31 st March, 2025		As at 31 st March, 2024		% change during the year
	Number of Shares held	% of holding	Number of Shares held	% of holding	
Dinesh Devchand Ghalla	100000	0.11%	0	0.00%	0.11%
Gunavanti Navin Shah	86,644	0.10%	86,644	0.10%	0.00%
Krishna Yogesh Nahar	42,740	0.05%	0	0.00%	0.05%
Jayesh Shah	14,957	0.02%	16,416	0.02%	0.00%
Prasadi Yogesh Banatwala	4,245	0.00%	4,245	0.00%	0.00%
Pooja Renil Gogri	382	0.00%	382	0.00%	0.00%
Saswat Trusteeship Private Limited	2841504	3.14%	2841504	3.14%	0.00%
Alabhya Trusteeship Private Limited	1308496	1.44%	1308496	1.44%	0.00%
Barclays Wealth Trustees India Private Limited	833859	0.92%	833859	0.92%	0.00%
Barclays Wealth Trustees India Pvt Ltd	804101	0.89%	804101	0.89%	0.00%
Gloire Trusteeship Services Private Limited	707500	0.78%	1649000	1.82%	-1.04%
Relacion Trusteeship Services Private Limited	687500	0.76%	1649000	1.82%	-1.06%
Relacion Trusteeship Services Private Limited	680000	0.75%	687500	0.76%	-0.01%
Gloire Trusteeship Services Private Limited	624500	0.69%	624500	0.69%	0.00%
Alabhya Trusteeship Private Limited	37,900	0.04%	37,900	0.04%	0.00%
Anushakti Enterprise Private Limited	2992950	3.30%	2972700	3.28%	0.02%
Safechem Enterprises Private Limited	1463000	1.61%	1463000	1.61%	0.00%
Alchemie Financial Services Limited	673006	0.74%	673006	0.74%	0.00%
Gogri Finserv Pvt. Ltd.	337505	0.37%	337505	0.37%	0.00%
Alchemie Finserv Pvt. Ltd.	264105	0.29%	264105	0.29%	0.00%
Nikhil Holdings Private Limited	180891	0.20%	180891	0.20%	0.00%
Dilesh Roadlines Pvt Ltd	8,318	0.01%	8,318	0.01%	0.00%
Valiant Organics Limited	7,500	0.01%	7,500	0.01%	0.00%
Bhanu Pradip Savla	155737	0.17%	155737	0.17%	0.00%
Total	40141200	44.29%	42106585	46.46%	-2.17%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

14.5 Distribution Made and Proposed

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Cash Dividends on Equity Shares declared and/or paid:		
Final Dividend for the year ended March 31, 2024: (March 31, 2023 : ₹ NIL)	906.26	-
Interim Dividend for the year ended March 31, 2025: ₹ 2.50/- per share (March 31, 2024 : - 2.00/- per share)	2,265.65	1,812.52
Total	3,171.91	1,812.52
Proposed Dividend on Equity Shares:		
Dividend for the year ended March 31, 2025: ₹ : 2.50/- per share (PY: ₹ 1.00/-)	2,265.87	906.26
Total	2,265.87	906.26

Footnote: The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Company <https://www.aartipharmalabs.com/investors/dividend-distribution-policy-feb-2023.pdf>

14.6 Equity shares reserved for issue under employee stock options

For number of stock options against which equity shares to be issued by the Company upon vesting and exercise of those stock options and rights by the option holders as per the relevant schemes - refer note 35.

15 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
a Retained Earning	132,331.15	108,576.68
b Securities Premium	44,075.78	44,032.54
c Capital Reserve	8,943.81	8,943.81
d Capital Redemption Reserve	25.00	25.00
e General Reserve	8,983.53	8,765.28
f Employee Stock Option Plan Reserve	173.05	22.84
g Other Comprehensive Income	339.65	1,139.63
h Foreign Currency Translation Reserve	(413.06)	(333.16)
Total	194,458.91	171,172.62

Nature and Purpose of Reserves

Security Premium:

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve :

This reserve comprises of amount on Equity share cancellation on account of Scheme of arrangement on Demerger. This reserve can be utilised in accordance with the provision of section 69 of the Companies Act, 2013

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

General Reserve :

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations adjusted by utilisation of reserve in accordance with companies act in earlier years before demerger. The requirement to mandatorily transfer a specified percentage of the net profit to general reserve before declaration of dividend has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained Earning :

Retained earning are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

Employee Stock Option Plan :

The share options outstanding account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium, upon exercise of stock options, and transferred to general reserve on account of stock options not exercised by employees.

Equity instruments through Other Comprehensive Income :

Other comprehensive income includes unrealized gains and losses that are not recognized in the income statement, comprising fair value changes in debt investments classified as fair value through other comprehensive income (FVTOCI), fair value changes in equity investments designated as FVTOCI, and mark-to-market adjustments on forward contracts used for hedging purposes. These unrealized gains and losses are accumulated within the other comprehensive income reserve within equity, and the Company transfers amounts from this reserve to retained earnings for equity investments when derecognized, and to the statement of profit or loss for debt instruments upon maturity or redemption and for forward contracts when hedge accounting ceases to apply.

Foregin Currency Translation Reserve

The Foreign Currency Translation Reserve represents cumulative exchange differences arising from translation of foreign operations' financial statements in accordance with Ind AS 21. These translation differences are recognized in Other Comprehensive Income and transferred to profit or loss upon disposal of the foreign operations

(₹ in Lakhs)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Other Equity		
a Retained Earning		
Opening Balance	108,576.68	88,939.50
Add: Net Profit for the year	27,240.48	21,690.21
Add: Transferred from OCI Reserve on disposal of FVOCI Equity	46.46	-
Less: Interim and Final Dividend	(3,171.91)	(1,812.52)
Less: Remeasurement of defined employee benefit plans (net of tax)	(142.31)	-
Less: Transfer to Reserves	(218.25)	(240.51)
Closing Balance	132,331.15	108,576.68

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
b Securities Premium		
Opening Balance	44,032.54	44,032.54
Add : Transfer from Employee Stock Option Plan Reserve	43.24	-
Closing Balance	44,075.78	44,032.54
c Capital Reserves		
Opening Balance	8,943.81	8,943.81
Movement during the year		
Closing Balance	8,943.81	8,943.81
d Capital Redemption Reserve		
Opening Balance	25.00	25.00
Movement during the year		
Closing Balance	25.00	25.00
e General Reserve		
Opening Balance	8,765.28	8,524.77
Add : Transfer from Retained Earning	218.25	240.51
Closing Balance	8,983.53	8,765.28
f Employee Stock Option Plan Reserve		
Opening Balance	22.84	-
Add : Expenses recognised during the period	193.45	22.84
Less: Transfer to Securities Premium	(43.24)	-
Closing Balance	173.05	22.84
g Other Comprehensive Income		
Opening Balance	1,139.63	1,126.46
Add: Fair Value Change of Instruments	(753.52)	13.17
Less: Transferred to Retained Earning on disposal of FVOCI Equity	(46.46)	-
Closing Balance	339.65	1,139.63
h Foreign Currency Translation Reserve		
Opening Balance	(333.16)	(274.72)
Movement during the year	(79.90)	(58.44)
Closing Balance	(413.06)	(333.16)
Total	194,458.91	171,172.62

16 BORROWINGS

16.1 Non-Current Borrowings

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
From Banks		
- Vehicle Loan	-	3.88
- Term Loan	10,355.56	-
Total	10,355.56	3.88

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

16.2 Borrowings - Current

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Cash Credit Facility	4.75	1,424.06
- Working Capital Demand Loan	18,760.88	9,319.41
- Packing Credit in foreign currency	10,514.04	15,648.52
- Current maturities of Vehicle Loan	-	14.48
Total	29,279.67	26,406.47

Notes:

- As at March 31, 2025, ₹ 29,279.67 lakhs (March 31, 2024: ₹ 26,406.47 lakhs) of the total outstanding borrowings were secured by a first charge on current assets and second charge of movable fixed assets.
- Working capital facilities from banks as at March 31, 2025 amounting to ₹ 18,760.88 lakhs (March 31, 2024 of ₹ 9,319.41 lakhs) were secured by a first pari passu charge on the stock of raw materials, finished goods, stock in process, consumable stores and book debts of the Company. These credit facilities carry average interest rates in the range of 7.00% to 8.00% p.a. (31 March, 2024: 7.00% to 8.00% p.a.).
- The Group's do not have any charges which are yet to be registered with ROC beyond the statutory period except for working capital ₹ 75 Cr.
- In respect of working capital borrowings from banks timely stock statements are submitted to the banks and there are no material discrepancies noted in comparison with the books of accounts. Such on material differences are arising on account of different methodology & classification requirements by the banks vis-a-vis the ones adopted in financial statements.
- The Group's has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- Currency and interest exposure of borrowings including current maturities is as below:**

(₹ in Lakhs)

Particulars	As at 31 st March, 2025			As at 31 st March, 2024		
	Fixed Rate	Floating Rate	Total	Fixed Rate	Floating Rate	Total
a Indian National Rupee (INR) - Total	18,765.63	-	18,765.63	10,761.83	-	10,761.83
b United States Dollar (USD) - Total	10,514.04	10,355.56	20,869.60	15,648.52	-	15,648.52
	29,279.67	10,355.56	39,635.23	26,410.35	-	26,410.35
a Indian National Rupee (INR) - Unhedged	18,765.63	-	18,765.63	10,761.83	-	10,761.83
b United States Dollar (USD) - Unhedged	10,514.04	10,355.56	20,869.60	15,648.52	-	15,648.52
	29,279.67	10,355.56	39,635.23	26,410.35	-	26,410.35
% of Total Borrowings	73.87%	26.13%	100.00%	100.00%	-	100.00%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Term loans as on 31 March 2025, amounting to ₹ 10,355.56 lakhs were secured by a first charge on movable fixed assets and second charge of current assets. The term loan originally payable across 16 equal Quartely instalments starting from August 2026 till May 2030. as mentioned in the table below

Repayment of Term loan

Particulars	(₹ in Lakhs)		
	Repayment Tenor		
	0-1 Year	1-2 Year	Beyond 2 year
Term Loan from Banks	-	1,942.12	8,413.45

17 LEASE LIABILITIES

17.1 Non-current

Particulars	(₹ in Lakhs)	
	As at	As at
	31 st March, 2025	31 st March, 2024
- Long term maturities of finance lease obligations	1,166.89	1,665.91
Total	1,166.89	1,665.91

17.2 Current

Particulars	(₹ in Lakhs)	
	As at	As at
	31 st March, 2025	31 st March, 2024
- Short term maturities of finance lease obligations	509.40	449.14
Total	509.40	449.14

- i The Group has lease contracts for its office premises and godowns with lease term between 1 year to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. The Group also has certain leases of office premises and godowns with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

- a The movement in lease liabilities during the year ended 31 March, 2025 and 31 March, 2024 is as follows:

Particulars	(₹ in Lakhs)	
	As at	As at
	31 st March, 2025	31 st March, 2024
Balance at the beginning	2,115.05	97.67
Additions	25.94	2,393.06
Accretion of interest	155.25	116.96
Payment of lease liabilities	(619.95)	(492.64)
Balance at the end	1,676.29	2,115.05
Non -current	1,166.89	1,665.91
Current	509.40	449.14

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

b The following are the amounts recognised in profit or loss:

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Depreciation on right-of-use assets (refer note no 4)	523.82	433.32
Interest expense on lease liabilities (refer note no 30)	155.25	116.96
Expense relating to short-term leases (refer not no 32)	117.28	115.93
Total amount recognised in statement of profit and loss	796.35	666.21

c Details of carrying amount of right-of-use assets and movement during the period.

- i The maturity analysis of lease liabilities are disclosed in Note .40 (C) 'Liquidity Risk Management'
- ii The effective interest rate for lease liabilities is 9%, with maturity between 2023-2028
- iii Expense relating to short-term leases are disclosed under the head Rent paid in other expenses.

18 NON CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Advance received from Related Parties	770.27	-
Total	770.27	-

Note : The company has received loan from Ganesh Polychem Limited. The loan carries interest rate of 8 % p.a.

19 PROVISIONS

19.1 Non Current Provisions

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Provision For Employees Benefit		
- Provision for Gratuity (Refer note no. 29)	83.07	61.83
- Provision for Leave Salary (Refer Note No - 29)	728.71	544.07
Total	811.78	605.90

19.2 Current Provisions

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Provision For Employees Benefit		
- Provision for Gratuity (Refer Note No - 29)	396.70	4.48
- Provision for Leave Salary (Refer Note No - 29)	96.35	94.29
- Provision for Bonus	680.78	532.60
Total	1,173.83	631.37

Notes:

- i The Company presents provision for gratuity and leave salaries as current and non-current based on actuarial valuation considering estimates of avilment of leave, separation of employees, etc.
- ii Detailed disclosure in respect of post-retirement defined benefit scheme is provided in note 29

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

20 DEFERRED TAX

20.1 Deferred tax liabilities comprises :

(₹ in Lakhs)

Particulars	Balance Sheet		Statement of profit and loss	
	As at 31 st March, 2025	As at 31 st March, 2024	As at 31 st March, 2025	As at 31 st March, 2024
Deferred tax liabilities, on account of				
Accelerated depreciation for tax purposes	13,079.61	10,896.55	2,183.13	2,817.51
Deferred tax assets, on account of				
Expenses allowable on payment basis	(351.06)	(214.28)	(136.94)	(19.00)
Fair valuation of Investments	168.73	126.73	(4.88)	126.73
MTM on Forward Contract	(23.46)	-	23.56	-
Right of Use and Lease as per Ind AS 116	(33.41)	(17.00)	(16.32)	(17.00)
Deferred tax liabilities (net)	12,840.41	10,792.00	2,048.55	2,908.24

20.2 Deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Opening balance as per last balance sheet	10,791.86	7,883.76
Deferred tax charged/(credited) to profit and loss account during the year	2,077.74	2,781.51
Deferred tax charged/(credited) to profit and loss account (Other Comprehensive Income) during the year	(29.19)	126.73
Deferred tax liabilities (net)	12,840.41	10,792.00

20.3 Reconciliation of tax expense and accounting profit for the year:

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Profit before tax	36,068.95	30,049.20
Income tax expense calculated at 25.168%, 34.32 on joint venture	9,215.13	7,840.65
Tax effect on non-deductible expenses	2,632.61	2,232.45
Effect of concessions (depreciation under income tax act)	(3,383.04)	(2,601.32)
Effect of Income which is taxed at special rates	-	22.02
Effect of Income which is exempted from tax	(1,244.44)	(1,610.00)
Total	7,220.26	5,883.81
Adjustment of tax relating to earlier periods	(469.52)	(306.27)
Tax expense as per Statement of Profit and Loss	6,750.73	5,577.54

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

21 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Trade & Non-Trade Payables		
(a) Total Outstanding Dues of Micro enterprises and Small Enterprises; and	1,152.06	1,890.08
(b) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises	26,630.98	35,941.61
Total	27,783.05	37,831.69

As at 31 March, 2025

(₹ in Lakhs)

Particulars	Not Due	Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
MSME	990.86	152.70	-	-	-	-	1,143.56
Others	11,500.47	13,951.86	617.18	170.81	172.60	226.58	26,639.49
Disputed Dues - MSME							-
Disputed Dues - Others							-
Total	12,491.32	14,104.56	617.18	170.81	172.60	226.58	27,783.05

As at 31 March, 2024

(₹ in Lakhs)

Particulars	Not due	Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
MSME	842.41	1,047.67	-	-	-	-	1,890.08
Others	14,515.14	17,486.24	1,903.20	525.12	602.69	909.22	35,941.61
Disputed Dues - MSME							-
Disputed Dues - Others							-
Total	15,357.55	18,533.91	1,903.20	525.12	602.69	909.22	37,831.69

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (as amended)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
1) (a) Principal amount remaining unpaid to any supplier	1,152.06	1,890.08
(b) Interest on (1)(a) above	-	-
2) The amount of interest paid along with the principal payment made to the supplier		
3) Amount of interest due and payable on delayed payments	-	-
4) Amount of further interest remaining due and payable for the earlier years	-	-
5) Total Outstanding dues of Micro & Small Enterprises		
- Principal	1,152.06	1,890.08
- Interest	-	-

22 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Liability for Capital Goods	1,445.62	441.17
- Unclaimed Dividends	34.90	14.30
- Salaries, Wages, Bonus and Other Employee Payables	1,994.62	1,525.67
- Forward Contract MTM	94.41	-
- Others Expenses	1,564.92	1,039.32
Total	5,134.47	3,020.46

There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2025.

23 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Advance Tax and Tax Deducted at Source (Net of Provision)	114.49	-
Total	114.49	-

24 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Statutory liabilities	358.40	536.99
- Advance from Customers and Others	1,351.66	562.78
Total	1,710.07	1,099.77

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

25 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Sale of Manufactured Products	183,800.02	159,583.95
(b) Sale of Traded Products	23,871.90	20,653.10
(c) Sale of Services	928.29	1,313.47
(d) Other Operating Revenues	2,907.24	3,710.41
Total	211,507.45	185,260.93

Other Operating Revenues

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Export Benefits and Incentives	2,737.55	3,451.39
(b) Scrap Sales	169.69	259.02
Total	2,907.24	3,710.41

(a) Disaggregate revenue information

Refer Note 36 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

- (b) In case of Domestic Sales, payment terms range from 60 days to 120 days based on geography and customers. In case of Export Sales these are either against documents at sight, documents against acceptance or letters of credit - 60 days to 120 days. There is no significant financing component in any transaction with the customers.
- (c) The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- (d) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

25 OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Interest Income		
Interest Received	180.34	-
Investments in debt instruments measured at fair value	447.84	192.34
Other financial assets carried at amortised cost	81.44	111.85
(b) Dividend Income		
Dividends from quoted equity investments measured at fair value through OCI	5.07	3.21

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(c) Other Non-operating Income		
Foreign Exchange Gain /(Loss) (net)	169.33	-
Realisation Gain/(Loss) on forward contract	123.18	65.34
Miscellaneous Income	3.97	59.80
(d) Other Gains and Losses		
Net gain on sale of property, plant and equipment	0.76	1.90
Profit on Redemption of Mutual Funds	-	55.06
Total	1,011.92	489.51

27 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Opening Stock	21,716.71	17,019.01
Add: Purchases	89,583.27	90,559.53
	111,299.99	107,578.54
Less: Closing Stock	22,597.75	21,733.84
Cost of Materials Consumed	88,702.24	85,844.71

28 PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Purchases of stock-in-trade	17,663.47	18,221.79
Total Purchases of Stock-in-Trade	17,663.47	18,221.79

29 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Opening Inventories		
Finished Goods	29,664.70	26,531.12
Work-in-Progress	12,887.30	14,026.11
Total	42,552.00	40,557.23
Closing Inventories		
Finished Goods	23,104.62	29,664.70
Work-in-Progress	13,025.34	12,887.30
Total	36,129.96	42,552.00
(Increase)/decrease in inventories	6,422.04	(1,994.77)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

30 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Directors' Remunderation and Commission	1,330.67	1,038.03
(b) Salaries and wages	12,930.81	11,391.59
(c) Contribution to provident and other funds	938.68	793.48
(d) Staff welfare expenses	802.33	594.79
(e) Employee Stock Option Plan	193.45	22.84
Total	16,195.95	13,840.74

A Post-employment benefits

(i) Provident Fund (defined contribution plan)

The company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan are ₹ 733.24 lakhs (PY ₹ 625.21 lakhs).

(ii) Retirement Gratuity (defined benefit plans)

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

(i) Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

(ii) Interest risk:

A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.

(iii) Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

(iv) Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Details of defined benefit obligations and plan assets (Gratuity)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

(₹ in Lakhs)		
Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Reconciliation of opening and closing balances of Defined Benefit obligation		
Obligation at the beginning of the year	1,793.66	1,411.55
Current service cost	205.93	165.37
Past Service Cost	0.00	0.00
Interest costs	129.63	106.02
Remeasurement (gain)/loss	177.75	176.72
Benefits paid	(93.82)	(66.00)
Obligation at the end of the year	2,213.16	1,793.66
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,711.27	1,198.98
Interest income	123.71	90.11
Assets Transferred In/Acquisitions	0.00	512.36
Employers' contribution	19.62	3.71
Benefits paid	(92.44)	(64.62)
Return on Plan Assets, Excluding Interest Income	(28.76)	(29.27)
Fair value of plan assets at the end of the year	1,733.39	1,711.27
(c) Net defined benefit asset/ (liability) recognised in the balance sheet		
Present Value of Obligation	2,213.16	1,793.66
Fair Value of Plan Assets	(1,733.39)	(1,711.27)
	479.77	82.38
Recognised as:		
Provision for Gratuity (non-current)	83.07	0
Provision for Gratuity (current)	396.70	82.38
(d) Expense/(gain) recognised in the statement of profit and loss consists of:		
Employee benefits expenses:		
Current service cost	205.93	165.37
Net Interest Cost	5.93	15.90
Net defined benefit expense debited to statement of profit and loss	211.86	181.28
(e) Remeasurement (gain)/ loss recognised in other comprehensive income		
Return on Plan Assets, Excluding Interest Income	177.75	175.57
Actuarial (Gains)/Losses on Obligation For the Period	28.76	29.27
Recognised in other comprehensive income	206.52	204.84

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(f) Broad categories of plan assets as a percentage of total assets		
Insurer managed funds	100.00%	100.00%
(g) Principal assumptions used in determining defined benefit obligation		
Discount Rate	6.79%	7.23%
Rate of escalation in Salary	5.00%	5.00%
Rate of Employee Turnover	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
(h) Maturity profile of defined benefit obligation		
1 st following year	290.08	148.11
2 nd following year	166.11	137.40
3 rd following year	177.23	151.77
4 th following year	205.80	158.49
5 th following year	173.52	159.03
Sum of year 6 To 10	929.29	719.31
Sum of years 11 and above	2,184.02	1,838.12
(i) Sensitivity analysis for significant assumptions:		
Defined Benefit Obligation on Current Assumptions	2,213.15	1,663.36
Delta Effect of +1% Change in Rate of Discounting	(149.63)	(115.87)
Delta Effect of -1% Change in Rate of Discounting	171.89	133.04
Delta Effect of +1% Change in Rate of Salary Increase	163.40	128.25
Delta Effect of -1% Change in Rate of Salary Increase	(145.71)	(114.01)
Delta Effect of +1% Change in Rate of Employee Turnover	20.89	21.39
Delta Effect of -1% Change in Rate of Employee Turnover	(23.93)	(24.35)

Notes:

- (i) The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
- (ii) The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- (iii) Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- (iv) There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

- (v) The Company is expected to contribute ₹ 307.55 lakhs to defined benefit plan obligations funds for the year ended March 31, 2025.
- (vi) Expected return on assets is determined by multiplying the opening fair value of the plan assets by the expected rate of return determined at the start of the annual reporting period, taking account of expected contributions & expected settlements during the reporting period.
- (vii) The Weighted Average Duration of the Plan works out to 9 years.

(viii) **Asset Liability matching strategy:**

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Company to fully prefund the liability of the Plan.

Other long-term employee benefits

Annual Leave

(a) Financial Assumptions

(₹ in Lakhs)		
Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Discount Rate		
Discount Rate	6.79%	7.23%
Salary increases allowing for Price inflation	5.00%	5.00%

(b) Demographic Assumptions

(₹ in Lakhs)		
Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Mortality	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Employee Turnover	5.00%	5.00%
Leave Availment Ratio	2.00%	2.00%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

31 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) on borrowings from banks and others	2,534.39	1,604.51
(b) on lease obligations	155.25	116.96
Total	2,689.64	1,721.47

Notes:

On adoption of Ind AS 116 Leases, the Company has recognised Right-of-use assets and created lease obligation representing present value of future minimum lease payments. Unwinding of such obligation is recognised as interest expense.

32 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Depreciation of Property, Plant and Equipment (Refer Note 4)	7,640.54	6,763.21
(b) Amortisation of Intangible Assets (Refer Note 4)	526.04	127.00
(c) Depreciation of Right of Use (ROU) Assets (Refer Note 4)	523.82	433.32
Total	8,690.40	7,323.53

33 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Power and water	8,132.49	8,402.83
(b) Freight and handling charges	1,945.61	1,977.13
(c) Processing Charges	625.50	887.11
(d) Environmental health and safety expenses	1,137.17	1,042.62
(e) Labour Contract Charges	4,705.86	3,986.96
(f) Safety & Security Charges	351.49	280.13
(g) Repairs and Maintenance		
- Buildings	232.59	283.52
- Plant and Machinery	4,420.94	3,725.88
(h) Insurance Charges	783.11	515.54
(i) Research & Development Expenses	3,283.21	837.01
(j) Laboratory charges	925.70	831.68
(k) Loading & Unloading charges	70.48	90.56
(l) Rates and Taxes	374.87	318.77
(m) Legal & Professional Fees	771.85	707.75
(n) Director Sitting Fees	24.70	16.86
(o) Payments to the Auditors (note (a) below)	17.04	15.45
(p) Export, C&F and Freight Expenses	4,885.16	3,467.01
(q) Advertisement & Sales Promotion	263.85	641.10

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(r) Rent paid	117.28	115.93
(s) Commission and Incentives on sales	805.53	711.88
(t) Provision for Expected Credit Loss	128.14	106.76
(u) Expenditure towards Corporate Social Responsibility (note (b) below)	488.66	319.50
(v) Miscellaneous Expenses*	1,595.45	1,461.78
Total	36,086.69	30,743.77

* It does not include any item of expenditure with a value of more than 1% of Revenue from Operations.

Notes:

(a) Details of payments to Auditors (excluding GST)

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Payment to Auditors		
(a) for Statutory Audit	14.27	14.14
(b) for Other Services - Certification	1.65	0.85
(c) for Reimbursement of Expenses	1.12	0.46
Total	17.04	15.45

(b) Corporate Social Responsibility

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. Details are as under:

Details of CSR Expenditure:

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Gross amount required to be spent by the Company during the year	486.23	319.50
(b) Amount approved by the Board to be spent during the year		
Construction / acquisition of any asset		
On purposes other than above	486.23	319.50
Total	486.23	319.50
(c) Details of ongoing project and other than ongoing project		
(i) In case of Section 135(5) (other than ongoing project)		
Opening Balance	33.24	33.24
Amount required to be spent during the year	486.23	319.50
Amount spent during the year	486.23	319.50
Closing balance (Excess spent)	33.24	33.24

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(d) Details related to spent / unspent obligations :		
(i) Education and skill Development	174.09	113.03
(ii) Livestock Development	10.51	57.44
(iii) Medical Grants, Healthcare Facilities	41.75	54.00
(iv) Tribal Welfare, Rural and socially backward society Development	64.97	12.50
(v) Water Management- Conservation	44.78	20.00
(vi) Women Empowerment And Livelihood	31.19	50.00
(vii) Green Environment Project	5.73	12.53
(viii) Health Care	116.00	-

34 EARNING PER SHARE (EPS):

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Net Profit available for Equity Shareholders (in lakhs)	27,240.48	21,690.21
(b) No. of Equity Shares as per financial statement	90,634,624	90,626,008
(c) Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.)	90,634,624	90,626,008
(d) Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.)	90,633,564	90,633,564
(e) Basic Earnings Per Share (in ₹)	30.06	23.93
(f) Diluted Earnings Per Share (in ₹)	30.04	23.93

Footnotes:

- (a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.
- (b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.
- (c) Number of Shares for Computation of EPS

(₹ in Lakhs)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Basic EPS (in Nos)		
Existing number of equity shares	90,634,624	90,626,008
Weighted average number of Equity Shares	90,634,624	90,626,008
Diluted Earnings Per Share (in Nos)		
Existing number of equity shares	90,634,624	90,626,008
ESOP (with effect from 4 th January 2024)	23,084	7,556
ESOP (with effect from 13 th May 2024)	35,288	-
Weighted average number of Equity Shares	90,692,996	90,633,564

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

35 SHARE BASED PAYMENTS

a Scheme details

The Company has Employees' Stock Option Scheme i.e. PSOP under which options have been granted at the exercise price of ₹ 5 per share to be vested from time to time on the basis of performance and other eligibility criteria. Details of number of options outstanding have been tabulated below:

Details of Employee Stock Options granted from 1st April, 2023 to 31st March, 2025

Financial Year (Year of Grant)	Number of Options Outstanding		Financial Year of Vesting	Exercise Price (K)	Market value at Grant Date
	31 st March, 2025	31 st March, 2024			
2023-24	23,084	31,700	2024-25 to 2026-27	₹ 5	₹ 496.84
2024-25	40,000	-	2025-26 to 2027-28	₹ 5	₹ 520.05

Exercise period would commence from the date of Vesting or such other period as may be decided by the Human Resources, Nomination and Remuneration Committee of the Board.

b Fair Value on the grant date

The fair value at grant date is determined using "Black Scholes Model" which takes into account the exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31st March, 2024 and 31st March, 2025 are mentioned below:

Particulars	PSOP 2	PSOP 1
i Grant price - (R)	5	5
ii Grant dates	13-05-2025	04-01-2024
iii Vesting commences on	13-05-2025	04-01-2025
iv Options granted and outstanding at the beginning of the year	-	-
v Vesting commences on	2024-25 to 2026-27	2025-26 to 2027-28
vi Options granted	40,000	31,700
vii Options exercised	-	8,616
viii Options lapsed	1,600	-
ix Options granted and outstanding at the end of the year, of which	38,400	23,084
x Options vested	-	-
xi Options yet to vest	38,400	23,084
xii Weighted average remaining contractual life of options (in years)	3	2

Particulars	PSOP 2	PSOP 1
i Risk-free interest rate	7.22%	7.18%
ii Expected life of options	2.50	2.50
iii Expected volatility	0.42	0.55
iv Expected dividends over the life of the option	0.38%	0.40%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Particulars	PSOP 2	PSOP 1
v Share price as on grant date	520.05	496.84
vi Exercise price	5.00	5.00
vii Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option	

Movement in share options during the year:

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Balance at the beginning of the year	31,700	5	-	5
Granted during the year	40,000	5	31,700	5
Exercised during the year	-8,616	5	-	5
Options forfeited / lapsed during the year	-1,600	5	-	5
Balance at the end of the year	61,484	5	31,700	5

36 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(a) Contingent Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Claims against the Company not acknowledged as debts		
(i) Income tax matters	542.73	542.73
(ii) Bank Guarantees issued to Statutory Authorities and other bodies	848.75	176.22
Total	1,391.48	718.96

(b) Commitments

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Estimated amount of capital contracts remaining to be executed		
Capital account and not provided for (net of advances)	6,732.59	2,897.21
Total	6,732.59	2,897.21

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

37 SEGMENT INFORMATION

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers (CODM). The board is responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Pharmaceuticals.

(a) Revenue from Type of Product and Services

There is only one operating segment of the Company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

(b) Geographical Information

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Segment Revenue (Sales & other operating revenue)		
Within India	86,886.82	78,185.18
Outside India	121,883.07	103,624.36
Total revenue from customers	208,769.90	181,809.54
Add : Incentive	2,737.55	3,451.39
Total	211,507.45	185,260.93
Non-Current Assets*		
Within India	153,363.28	118,232.96
Outside India	3.56	17.38
Total	153,366.85	118,250.34

* includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets.

(c) Information about major customers

During the year ended March 31, 2025 and March 31, 2024, no single customer who contributed 10% or more to the Company's revenue.

38 RESEARCH AND DEVELOPMENT ACTIVITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Recurring Expenditure (see note No 32)	3,283.21	837.01
Capital expenditure		
(a) Tangible Assets	493.94	2,107.49
(b) Intangible Assets	4,184.10	4,318.09
Total	7,961.25	7,262.59

The details of research and development expenditure of ₹ 7961.25 Lakhs (Previous year: ₹ 7262.59 Lakhs) included in these financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

39 RELATED PARTY TRANSACTIONS

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below:

(a) Key Managerial Personnel:

Name	Designation
(i) Shri Rashesh C. Gogri	Chairman
(ii) Smt. Hetal Gogri Gala	Vice Chairperson & Managing Director
(iii) Shri Narendra Salvi	Managing Director
(iv) Shri Rajendra V. Gogri	Non- Executive Director
(v) Shri Parimal H. Desai	Non- Executive Director
(vi) Smt Nehal Garewal	Non- Executive Director (w.e.f. May 13, 2024)
(vii) Shri Vilas Gaikar	Independent Director
(viii) Shri Bhavesh Vora	Independent Director
(ix) Shri Vinay Nayak	Independent Director
(x) Smt. Jeenal Savla	Independent Director
(xi) Smt. Rupal Vora	Independent Director
(xii) Shri Pradeep Thakur	Independent Director (w.e.f. May 13, 2024)
(xiii) Shri Piyush Lakhani	Chief Financial Officer
(xiv) Shri Nikhil Natu	Company Secretary (ceased w.e.f October 30, 2024)
(xv) Shri Jeevan Mondkar	Company Secretary (w.e.f December 13, 2024)

(b) Close family members of Key Managerial Personnel who are under the employment of the Company:

Shri Chandrakant V Gogri

(c) Other entities/persons where significant influence exist:

(i) Post employment-benefit plan entity:

The Trustees Aarti Pharmalabs limited
The Trustees Ganesh Polychem Limited

(ii) Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promoters/ Group of Promoters

Aarti Industries Limited
Aarti Drugs Limited
Alchemie Gases and Chemicals Private Limited
Valiant Organics Limited
Aarti USA Inc
Ganesh Polychem Limited
Valiant Laboratories Limited
Alchemie Finechem Limited
Pinnacle Lifesciences Private Limited
Aanvi Speciality Chemicals
Prozeal Green Energy Private Limited
Aarti Venture Limited
Alchemie Europe Ltd
Pro-Zeal Green Energy Five Private Limited

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Compensation of key management personnel of the Company:

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
(i) Short-term employee benefits including Remuneration and Commission	1,322.07	1,097.87
(ii) Director Sitting fees	24.70	16.86

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/ Close Family Members of Directors/ Promoters/ Group of Promoters

Name of related party	Nature of transaction	31 st March, 2025		31 st March, 2024	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Shri Chandrakant V Gogri	Rent	14.82	(0.97)	9.87	0.97
The Trustees Aarti Pharmalabs limited	Contribution to the Gratuity Funds	17.13	1,674.42	17.72	1,658.87
Aarti Industries Limited	Purchase of goods or services	19,625.60	(1,820.11)	23,981.28	(15,420.70)
	Revenue from Sale of Products	9,290.88	-	3,809.46	
Aarti Drugs Limited	Purchase of goods or services	18.00	-	5.21	
	Revenue from Sale of Products	269.79	116.47	179.67	36.76
Alchemie Gases and Chemicals Private Limited	Purchase of goods or services	3.35	0.00	7.01	-
	Revenue from Sale of Products	0.00	0.00	0.00	2.65
Valiant Organics Limited	Purchase of goods or services	6,402.07		2,655.43	(292.64)
	Revenue from Sale of Products	2,035.77	728.19	1,642.32	
Valiant Laboratories Limited	Purchase of goods or services	643.39	(72.76)	776.98	
	Revenue from Sale of Products	239.74		336.36	54.40
	Rent	354.00			
Alchemie Finechem Limited	Purchase of goods or services	165.93	-	70.61	
	Revenue from Sale of Products	1,834.63	55.01	1,205.17	120.48
Pinnacle Lifesciences Private Limited	Purchase of goods or services	-	-	0.00	-
	Revenue from Sale of Products	480.54	377.19	44.99	10.98
Aanvi Speciality Chemicals	Purchase of goods or services	193.95	(25.12)	133.96	(30.92)
	Revenue from Sale of Products	34.28	-	10.04	-
Prozeal Green Energy Private Limited	Purchase of goods or services	8,550.76	(7.11)	460.40	4.57
	Revenue from Sale of Products	-	-	0.00	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Name of related party	Nature of transaction	31 st March, 2025		31 st March, 2024	
		Transaction value	Outstanding amount	Transaction value	Outstanding amount
Aarti Ventures Private Limited	Interest Income	52.70		52.67	
	Loan given / (repayment)			0.00	
	Investment		738.48		738.65
	Loan ICD & Interest receivable		730.13		684.11
Alchemie Europe Ltd	Revenue from Sale of Products			(33.20)	-
Pro-Zeal Green Energy Five Private Limited	Equity Investment	6.30	6.30		
Amulya Techline Engineers (Div of Dilesh Roadlines Private Limited)	Purchase of goods or services	1,131.22	(1.16)	-	-

The company has given unsecured loan to Aarti Ventures Limited. The loan carries interest rate of 9 % p.a. and is relayable on demand.

40 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUES

Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

Category-wise classification for applicable financial assets:

(₹ in Lakhs)

Particulars	Current/ Non Current	31 st March, 2025				31 st March, 2024			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets									
Financial assets measured at cost									
Investment in Subsidiaries	Non- Current	-	-	-	-	-	-	-	-
Financial assets measured at amortised cost									
Security Deposits	Non- Current	1,402.76	-	-	-	1,132.90	-	-	-
Loans to Other	Non- Current	730.13	-	-	-	585.23	-	-	-
Trade Receivables	Current	57,540.47	-	-	-	51,934.44	-	-	-
Cash on hand	Current	13.87	-	-	-	9.13	-	-	-
Balance with Banks	Current	659.50	-	-	-	2,354.36	-	-	-
Other Fixed Deposits	Current	191.19	-	-	-	43.09	-	-	-
Loans to employees	Current	101.44	-	-	-	125.11	-	-	-
Interest Receivable	Current	111.42	-	-	-	222.34	-	-	-
Other Receivables	Current	402.57	-	-	-	405.86	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	Current/ Non Current	31 st March, 2025				31 st March, 2024			
		Carrying Amount	Fair Value			Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
		61,153.35	-	-	-	56,812.46	-	-	-
Financial assets measured at fair value through other comprehensive income (FVTOCI)									
Investments in Equity Shares	Non - Current	2,924.05	-	-	2,924.05	3,677.95	-	-	3,677.95
Investments in Bonds	Current	4,756.01	4,756.01	-	-	7,039.39	7,039.39	-	-
		7,680.06	4,756.01	-	2,924.05	10,717.34	7,039.39	-	3,677.95
Total Financial Assets		68,833.42	4,756.01	-	2,924.05	67,529.80	7,039.39	-	3,677.95
Financial Liabilities									
Financial liabilities measured at amortised cost									
Long term borrowings - Term Loans from Banks	Non - Current	10,355.56	-	-	-	3.88	-	-	-
Long-term maturities of lease obligations	Non - Current	1,166.89	-	-	-	1,665.91	-	-	-
Short -term maturities of lease obligations	Current	509.40	-	-	-	449.14	-	-	-
Short term borrowings - Working capital loans from Banks	Current	29,279.67	-	-	-	26,406.47	-	-	-
Trade Payables									
- Due to Micro, Small and Medium Enterprises	Current	1,152.06	-	-	-	1,890.08	-	-	-
- Due to Others	Current	26,630.98	-	-	-	35,941.61	-	-	-
- Non Current Financial Liabilities		770.27	-	-	-	-	-	-	-
-Other Current Financial Liabilities		5,134.47	-	-	-	3,020.46	-	-	-
Total Financial Liabilities		74,999.29	-	-	-	69,377.55	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Fair value hierarchy

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, listed redeemable preference shares for which sufficient observable market data was not available during the year, etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level followed is given in the table above.

41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's Risk Management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge foreign currency risk and interest rate risk exposure . Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

A Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market interest rates. Company's interest rate risk arises from borrowings.

The following table demonstrates the sensitivity on the Company's profit before tax, to a reasonably possible change in interest rates of variable rate borrowings on that portion of loans and borrowings affected, with all other variables held constant:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax

(₹ in Lakhs)

Particulars	FY 2024-25	FY 2023-24
50 BPS increase would (decrease) the Profit before Tax by (refer note no 16.6)	146.40	132.03
50 BPS decrease would increase the Profit before Tax by (refer note no 16.6)	(146.40)	(132.03)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts in several currencies and consequently the Company is exposed to foreign exchange risk through its sales outside India, and purchases from overseas suppliers in various foreign currencies. The company also has borrowings in foreign currency. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates / depreciates against these currencies. Foreign currency exchange rate exposure is partly balanced by purchase of raw materials and services in the respective currencies.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Amount in foreign currency	Amount (INR)	Amount in foreign currency	Amount (INR)
Liabilities				
United States Dollar (USD)	(299.78)	(25,625.17)	(239.23)	(19,947.62)
Euro	(0.14)	(12.90)	(0.52)	(44.38)
GBP	-	-	-	-
AED	(0.05)	(1.12)	(0.13)	(2.77)
Chinese RMB\CNY	(0.08)	(0.99)	(2.70)	(31.00)
CHF	0.58	56.13	-	-
JPY	(4.26)	(2.42)	-	-
	(303.73)	(25,586.47)	(242.58)	(20,025.77)
Assets				
United States Dollar (USD)	361.87	32,447.05	291.34	24,300.69
Euro	2.26	208.57	0.26	23.02
GBP	-	-	-	10.00
AED	23.18	539.28	24.96	566.79
CNY	40.11	471.29	3.44	39.49
CHF	-	-	0.37	33.72
JPY	-	-	-	-
	427.42	33,666.19	320.37	24,973.71

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(₹ in Lakhs)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Amount in foreign currency	Amount (INR)	Amount in foreign currency	Amount (INR)
Net foreign currency denominated monetary liability/(asset) (total)				
United States Dollar (USD)	62.09	6,821.88	52.11	4,353.07
Euro	2.12	195.67	(0.26)	(21.36)
GBP	0.00	0.00	0.00	10.00
AED	23.13	538.16	24.83	564.02
CNY	40.03	470.30	0.74	8.49
CHF	0.58	56.13	0.37	33.72
JPY	(4.26)	(2.42)	0.00	0.00
	123.69	8,079.72	77.79	4,947.94
Foreign exchange derivatives				
USD (Hedged)	101.00	8,591.00	115.00	9,592.00
	101.00	8,591.00	115.00	9,592.00
Net foreign currency denominated monetary liability/(asset) (unhedged)				
United States Dollar (USD)	(38.91)	(1,769.12)	(62.89)	(5,238.93)
Euro	2.12	195.67	(0.26)	(21.36)
GBP	-	-	-	10.00
AED	23.13	538.16	24.83	564.02
CNY	40.03	470.30	0.74	8.49
CHF	0.58	56.13	0.37	33.72
JPY	(4.26)	(2.42)	-	-
	22.69	(511.28)	(37.21)	(4,644.06)

Foreign Currency Risk Sensitivity

The following tables demonstrate foreign currency sensitivity on unhedged exposure (0.5% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

(₹ in Lakhs)

Particulars	FY 2024-25		FY 2023-24	
	+50 bps	-50 bps	+50 bps	-50 bps
United States Dollar (USD)	(8.85)	8.85	(26.19)	26.19
Euro	0.98	(0.98)	(0.11)	0.11
GBP	0.00	0.00	0.05	(0.05)
AED	2.69	(2.69)	2.82	(2.82)
CNY	2.35	(2.35)	0.04	(0.04)
CHF	0.28	(0.28)	0.17	(0.17)
JPY	(0.01)	0.01		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Forward Contracts

Particulars	Currency	Notional Amount	Maturity	Fair Value
Forward Contracts	USD	8,591	Within 1 Year	8,497

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets. The Company ensures that sales of products are made to customers with appropriate creditworthiness. Outstanding customer receivables are regularly monitored by the management. An impairment analysis is performed at each reporting date on an individual basis for major customers. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks.

Refer footnotes c and d below note no.10 for ageing of trade receivables and movement in credit loss allowance.

(C) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to undrawn lines of committed borrowing/facilities. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk. The company consistently generates sufficient cash flows from operations or from cash and cash equivalents to meet its financial obligations including lease liabilities as and when they fall due.

(i) Financing arrangements

(₹ in Lakhs)		
Particulars	FY 2024-25	FY 2023-24
Secured borrowing facilities		
- Amount used (Fund based)	39,635.23	26,410.35
- Amount used (Unfund based)	2,392.84	176.22
- Amount unused	15,701.93	23,643.43
Total	57,730.00	50,230.00

(ii) Financing arrangements

Maturity profile of financial liabilities

(₹ in Lakhs)			
Particulars	March 31, 2025		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2025			
- Borrowings	29,279.67	10,355.56	-
- Lease Liabilities	509.40	1,166.89	-
- Other Financial Liabilities	5,154.54	374.99	374.99
- Trade Payables	27,783.05	-	-
Total	62,726.85	11,987.45	374.99

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Maturity profile of financial liabilities

(₹ in Lakhs)

Particulars	March 31, 2024		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2024			
- Borrowings	26,406.47	3.88	-
- Lease Liabilities	449.14	1,665.91	-
- Trade Payables	37,831.69	-	-
- Other Financial Liabilities	3,020.46	-	-
Total	67,707.77	1,669.79	-

(D) Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value, safeguard business continuity and support the growth of the Company. The Company manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

(₹ in Lakhs)

Particulars	FY 2024-25	FY 2023-24
Borrowings - Current and Non-Current	39,635.23	26,410.35
Long-term maturities of Lease obligations	1,166.89	1,665.91
Current maturities of Lease obligations	509.40	449.14
Less: cash and cash equivalent	-673.37	-2,363.49
Less: other balances with banks	-191.19	-43.09
Less: current investments	-4,756.01	-7,039.39
Net Debts	35,690.94	19,079.42
Total Equity	198,990.64	175,703.92
% Net debt to equity ratio	17.94%	10.86%

42 OTHER DISCLOSURES

(a) Details of Benami Property Held

The Holding Company and other companies does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(b) Relationship With Struck off Companies

The Holding Company and other companies has no transactions/balance with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

(c) Willful Defaulter

The Holding Company and other companies has not been declared a willful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(d) Registration Of Charges Or Satisfaction With Registrar Of Companies

The company do not have any charges which are yet to be registered with ROC beyond the statutory period except for working capital ₹ 75 Cr.

(e) Details Of Crypto Currency Or Virtual Currency

The Holding Company and other companies has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(f) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
- (ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(g) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(h) Undisclosed Income

The Holding Company and other companies has not had any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(i) Borrowings Obtained on the Basis of Security of Current Assets

For the borrowings secured against current assets, the company has filed Quarterly statements of current assets with the banks and the same are in agreement with the books of accounts.

(j) Utilisation of Borrowed Funds and Share Premium

As on March 31, 2023 there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

(k) Revaluation Of Property, Plant And Equipment And Intangible Assets

The Holding Company and other companies has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

(l) Compliance With Number of Layers of Companies

The Holding Company and other companies is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(m) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors in case of a company, and, by the corresponding approving authority in case of any other entity for issue. Two types of events can be identified:

- (i) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (ii) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

(n) Audit Trail in respect of holding Companies

The Company uses SAP ECC as its accounting software. SAP ECC ensures an audit trail, providing standard functionality and logging of all data changes in the system. This functionality and audit trail feature in SAP ECC has been operational throughout the year for all relevant transactions recorded through the application. The Company uses accounting documents to record all business transactions – posted documents are stored in SAP ECC for every transaction, and a financial document once posted cannot be deleted or changed for data points impacting the financials.

The SAP ECC environment is appropriately governed, and only authorized users can make postings while interacting with the system through the application layer. Normal/regular users are not granted direct database or super user level access that would allow them to make changes to financial documents directly after they have been posted through the application. To operate the SAP ECC application and the database, the system necessarily requires a set of super-users to have database-level access. These super-users are obligated to perform system-related tasks and are not allowed to carry out any direct changes/edits to financial transactions in the database, which if carried out would be unauthorized.

In the event of an unauthorized change by a super user, these can be detected through an investigative approach and/or using services provided by SAP as part of their financial data quality check service, which validates the consistency of financials based on client request. Therefore, while the database does not currently have the concurrent real-time audit trail feature due to technical constraints, the tracking of changes can be accomplished through a focused inquiry process.

As on 10th May, 2025 there were no material subsequent events to be recognized or reported that are not already disclosed.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

43 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY/ASSOCIATES

(₹ in Lakhs)

Name of Entities	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Holding Company								
Aarti Pharmalabs Limited	92.66%	184,387.09	94.47%	25,734.88	52.86%	(515.73)	96.02%	25,219.15
Total (A)		184,387.09		25,734.88		(515.73)		25,219.15
Subsidiaries								
Aarti USA Inc	-0.10%	(197.21)	1.05%	286.69	59.03%	(576.01)	-1.10%	(289.32)
Aarti Pharmachem Limited	0.01%	20.56	0.00%	(0.41)	0.00%		0.00%	(0.41)
Ganesh Polychem Limited *	8.05%	16,016.05	7.79%	2,123.13	-11.89%	116.01	8.53%	2,239.14
Inter Company Elimination & Consolidation Adjustments	-0.62%	(1,235.85)	-3.32%	(903.81)	0.00%	(0.00)	-3.44%	(903.81)
Total (B)					47.14%	(460.00)	3.98%	1,045.60
Consolidated [A + B]	100.00%	198,990.64	100.00%	27,240.48	100.00%	(975.73)	100.00%	26,264.75

* Entity with Joint control of 50%.

44 RATIO ANALYSIS

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Explanation for change in the ratio by more than 25% as compared to the previous year
Current Ratio	Current Assets	Current Liabilities = Total current liabilities - Current maturities of non-current borrowings and lease obligations	2.03	1.95	3.97%	
Net DebtEquity ratio	Net debt = Non-current borrowings + Current borrowings + Non-current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including noncurrent earmarked balances)	Equity [Equity = Equity share capital + Other equity]	0.18	0.11	65.17%	Company availed long term loan to meet a part of the capex outlay.
Debt Service Coverage Ratio	Earnings before interest, tax, Depreciation & Amortisation	Total debt service [Total debt service = Finance Cost + Long Term Borrowings + Current Portion of Long Term Borrowings + Lease Liabilities]	3.22	10.14	-68.22%	Company availed long term loan to meet a part of the capex outlay.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 31st March, 2025

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Explanation for change in the ratio by more than 25% as compared to the previous year
Return on Equity Ratio	Profit after tax	Average total equity [Equity = Equity share capital + Other equity]	14.54%	13.08%	11.13%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	1.83	1.64	11.80%	
Trade Receivables Turnover Ratio	Revenue from Sale of Products and Services	Average Trade Receivable	3.86	3.82	1.10%	
Trade Payable Turnover Ratio	Adjusted Expenses [Adjusted Expenses = Total Expenses - Finance Cost - Depreciation and Amortisation Expense – Employee Benefit Expenses – Other expenses with respect to Rates & Taxes, Provision for Doubtful Debts, Sundry Balances Written-off, CSR and Foreign Exchange Gain/Loss]	Average Trade Payable	4.52	3.69	22.51%	
Net Capital Turnover Ratio	Revenue from Operations	Average Working capital = Current assets – Current liabilities	3.21	3.05	5.26%	
Net Profit Ratio	Profit after tax	Revenue from operations	12.88%	11.71%	10.00%	
Return on Capital Employed	Earnings before interest and tax	Average Capital Employed [Capital Employed = Total Assets - Current Liabilities]	18.74%	17.99%	4.13%	
Return of Investment	Earnings before interest and tax	Average total assets	15.57%	13.85%	12.44%	

As per our report of even date

For **Gokhale and Sathe**
Chartered Accountants
(Firm Regn No.103264W)

Uday Girjapure
Partner
M. No. 161776

Place: Mumbai
Date: 10th May 2025

For and on behalf of the Board of Directors

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Piyush Lakhani
Chief Financial Officer

Narendra Salvi
Managing Director
DIN: 0299202

Jeevan Mondkar
Company Secretary
ICSI M.No.: A22565



CIN: L24100GJ2019PLC110964

Regd. Off.: Plot No 22/C/1 & 22/C/2, GIDC, Vapi - 396195, Dist. Valsad, Gujarat

Website: www.aartipharmlabs.com Email: investorrelations@aartipharmlabs.com

Telephone: +91 260 2400467, +91 99099 94655

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of the Members of Aarti Pharmalabs Limited will be held on **Monday, September 22, 2025 at 11:00 A.M.** IST, through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Plot No. 22/C/1 & 22/C/2, GIDC, Vapi - 396195, Dist. Valsad, Gujarat.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2025 together with the Reports of the Board of Directors and Auditors' thereon.
2. To declare the final dividend on Equity Shares for the financial year 2024-25.
3. To appoint a Director in place of Shri Parimal H. Desai (DIN: 00009272), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Re-appointment of Smt. Rupal Vora (DIN: 07096253) as an Independent Director of the Company for a second term of 3 years**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read with Schedule IV to the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Regulation 17, 25 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Smt.

Rupal Vora (DIN: 07096253), who was appointed as an Independent Director of the Company for a term of three (3) consecutive years commencing from October 17, 2022 and who holds office up to October 16, 2025 (both days inclusive) and who being eligible for re-appointment as an Independent Director and has given her consent and who meets the criteria of independence as provided under Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of three (3) consecutive years commencing from October 17, 2025 to October 16, 2028 (both dates inclusive);

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) or any of the key managerial personnel be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

5. **Ratification of remuneration payable to the Cost Auditors of the Company for the Financial Year 2025-26**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 2,50,000 (Rupees Two Lakh Fifty Thousand Only) per annum plus taxes, as applicable, and reimbursement of out of pocket expenses to be paid to

Smt. Ketki D. Visariya, Cost Accountant (Membership Number: 16028), being the Cost Auditor who have been appointed by the Board of Directors of the Company on the recommendation of the Audit Committee to conduct audit of the cost records of the Company for the Financial Year ending March 31, 2026, be and is hereby ratified;

RESOLVED FURTHER THAT the Key Managerial Personnel be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Appointment of Secretarial Auditor of the Company for a term of five consecutive years from the Financial Year 2025-26

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed thereunder and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, applicable SEBI circulars and based on the recommendation of the Audit Committee and the Board of Directors, the consent of the members be and is hereby accorded for the appointment of M/s. Mehta & Mehta, Practicing Company Secretary having Firm Registration No. P1996MH007500 (PR No. 3686/2023) as Secretarial Auditors of the Company for a term of five consecutive years, commencing from Financial Year 2025-26, at such remuneration and on such terms as may be mutually agreed upon between the Board of Directors and the Secretarial Auditors;

RESOLVED FURTHER THAT approval of the members is hereby accorded to the Board to avail or obtain from the Secretarial Auditor, such other services or certificates, reports, or opinions which the Secretarial Auditors may be eligible to provide or issue under the Applicable Laws at a remuneration to be determined by the Board;

RESOLVED FURTHER THAT the Board of Directors or any of the Key Managerial Personnel of the Company, (including its committees thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

7. Approval for revision in terms of Managerial Remuneration of Shri Narendra Jagannath Salvi (DIN: 00299202), Managing Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in partial modification of the resolution passed by the members by way of postal ballot on January 10, 2023 related to the appointment of Mr. Narendra Jagannath Salvi (DIN: 00299202) as the Managing Director of the Company and pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded to revise the terms of remuneration of Mr. Narendra Jagannath Salvi, Managing Director of the Company by way of increasing the overall ceiling limit of Salary to Rs. 400 lakhs and granting Stock options under the Aarti Pharma Performance Stock Option Plan 2023' (PSOP 2023) and treating the monetary value of such stock options upon vesting and exercise as part of his overall managerial remuneration for his remaining tenure up to October 16, 2027, as may be granted and determined by the Nomination and Remuneration Committee (NRC) from time to time;

RESOLVED FURTHER THAT except for the revision in the Remuneration as above, all other terms and conditions of appointment and remuneration of Mr. Narendra Jagannath Salvi, Managing Director as approved by the Members resolution passed through postal ballot on January 10, 2023, shall remain unchanged and continue to be effective;

RESOLVED FURTHER THAT the monetary value of the ESOP upon vesting and exercise shall be included as part of the overall remuneration of Shri Narendra Jagannath Salvi and considered within the applicable limits under Section 197 and Schedule V of the Companies Act, 2013;

RESOLVED FURTHER THAT, in the event of any statutory amendment, modification of the provisions of Schedule V of the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, perquisites, allowances etc. within such

prescribed limits or ceiling and the Agreement between the Company and Managing Director, Mr. Narendra Salvi be suitably amended to give effect to such modification, relaxation or variation without any further need to seek consent of the members of the Company;

RESOLVED FURTHER THAT the Board of Directors shall have the discretion and authority to modify the foregoing terms of remuneration within the limits as approved by the shareholders and that the Board of Directors of the Company be and is hereby authorised to take such steps as they may deem fit, expedient or desirable to give effect to this resolution;

RESOLVED FURTHER THAT the Board of Directors (or any Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this resolution, including modifying the terms of the PSOP 2023 grant and executing such documents as may be required in this connection."

8. **Approval to extend the benefits and grant of options to the employee(s) of subsidiary company(ies) under the Aarti Pharma Performance Stock Option Plan 2023 ('PSOP 2023')**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Regulation 6(3)(c) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB & SE) Regulations"), the applicable provisions of the Companies Act, 2013 (the "Act"), the Rules made thereunder, the Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), including any statutory modification(s) and/or re-enactment(s) of the Act or the Guidelines, for the time being in force and subject to such other approvals, permissions, and sanctions, as may be necessary

and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company in its sole discretion (hereinafter referred as the "Board", which expression shall also include the Nomination and Remuneration Committee constituted by the Board), consent of the Members be and is hereby accorded to extend the benefits of Aarti Pharma Performance Stock Option Plan 2023' (PSOP 2023) including the grant of Employee Stock Options ("Stock Options") and transfer of the Equity Shares thereunder, to or for the benefit of employees and Directors of the Subsidiary Company(ies), in India or outside India of the Company (as defined in the PSOP 2023) and to such other persons as may, from time to time, be allowed to be eligible employees for the benefits of the PSOP 2023 (as permitted under the applicable laws from time to time) at such price and on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the PSOP 2023;

RESOLVED FURTHER THAT the Board be and is hereby authorized to modify, change, vary, alter, amend, suspend or terminate the PSOP 2023 from time to time, subject to compliance with the applicable laws, rules and regulations and to settle any issue(s), question(s), difficulty(ies) or doubt(s) that may arise in this regard and to execute all such documents, writings and to give such directions and/ or instructions as may be necessary or expedient for giving effect to such modification, change, variation, alteration, amendment, suspension or termination of the PSOP 2023 and to take incidental and ancillary actions;

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot equity shares of the Company upon exercise of options from time to time, in accordance with the PSOP 2023;

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or expedient in this regard."

Registered Office:

Plot No 22/C/1 & 22/C/2, GIDC,
Vapi - 396195, Dist. Valsad, Gujarat

Place: Mumbai

Date: August 12, 2025

By order of the Board

Jeevan Mondkar

Company Secretary and Legal Head

ICSI M. No. A22565

NOTES

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 in relation to "Clarification on holding of Annual General Meeting ("AGM") through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2024/133 dated October 03, 2024 (collectively referred to as "SEBI Circulars") permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM on Monday, September 22, 2025 at 11:00 A.M. (IST).

The video recording and the transcript of the AGM shall be made available on the website of the Company. National Securities Depository Limited ("NSDL") will be providing facilities for voting through remote e-voting, for participation in the AGM through VC/OAVM and e-voting during the AGM.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 8 of the Notice, is annexed hereto. Further, the relevant details with respect to Item Nos. 3 and 4 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/reappointment at this AGM are also annexed.
3. In accordance with the aforesaid MCA and SEBI Circulars and read with section 136 and section 101 along with Regulation 36 of SEBI LODR, 2015, the Notice of the AGM along with the Annual Report for FY 2024-25 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories".

Members may note that the Notice and Annual Report for FY 2024-25 will also be available on the Company's website <https://www.aartipharmalabs.com/annual-reports>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.

All documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days during 11:00 AM to 1:00 PM. Members can request the same till the date of the AGM.

In line with the MCA Circulars and Regulation 36 of the SEBI Listing Regulations, the Notice of the AGM along with Annual Report 2024-25 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants (DPs)/ Registrar & Transfer Agent (RTA). In accordance with the provisions of Regulation 36(1)(b) of the SEBI Listing Regulations, the Company is sending a letter to those Members whose e-mail addresses are not registered with the Company / DPs / RTA, providing the web link of Company's website from where the Annual Report can be accessed and downloaded.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
5. Pursuant to Section 113 of the Act, Institutional shareholders/corporate shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/ Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to ronak@mehta-mehta.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter, v etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

6. Final Dividend for FY 2024-25:

The Board of Directors at its meeting held on May 10, 2025 has recommended a final dividend @ 2.5% i.e. @ ₹2.5 (50%) per equity share. of ₹ 5 each. The Record date fixed for determining entitlement of Members to final dividend for the financial year ended March 31, 2025, if approved at the AGM, is Monday, September 15, 2025.

If the final dividend is approved at the AGM, payment of such dividend subject to deduction of tax at source ("TDS") will be made on or before October 20, 2025 to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the Depositories, as of close of business hours on Monday, September 15, 2025.

7. TDS on dividend

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to Income Tax Act, 1961 and the Finance Act, 2020, of the respective years. The shareholders are requested to update their PAN with the Depository Participants ("DPs") (if shares held in dematerialized form). A Resident individual shareholder with PAN and whose income does not exceed maximum amount not chargeable to tax or who is not liable to pay income tax, as the case may be, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to rnt.helpdesk@in.mpms.mufg.com or upload the documents on <https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html> by 11:59 p.m. (IST) on Monday, September 15, 2025. Shareholders are requested to note that if the PAN is not correct/ invalid/ inoperative or have not filed their income tax returns, then tax will be deducted at higher rates prescribed under Sections 206AA or 206AB of the Income-tax Act, as applicable and in case of invalid PAN, they will not be able to get credit of TDS from the Income Tax Department.

Non-resident shareholders [including Foreign Institutional Investors ("FIIs")/Foreign Portfolio Investors ("FPIs")] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF/ JPG Format) by e-mail to rnt.helpdesk@in.mpms.mufg.com or upload the documents on <https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html>.

[mufig.com/formsreg/submission-of-form-15g-15h.html](https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. (IST) on Monday, September 15, 2025.

8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. for shares held in electronic form: to their Depository Participants ("DPs").
9. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
10. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 (updated as per Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024) mandated listed companies to issue securities in dematerialised form only.

In view of this, all securities issued by the Company are in dematerialised form. Pursuant to the Scheme of Arrangement under Section 230 - 232 of the Act, which was sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order September 21, 2022 and was effective from October 17, 2022 ("Scheme"), the Company had issued equity shares to eligible Members of Aarti Industries Limited ("AIL") as per the share entitlement ratio defined in the Scheme.

In line with the above mandate from SEBI, shares of the Company which were allotted to Members of Aarti Pharamlabs Limited ("APL") pursuant to the Scheme, who held equity shares in physical form, were credited into Demat Suspense Account opened and maintained by the Company for this purpose. The Company through its RTA, on receipt of requisite documents from the said Member(s), credits the equity shares to their respective demat account(s) after due validation.

In order to do so, or for applying for transfer of shares pursuant to transmission/transposition/name change/name deletion, Members are requested to submit the form Schedule 1 'Application to claim shares from Demat Account' or form Schedule 2 'Application for transfer of Shares from Demat Account of APL to the demat account of the Members pursuant to transmission/

transposition/name change/ name deletion' along with the documents as mentioned in the forms, to the RTA at their registered office at C- 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083.

Further, Members whose shares are lying in the Demat Account of the Company, in the absence of demat account details with the Company, the KYC compliances applicable to them remain pending for their folio. Please note that this will impact corporate benefits such as dividend. Accordingly, in order for said dividends to be credited to your bank account, updated KYC details including bank account details will need to be updated in the Company records. This can be done upon credit of your shares lying in the Demat Suspense Account to your own demat account.

Members can contact MUFG Intime Private Limited for further assistance in this regard.

11. In terms of Regulation 40(1) of Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. Members can contact the Company or MUFG Intime Private Limited, for assistance in this regard.
12. As per the provisions of Section 72 of the Act, the facility for making nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website <https://www.aartipharmalabs.com/faq> and on the website of MUFG Intime at <https://web.in.mpms.mufig.com/KYC-downloads.html>
13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will only be entitled to vote during the AGM.
14. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).

15. Members are requested to note that dividends, if not encashed for a period of seven (7) years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for seven (7) consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

The Members whose unclaimed dividends and/or shares have been transferred to IEPF, may contact the Company or RTA and submit the required documents for issue of Entitlement Letter. The Members can attach the Entitlement Letter and other required documents and file the IEPF-5 form for claiming the dividend and/ or shares available on www.iepf.gov.in.

16. Instructions for e-voting and joining the AGM are as follows:
 1. Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold EGM/AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, EGM/AGM shall be conducted through VC / OAVM.
 2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the EGM/AGM will be provided by NSDL.
6. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular issued from time to time
17. Mr. Ronak Kalathiya, Practicing Company Secretary (Membership No. ACS 37007) and failing him Ms. Monali Bhandari, Practicing Company Secretary (Membership No. ACS 27091) has been appointed as the Scrutinizer's to issue Scrutinizer report on the e-voting process in a fair and transparent manner. The scrutinizer report of the total votes cast in the favour or against, within 2 working

days of the conclusion of the meeting of 6th AGM to the chairman or Managing Directors who shall countersign the same and declare the result of the voting forthwith and the same be intimated through stock exchange and be place on the website of the Company and the resolutions deemed to be passed at the 6th AGM of the Company.

18. Registration of email address and inspection of statutory registers: The members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communications electronically including Annual Report, Notices, Circulars, etc. from the Company.

The e-mail address can be registered with the DP in case the shares are held in dematerialized mode.

The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under section 189 will be available for inspection by the members electronically during the AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER :-

The remote e-voting period begins on **Friday, September 19, 2025 at 9:00 A.M.** and ends on **Sunday, September 21, 2025 at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 15, 2025 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Monday, September 15, 2025.**

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository

Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



App Store



Google Play



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl>

[com/](#) with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?

- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ronak@mehta-mehta.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Prajakta Pawle at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investorrelations@aartipharmlabs.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorrelations@aartipharmlabs.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#).
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
5. Members who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request from their registered email ID mentioning their name, demat account number/ folio number, PAN, mobile number at investorrelations@aatipharmalabs.com at least five (5) days before the date of AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Registered Office:

Plot No 22/C/1 & 22/C/2, GIDC,
Vapi - 396195, Dist. Valsad, Gujarat

Place: Mumbai
Date: August 12, 2025

By order of the Board

Jeevan Mondkar
Company Secretary and Legal Head
ICSI M. No. A22565

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

The following statement sets out all material facts relating to the Businesses under Item Nos. 4 to 8 mentioned in the accompanying Notice of AGM dated August 12, 2025

Item No. 4: Re-appointment of Smt. Rupal Vora (DIN: 07096253) as an Independent Director of the Company for a second term of three years

The members on January 10, 2023 had approved the appointment of Smt. Rupal Vora (DIN: 07096253) as an Independent Director of the Company for first term of three consecutive years from October 17, 2022, pursuant to the provisions of Companies Act, 2013 ('the Act') and SEBI Listing Regulations. Her first term will be coming to an end on October 16, 2025.

Smt. Rupal Anand Vora, a seasoned legal professional, currently drives strategic financial, legal, regulatory and risk management initiatives, as Director at multiple listed, unlisted and private limited companies, in Mumbai. With over 25 years of experience, she is specialized in indirect tax consultation and financial planning for various entities, including corporations, partnership firms, trusts, and individuals. Ms. Vora is an alumnus of the University of Mumbai and has a bachelor's in Accounting and Finance from Sydenham College and an L.L.B. from Government Law College. She is a certified Independent Director by IICA and a member of the Bar Council of Maharashtra & Goa, the Income Tax Appellate Tribunal Bar Association.

Pursuant to the performance evaluation and considering the extensive knowledge and experience as well as her educational background, the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee are of the opinion that her association would be of immense benefit to the Company and her continued association with the Company as a Non- Executive Independent Director would be of a great advantage. The Company has received a declaration from her that she meets the criteria of independence as prescribed under Section 149 (6) of the Act and under Regulation 16 of the SEBI Listing Regulations, Smt. Rupal Anand Vora has confirmed that she is neither disqualified from being appointed as a Director in terms of Section 164 of the Act nor debarred from holding office as a Director of the company, by virtue of any SEBI Order or any other such authority and given her consent to act as a Director.

In the opinion of the Board, Smt. Rupal Vora fulfils the conditions specified under the Act read with Rules thereunder

and the SEBI Listing Regulations for her appointment as Independent Non-Executive Director of the Company and is independent of the Management. The Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director.

In terms of Regulation 17(1C)(a) of the SEBI Listing Regulations, the Company is required to obtain the approval of Members for reappointment of a Director at the Next General Meeting or within a period of three months from the date of reappointment, whichever is earlier.

Details pursuant to Regulation 36 of Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are given in Annexure - I annexed herewith.

A copy of the draft letter for appointment issued to Smt. Vora as an Independent Director setting out the terms and conditions thereof is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on all working days.

The Board of Directors recommends passing of the Special resolution as set out in Item no. 4 for approval of members.

Except Smt. Rupal Vora, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution, to the extent of their respective shareholding, if any, in the Company.

Item No. 5: Ratification of remuneration payable to the Cost Auditors for the Financial Year 2025-26

Pursuant to Section 148 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint cost auditor to audit the cost records of the Company.

On the recommendation of Audit Committee, the Board of Directors at its meeting held on May 10, 2025 has approved the appointment of Smt. Ketki D. Visariya, Cost Accountant (Membership Number: 16028), at a remuneration of ₹ 2,50,000 /- (Rupees Two lakh Fifty Thousand Only) per annum plus taxes as applicable. Smt. Ketki D. Visariya has confirmed her eligibility for appointment as Cost Auditor.

Pursuant the Act and Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

The Board recommends the Ordinary Resolution at Item No. 5 for approval of Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 6: Appointment of Secretarial Auditor of the Company for first term of five years

As per provisions of Section 204 of the Act and related Rules read with Regulation 24 A of the Listing Regulations and the SEBI vide its Notification dated December 31, 2024, companies are required to obtain members approval for appointment of Secretarial Auditors to conduct Secretarial Audit of the listed Company for a period of five (5) years. Further, such Secretarial Auditor must be a peer reviewed and should not have incurred any of the disqualifications as specified by the SEBI.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, had approved and recommended the appointment of M/s. Mehta & Mehta (Firm Registration No P1996MH007500) (PR No.3686/2023), Company Secretaries, as the Secretarial Auditors of the Company for a term of 5 (five) consecutive years commencing from FY 2025-26.

M/s. Mehta & Mehta is a reputed corporate legal and secretarial advisory firm with over 25 years of experience, co-founded by Mr. Atul Mehta and Ms. Dipti Mehta. The firm has a strong PAN India presence with its headquarters in Mumbai. Secretarial Audit is one of the firm's flagship services, backed by a seasoned team of professionals with extensive experience in conducting audits for listed and unlisted entities across diverse sectors. The firm was honoured with the Best Secretarial Audit Report Award by ICSI for its exemplary work. In addition to Secretarial Audit, Mehta & Mehta provides a comprehensive suite of services including SEBI and company law compliance, due diligence, corporate and financial restructuring, IPO advisory, fund compliance for AIFs, PMS, and mutual funds, as well as ESG and CSR implementation.

M/s. Mehta & Mehta have provided confirmation that they have subjected themselves to the peer review process of the ICSI and holds a valid peer review certificate. They have also confirmed that they are not disqualified from being appointed as Secretarial Auditors, that they have no conflict of interest.

The proposed fee to be paid to M/s. Mehta & Mehta is ₹ 4,00,000/- (Rupees Four Lakh per annum plus applicable taxes and other out-of-pocket expenses) for FY 2025-26.

The remuneration to be paid to Secretarial Auditors for the remaining term i.e. from FY 2026-27 to FY 2029-30

shall be decided by the Board of Directors based on the recommendation of the Audit Committee.

Their audit approach and fee structure have been evaluated and found to be appropriate, aligning well with the Company's requirements.

The Board in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with M/s. Mehta and Mehta.

The Board recommends the Ordinary Resolution at Item No. 6 for approval of Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution extent of their shareholding, if any, in the Company.

Item No. 7: Approval for revision in terms of Managerial Remuneration of Shri Narendra Jagannath Salvi (DIN: 00299202), Managing Director of the Company

Shri Narendra Jagannath Salvi has more than three decades of vast experience in the pharmaceuticals and specialty in chemical industry and has contributed significantly to the Company's growth. Due to his foresightedness and hard work, the Company is achieving greater heights. Considering his valuable efforts and to reward his performance on the Board of Directors on the recommendation of Nomination and Remuneration Committee have granted him stock options under the PSOP 2023 scheme of the Company.

In accordance with the provisions of the Act and the Listing Regulations, it is emphasized that the proposed PSOPs will constitute as a part of Mr. Narendra Salvi's remuneration and hence the same is also required to be approved by the Members of the Company vide Special Resolution.

The members by way of resolution on January 10, 2023 passed through postal ballot has approved the remuneration comprising of salary upto overall ceiling limit of 200 lakhs per annum and commission up to 3% of Net Profit in aggregate for all Executive Directors.

Now, the Board at its meeting based on the recommendation of Nomination and Remuneration committee held on August 12, 2025 has approved and recommended for approval of members to increase the overall ceiling limit of salary to Rs.400 lakhs and stock options under the PSOP 2023 that may be granted for his remaining tenure of his term till October 16, 2027. All other conditions of appointment and remuneration remains same.

In view of the provisions of Section 196, 197, 198 and 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013, the Board of Directors hereby recommends the Special Resolution set out at Item No. 7 of the accompanying Notice for the approval of the Members.

Except Shri Narendra Jagannath Salvi, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution extent of their shareholding, if any, in the Company.

Item No. 8: Approval to extend the benefits and grant of options to the employee(s) of subsidiary company(ies) under the Aarti Pharma Performance Stock Option Plan 2023 ('PSOP 2023').

Pursuant to the provisions of Regulation 6(3)(c) the Securities and Exchange Board of India, (SEBI) (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB & SE) Regulations"), the approval of the shareholders by way of a separate special resolution is required for granting options to the employees of subsidiary companies / group companies (including associate companies, joint venture companies or holding company, if any) as defined in SEBI (SBEB&SE) Regulations / the Companies Act, 2013.

The members at their 4th AGM approved the 'Aarti Pharma Performance Stock Option Plan 2023' (PSOP 2023), 7,00,000 Performance Stock Options to or for the benefit of such

person(s), whether working in India or outside India within the meaning of PSOP 2023, who are in permanent employment of the Company within the meaning of PSOP 2023, including any Director, whether Executive Director or not, including Non-Executive Director, but excluding promoter, promoter group and Independent Directors of the Company.

The Board based on the recommendations of the Nomination and Remuneration Committee of the Company at their meeting held on August 12, 2025 recommended to members to extend the benefit of this Scheme (as permitted under the applicable laws from time to time) at such price and on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme to the employees and Directors of the subsidiary Company(ies) to enhance the employee engagement, to reward the employees for subsidiary Companies.

The other features and details of the scheme approved by the members in the 4th AGM held on September 14, 2023 remains same.

The Board recommends the Special Resolution at Item No. 8 for approval of Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution extent of their shareholding, if any, in the Company.

Registered Office:

Plot No 22/C/1 & 22/C/2, GIDC,
Vapi - 396195, Dist. Valsad, Gujarat

Place: Mumbai

Date: August 12, 2025

By order of the Board

Jeevan Mondkar

Company Secretary and Legal Head
ICSI M. No. A22565

ANNEXURE - I

Disclosure pursuant to provision of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India:

Name of the Director	Shri Parimal Desai	Smt. Rupal Vora
Director Identification Number (DIN)	00009272	07096253
Date of Birth	May 29, 1949	June 24, 1963
Age (in years)	76	62
Date of appointment/ reappointment on Board	October 17, 2022	August 12, 2025
Qualifications	Bachelor's Degree in Chemical Engineering	B.com and LLB
Experience and expertise in specific functional areas	Experience of more than 40 years in Development and project implementation	Practicing Advocate having more than 30 years of experience and having specialization in Direct Taxation.
Skills and capabilities required for the role and the manner in which the Directors meet the requirements	Refer Item No.3 of the Notice and Explanatory Statement	Refer Item No.4 of the Notice and Explanatory Statement
Remuneration last drawn (including sitting fees, if)	Sitting Fee – ₹ 2,30,000 and Commission – ₹ 6,28,000	Sitting Fee – ₹ 2,30,000 and Commission – ₹ 5,64,000
Remuneration proposed to be paid	Sitting fees for attending Committee/ Board meetings and the commission as may be approved by Board of Director on the recommendation Nomination and Remuneration Committee.	Sitting fees for attending Committee/ Board meetings and the commission as may be approved by Board of Director on the recommendation Nomination and Remuneration Committee.
Terms and conditions of re-appointment/appointment:	Liable to retirement by rotation and offers himself for re-appointment.	Non-Executive, Independent Director not liable to retire by rotation.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None
Number of Meetings of the Board attended during the financial year 2024-25	7 of 7	7 of 7
Directorships held in other Companies	1. Aarti HPC Limited 2. Nikhil Holdings Pvt Ltd 3. Aarti Corporate Services Limited 4. Sulochna and Nandini Welfare Foundation 5. Valiant Organics Limited 6. Valiant Speciality Chemical Limited	1. Geecee Ventures Limited 2. Winro Commercial (India) Limited 3. Saraswati Commercial (India) Limited 4. Walchandnagar Industries Limited 5. Four Dimensions Securities (India) Limited 6. Extramarks Education India Private limited 7. Sanathan Textiles Limited 8. Inox Solar Limited

Name of the Director	Shri Parimal Desai	Smt. Rupal Vora
Memberships/ Chairmanships of committees across companies	Valiant Organics Limited: - Audit Committee, Member - Risk Management Committee, Chairperson - Corporate Social Responsibility Committee, Member	Saraswati Commercial (India) Limited: - Audit Committee, Chairperson - Stakeholder Relationship Committee, Member - Corporate Social Responsibility Committee, Member - Nomination and Remuneration Committee, Member - Asset Liability Management Committee, Member - Risk Management Committee, Member - IT Strategy Committee, Chairperson
	Aarti Pharmalabs Limited: Risk Management Committee, Member	Winro Commercial (India) Limited: - Audit Committee, Chairperson - Nomination and Remuneration Committee, Chairperson - Risk Management Committee, Member
		Four Dimensions Securities (India) Limited: - Audit Committee, Chairperson - Nomination and Remuneration Committee, Chairperson - Corporate Social Responsibility Committee, Chairperson
		Sanathan Textiles Limited: - Nomination and Remuneration Committee, Member - Corporate Social Responsibility Committee, Member - Stakeholders' Relationship Committee, Member
		GeeCee Ventures Limited: - Audit Committee, Member - Nomination and Remuneration Committee, Chairperson - Corporate Social Responsibility Committee, Chairperson

Name of the Director	Shri Parimal Desai	Smt. Rupal Vora
		Walchandnagar Industries Limited: • Audit Committee, Member • Nomination and Remuneration Committee, Member • Stakeholders' Relationship Committee, Chairperson • Corporate Social Responsibility Committee, Chairperson
		Aarti Pharmalabs Limited • Stakeholders' Relationship Committee, Member
Listed companies from which resigned from past three years	Aarti Industries Limited	Bombay Cycle and Motor Agency Limited
No. of shares held in the Company including shareholding as beneficial owner	3,49,571	Nil

**Registered Office**

Plot No. 22/C/1 & 22/C/2, 1st Phase,
GIDC Vapi - 396195, Valsad, Gujarat

Corporate Office

204, Udyog Kshetra, 2nd Floor,
Mulund Goregaon Link Road, Mulund West,
Mumbai - 400080, Maharashtra

Website: <https://www.aartipharmalabs.com/>

BSE Code: 543748

NSE Symbol: AARTIPHARM

CIN: L24100GJ2019PLC110964