Aarti Pharmalabs Limited

(Formerly known as Aarti Organics Limited)

CIN: U24100GJ2019PLC110964

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: www.aartipharmalabs.com; **Email:** investorrelations@aartipharmalabs.com; **Tel.:** +91-22-6797 6666, **Fax:** +91-22-2565 3234

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF AARTI PHARMALABS LIMITED ("COMPANY")

STATUTORY ADVERTISEMENT ISSUED IN COMPLIANCE WITH PARA III A V of ANNEXURE I TO SEBI CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017, AS AMENDED ISSUED UNDER SECTION 11 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 19(7) OF THE SECURITIES CONTRACTS (REGULATIONS) RULES, 1957 ("SCRR") PURSUANT TO GRANT OF RELAXATION BY SEBI FROM THE APPLICABILITY OF RULE 19(2)(B) OF THE SCRR.

A. ABOUT THE SCHEME OF ARRANGEMENT AND DEMERGER (the "Scheme")

The Hon'ble NCLT has, vide an Order dated September 21, 2022, approved Scheme of Arrangement between Aarti Industries Limited ("Demerged Company" or "AIL") and Aarti Pharmalabs Limited ("Resulting Company" or "Company" or "APL") and their respective shareholders ("Scheme") under Sections 230 to 232 and other related provisions of the Companies Act, 2013 and other applicable laws. Pursuant to the Scheme, the Demerged Undertaking (as defined in the Scheme) of Aarti Industries Limited has been transferred and vested into our Company from the Appointed Date of the Scheme i.e. July 1, 2021. The Effective Date of the Scheme is October 17, 2022. In accordance with the Scheme, our Company has allotted 9,06,26,008 equity shares of Rs. 5/- each to the shareholders of Aarti Industries Limited as on Record Date i.e. October 20, 2022 in the ratio of 1 (one) equity share of Rs. 5/- each fully paid up of APL for every 4 (four) equity shares of Rs. 5/- each fully paid up held in AIL and the existing 2,50,000 equity shares of Rs. 10/- each of the Company was cancelled.

B. DETAILS OF CHANGE OF NAME AND/OR OBJECT

Our Company was originally incorporated as "Aarti Organics Limited" on November 22, 2019 as a wholly owned subsidiary of Aarti Industries Limited under the Companies Act, 2013 in the state of Gujarat vide Certificate of Registration issued by the Central Registration Centre, Registrar of Companies. Our Company filed a declaration of commencement of business with the RoC on October 15, 2020.. The Company's name was changed from Aarti Organics Limited to Aarti Pharmalabs Limited upon receipt of certificate of incorporation consequent upon change of name dated August 18, 2021 from RoC. There have been no changes in the object clause of the Company.

C. CAPITAL STRUCTURE OF THE COMPANY

1) Pre-Scheme Capital Structure of our Company:

Authorised Share Capital	Amount (Rs. In lakhs)
5,00,000 Equity Shares of Rs. 10/- each	50.00
Total	**50.00**
Issued, Subscribed and Paid-up Share Capital	**Amount (Rs. In lakhs)**
2,50,000 Equity Shares of Rs. 10/- each	25.00
Total	**25.00**

2) Post-Scheme Capital Structure of our Company:

Authorised Share Capital	Amount (Rs. In lakhs)
10,00,00,000 Equity Shares of Rs. 5/- each	5,000.00
Total	**5,000.00**
Issued, Subscribed and Paid-up Share Capital	**Amount (Rs. In lakhs)**
9,06,26,008 Equity Shares of Rs. 5/- each	4,531.30
Total	**4,531.30**

D. SHAREHOLDING PATTERN GIVING DETAILS OF ITS PROMOTER GROUP SHAREHOLDING, GROUP COMPANIES

1) Pre-Scheme shareholding pattern of the Company

I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+ (V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	7	250000	0	0	250000	100.00	250000	0	250000	100.00	0	250000	0	0	0	0	0
(B)	Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(C)	Non Promoter - Non Public				0	0	0.00	0	0			0			0	0	0	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
	Total	**7**	**250000**	**0**	**0**	**250000**	**100.00**	**250000**	**0**	**250000**	**100.00**	**0**	**250000**	**0**	**0**	**0**	**0**	**0**

2) Post-Scheme shareholding pattern of the Company as on date.

I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+ (V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	45	40023412	0	0	40023412	44.1633	40023412	0	40023412	44.1633	0	44.1633	0	0	0	0	40023412
(B)	Public	305411	50602596	0	0	50602596	55.8367	50602596	0	50602596	55.8367	0	55.8367	0	0	0	0	50602596
(C)	Non Promoter - Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0	0	0	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0	0	0	0	0
	Total	**305456**	**90626008**	**0**	**0**	**90626008**	**100.00**	**90626008**	**0**	**90626008**	**100.00**	**0**	**100.00**	**0**	**0**	**0**	**0**	**90626008**

E. PRE AND POST SCHEME SHAREHOLDING OF THE PROMOTERS AND PROMOTER GROUP

1. Pre-Scheme Shareholding

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of the total Equity Shares Capital
A	Promoter		
1	Aarti Industries Limited	250000	100.00
	Total (A)	**250000**	**100.00**
B	**Promoter Group**		
2	-	-	-
	Total (B)	**-**	**-**
	Total (A+B)	**250000**	**100.00**

2) Post-Scheme Shareholding

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of the total Equity Shares Capital
A	**Promoters**		
1	Sarla Shantilal Shah	2435830	2.69
2	Rajendra Vallabhaji Gogri	1425900	1.57
3	Bhavna Shah Lalka	513941	0.57
4	Parimal Hasmukhlal Desai	399571	0.44
5	Mananjay Singh Garewal	162510	0.18
6	Chandrakant Vallabhaji Gogri	155500	0.17
7	Monisha Bhatia	121121	0.13
8	Shreya Suneja	112500	0.12
9	Jayesh Shah	16416	0.02
10	Orchid Family Trust (Relacion Trusteeship Services Private Limited)	1649000	1.82
11	Bhavna Family Private Trust (Barclays Wealth Trustees India Pvt Ltd)	804101	0.89
	Total (A)	**7796390**	**8.60**
B	**Promoter Group**		
12	Rashesh Chandrakant Gogri	3834404	4.23
13	Mirik Rajendra Gogri	2793094	3.08
14	Renil Rajendra Gogri	2792750	3.08
15	Hetal Gogri Gala	2615548	2.89
16	Jaya Chandrakant Gogri	2474637	2.73
17	Nehal Garewal	1122487	1.24
18	Nikhil Parimal Desai	768754	0.85
19	Aarnav Rashesh Gogri	550000	0.61
20	Aashay Rashesh Gogri	550000	0.61
21	Manisha Rashesh Gogri	550000	0.61
22	Arti Rajendra Gogri	475256	0.52
23	Ratanben Premji Gogri	337807	0.37
24	Heena Bhatia	322588	0.36
25	Rajendra Vallabhaji Gogri (HUF) (Karta-Rajendra Vallabhaji Gogri	)308274	0.34
26	Shantilal Tejshi Shah (HUF) (Karta-Nehal Garewal)	278881	0.31
27	Indira Madan Dedhia	182250	0.2
28	Gunavanti Navin Shah	86644	0.1
29	Prasadi Yogesh Banatwala	4245	0.0
30	Pooja Renil Gogri	382	0.0
31	Bhanu Pradip Savla	130737	0.14
32	Labdhi Business Trust (Saswat Trusteeship Private Limited)	2300000	2.54
33	Tulip Family Trust (Gloire Trusteeship Services Private Limited)	1649000	1.82
34	Heena Family Private Trust (Barclays Wealth Trustees India Private Limited)	833859	0.92
35	Jasmine Family Trust (Relacion Trusteeship Services Private Limited)	687500	0.76
36	Lotus Family Trust (Gloire Trusteeship Services Private Limited)	624500	0.69
37	Manomaya Business Trust (Alabhya Trusteeship Private Limited)	600000	0.66
38	Anushakti Enterprise Private Limited	2492500	2.75
39	Safechem Enterprises Private Limited	1463000	1.61
40	Alchemie Financial Services Limited	673006	0.74
41	Alchemie Finserv Private Limited	264105	0.29
42	Gogri Finserv Private Limited	264105	0.29
43	Nikhil Holdings Private Limited	180891	0.20
44	Dilesh Roadlines Private Limited	8318	0.01
45	Valiant Organics Limited	7500	0.01
	Total (B)	**32227022**	**35.56**
	Total (A+B)	**40023412**	**44.16**

F. DETAILS OF TEN LARGEST SHAREHOLDERS OF THE COMPANY AS ON DATE :

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of the total Equity Shares Capital
1	Life Insurance Corporation Of India	6164067	6.80
2	Rashesh Chandrakant Gogri*	3834404	4.23
3	Mirik Rajendra Gogri*	2793094	3.08
4	Renil Rajendra Gogri*	2792750	3.08
5	Hetal Gogri Gala*	2615548	2.89
6	Anushakti Enterprise Private Limited*	2492500	2.75
7	Jaya Chandrakant Gogri*	2474637	2.73
8	Sarla Shantilal Shah*	2435830	2.69
9	HDFC Trustee Company Limited	2412079	2.66
10	Aditya Birla Sun Life Trustee Private Limited	2360468	2.60
	Total	**30375377**	**33.51**

* These shareholders are part of the Promoter and Promoter Group of the Company and are interested as such.

G. DETAILS OF PROMOTERS OF THE COMPANY:

The Promoters of our Company are Sarla Shantilal Shah, Rajendra Vallabhaji Gogri, Bhavna Shah Lalka, Parimal Hasmukhlal Desai, Mananjay Singh Garewal, Chandrakant Vallabhaji Gogri, Monisha Bhatia, Shreya Suneja, Jayesh Shah, Orchid Family Trust and Bhavna Family Private Trust. Brief details of the Promoters is set forth below:

Smt. Sarla Shantilal Shah
PAN: AADPS4231N
Address: Flat No 404, 4th Floor, Raheja Havenprananajali Prananjali, JVPD Scheme, Plot No 21 22, Mumbai - 400 049.
Educational Qualification: High School certificate
Experience: Smt. Sarla Shantilal Shah is a Homemaker.

Shri Rajendra Vallabhaji Gogri
PAN: AACPG2278E
DIN: 00061003
Address: 2402 Richmond, Cliff Avenue, Near Forest Club, Hiranandani Gardens, Powai, Mumbai - 400 076
Educational Qualification: B.E. from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)] and Master's Degree in Chemical Engineering from the U.S.A.
Experience: Shri Rajendra V. Gogri was appointed as Chairman of Aarti Industries Limited in 2012, nearly two decades after having been appointed as the Managing Director of the Company. In addition to technical acumen, he possesses a keen understanding of the financial and commercial aspects of the chemical industry.

Smt. Bhavna Shah Lalka
PAN: AOBPS2060R
Address: 404, Raheja Haven, Prananjali, 21 22 Ashok Nagar Society, NS Road No 10, JVPD Scheme, Mumbai - 400 049
Educational Qualification: L.C.E.H Mumbai
Experience: In addition to her practice as a Homoeopathic Doctor, Smt. Lalka has almost 10 years' experience in charitable function.

Shri Parimal Hasmukhlal Desai
PAN: AABPD4102D
DIN: 00009272
Address: A-1403, Runwal Heights, LBS Marg Opp. Nirmal Lifestyle, Mulund West, Mumbai - 400 080
Educational Qualification: B.E. from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)]
Experience: Shri Parimal H. Desai has more than 38 years of experience in development and project implementation in the chemical industry

Shri Mananjay Singh Garewal
PAN: BMYPG4323H
Address: C-16, FF Etanjali Enclave, Delhi - 110 017
Educational Qualification: BFA Industrial Design
Experience: Shri Garewal is an Industrial Designer and has 4 years' experience in industrial designing field.

Shri Chandrakant Vallabhaji Gogri
PAN: AAFPG8847C
DIN: 00005048
Address: 1801, Richmond Tower, Cliff Avenue, Hiranandani Gardens, Near Hiranandani School, Powai, Mumbai - 400 076
Educational Qualification: B.E. from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)]
Experience: Shri Chandrakant V. Gogri is the founder of Aarti group of industries. He started Aarti Industries Limited from a small unit and took it to the path breaking enterprise it is today. His experience in the areas of projects, operations, process development and local & international marketing in the Chemical Industry is remarkable. Further, his business acumen and flair for finance has stood the test of time during the growth of Aarti Group.

Smt. Monisha Bhatia
PAN: CKLPB0016J
Address: House No 1079, Sector 15, Escorts Nagar, Faridabad - 121 007.
Educational Qualification: MA Human Animal Interaction
Experience: Smt. Bhatia has 2 years' experience in field dog training

Smt. Shreya Suneja
PAN: ANZPB4077C
Address: House No 114, Sector 14, Faridabad - 121 007.
Educational Qualification: MBA in Marketing
Experience: Smt. Shreya Suneja is a Homemaker

Shri Jayesh Shah
PAN: AAJPS1143D
Address: Gunjan Bhokare Colony, Sangli Miraj Road, Miraj Sangli, India - 416 410.
Educational Qualification: Commerce Graduate
Experience: Shri Shah is a Businessman and Partner in Parvati Polyplast Private Limited, which is into the business of PVC and HDPE Pipes

Orchid Family Trust
PAN: AAATO7555N
Address: 127, 1st Floor, Udyog Kshetra Mulund Goregaon Link Road Near D Mart, Mulund (West), Mumbai - 400 080.
Educational Qualification: N.A.
Experience: The Trust is into Business

Bhavna Family Private Trust
PAN: AADTB5396B
Address: 208 Ceejay House, Dr Annie Besant Road, Shivsagar Estate - Worli, Mumbai - 400 018
Educational Qualification: N.A.
Experience: The Trust is into Business

H. BUSINESS OVERVIEW, STRATEGY AND MANAGEMENT OF THE COMPANY

Business Overview

Aarti Pharmalabs Limited was incorporated as an unlisted public company under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated November 22, 2019 bearing Registration Number 110964 issued by the Registrar of Companies, Ahmedabad, Gujarat.

Prior to the Scheme of Arrangement approved by Hon'ble NCLT, Ahmedabad Bench, our Company has not commenced any business operations. Pursuant to the Scheme becoming effective, the Pharma Division of Aarti Industries Limited has been transferred and vested into our Company from the Appointed Date of the Scheme i.e. July 1, 2021.

Pursuant to the vesting of aforesaid business of Aarti Industries Limited in our Company, our Company is now engaging in the business of manufacturing and trading of Pharmaceuticals and allied products.

The Pharma Business is divided into three verticals i.e. a) manufacture of active pharmaceuticals ingredients ("APIs") b) manufacture of intermediates and c) manufacture of xanthine derivatives. The Pharma business of the Demerged Company has four APIs manufacturing plants, two of which are approved by the United States Food and Drug Administration ("USFDA") and rest two are WHO/GMP certified. Additionally, it has two dedicated research and development facilities for pharmaceuticals API. ("Pharma Business" or "Pharma Division").

Strategic Overview

Aarti Pharmalabs Limited (APL) is a leading, internationally recognized manufacturer of Active Pharmaceutical Ingredients (APIs), pharmaceutical intermediates, New Chemical Entities (NCEs), and xanthine derivatives based in India. Our strategy is centered on building a sustainable future by integrating our expertise in process chemistry and scale-up engineering to optimize both recipe development and asset utilization.

Over the past two decades, APL has established itself as a reliable partner for innovators and generic players worldwide, thanks to our cutting-edge R&D and manufacturing capabilities. We specialize in lifestyle generic APIs, regulated generic intermediates, and xanthine derivatives, and offer CDMO services for drug substance and NCE development and manufacturing, with a focus on the Ph-I/II/III, launch, and commercial phases. We also have dedicated facilities for the production of high-potency APIs, corticosteroids, cytotoxic medicines, and oncology products.

As the largest manufacturer of caffeine in India, APL has become a preferred partner for beverage, nutraceutical, and pharmaceutical companies worldwide. Our commitment to quality and sustainability has made us a trusted partner in the industry.

To continue to grow and meet the demands of our clients, we have plans to scale up our manufacturing capabilities by developing a greenfield project on land we have already acquired in Atali. The company has already secured approval for a capital expenditure of 375 crore rupees for this project. Additionally, we will work to improve productivity at our existing site through debottlenecking efforts.

As we continue to strengthen our position as a leading player in the industry, we are committed to providing high-quality products and services to our clients, while also promoting sustainability and growth. We look forward to the opportunities that lie ahead as we continue to drive innovation and progress in the pharmaceutical industry.

BOARD OF DIRECTORS OF THE COMPANY

Shri Rashesh Chandrakant Gogri

Designation: Chairman & Non-Executive Director **DIN:** 00066291
Address: 1802 Richmond, Cliff Avenue, Near Hiranandani School, Hiranandani Gardens, Powai IIT, Powai, Mumbai -400 076
Date of Birth and Age (years): 03/06/1974 (48 Years)
Occupation: Industrialist
Term and period of directorship: N.A.
Directorship in other Companies:
- Aarti Industries Limited
- Aarti Drugs Limited
- Spark Pharmachem Private Limited
- Anushakti Enterprise Private Limited
- Alchemie Dye Chem Private Limited
- Alchemie Multichem Private Limited
- Aarti Polychem Private Limited
- Alchemie Financial Services Limited
- Gogri Finserv Private Limited
- Crystal Millennium Realtors Private Limited
- Alabhya Trusteeship Private Limited
- Saswat Trusteeship Private Limited
- Vahal Welfare Foundation

Past positions held in other entities (Director/ Partner) :
- Aar Em Ventures LLP (01/10/2013 to 01/08/2017)
- Aashay Ventures LLP (28/12/2012 to 01/07/2015)
- Conventry Properties LLP (14/10/2013 to 15/03/2017)
- Infoleap Market Research and Consultancy LLP (21/10/2013 to 27/06/2014)
- High Scale Ventures LLP (26/11/2013 to 01/11/2020)
- Ganesh Polychem Limited (07/11/2001 to 11/06/2019)
- Aashay Finance and Investment Private Limited (28/01/2020 to 25/05/2022)
- Innovative Envirocare Jhagadia Limited (06/07/2012 to 12/08/2013)

Experience: A Production Engineer from Mumbai University, he has played a key role in the growth of various strategic business units in chemical, pharma and personal care segments.

Smt. Hetal Gogri Gala

Designation: Vice Chairperson and Managing Director **DIN:** 00005499
Address: 1502 Richmond Tower, Cliff Avenue, Forest Club, Hiranandani Gardens, Powai, Mumbai- 400076
Date of Birth and Age (years): 10/07/1975 (47 Years)
Occupation: Industrialist
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies:
- Aarti Industries Limited
- Anushakti Enterprise Private Limited
- Alchemie Dye Chem Private Limited
- Alchemie Multichem Private Limited
- Alchemie Financial Services Ltd
- Gogri Finserv Private Limited
- Alabhya Trusteeship Private Limited
- Saswat Trusteeship Private Limited
- Aarti Nature Care Private Limited
- Vahal Welfare Foundation

Past positions held in other entities (Director/ Partner):
- Aarti Lifescience LLP (30/03/2012 to 16/08/2017)
- Aar Em Ventures LLP (01/10/2013 to 01/08/2017)
- Aarti Realchem LLP (27/12/2012 to 01/10/2016)
- Ganesh Polychem Limited (13/09/2005 to 16/01/2014)
- Aashay Finance and Investment Private Limited (28/01/2020 to 25/05/2022)
- Aarti Vikas and Mission (20/03/2015 to 30/06/2021)

Experience: A graduate in electronics engineering from Mumbai University. She has completed MEP from IIM-Ahmedabad and possesses a degree in supply chain management. She has rich experience in the purchase function and currently manages various strategic business units.

Shri Narendra Jagannath Salvi

Designation: Managing Director **DIN:** 00299202
Address: 901, Kona Seema Chs, Plot No.8, Palm View, S.T. Road, Opp. K Star Mall, B/H PMC Bank Chembur Mumbai 400071, Maharashtra India
Date of Birth and Age (years): 16/08/1964 (58 Years)
Occupation: Service
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies:
- Aarti Industries Ltd
- Aarti Drugs Limited
- Aarti Pharmachem Limited

Past positions held in other entities (Director/ Partner): Nil
Experience: Shri Narendra Salvi is vastly experienced in the chemicals industry with an experience spanning over three decades. He is presently helming the quality system and projects and operations of the pharma division.

Shri Rajendra Vallabhaji Gogri

Designation: Non-Executive Non-Independent Director **DIN:** 00061003
Address: 2402 Richmond, Cliff Avenue, Near Forest Club, Hiranandani Gardens, Powai, Mumbai – 400 076
Date of Birth and Age (years): 15/12/1959 (62 Years)
Occupation: Industrialist
Term and period of directorship: NA
Directorship in other Companies:
- Aarti Industries Ltd
- Prince Pipes And Fittings Limited
- Safechem Enterprises Private Limited
- Aarti Polychem Private Limited
- Gala Precision Engineering Private Limited
- Alchemie Finserv Private Limited
- Crystal Millennium Realtors Private Limited
- Kutchi Angel Network Private Limited
- Gloire Trusteeship Services Private Limited
- Relacion Trusteeship Services Private Limited

Past positions held in other entities (Director/ Partner):
- Aashay Ventures LLP (02/06/2017 to 01/04/2020)
- Rupal Enterprise LLP (24/10/2016 to 01/06/2021)
- Aarti Drugs Limited (29/09/1984 to 25/08/2020)
- Aarti Biotech Limited (16/04/1998 to 10/03/2016)
- Alchemie Dyechem Private Limited (15/09/1994 to 18/07/2016)
- Pinnacle Lifescience Private Limited (24/08/2020 to 31/03/2022)
- Innovative Envirocare Jhagadia Limited (06/07/2012 to 02/08/2013)
- Aarti Corporate Services Limited (25/01/1995 to 11/10/2010)
- Plancess Edusolutions Private Limited (18/03/2011 to 01/06/2011)

Experience: A rank holder from UDCT, Mumbai, he possesses a master's degree in chemical engineering from USA. Along with Mr. Chandrakant V. Gogri, he has played a pivotal role in Aarti Industries Limited in acquiring its present stature. In addition to technical acumen, he possesses a keen understanding of the financial and commercial aspects of the chemical industry. Like Mr. Chandrakant V. Gogri, he also was conferred with the prestigious 'Distinguished Alumnus Award' from UDCT in the year 1995 for his entrepreneurial achievements. He was honoured with the 'Hurun Most Respected Entrepreneur of the Year – India' award in the year 2019. In the same year, he was also presented by the Indian Chemical Council with the 'Lala Shriram National Award' for leadership in the chemical industry.

Shri Parimal Hasmukhlal Desai

Designation: Non-Executive Non-Independent Director **DIN:** 00009272
Address: A – 1403 , Runwal Heights, L.B.S Road, Opp Nirmal Lifestyle, Mulund West, Mumbai, Maharashtra – 400080
Date of Birth and Age (years): 29/05/1949 (73 Years)
Occupation: Industrialist
Term and period of directorship: NA
Directorship in other Companies:
- Aarti Industries Limited
- Aarti HPC Limited
- Nikhil Holdings Private Limited
- Aarti Corporate Services Limited
- Sulochna and Nandini Welfare Foundation

Past positions held in other entities (Director/ Partner): Alchemie Dyechem Private Limited (23/02/1979 to 18/07/2016)
Experience: A chemical engineer from UDCT, Mumbai, Shri Parimal H. Desai has more than 38 years of experience in development and project implementation in the chemical industry.

Shri Bhavesh Rasiklal Vora

Designation: Non-Executive Independent Director **DIN:** 00267604
Address: B/702, Kailash Jyot-2, Opposite Gayatri Tower, Derasar Lane, Rajawadi, Ghatkopar (East), Mumbai-400 077, Maharashtra
Date of Birth and Age (years): 13/09/1967 (55 Years)
Occupation: Chartered Accountant
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies:
- Aarti Industries Limited
- Edelweiss Trusteeship Company Limited
- Basilstone Consulting Private Limited

Past positions held in other entities (Director/ Partner):
- Aarti Drugs Limited (31/07/2006 to 31/03/2022)
- Pinnacle Lifescience Private Limited (27/08/2016 to 31/03/2022)

Experience: Shri Bhavesh R. Vora is a commerce graduate and ACA by qualification. He is a practising Chartered Accountant, with more than 28 years of experience in the field of stock brokers' audits, compliances, derivatives, futures and options, accounting standards and internal management audit.

Dr. Vinay Gopal Nayak

Designation: Non-Executive Independent Director **DIN:** 02577389
Address: 601, Royal Grace CHS, Lokmanya Tilak Vashat Road-2, Behind Swami Narayan Temple, Dadar East, Mumbai - 400014
Date of Birth and Age (years): 12/12/1956 (66 Years)
Occupation: Industry Specialist
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Aarti Industries Limited
Past positions held in other entities (Director/ Partner):
- Marksans Pharma Limited (29/09/2016 to 01/01/2019)
- Medicaps Limited (31/10/2005 to 12/07/2009)

Experience: Dr. Vinay Gopal Nayak, a pharmaceutical professional with a technical background, has worked with organisations such as Cipla, Lupin, Watson, Marksans, Alembic and Emcure Pharmaceuticals for the past 32 years. He is specialised in the areas of manufacturing, quality, R&D, compliance and regulatory affairs, both for API and formulation manufacturing.

Prof. Vilas Gajanan Gaikar

Designation: Non-Executive Independent Director **DIN:** 00033383
Address: A-703, Dhananjay Apartments, Veera Desai Road Extension, Near R. G. Hospital, Azad Nagar, Andheri (W), Mumbai 400053
Date of Birth and Age (years): 28/08/1960 (62 Years)
Occupation: Professor
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Nil
Past positions held in other entities (Director/ Partner):
- Aarti Drugs Limited (31/12/2005 to 31/03/2022)
- Bharat Oman Refineries Limited (23/09/2014 to 04/03/2019)

Experience: Prof. Vilas G. Gaikar is an Independent Director of the Company. He holds a Ph.D. degree in Chemical Engineering from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology]. He is presently serving as the Distinguished Professor of Chemical Engineering in ICT. His field of specialisation and research includes Process Intensification using Microwave, Light and alternative energy sources, Thermochemical conversions of Biomass, Soft Condensed Matter, Reactive Separations and Design by Molecular Modelling, Clean Technology, Innovation Practices. He is a recipient of numerous awards and has published more than 190 publications in referred International Journals.

Smt. Jeenal Kenil Savla

Designation: Non-Executive Independent Director **DIN:** 07545244
Address: 402, My Residency, TPS-11, Dixit Road, Near Ashish Nursing Home, Vile Parle (E), Mumbai- 400057
Date of Birth and Age (years): 09/12/1983 (39 Years)
Occupation: Chartered Accountant
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Ganesh Polychem Limited
Past positions held in other entities (Director/ Partner): Valiant Organics Limited (30/09/2019 to 30/06/2022)
Experience: Smt. Jeenal K. Savla is a Chartered Accountant by qualification and has 14 plus years of experience in the areas of Internal Audit and Risk Management.

Smt. Rupal Anand Vora

Designation: Non-Executive Independent Director **DIN:** 07096253
Address: 806 Cumballa Crest 42, G Deshmukh Marg, HSBC Bank Lane, Peddar Road, Cumballa Hill, Mumbai -400026
Date of Birth and Age (years): 24/06/1963 (59 Years)
Occupation: Advocate
Term and period of directorship: 3 years w.e.f. October 17, 2022
Directorship in other Companies:
- Geecee Ventures Limited
- Winro Commercial (India) Limited
- Saraswati Commercial (India) Limited
- Walchandnagar Industries Limited
- Bombay Cycle and Motor Agency Limited
- Singularity Holdings Limited
- Four Dimensions Securities (India) Limited
- Extramarks Education India Private Limited

Past positions held in other entities (Director/ Partner): Nil
Experience: Smt. Rupal Vora is a Commerce graduate and Law graduate from Government Law College, Mumbai University. She is Practising Advocate having more than 30 years of experience and having specialization in Direct Taxation.

~~To be continued~~

DETAILS OF KEY MANAGERIAL PERSONNEL OF THE COMPANY

Name	Designation
Smt. Hetal Gogri Gala	Vice Chairperson and Managing Director
Shri Narendra J. Salvi	Managing Director
Shri Piyush Lakhani	Chief Financial Officer
Shri Nikhil Natu	Company Secretary

I. REASON FOR THE SCHEME OF ARRANGEMENT

AIL basically has 2 (Two) business verticals i.e., specialty chemicals and pharmaceuticals with divergent business profile, growth potential, risk-rewards, regulatory and capital requirements and are largely independent of each other. The demerger of the Business is being undertaken due to the following reasons:

1. The Demerged Undertaking relates to Pharma manufacturing units, allied activities investments and cash balance & cash equivalents for future Capital Expenditures of Demerged Undertaking. In order to create overall value for the shareholders and also to enable management of the Company to focus and adopt the relevant strategies necessary for promoting growth and expansion, it is proposed that the Demerged Undertaking, (as specifically set out in the Scheme), be demerged and transferred to the Resulting Company under the terms and conditions of this Scheme.
2. The shareholders of AIL, pursuant to the demerger, will get Equity Shares of Resulting Company for the values of Business Transferred in the manner set out under this Scheme.
3. The demerger will also result in AIL and APL achieving operational efficiencies by streamlining of the relevant businesses.
4. By demerger of the Demerged Undertaking into Resulting Company, the financial resources will be conveniently raised in accordance with the requirement of the business.
5. The demerger will enable APL to expand its presence in the fast-moving Pharma Business in India and abroad.
6. The demerger will result into two dedicated and focused business segments i.e. Speciality Chemical and Pharma without any risk or overlap of one business over the other.

J. THE AUDITED FINANCIAL RESULTS OF THE COMPANY FOR THE LAST THREE FINANCIAL YEAR ARE AS FOLLOWS:

Rs. in Lakhs, except per share data

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Sales and Other Income	1,13,826.17	94,353.33	0
Profit/ (Loss) after tax	13,173.21	10,672.61	-0.46
Equity Capital	4,531.30	4,531.30	25
Reserves and Surplus (excluding revaluation reserve)	1,37,062.28	1,23,871.30	-2.19
Earnings/ (Loss) per share (Rs.)	14.54	11.78	-0.18
Diluted earnings per share(Rs.)	14.54	11.78	-0.18

K. Independent Auditors' Report on Audit of Standalone Financial Results for the year-to-date financial results for the period 1 April 2022 to 31 December 2022.

To Board of Directors of
Aarti Pharmalabs Limited

Report on the Audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone year to date financial results of Aarti Pharmalabs Limited ("the Company") for year-to-date results for the period from 1 April 2022 to 31 December 2022, attached herewith, being submitted by the Company pursuant to regulatory requirements required for the purpose of filing application to exchanges for obtaining trading approval of its equity shares.

In our opinion and to the best of our information and according to the explanations given to us these standalone year to date financial results:

1. are presented in accordance with the regulatory requirements required for the purpose of filing application to exchanges for obtaining trading approval of its equity shares.
2. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS-34") prescribed under section 133 of the Companies Act 2013 read with relevant rules thereunder and other accounting principles generally accepted in India of the net profit and total other comprehensive income, and other financial information of the Company for year to date results for the period 1 April 2022 to 31 December 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

These year-to-date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulatory requirements.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the management and the Board of Directors are 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 the management and the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the interim standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim condensed standalone 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 interim condensed 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.

Other Matters

I. Comparative Audited Standalone Financial Results

a) The comparative audited standalone annual financial results for the period 1 July 2021 (Appointed date) to 31 March 2022 of pharma business undertaking were audited by erstwhile statutory auditors, Kirtane & Pandit, LLP (FRN: 105215W/W100057), Chartered Accountants of Aarti Industries Limited (demerged company) whose annual auditors report dated 27 May 2022 had expressed an unmodified opinion on financial statements.

b) The comparative audited annual financial results of the Company for the year ended 31 March 2022 (prior to giving effect to scheme of arrangement) were audited by erstwhile statutory auditors of the Company, Jatin Vora & Associates, LLP (FRN: 118024W), Chartered Accountants of Aarti Pharmalabs whose annual auditors report dated 20 May 2022 had expressed an unmodified opinion on financial statements.

c) The comparative audited annual financial results of the Company for the year ended 31 March 2021 (prior to giving effect to scheme of arrangement) were audited by erstwhile statutory auditors of the Company, Jatin Vora & Associates, LLP (FRN: 118024W), Chartered Accountants of Aarti Pharmalabs whose annual auditors report dated 15 May 2021 had expressed an unmodified opinion on financial statements.

Our opinion is not modified in respect of above matters.

II. Effect of Scheme of Arrangement

a) The Scheme of Arrangement for the demerger of Pharma Business Undertaking from Aarti Industries Limited ("the demerged company") to its wholly owned subsidiary Aarti Pharmalabs Limited ("the resulting company" or "the Company") between the two companies and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 ('Act') and all other applicable provisions of the Companies Act, 2013 ("the Scheme") was approved by Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench on 21 September 2022. Accordingly, all the assets and liabilities pertaining to the Pharma Business Undertaking, including supporting manufacturing units, employees, cash and cash equivalents and investments (including investments in subsidiaries and joint ventures), as defined in the Scheme, stand transferred and vested into the resulting company from its Appointed Date i.e., from 1 July 2021.

b) Pending receipt of the NCLT Order approving scheme of arrangement, financial statements of the Demerged Company (before giving effect to scheme of arrangement) for the year ended 31 March 2022 were approved by the Board of Directors of Demerged Company in their meeting held on 27 May 2022 and audited by erstwhile statutory auditors (refer para I (a) above). Subsequently, the same were approved by their shareholders in the general meeting held on 26 September 2022

c) We, Gokhale & Sathe, Chartered Accountants (FRN: 103264W) were appointed as statutory auditors of the Company to fill casual vacancy caused due to resignation of Jatin Vora & Associates, Chartered Accountants, through resolution passed by shareholders of the Company through postal ballot on 10 January 2023.

d) The management approached us to perform agreed upon procedures on standalone financial results prepared to give effect to scheme of arrangement. Accordingly, we have performed agreed upon procedures as per Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India and we report that as follows:

- standalone financial results of pharma business undertaking prepared by the management of the Company for period from 1 July 2021 to 31 March 2022 is as per accounting treatment and information mentioned in the scheme.
- It is drawn from standalone financial statements prepared and audited by erstwhile statutory auditors of Demerged Company as mentioned in I (a) above.
- It is extracted from the books of accounts maintained by the Company having records/information maintained for pharma business and speciality chemical business.

For GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Registration No.: 103264W

Tejas Parikh
Partner
Membership No.: 123215
UDIN: - 23123215BGQKZR9410
Place: Mumbai
Date: 17 January 2023

L. Standalone Audited Financial Statement For The Nine Months Ended December 31, 2022 & Financial Year Ended March 31, 2022

(Rs. in lakhs)

Particulars	Note No.	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
A ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	1	81,628.29	70,089.25	0
(b) Capital Work-in-Progress	1	7,702.33	16,522.59	0
(c) Intangible Assets	1	19.18	22.52	0
(d) Intangible Assets Under Developments	1	3,762.04	2,214.02	0
(e) Financial Assets				
(i) Investment in Subsidiary	2	90.76	90.76	0
(ii) Other Investments	2	4,176.53	3,896.04	0
(iii) Other Financial Assets	3	866.93	820.58	0.00
(f) Other Non-Current Assets	4	429.10	0	NIL
Total Non-Current Assets		**98,675.16**	**93,655.76**	**0**
2 Current Assets				
(a) Inventories	5	52,719.91	44,437.53	0.00
(b) Financial Assets				
(i) Trade Receivables	6	33,225.96	30,421.97	0.00
(ii) Cash and Cash Equivalents	7	5,079.25	5,649.99	25.00
(iii) Loans	8	585.23	477.97	0.00
(iv) Other Financial Assets	9	4,061.01	7,000.39	0.00
(c) Other Current Assets	10	1,152.66	1,039.57	0.00
Total Current Assets		**96,824.02**	**89,027.42**	**25.00**
TOTAL ASSETS		**1,95,499.17**	**1,82,683.19**	**25.00**
B EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share Capital	11	4,531.30	25.00	25.00
(b) Equity Share Capital pending allotment upon scheme of arrangment	11	NIL	4,531.30	0
(c) Other Equity	12	1,37,062.28	1,23,871.30	-2.19
Total Equity		**1,41,593.58**	**1,28,427.60**	**23.81**
3 LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	13	NIL	NIL	-
Other Non Current Financial Liability	14	151.23	153.23	0
(b) Deferred Tax Liabilities (Net)	15	6,610.00	5,935.00	-
Total Non-Current Liabilities		**6,761.23**	**6,088.23**	**-**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	29,686.56	32,462.44	1.73
(ii) Trade Payables Due to				
- Micro and Small Enterprises	17	3,848.84	2,114.38	0.26
- Other Than Micro and Small Enterprises	17	11,905.52	11,046.92	0
(iii) Others				
(b) Other Current Liabilities	18	126.44	124.44	0.20
(c) Provisions	19	1,455.21	1,669.17	0.00
(d) Current Tax Liabilities (Net)	20	121.79	750.00	0.00
Total Current Liabilities		**47,144.36**	**48,167.35**	**2.19**
Total Liabilities		**53,905.59**	**54,255.58**	**2.19**
TOTAL EQUITY AND LIBILITIES		**1,95,499.17**	**1,82,683.19**	**25.00**
Significant Accounting Policies				

Standalone Statement of Profit and Loss for the Period Ended 31st December, 2022

(Rs. in lakhs)

	Particulars	Note No.	As at 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
I	Revenue from Operations	21	1,13,698.04	94,102.10	-
II	Other Income	22	128.13	251.23	-
III	**Total Income (I+II)**		**1,13,826.17**	**94,353.33**	**-**
IV	**EXPENSES**				
	(a) Cost of Materials Consumed	23	68,933.39	55,018.79	-
	(b) Purchase of Stock In trade		969.69	45.57	-
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	24	-8,252.82	-3,254.26	-
	(d) Employee Benefits Expense	25	9,121.61	7,998.43	-
	(e) Finance Costs	26	1,469.09	1,133.91	-
	(f) Depreciation / Amortisation Expenses	27	4,151.95	3,723.30	-
	(g) Other Expenses	28	19,772.19	16,314.98	0.46
	Total Expenses (IV)		**96,165.10**	**80,980.72**	**0.46**
V	**Profit before Exceptional Items and Tax (III-IV)**		**17,661.07**	**13,372.61**	**-0.46**
VI	Exceptional Items		-	-	-
V	**Profit before Tax (III-IV)**		**17,661.07**	**13,372.61**	**-0.46**
VI	TAX EXPENSE				
	Current Tax		3,500.00	2,250.00	-
	Earlier Year Tax		312.86	NIL	-
	Deferred Tax		675.00	450.00	-
	Total Tax Expenses		**4,487.86**	**2,700.00**	**-**
VII	**Profit for the year (V-VI)**		**13,173.21**	**10,672.61**	**-0.46**
VIII	**OTHER COMPREHENSIVE INCOME**				
	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)		-7.21	706.86	-0.00
	- Remeasurement of defined employee benefit plans (net of tax)		-		
	b. Items that will be reclassified to Statement of Profit and Loss		-		
	Other Comprehensive Income (Net of Tax)		**-7.21**	**706.86**	**-0.00**
IX	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX (VII+VIII)**		**13,166.00**	**11,379.47**	-0.46
X	**Earnings Per Equity Share of Face Value of Rs 10 Each (EPS) (in Rs.)**	29			
	Basic		14.54	11.78	-0.18
	Diluted		14.54	11.78	-0.18
	Significant Accounting Policies				
	Accompanying Notes to the Financial Statements	1-33			

Standalone Cash Flow Statement for the Period Ended 31st December, 2022

(Rs. in lakhs)

Sr. No.	Particulars	For the Period Ended 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before Tax	17,661.07	13,372.61	-0.46
	Adjusted for:			
	- Finance Costs	1,469.09	1,133.91	0.00
	- Depreciation/Amortisation	4,151.95	3,723.30	0.00
	- Dividend Income	-128.13	-247.86	0.00
	- Interest Income	NIL	NIL	NIL
	Operating Profit before Working Capital Changes	**23,153.98**	**17,981.96**	**-0.46**
	Adjusted for:			
	- (Increase)/Decrease in Trade and Other Receivables	-560.41	-8,570.97	0.00
	- (Increase)/Decrease in Inventories	-8,282.38	-10,814.41	0.00
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	963.32	-3,579.85	0.46
	Cash Generated from Operations	**15,274.51**	**-4,983.27**	**0.00**
	Taxes Paid (Net)	-3,812.86	-1,500.00	0.00
	Net Cash Flow from Operating Activities	**11,461.50**	**-6,483.27**	**0.00**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Acquisition of Property, Plant and Equipment and Capital Work In Progress	-8,415.41	-13,602.57	0.00
	Other Investments	NIL	NIL	NIL
	Dividend Income	128.13	247.86	0.00
	Interest Income	NIL	NIL	NIL
	Proceeds from Sale of Investments	500.00	NIL	NIL
	Net Cash Flow used in Investing Activities	**-7,787.28**	**-13,354.71**	**0.00**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds/(Repayment) from Current Borrowing (Net)	-2,775.88	26,596.86	0.00
	Finance Costs	-1,469.09	-1,133.91	0.00
	Dividends Paid	0.00	0.00	0.00
	Net Cash Flow from /(used in) Financing Activities	**-4,244.97**	**25,462.95**	**0.00**
	Net Increase/(Decrease) in Cash and Cash Equivalents	**-570.74**	**5,624.98**	**0.00**
	Opening Balance of Cash and Cash Equivalents	**5,649.99**	**25.00**	**25.00**
	Closing Balance of Cash and Cash Equivalents	**5,079.25**	**5,649.99**	**25.00**

Notes:

1 The accompanying notes are an integral part of the Ind AS financial statements.
2 The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India.3Cash and Cash Equivalents comprises of:

Particulars	For the Period Ended 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
a. Cash on Hand	32.72	19.37	0.00
b. Balances with Banks	5,046.52	5,630.62	25.00
Total	**5,079.25**	**5,649.99**	**25.00**

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER, 2022

A. Equity Share Capital

(Rs. in Lakhs)

As at 31st March, 2020	25.00
Changes in equity share capital during the year 2020-21	-
As at 31st March, 2021	25.00
Changes in equity share capital during the year 2021-22	0.00
As at 31st March, 2022	25.00
Changes in equity share capital during the year 2022-23	-4,506.30
As at 31st December, 2022	4,531.30

B. Other Equity

(Rs. in lakhs)

Particulars	Ratained Earnings	General Reserve	Securities premium	Capital Redemption Reserve	Other Comprehensive Income	Total
Balance as at 31st Mar, 2020	**-1.73**	**-**	**-**		**-**	**-1.73**
Profit / loss for the year	-0.46	-	-		-	-0.46
Balance as at 31st Mar, 2021	**-2.19**	**-**	**-**		**-**	**-2.19**
Transferred On Account of Scheme of Arrangement	64,455.78	8,187.56	44,032.54		349.58	1,17,025.45
Share Issue	-4,531.30	-		-	-4,531.30	
Total Comprehensive Income for the year	-				706.86	706.86
Profit for the year	10,672.61			-	10,672.61	
Dividend Paid					-	
Remeasurement of defined employee benefit plans (net of tax)					-	
Balance as at 31st Mar, 2022	**70,594.76**	**8,187.56**	**44,032.54**	**-**	**1,056.44**	**1,23,871.30**
Transferred On Account of Scheme of Arrangement	-	-	-		-	-
Share capital Cancellation on account of Scheme of Arrangement	-	-	-	25.00	-	**25.00**
Effect of Gratuity Provison to be maintained as per NCLT order	-	-	-		-	-
Total Comprehensive Income for the year	-	-	-		-7.21	**-7.21**
Profit for the year	13,173.19				-	**13,173.19**
Dividend Paid						-
Remeasurement of defined employee benefit plans (net of tax)						-
Balance as at 31st Dec 2022	**83,767.95**	**8,187.56**	**44,032.54**	**25.00**	**1,049.23**	**1,37,062.28**

Corporate Information and Significant Accounting Policies:

A. Corporate Information

AARTI PHARMALABS LIMITED ("the Company") is a Public Limited Company incorporated under the provisions of the Companies Act, 2013. During Fy 2021-22, Company has change its name from Aarti Organics limited to Aarti Pharmalabs limited and same is approved at ROC. Necessary changes has been incorporate in all places including MOA & AOA. During Fy 2021-22 Company has changed its Regsitered Office to Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad Gujarat – 396195 and same is approved at ROC.

The Honourable NCLT - Ahmedabad Bench has approved the scheme of arrangment between Aarti Industries Limited , Aarti Pharmalabs Limited and their shareholders on 21 September, 2022; pursuant to which, the Pharma Undertaking of Aarti Industries Limited is transferred to the Company w.e.f. Appointment Date (i.e. with effect from 1st July, 2021).

The Company is into Manufacture of Active Pharmaceuticals Ingredients ("APIs"), Manufacture of API / KSM intermediates and Xanthine derivatives for the pharmaceutical and food/beverages industry. Company is specialise in generic APIs, generic intermediates, and xanthine derivatives. Company also provides CDMO services for drug substance/NCE development and manufacturing for innovative pharmaceutical and biotech firms with a focus on the Ph-I/II/III, launch, and commercial phases. Company has dedicated facilities for the production of HPAPIs, corticosteroids, cytotoxic medicines, and oncology products

Manufacturing Units of the Company are located at Maharashtra & Gujarat State at various locations

B. Explainatory Note on the Composite Scheme of Arrangement

The Scheme of Arrangement under sections 230 to 232 has been entered by the Company and Aarti Industries Limited (the Demerged Company) and AND THEIR RESPECTIVE SHAREHOLDERS IN RESPECT OF DEMERGER OF PHARMA DIVISION OF AARTI INDUSTRIES LIMITED INTO AARTI PHARMALABS LIMITED (FORMERLY KNOWN AS AARTI ORGANICS LIMITED) UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

Certified copies of the order of the Hon'ble National Company Law Tribunal have been filed with the Registrar of Companies at Vapi, Gujarat on 17th October, 2022 and the scheme has become effective from 17th October 2022

The Scheme has accordingly been given effect to in the accounts effective from the Appointed Date being opening of business hours on 1st July, 2021

Demerged Company Aarti Industries limited is deemed to have been carrying on all business activities relating to the demerged undertaking with effect from opening of business hours on July 1, 2021 and on account of and in trust of the Company. All profits or losses, income and expenses accruing or arising or incurred after opening of business hours on July 1, 2021 relating to the said undertaking shall get vested to the Company.

Pursuant to the Scheme of Arrangement, Aarti Pharmalabs Limited to issue to Equity Shareholder of Aarti Industries Limited, For every 4 equity shares held in Aarti Industries Limited 1 Equity Shares of Aarti Pharmalabs Limited.

Details of Assets & Liability of Aarti Industries limited Demerged Pharma Undertaking Transferred to Company pursuant to scheme as at Appointed date is as below

Particular	Amount (Rs. In Crore)
Property, Plant and Equipment	789.69
Investments	32.71
Trade Receivable	256.89
Inventories	336.23
Other Current & Non-Current Assets (Incl Cash & Cash Equivalents)	721.56
Total Assets	2,137.08
Trade Payables	-170.47
Other Current & Non-Current Liability	-71.00
Borrowings (In the Ratio of Net Assets Transferred)	-725.68
Total Liability	-967.14
Excess of Assets over Liabilities	1,169.94

B. Significant Accounting Policies

B.1 Basis of Preparation and Presentation

"The financial statements of the Company have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:a. Certain financial assets and liabilities that are measured at fair value; andb. Defined benefit plans - Plan assets measured at fair value."

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) (Amendment) Rules, 2015 amended from time to time and other relevant provisions of the Act.

Company's Financial Statements are presented in Indian Rupees (`), which is also its functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated.

The financial statements of the Company for the Period ended 31.12.2022 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 17th January, 2023

B.2 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in subsequent financial years.

(a) 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.

(b) 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.

(c) 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.

(d) 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.

B.3 Summary of Significant Accounting Policies

(a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

"An asset is treated as Current when it is –- Expected to be realised or intended to be sold or consumed in normal operating cycle;- Held primarily for the purpose of trading;- Expected to be realised within twelve months after the reporting period, or- Cash or cash equivalent unless 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."

"A liability is considered as Current, when -- It is expected to be settled in normal operating cycle;- It is held primarily for the purpose of trading;- It is due to be settled within twelve months after the reporting period, or- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.All other liabilities are classified as non-current."

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

(c) 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 intangible assets.

(d) Valuation of Inventories

Inventories are valued at Cost or Net Realizable Value whichever is lower.

Inventories have been valued on the following basis:

a. Raw Materials, Packing Material, Stores and Spares Weighted Average cost or net realisable value, whichever is lower
b. Work-in-Progress - At cost plus appropriate allocation of overheads or net realisable value, whichever is lower
c. Finished Goods - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

(e) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments that are readily convertilbe to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Revenue Recognition

(i) Revenue from Sale of Goods to customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Sale of Scrap and obsolete stores is accounted for at the time of disposal.

(ii) Export entitlements are recognized on realization.

(iii) Revenue in respect of Interest is recognized on the time proportion method.

(iv) Industrial Promotion Incentive granted by State Government is recognised when claim in respect of Entitlement is made & admitted after close of yearly Sales Tax Assessment.

(v) Dividend Income is recognised when the Company's right to receive the amount has been established.

(g) Government Grants

(i) Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

(ii) Government grants are recognised in Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

(iii) In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(h) Depreciation/Amortization

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Shchedule II;

Sr. No.	**Particulars**	**Depreciation or Amortisation**
1.	Leasehold Land	Over the remaining tenure of lease
2.	Building	Over a period of 19 years
3.	Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 19 years, based on the type of Equipment
4.	Computers	Over a period of 2.5 years
5.	Office Equipments	Over a period of 5 years
6.	Furniture and Fixtures	Over a period of 10 years
7.	Vehicles	Over a period of 7 years
8.	Intangible Assets (Product Registration Rights)	Over a period of 5 years

(i) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(j) Foreign Currency Transactions

Foreign currency transactions are accounted at the rates prevailing on the date of the transactions. The exchange rate differences arising out of such transactions are approriately dealt in the financial statements in accordance with the applicables accounting standards.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

(k) Operating Leases

As a lessee:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

(l) Finance Costs

Borrowing Costs other than those directly attributable to Qualifying Assets are recognised as expenses in profit or loss in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements.

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(n) Employee Benefits

Short-term Benefits

Short term employee benefits including accumulating compensated absences are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

Post-retirement Benefits

Defined Contribution Plans

Retirement Benefits in the form of Provident Fund which is a defined contribution schemes is charged to the statement of profit and loss for the period in which the contributions to the fund accrue as per the relevant statute.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the gratuity fund maintained with Life Insurance Corporation of India, exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurements of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

(o) Taxes on Income

The tax expense for the period comprises of current tax and deferred income tax. 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.

Current Tax

Tax on income for the current period is determined on the basis on 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. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT)

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the same at each balance sheet date.

P. Financial Instruments

Øè Financial Assets

I Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

II Subsequent Measurement

(i) Financial assets measured at Amortised Cost (AC)

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 specific dates to cash flows that are 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 specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets measured at Fair Value Through Profit or Loss (FVTPL)

A financial assets, which are not classified in any of the above categories are measured at FVTPL.

III Equity Investments

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. Equity Investments in Subsidiaries are carried individually at cost less accumulated impairment, if any.

IV Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses, 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables, the Company applies 'simplified approach', which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

Øè Financial Liabilities

I Initial Recognition and Measurement

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

II Subsequent Measurement

Financial liabilities are carried at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

Øè Derecognition of Financial Instruments

The Company derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. 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.

Øè Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q. Earnings Per Shares

Basic earnings per share are calculated by dividing the Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the 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 effect of all dilutive potential equity shares.

C. Recent Accounting Pronouncements

Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase 2

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

- Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.
- Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The amendments do not have any impact on the financial statements.

Amendment to Ind AS 103 "Business Combination" – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 – Business Combinations. The management does not expect the amendment to have any impact in its financial statements.

Amendment to Ind AS 16 "Property, Plant and Equipment" – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The management does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 1 - Property, Plant and Equipment (FY 2022- 23)

		GROSS BLOCK							**DEPRECIATION**			**NET BLOCK**	
	Particulars	**Balance as at 1st April, 2022**	**Addition on Account of Scheme of Arrangment**	**Additions/ Adjustments**	**Deduction/ Adjustments**	**Balance as at 31st Dec, 2022**	**Balance as at 1st April, 2022**	**Addition on Account of Scheme of Arrangment**	**Depreciation charge for the year**	**Deduction/ Adjustments**	**Balance as at 31st Dec, 2022**	**Balance as at 31st Dec, 2022**	**Balance as at 31st March, 2022**
1	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	-	-	-	2,173.98	173.21	-	16.36	-	189.57	1,984.42	2,000.77
	Buildings	11,601.95	-	3,533.86	-	15,135.81	3,977.06	-	514.36	-	4,491.42	10,644.39	7,624.89
	Buildings	588.05	-	-	-	588.05	344.30	-	97.50	-	441.80	146.25	243.75
	Plant and Machinery	86,283.78	-	12,095.51	-	98,379.29	30,595.48	-	3,394.57	-	33,990.05	64,389.25	55,688.30
	Furniture and Fixtures	645.38	-	-	-	645.38	316.08	-	36.72	-	352.80	292.58	329.30
	Office Equipments	214.55	-	6.27	-	220.83	130.59	-	17.37	-	147.96	72.86	83.96
	Computers, Printers	559.19	-	41.43	-	600.62	448.50	-	41.89	-	490.39	110.23	110.69
	Vehicles	343.21	-	10.59	-	353.79	194.34	-	29.85	-	224.19	129.61	148.87
	Total	**1,06,268.81**	**-**	**15,687.66**	**-**	**1,21,956.47**	**36,179.56**	**-**	**4,148.62**	**-**	**40,328.18**	**81,628.29**	**70,089.25**
II	InTangible Assets												
	IT software & Other Intangible Assets	3,802.32	-	-	-	3,802.32	3,779.81	-	3.33	-	3,783.14	19.18	22.52
	Total	**3,802.32**	**-**	**-**	**-**	**3,802.32**	**3,779.81**	**-**	**3.33**	**-**	**3,783.14**	**19.18**	**22.52**
III	**Gross Total**	**1,10,071.13**	**-**	**15,687.66**	**-**	**1,25,758.79**	**39,959.37**	**-**	**4,151.95**	**-**	**44,111.32**	**81,647.47**	**70,111.77**
III	**Capital Work-in-Progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,464.37**	**18,736.61**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

e. Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st December, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	**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**	**Average****
Projects in progress	3,210.66	4,491.68	0.00	0.00	7,702.33
Projects temporarily suspended	0	0	0	0	0
	3,210.66	4,491.68	0.00	0.00	7,702.33

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**	**Average****
Projects in progress	1,548.02	2,214.02	0.00	0.00	3,762.04
Projects temporarily suspended	0	0	0	0	0.00
	1,548.02	**2,214.02**	**0.00**	**0.00**	**3,762.04**

Note 1 - Property, Plant and Equipment (FY 2021-22)

		GROSS BLOCK							**DEPRECIATION**			**NET BLOCK**	
	Particulars	**Balance as at 1st April, 2021**	**Addition on Account of Scheme of Arrangment**	**Additions/ Adjustments**	**Deduction/ Adjustments**	**Balance as at 31st March, 2022**	**Balance as at 1st April, 2021**	**Addition on Account of Scheme of Arrangment**	**Depreciation charge for the year**	**Deduction/ Adjustments**	**Balance as at 31st March, 2022**	**Balance as at 31st March, 2022**	**Balance as at 31st March, 2021**
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	-	3,858.72	-	-	3,858.72	-	-	-	-	-	3,858.72	-
	Leasehold Land	-	1,890.83	283.16	-	2,173.98	-	149.99	23.22	-	173.21	2,000.77	-
	Buildings	-	10,183.13	1,418.82	-	11,601.95	-	3,541.06	436.00	-	3,977.06	7,624.89	-
	Buildings	-	440.88	147.17	-	588.05	-	244.96	99.34	-	344.30	243.75	-
	Plant and Machinery	-	77,778.54	8,505.24	-	86,283.78	-	27,428.67	3,166.80	-	30,595.48	55,688.30	-
	Furniture and Fixtures	-	642.47	2.91	-	645.38	-	273.99	42.09	-	316.08	329.30	-
	Office Equipments	-	189.46	25.10	-	214.55	-	114.29	16.30	-	130.59	83.96	-
	Computers, Printers	-	533.76	25.43	-	559.19	-	378.90	69.60	-	448.50	110.69	-
	Vehicles	-	314.08	29.13	-	343.21	-	184.79	9.55	-	194.34	148.87	-
	Total	**-**	**95,831.86**	**10,436.96**	**-**	**1,06,268.81**	**-**	**32,316.66**	**3,862.90**	**-**	**36,179.56**	**70,089.25**	**-**
II	**InTangible Assets**												
	IT software & Other Intangible Assets	-	3,783.76	18.56	-	3,802.32	-	3,773.41	6.40	-	3,779.81	22.52	-
	Total	**-**	**3,783.76**	**18.56**	**-**	**3,802.32**	**-**	**3,773.41**	**6.40**	**-**	**3,779.81**	**22.52**	**-**
III	**Gross Total**	**-**	**99,615.61**	**10,455.52**	**-**	**1,10,071.13**	**-**	**36,090.07**	**3,869.30**	**-**	**39,959.37**	**70,111.77**	**-**
III	**Capital Work-in-Progress**	**-**	**15,448.62**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,736.61**	**-**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

e. Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st March, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	**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**	**Average****
Projects in progress	10,903.13	4,956.18	663.28	0.00	16,522.59
Projects temporarily suspended	0	0	0	0	0
	10,903.13	**4,956.18**	**663.28**	**0.00**	**16,522.59**

Capital Work-in-Progress	**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**	**Average****
Projects in progress	2,214.02	0.00	0.00	0.00	2,214.02
Projects temporarily suspended	0	0	0	0	0
	2,214.02	**0.00**	**0.00**	**0.00**	**2,214.02**

Note 2 - Non Current Financial Assets - Investments

Particulars	Number of Units/Shares (all fully paid up) Opening Balance	Transfer Pursuant to Scheme	Acquisition	Disposal	Closing Balance	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
2.1 Investments - (Unquoted) in Equity Shares of Subsidiary Companies								
Aarti USA Inc.	0	10000000	0	0	10000000	65.76	65.76	0.00
Aarti Pharmachem Limited	0	50000	0	0	50000	25.00	25.00	0.00
2.2 Investments - (Unquoted) in Equity Shares of Joint Control/Associates Companies								
Ganesh Polychem Limited *	0	3098257			3098257	1260.86	1260.86	0.00
Investments - (Unquoted) in Equity Shares of Other Companies								
Dilesh Roadlines Private Limited	0	464550	0	0	464550	1123.24	1041.34	0.00
Aarti Ventures Limited	0	454364	0	0	454364	738.75	739.02	0.00
Tarapur Environment Protection Society	0	21751	0	0	21751	61.97	61.97	0.00
Derma Touch Inc.	0	125000	0	0	125000	425.52	425.52	0.00
Investments - (Unquoted) in Limited Liability Partnership								
Aarti Udyog Limited Liability Partnership	0	N.A.	0	0	N.A.	566.19	367.33	0.00
Total	-	-		-	-	**4267.29**	**3986.80**	**0.00**

(Rs. in lakhs)

3	Other Financial Assets	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Deposits	866.93	820.58	0.00
	Total	**866.93**	**820.58**	**0.00**

4	Other Non-Current Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Capital Advance	429.10	NIL	
	Total	**429.10**	**NIL**	**NIL**

5	Current Assets - Inventories	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Raw Materials and Components (incl of In-transit stock)	15,955.89	18,691.41	0.00
	Work-in-progress	14,298.56	8,150.40	0.00
	Finished Goods (incl of In-transit stock)	21,984.09	17,251.57	0.00
	Stores and spares	295.84	223.12	0.00
	Fuel	43.81	22.32	0.00
	Packing Materials	141.72	98.72	0.00
	Total	**52,719.91**	**44,437.54**	**0.00**

6	Current Financial Assets - Trade Receivables	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Unsecured and considered good	33,125.96	30,321.97	0.00
	-Unsecured Doubtful Debts	0.00	0.00	0.00
	-Provision for Doubtful Debts	100.00	100.00	0.00
	Total	**33,225.96**	**30,421.97**	**0.00**

*The Company has availed credit facilities from banks which are secured interalia by hypothecation of Trade Receivables.

7	Current Financial Assets - Cash and Cash Equivalents	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Cash on Hand	5.79	4.69	0.00
	Cash Equivalants investment in highly Liquid Funds	5,046.52	5,630.62	0.00
	Balances with Banks	26.93	14.68	25.00
	Total	**5,079.24**	**5,649.99**	**25.00**

8	Loans	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	(i) Loan to Related Party (Refer Note no. 36)	585.23	477.97	0.00
	(ii) Loan to Employees	0.00	0.00	0.00
	Total	**585.23**	**477.97**	**0.00**

9	Other Financial Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Balance with Customs, Central Excise, GST and State Authorities	3,959.87	6,887.42	0.00
	Other Receivable	101.14	112.98	0.00
	Total	**4,061.01**	**7,000.40**	**0.00**

10	Other Current Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Others Receivable	660.90	646.58	0.00
	Prepaid Expenses	491.76	392.99	0.00
	Advance to Suppliers	0.00	0.00	0.00
	Total	**1,152.66**	**1,039.57**	**0.00**

11 SHARE CAPITAL:

Particulars	No. of Shares	As at 31st Dec 2022	No. of Shares	As at 31st Mar 2022	No. of Shares	As at 31st Mar 2021
Authorised Share Capital						
Equity Shares of Rs 5/- each	10,00,00,000	5,000.00	5,00,000	50.00	5,00,000	50.00
Issued, Subscribed & Paid up						
a Equity Shares of ` 5/- each	9,06,26,008	4,531.30			2,50,000	25.00
b Equity Shares of ` 10/- each Pending Cancellations	-	-	2,50,000	25.00		
c Equity Shares of ` 5/- each pending Allotment upon Scheme of Arrangment	-	-	9,06,26,008	4,531.30		0
TOTAL	**9,06,26,008**	**4,531.30**	**9,08,76,008**	**4,556.30**	**2,50,000**	**25.00**

11.1 - Pursuant to the Scheme of Arrangment, Aarti Pharmalabs Limited to issue to the Equity Shareholders of Aarti Industries Limited -For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company

- The Honourable High Cout of Ahemedabad has approved the scheme of Arrangment on 21st September, 2022 . Pending allotment of share as at Balance sheet Date, Share capital of Rs 4531.30 lakhs as approved Under Scheme of Arragment is shown as Share capital pending for Allotment.
- Pursuant to Scheme of Arrangment Authorised share capital is Increased to 100000000 Shares of Rs 5 Each for Issue of Shares to the Shareholders of Demerged Company Aarti Industries limited

11.2 Share Capital Pending Cancancellation

- Aarti Pharmalabs limited is 100% Subsidiary of Aarti Industries limited. As per the order of NCLT, upon scheme becoming effective, original share capital of Rs 25 Lakhs stands automatically cancelled and reinstated to Rs 4531.30 lakhs by payment of applicable stamp duty and compliance of ROC formalities. As at Balance Sheet date, ROC formalities with respect to increase in authorised share capital, allotment of share capital and cancellation of existing share capital were pending and hence, the share capital of Rs. 25 Lakhs, existing on the balance sheet date is shown as 'Share Capital Pending Cancellation'.

11.3 Reconciliation of number of Equity Shares outstanding:

(Rs. in lakhs)

Particulars	As at 31st Dec 2022 No' Of Shares	As at 31st March, 2022 No' Of Shares	As at 31st March, 2021 No' Of Shares
Equity Shares at the beginning of the year	2,50,000	2,50,000	2,50,000
Add: Shares issued during the year Pursuant to the Scheme of Arrangement	9,06,26,008	-	-
Less: Shares Cancelled Pursuant to the Scheme of Arrangement	-2,50,000	-	-
Equity Shares at the end of the year	9,06,26,008	2,50,000	2,50,000

11.4 Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares 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.

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Retained Earnings / Profit & Loss Account			
	As per last Balance Sheet	70,594.76	-2.19	-1.73
	Add: Balance transferred on account of scheme of arrangment	- .00	64,455.78	- .00
	Less : Toward Issue of Shares capital	- .00	-4,531.30	- .00
	Add: Cancellation of Share Capital on Issuance of Fresh Share Capital as per the Scheme of Arrangement	- .00	- .00	- .00
	Profit / Loss for the year	13,173.20	10,672.61	-0.46
	Dividend Paid	- .00	- .00	- .00
	Share Capital Cancellation Purs	- .00		- .00
	Remeasurement of defined employee benefit plans (net of tax)	- .00	- .00	- .00
	Closing Balance	**83,767.96**	**70,594.76**	**-2.19**
	Securities Premium Account			
	As per last Balance Sheet	44,032.54	- .00	- .00
	Add: Balance transferred on account of scheme of arrangment	- .00	44,032.54	- .00
	Add: During the Years	- .00	- .00	- .00
	Less: During the year	- .00	- .00	- .00
	Closing Balance	**44,032.54**	**44,032.54**	**- .00**
	Capital Redemption Reserve			
	As per last Balance Sheet	- .00		- .00
	Add: Share capital Cancelled pursuant to scheme	25.00	- .00	- .00
	Add: During the Years	- .00	- .00	- .00
	Less: During the year	- .00	- .00	- .00
	Closing Balance	**25.00**	**- .00**	**- .00**
	General Reserve			
	As per last Balance Sheet	8,187.56	- .00	- .00
	Add: Balance transferred on account of scheme of arrangment	- .00	8,187.56	- .00
	Add: During the Years	- .00	- .00	- .00
	Less: During the year	- .00	- .00	- .00
	Closing Balance	**8,187.56**	**8,187.56**	**- .00**
	Other Comprehensive Income			
	As per last Balance Sheet	1,056.44	- .00	- .00
	Add: Balance transferred on account of scheme of arrangment	- .00	349.58	- .00
	Add: Movement in OCI (Net) During the Year	-7.21	706.86	- .00
	Closing Balance	1,049.23	1,056.44	- .00
	Total	1,37,062.28	1,23,871.30	-2.19

12.1 Pursuant to the scheme of arrangment approved by NCLT, Ahmedabad Bench, Excess of the Net Assets transfered over the face value of the New Securities to be allotted in accordance with the Scheme, shall be credited to same reserves as debited in the books of AIL with adjustment for balance, if any, to Profit and Loss Account/Retained Earnings. As at balance sheet date, allotment of share capital is pending and hence Excess of Net Asets Over the face value of Equity shares to be issue is shown as 'Reserves Pending Allocation'.

(Rs. in lakhs)

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
13	**Non Current Financial Liabilities - Borrowings**			
	Secured - At Amortised Cost	-	-	
	Total	**-**	**-**	**-**

14	Other Non Current Financial Liabilities - Borrowings	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Secured - At Amortised Cost	-	-	
	Lease Liability	151.23	153.23	
	Other	-	-	-
	Total	**151.23**	**153.23**	**-**

15	Deferred Tax Liability (Net)	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	At the start of the year	5,935.00	-	-
	Transfered Pursuant to the Scheme of Arrangment	-	5,485.00	-
	Charge/(credit) to the Statement of Profit and Loss	675.00	450.00	-
	MAT Credit Entitlement	-	-	-
	At the end of the year	**6,610.00**	**5,935.00**	**-**

16	Current Financial Liabilities - Borrowings	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	At Amortised Cost			
	Secured - Working capital Loan From Banks	17,989.94	-	
	Secured - Working capital Loan to be repaid to Aarti Industries limited under schem of Demerger	11,696.62	32,462.44	
	From Related Parties	-	-	1.73
	Total	**29,686.56**	**32,462.44**	**1.73**

16.1 Pursuant to the Scheme of Arrangement, common working capital borrowing was allocated to Aarti pharmalabs Limited in the ratio of value of Assets transfered in the scheme of arrangement to the total assets of Aarti Industries Limited prior to demerger. In absence of specific loan from lenders, borrowings allocated to the Company are shown as loan from Aarti Industries Limited to be repaid by taking loans from banks.

16.2 "Company has applied for Total working capital limit of Rs 375 crore with five banks and has offered security - First pari-passu hypothecation charge on all existing and future current assets/ of the Borrower, to be shared with others banks under multiple banking arrangement. Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with other banks under multiple banking arrangement. During Fy 2022-23, out of Five banks, company has drawdown loans from three banks and same is used for repayment of Loan Transfered pursuant to scheme. Company is in process of executing loan documetns with other two banks for repayment of balances Outstanding payable to Aarti Industries limited Rs 116.96 crore"

16.3 There are no material differences between the quarterly statements of stock filed by the company with banks and the books of accounts.

16.4 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.

17	Current Liabilities - Trade Payables	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Due to			
	- Micro and Small EnterEprises	3,848.84	2,114.38	
	- Other Than Micro and Small Entereprises	11,905.52	11,046.92	0.26
	Total	**15,754.36**	**13,161.30**	**0.26**

18	Other Current Liabilities	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Lease Liability Current	126.44	124.44	
	Other Current Liabilities	-	NIL	0.20
	Total	**126.44**	**124.44**	**0.20**

19	Current Provisions	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Provision for Employee Benefits	1,224.41	1,638.57	
	Other Provisions	230.80	30.59	
	Total	**1,455.20**	**1,669.16**	**0.00**

20	Current Tax Liabilities (Net)	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Current Tax Liabilities (Net)	121.79	750.00	
	Total	**121.79**	**750.00**	**0.00**

21	Revenue from Operations	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Local Sales	63,455.98	53,075.46	
	Export Sales	49,594.43	40,390.78	
	Sales of Products (Net of GST)	**1,13,050.41**	93,466.24	0.00
	Other Operating Revenues (Refer Note No. 20.1)	647.63	635.85	
	Total Revenue	**1,13,698.04**	**94,102.10**	**0.00**
21.1	**Other Operating Revenues**			
	Export Benefits/Incentives Received	506.35	501.62	
	Scrap Sales	141.28	134.23	
	Other Operating Revenues	NIL	NIL	
	Total	**647.63**	**635.85**	**0.00**

22	Other Income	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Dividend Received	123.93	247.86	
	Profit on Sale of Assets/Investment	NIL	3.22	
	Other Income	4.20	0.16	0.00
	Total	**128.13**	**251.24**	**0.00**

23	Cost of Material Consumed	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Consumption of Raw Material	60,443.63	48,374.37	
	Consumption of Packing Material	1,427.33	1,234.35	
	Consumption of Fuel	4,106.06	2,629.62	
	Consumption of Stores & Spares	2,956.37	2,780.45	
	Total	**68,933.39**	**55,018.79**	**0.00**

24	Change in Inventory	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Inventories (at commencement)			
	Finished Goods	17,251.57	15,429.71	
	Work-in-Progress	8,150.40	6,717.99	
		25,401.97	22,147.70	0.00
	Inventories (at Close)			
	Finished Goods	19,356.23	17,251.57	
	Work-in-Progress	14,298.56	8,150.40	
		33,654.79	25,401.97	0.00
	Increase in Inventory	**-8,252.82**	**-3,254.26**	**0.00**

25	Employee Benefits	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Directors' Remunderation	610.37	545.88	
	Salaries and Wages	7,576.38	6,768.13	
	Contribution to Provident and other Funds	576.49	379.29	
	Staff Welfare Expenses	358.37	305.13	
	Total	**9,121.61**	**7,998.43**	**0.00**

26	Interest	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Interest	1,405.02	1,133.89	
	Other Borrowing Costs	64.07	0.02	0.00
	Sub Total	**1,469.09**	**1,133.89**	
	Less: Amount capitalised in the cost of PPE	0.00	0.00	0.00
	Total	**1,469.09**	**1,133.91**	**0.00**

Note: Finance Cost incurred on various projects being qualifying asset is capitalised in accordance with Ind AS 23.

27	Interest	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Depreciation of Property, Plant and Equipment (Refer Note No.1)	4,151.95	3,723.30	0.00
	Total Depreciation and Amortisation Expenses	**4,151.95**	**3,723.30**	**0.00**

28	Other Expense	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Manufacturing Expenses			
	Freight, Cartage & Transport	1,398.45	1,543.43	
	Power consumption	5,270.48	4,165.01	
	Water Charges	259.02	178.42	
	Processing Charges	580.86	604.20	
	Other Manufacturing Expenses	4,225.90	3,590.22	
	Repairs & Maintenance	2,343.25	1,992.78	
	Insurance Charges	660.73	619.89	
	Research & Development Expenses	942.77	716.36	
	Factory Administrative Expenses	1,002.77	757.24	
	Sub-Total (A)	**16,684.23**	**14,167.55**	**0.00**
	Office Administrative Expenses			
	Rent, Rates and Taxes	75.71	15.91	
	Travelling and Conveyance	94.89	42.15	
	Auditor's Remuneration	10.25	0.42	0.42
	Legal & Professional Charges	67.10	8.87	
	Postage, Telegraph & Telephone	0.49	0.21	
	Printing & Stationery Expenses	8.55	2.74	0.00
	ROC & Other Filling Fees	0.72	0.00	
	Directors Sitting Fees	2.60	0.00	
	Loss by Fire	0.00	0.00	
	Other Administrative Expenses	226.81	4.36	0.04
	Sub-Total (B)	**487.12**	**74.66**	**0.46**
	Selling and Distribution Expenses			
	Advertisement & Sales Promotion	415.22	31.47	
	Export Freight Expenses, Outward Freights	1,552.19	1,519.39	
	Commission on Sales	453.23	470.03	
	Export Insurance Charges	0.00	3.63	
	Sample Testing & Analysis Charges	38.40	42.99	
	Other Selling Expenses	36.08	4.23	
	Sub-Total ©	**2,495.12**	**2,071.74**	**0.00**
	Non-Operating Expenses			
	Donations and CSR Expenses	105.72	1.00	
	Sub-Total (D)	105.72	1.00	
	Total (A+B+C+D)	**19,772.19**	**16,314.98**	**0.46**

		As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
29	Earning Per Share (EPS)			
	Face Value Per Equity Share (in Rs.)	5.00	5.00	10.00
	Basic Earnings Per Share (in Rs.)	14.54	11.78	-0.18
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	13,173.21	10,672.61	-0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Nos)	9,06,26,008	9,06,26,008	2,50,000
	Diluted Earnings Per Share (in Rs.)	14.54	11.78	-0.18
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	13,173.21	10,672.61	-0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Nos)	**9,06,26,008**	**9,06,26,008**	**2,50,000**

29.1 Pursuant to the Scheme of Arrangment approved by NCLT, Aarti Pharmalabs Limited has issued to the Equity Shareholders of Aarti Industries Limited -For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company. The Company to allot 90626008 equity shares (1 Equity shares of Company for Every 4 Equity Shares held in Aarti Industries Limited). Existing Paid Capital of Rs 25 lakhs is Cancelled pursuant to Scheme provision

- All Investments are transfered pursuant to the Scheme of Arrangment approved by NCLT to Aarti Pharmalabs Limited. Pending trasnfer formalities, all investmens are in the name of Aarti Industries limited as at 31st December, 2022. The same will be transferred in the name of the Company in due course.
- Change in Fair value of Investment during the year is recongnised in Other Comprehensive Income (OCI) during the period.

Disclosure pursuant to Ind AS 27 - Separate Financial Statements

Investments in the following subsidiary is accounted at cost

Name of the Subsidiary	Principal Activity	Country of Incorporation	% of equity interest As at 31st Dec, 2022	% of equity interest As at 31st Dec, 2021
Aarti USA Inc	Trading of Pharmaceutical API & API Intermediates, Chemical	USA	100%	100%
Aarti Pharmachem Limited	Pharmaceutical API & API Intermediates, Chemical Manufacturing	India	100%	100%

30	Payment to Auditors	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
a.	Statutory Audit Fees	9.00	0.32	0.32
b.	Certification Fees	1.25	0.10	0.10
c.	Reimbursement of Expenses	-	-	
	Total	**10.25**	**0.42**	**0.42**

31	Contingent Liabilities and Commitments	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
(i)	Contingent Liabilities			
	(a) Claims against the company not acknowledged as Debt - Unpaid	-	-	-
	(b) Claims against the company not acknowledged as Debt - Paid (under dispute)	-	-	-
	(c) Letter of Credit, Bank Guarantees	-	-	-
(ii)	Commitments			
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	39,747.76	37,000.00	0.40
	Total	**39,747.76**	**37,000.00**	**0.40**

32 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

33 Segment Information

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.

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
FRN No. : 103264W

Tejas Parikh
Proprietor
M.No.123215
UDIN :

For and on behalf of the Board
For Aarti Pharmalabs Limited

Hetal Gogri Gala
Director
DIN:

Narendra Salvi
Director
DIN:

Piyush Lakhani
Chief Financial Officer

Nikhil Natu
Company Secretary
ICSI M.No : A27738

M. Independent Auditors' Report on Audit of Consolidated Financial Results for the year-to-date results for the period 1 April 2022 to 31 December 2022.

To Board of Directors of Aarti Pharmalabs Limited
Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Statement of Consolidated Financial Results of Aarti Pharmalabs Limited ("Holding company"), its subsidiaries and joint controlled entity (together referred to as "the Group") for the period from 1 April 2022 to 31 December 2022 ("the Statement"), being submitted by the Holding company pursuant to regulatory requirements required for the purpose of filing application to exchanges for obtaining trading approval of its equity shares.

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 reports of the other auditors on separate financial statements/ financial information of subsidiaries (refer other matter paras), the Statement:

1. includes the results of the following entities:

a. Subsidiaries

i. Aarti USA Inc
ii. Aarti Pharmachem Limited

b. Joint Controlled Entity

i. Ganesh Polychem Limited

2. are presented in accordance with the regulatory requirements required for the purpose of filing application to exchanges for obtaining trading approval of its equity shares.
3. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS-34") prescribed under section 133 of the Companies Act 2013 read with relevant rules thereunder and other accounting principles generally accepted in India of the consolidated net profit and consolidated total other comprehensive income and other financial information of the Group for year to date results for the period from 1 April 2022 to 31 December 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results.

These year-to-date consolidated financial results have been prepared on the basis of the interim financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulatory requirements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results 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 results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Board of Directors either intends to liquidate the Group 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 responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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 consolidated financial results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 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 results 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the interim consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim consolidated financial results 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 interim consolidated financial results.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

Other Matters

I. Comparative Audited Consolidated Financial Results

The comparative audited consolidated annual financial results (comprising of pharma business undertaking and investment in subsidiaries and joint controlled entity received by the Holding Company as per scheme of arrangement) for the period 1 July 2021 (Appointed date) to 31 March 2022 were audited by erstwhile statutory auditors, Kirtane & Pandit, LLP (FRN: 105215W/W100057), Chartered Accountant of Aarti Industries Limited ("Demerged Company") whose annual auditors report on demerged company consolidated financial results dated 27 May 2022 had expressed an unmodified opinion on financial statements.

Our opinion is not modified in respect of above matter.

II. Effect of Scheme of Arrangement

a) The Scheme of Arrangement for the demerger of Pharma Business Undertaking from Aarti Industries Limited ("the demerged company") to its wholly owned subsidiary Aarti Pharmalabs Limited ("the resulting company" or "the Holding Company") between the two companies and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 ('Act') and all other applicable provisions of the Companies Act, 2013 ("the Scheme") was approved by Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench on 21 September 2022. Accordingly, all the assets and liabilities pertaining to the Pharma Business Undertaking, including supporting manufacturing units, employees, cash and cash equivalents and investments (including investments in subsidiaries and joint ventures), as defined in the Scheme, stand transferred and vested into the Company from its Appointed Date i.e. from 1 July 2021. Pursuant to demerger, investments in subsidiaries, namely, Aarti USA, Inc, Aarti Pharmachem Limited and investment in joint controlled entity namely, Ganesh Polychem Limited was transferred to the Holding Company. Further investment of Demerged Company in Aarti Pharmalabs Limited (earlier known as Aarti Organics Limited) is cancelled and as a result no longer remains subsidiary of the demerged company.

b) Pending receipt of the NCLT Order approving scheme of arrangement, consolidated financial statements of the demerged company (before giving effect to scheme of arrangement) for the year ended 31 March 2022 were approved by the Board of Directors of demerged company in their meeting held on 27 May 2022 and audited by erstwhile statutory auditors (refer para I above). Subsequently, the same were approved by their shareholders in the general meeting held on 26 September 2022.

c) We, Gokhale & Sathe, Chartered Accountants (FRN: 103264W) were appointed as statutory auditors of the Company to fill casual vacancy caused due to resignation of Jatin Vora & Associates, Chartered Accountants, through resolution passed by shareholders of the Company through postal ballot on 10 January 2023.

d) The management of the Company approached us to perform agreed upon procedures on consolidated financial results prepared to give effect to scheme of arrangement. Accordingly, we have performed agreed upon procedures as per Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India and we report that as follows.

" consolidated financial results prepared by the management of the Holding Company (comprising of pharma business undertaking along with investment in subsidiaries and joint controlled entity received as part of scheme of arrangement) for period 1 July 2021 to year ended 31 March 2022 is as per accounting treatment and information mentioned in the scheme.

" It is drawn from consolidated financial statements prepared and audited by erstwhile statutory auditors of Demerged Company as mentioned in I above.

" It is extracted from the books of accounts maintained by the Demerged Company having records/information maintained for pharma business undertaking and speciality chemical business.

III. Financial Results of Subsidiaries/Jointly Controlled Entity not audited by us.

The consolidated financial results include the audited financial results of 2 subsidiaries (including 1 foreign subsidiary) and 1 joint controlled entity whose interim financial Results/ financial information reflects total revenues of Rs. 33004.22 lakhs and total net profit after tax (net) of Rs. 1929.15 lakhs for the period from 1 April 2022 to 31 December 2022 respectively, as considered in the consolidated financial results, which have been audited by their respective independent auditors. The independent auditors' reports on interim financial statements/Financial Results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion is not modified in respect of above matters.

For GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Registration No.: 103264W

Sd/-
Tejas Parikh
Partner
Membership No.: 123215
UDIN: - 23123215BGQKZR9410
Place: Mumbai
Date: 17 January 2023

N. Consolidated Audited Financial Statement For The Nine Months Ended December 31, 2022 & Financial Year Ended March 31, 2022

(Rs. in lakhs)

Particulars	Note No.	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
A ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	1	89,275.8	78,008.8	0
(b) Capital Work-in-Progress	1	7,702.33	16,522.59	0
(c) Goodwill	1	178.06	178.06	0
(d) Intangible Assets	1	19.18	22.52	0
(e) Intangible Assets Under Developments	1	3,762.04	2,214.02	0
(f) Financial Assets		0	0	0
(i) Investments	2	3,556.83	3,222.55	0
(ii) Other Financial Assets	3	905.05	858.42	0.00
(g) Other Non-Current Assets	4	429.10	148.27	0.00
Total Non-Current Assets		**10,5828.39**	**10,1175.23**	**0**
2 Current Assets				
(a) Inventories	5	59,129.46	47,545.37	0.00
(b) Financial Assets				
(i) Investments		2,330.07	-	-
(ii) Trade Receivables	6	42,896.49	37,665.71	0.00
(iii) Cash and Cash Equivalents	7	8,218.05	8,327.34	25.00
(iv) Loans	8	741.79	613.81	0.00
(v) Other Financial Assets	9	4,459.41	7,701.89	0.00
(c) Other Current Assets	10	1,089.50	960.77	0.00
Total Current Assets		**11,8864.77**	**10,2814.89**	**25.00**
TOTAL ASSETS		**22,4693.16**	**20,3990.11**	**25.00**
B EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share Capital	11	4,531.30	25.00	25.00
(b) Equity Share Capital pending allotment upon scheme of arrangment	11	0	4,531.30	0
(c) Other Equity	12	14,9300.05	13,4091.65	-2.19
Total Equity		**15,3831.35**	**13,8647.95**	**22.81**
2 LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	13	38.88	55.45	-
Other Non Current Financial Liability	14	151.23	153.23	-
Provisions		261.43	-	-
(b) Deferred Tax Liabilities (Net)	15	77,10.22	7,066.99	-
Total Non-Current Liabilities		**8,161.76**	**7,275.67**	**-**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	29,686.56	33,772.75	1.73
(ii) Trade Payables Due to				
- Micro and Small Entereprises	17	3,848.84	2,114.38	0.26
- Other Than Micro and Small Entereprises	17	27,153.75	19,344.39	-
(iii) Others				
(b) Other Current Liabilities	18	151.92	189.42	0.20
(c) Provisions	19	1,737.18	1,895.55	0.00
(d) Current Tax Liabilities (Net)	20	121.79	750	0.00
Total Current Liabilities		**62,961.48**	**58,066.49**	**2.19**
Total Liabilities		**71,123.24**	**65,342.16**	**2.19**
TOTAL EQUITY AND LIBILITIES		**2,24,693.16**	**2,03,990.12**	**25.00**
Significant Accounting Policies				
Accompanying Notes to the Financial Statements	**1-32**	**0.00**	**0.00**	**0.00**

The accompanying notes are an integral part of the Ind AS financial statements.

Consolidated Statement of Profit and Loss for the Period Ended 31st December, 2022

(Rs. in lakhs)

	Particulars	Note No.	As at 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
I	Revenue from Operations	21	1,46,017.09	1,19,994.31	-
II	Other Income	22	157.33	251.33	-
III	**Total Income (I+II)**		**1,46,174.42**	**1,20,245.63**	**-**
IV	**EXPENSES**				
	(a) Cost of Materials Consumed	23	78,731.02	61,124.15	-
	(b) Purchase of Stock In trade		20,613.99	16,291.50	-
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	24	-11,869.43	-4,904.87	-
	(d) Employee Benefits Expense	25	9,646.31	8,520.30	-
	(e) Finance Costs	26	1,511.25	1,195.88	-
	(f) Depreciation / Amortisation Expenses	27	4,659.16	4,211.86	-
	(g) Other Expenses	28	22,688.79	18,268.62	0.46
	Total Expenses (IV)		**1,25,981.09**	**1,04,707.44**	**0.46**
V	**Profit before Exceptional Items and Tax (III-IV)**		**20,193.33**	**15,538.19**	**-0.46**
VI	Exceptional Items		-	-	-
V	**Profit before Tax (III-IV)**		**20,193.33**	**15,538.19**	**-0.46**
VI	**TAX EXPENSE**				
	Current Tax		4,175.50	2,732.50	-
	Earlier Year Tax		312.86	-	-
	MAT Credit Entitlement		-	112.50	-
	Deferred Tax		643.23	467.93	-
	Total Tax Expenses		5,131.59	3,312.93	-
VII	Profit for the year (V-VI)		15,061.74	12,225.26	-0.46
VIII	**OTHER COMPREHENSIVE INCOME**				
	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)		159.58	706.86	-0.00
	- Remeasurement of defined employee benefit plans (net of tax)		-	-	-
	b. Items that will be reclassified to Statement of Profit and Loss		-	-	-
	Other Comprehensive Income (Net of Tax)		159.58	706.86	-0.00
IX	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX (VII+VIII)**		**15,221.32**	**12,932.12**	**-0.46**
X	**Earnings Per Equity Share of Face Value of Rs 10 Each (EPS) (in Rs.)**	**29**			
	Basic		16.62	13.49	-0.18
	Diluted		16.62	13.49	-0.18
	Significant Accounting Policies				
	Accompanying Notes to the Financial Statements	**1-32**			

Consolidated Cash Flow Statement for the Period Ended 31st December, 2022

(Rs. in lakhs)

Sr. No.	Particulars	For the Period Ended 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before Tax	20,193.33	15,538.22	-0.46
	Adjusted for:			
	- Finance Costs	1,511.25	1,195.88	0.00
	- Depreciation/Amortisation	4,659.16	4,211.86	0.00
	Consolidated Adjustments	0.00	85.72	0.00
	- Dividend Income	-128.13	-247.86	0.00
	- Interest Income	-29.20	-0.76	0.00
	- Profit on sales	0.00	-4.01	0.00
	Operating Profit before Working Capital Changes	**26,206.41**	**20,779.05**	**-0.46**
	Adjusted for:			
	- (Increase)/Decrease in Trade and Other Receivables	-2,009.89	-10,250.92	0.46
	- (Increase)/Decrease in Inventories	-11,538.88	-5,599.20	0.00
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	7,759.87	-7186.23	0.00
	Cash Generated from Operations	20,417.51	-2,257.30	0.00
	Taxes Paid (Net)	-4,456.73	-2,112.93	0.00
	Net Cash Flow from Operating Activities	15,960.78	-4,370.23	0.00
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Acquisition of Property, Plant and Equipment and Capital Work In Progress	-8,650.58	-14,115.20	0.00
	Other Investments	-2,330.07	-11.32	0.00
	Dividend Income	128.13	247.86	0.00
	Interest Income	29.20	0.76	0.00
	Proceeds from Sale of Investments	500.00	4.01	0.00
	Net Cash Flow used in Investing Activities	-10,323.32	-13,873.89	0.00
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds/(Repayment) from Current Borrowing (Net)	-4,111.56	27,234.22	0.00
	Finance Costs	-1,511.25	-1,195.88	0.00
	Dividends Paid	-123.93	0.00	0.00
	Net Cash Flow from /(used in) Financing Activities	**-5,746.74**	**26,038.34**	**0.00**
	Net Increase/(Decrease) in Cash and Cash Equivalents	-109.28	7,794.22	0.00
	Opening Balance of Cash and Cash Equivalents	8,327.34	533.11	25.00
	Closing Balance of Cash and Cash Equivalents	**8,218.06**	**8,327.34**	**25.00**

Notes:

1 The accompanying notes are an integral part of the Ind AS financial statements.

2 The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India.

3 Cash and Cash Equivalents comprises of:

Particulars	For the Period Ended 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
a. Cash on Hand	7.87	5.72	25.00
b. Balances with Banks	8,210.19	8,321.62	0.00
Total	**8,218.06**	**8,327.34**	**25.00**

Consolidated Statement of Changes in Equity for the Period Ended 31st December, 2022

A. Equity Share Capital

(Rs. in Lakhs)

As at 31st March, 2020	25.00
Changes in equity share capital during the year 2020-21	-
As at 31st March, 2021	25.00
Changes in equity share capital during the year 2021-22	-
As at 31st March, 2022	25.00
Changes in equity share capital during the year 2022-23	4506.30
As at 31st December, 2022	4,531.30

B. Other Equity

(Rs. in lakhs)

Particulars	Ratained Earnings	General Reserve	Securities premium	Capital Reserve	Capital Redemption Reserve	Other Comprehensive Income	Total
Balance as at 31st Mar, 2020	-1.73	-	-			-	-1.73
Profit for the year	-0.46						
Balance as at 31st Mar, 2021	-2.19	-	-			-	-2.19
Share Issue	-4,531.30		-			-	-4,531.30
Transferred On Account of Scheme of Arrangment	64,455.50	8,187.56	44,032.54	-	-	349.58	1,17,025.17
Total Comprehensive Income for the year					706.86	706.86	
Profit for the year	10,672.61					-	10,672.61
Dividend Paid	0						0
Remeasurement of defined employee benefit plans (net of tax)	-	-	-	-	-	-	-
Balance as at 31st Mar, 2022	**70,594.62**	**8,187.56**	**44,032.54**	**-**	**-**	**1,056.44**	**1,23,871.16**
Transferred On Account of Scheme of Arrangment	-	-	-			-	-
Share capital Cancellaiton on account of Scheme of Arrangment	-	-	-	-	25.00	-	25.00
Total Comprehensive Income for the year	-	-	-			-7.21	-7.21
Profit for the year	10				-	13,173.21	13,173.21
Dividend Paid	-	-	-	-	-	-	-
Balance as at 31st Dec 2022	**83,767.83**	**8,187.56**	**44,032.54**	**-**	**25.00**	**1,049.23**	**1,37,062.14**

Corporate Information and Significant Accounting Policies:

A. Corporate Information

AARTI PHARMALABS LIMITED ("the Company") is a Public Limited Company incorporated under the provisions of the Companies Act, 2013. During Fy 2021-22, Company has change its name from Aarti Organics limited to Aarti Pharmalabs limited and same is approved at ROC. Necessary changes has been incorporate in all places including MOA & AOA. During Fy 2021-22 Company has changed its Registered Office to Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad Gujarat – 396195 and same is approved at ROC.

The Honourable NCLT - Ahmedabad Bench has approved the scheme of arrangment between Aarti Industries Limited , Aarti Pharmalabs Limited and their shareholders on 21 September, 2022; pursuant to which, the Pharma Undertaking of Aarti Industries Limited is transferred to the Company w.e.f. Appointment Date (i.e. with effect from 1st July, 2021).

The Company is into Manufacture of Active Pharmaceuticals Ingredients ("APIs"), Manufacture of API / KSM intermediates and Xanthine derivatives for the pharmaceutical and food/beverages industry. Company is specialise in generic APIs, generic intermediates, and xanthine derivatives. Company also provides CDMO services for drug substance/NCE development and manufacturing for innovative pharmaceutical and biotech firms with a focus on the Ph-I/II/III, launch, and commercial phases. Company has dedicated facilities for the production of HPAPIs, corticosteroids, cytotoxic medicines, and oncology products

Manufacturing Units of the Company are located at Maharashtra & Gujarat State at various locations

B Significant Accounting Policies

(i) The Consolidated Financial Statements comprise financial statements of Aarti Pharmalabs Limited ("The Holding Company"), subsidiaries and joint control entity

The principal activities of the Group consist of manufacturing and dealing in Pharmaceuticals, Nutraceuticals & chemicals

In preparing Consolidated Financial Statements, financial statements of below entities are considered,

(ii) **Background:**

	Name of the Subsidiary	Country	(%)
	Indian Subsidiary:		
(i)	Aarti Pharmachem Limited	India	100.00%
	Foreign Subsidiary:		
(i)	Aarti USA Inc.	USA	100.00%
	Joint Control:		
(i)	Ganesh Polychem Limited	India	50.00%

(iii) Basis of Prepration and Presentation:

Significant Accounting policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosures and a guide to better understanding of the consolidated position of the Companies. Recognizing this purpose the Company has disclosed only such Policies and Notes from the individual financial statements which fairly present the needed disclosures.

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules 2015 and amended by the Companies (Indian Accounting Standards) {Amendment} Rules 2016.

(iv) Principles of Consolidation :

(i) The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements & Indian Accounting Standard (Ind AS) 28 -Accounting for Investments in Associates in Consolidated Financial Statements and Indian Accounting Standard (Ind AS) 111 - Joint Arrangements.

(ii) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company Subsidiary Companies and Joint Control Entity drawn up to the same reporting date i.e 31st Dec 2022

(iii) 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.

(iv) The consolidation of financial statements of the Parent Company and its Subsidiaries is done on line by adding together the book values of the like items of assets liabilities income and expenses after eliminating all significant intra-group balances intra-group transactions and unrealized profit or loss except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.

(v) Both the subsidiary consolidated are 100% subsidiary & there is no Non Controlling Interest as at balance sheet date

(vi) 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.

(vii) Investments in Associates are accounted for using equity method in accordance with Indian Accounting Standard (Ind AS) 28 "Accounting for Investment in Associates in Consolidated Financial Statements" under which the investment is initially recorded at cost identifying any goodwill or capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses are recouped.

(viii) Investments in joint operations are accounted using the Proportionate Consolidation Method as per Indian Accounting Standard (Ind AS) 111 "Joint Arrangements".

B.1 Basis of Preparation and Presentation

"The financial statements of the Company have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:a. Certain financial assets and liabilities that are measured at fair value; andb. Defined benefit plans - Plan assets measured at fair value."

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) (Amendment) Rules, 2015 amended from time to time and other relevant provisions of the Act.

Company's Financial Statements are presented in Indian Rupees (`), which is also its functional currency and all values are rounded to the nearest Lakhs (` 00,000), except when otherwise indicated.

The financial statements of the Company for the Period ended 31.12.2022 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 17th January, 2023

B.2 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in subsequent financial years.

(a) 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.

(b) 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.

(c) 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.

(d) 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.

B.3 Summary of Significant Accounting Policies

(a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

"An asset is treated as Current when it is –- Expected to be realised or intended to be sold or consumed in normal operating cycle;- Held primarily for the purpose of trading;- Expected to be realised within twelve months after the reporting period, or- Cash or cash equivalent unless 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."

"A liability is considered as Current, when -- It is expected to be settled in normal operating cycle;- It is held primarily for the purpose of trading;- It is due to be settled within twelve months after the reporting period, or- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.All other liabilities are classified as non-current."

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

(c) 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 intangible assets.

(d) Valuation of Inventories

Inventories are valued at Cost or Net Realizable Value whichever is lower.

Inventories have been valued on the following basis:

a. Raw Materials, Packing Material, Stores and Spares Weighted Average cost or net realisable value, whichever is lower

b. Work-in-Progress - At cost plus appropriate allocation of overheads or net realisable value, whichever is lower

c. Finished Goods - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

(e) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments that are readily convertilbe to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Revenue Recognition

(i) Revenue from Sale of Goods to customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Sale of Scrap and obsolete stores is accounted for at the time of disposal.

(ii) Export entitlements are recognized on realization.

(iii) Revenue in respect of Interest is recognized on the time proportion method.

(iv) Industrial Promotion Incentive granted by State Government is recognised when claim in respect of Entitlement is made & admitted after close of yearly Sales Tax Assessment.

(v) Dividend Income is recognised when the Company's right to receive the amount has been established.

(g) Government Grants

(i) Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

(ii) Government grants are recognised in Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

(iii) In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(h) Depreciation/Amortization

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Shchedule II;

Sr. No.	Particulars	Depreciation or Amortisation
1.	Leasehold Land	Over the remaining tenure of lease
2.	Building	Over a period of 19 years
3.	Plant & Machinery	Over its useful life as technically assessed, i.e over a Period of 19 years, based on the type of Equipment
4.	Computers	Over a period of 2.5 years
5.	Office Equipments	Over a period of 5 years
6.	Furniture and Fixtures	Over a period of 10 years
7.	Vehicles	Over a period of 7 years
8.	Intangible Assets (Product Registration Rights)	Over a period of 5 years

(i) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(j) Foreign Currency Transactions

Foreign currency transactions are accounted at the rates prevailing on the date of the transactions. The exchange rate differences arising out of such transactions are approriately dealt in the financial statements in accordance with the applicables accounting standards.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

(k) Operating Leases

As a lessee:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature.

Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

(l) Finance Costs

Borrowing Costs other than those directly attributable to Qualifying Assets are recognised as expenses in profit or loss in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements.

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(n) Employee Benefits

Short-term Benefits

Short term employee benefits including accumulating compensated absences are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

Post-retirement Benefits

Defined Contribution Plans

Retirement Benefits in the form of Provident Fund which is a defined contribution schemes is charged to the statement of profit and loss for the period in which the contributions to the fund accrue as per the relevant statute.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the gratuity fund maintained with Life Insurance Corporation of India, exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurements of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

(o) Taxes on Income

The tax expense for the period comprises of current tax and deferred income tax. 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.

Current Tax

Tax on income for the current period is determined on the basis on 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. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT)

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the same at each balance sheet date.

P. Financial Instruments

Øè Financial Assets

I Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

II Subsequent Measurement

(i) Financial assets measured at Amortised Cost (AC)

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 specific dates to cash flows that are 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 specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets measured at Fair Value Through Profit or Loss (FVTPL)

A financial assets, which are not classified in any of the above categories are measured at FVTPL.

III Equity Investments

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Equity Investments in Subsidiaries are carried individually at cost less accumulated impairment, if any.

IV Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses, 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables, the Company applies 'simplified approach', which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

Øè Financial Liabilities

I Initial Recognition and Measurement

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

II Subsequent Measurement

Financial liabilities are carried at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

Øè Derecognition of Financial Instruments

The Company derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. 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.

Øe Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q. **Earnings Per Shares**

Basic earnings per share are calculated by dividing the Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the 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 effect of all dilutive potential equity shares.

C. **Recent Acccounting Pronouncements**

Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase 2

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

- Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.
- Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The amendments do not have any impact on the financial statements.

Amendment to Ind AS 103 "Business Combination" – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 – Business Combinations. The management does not expect the amendment to have any impact in its financial statements.

Amendment to Ind AS 16 "Property, Plant and Equipment" – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The management does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Property, Plant and Equipment (FY 2022- 23)

		GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Particulars	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 31st March, 2022	Balance as at 31st March, 2021
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	3,858.72	-	-	-	3,858.72	-	-	-	-	-	3,858.72	3,858.72
	Leasehold Land	2,639.80	-	-	-	2,639.80	238.98	-	21.76	-	260.74	2,379.06	2,400.81
	Buildings	12,024.92	-	3,539.88	-	15,564.80	3,977.06	-	622.54	-	4,599.60	10,965.19	8,047.85
	Buildings	588.05	-	-	-	588.05	432.75	-	-	-	432.75	155.30	155.30
	Plant and Machinery	97,310.83	-	12,283.84	-	1,09,594.66	34,631.58	-	3,862.66	-	38,494.24	71,100.40	62,679.25
	Furniture and Fixtures	697.79	-	0.83	-	698.62	316.08	-	38.97	-	355.05	343.58	381.71
	Office Equipments	214.55	-	6.69	-	221.25	130.59	-	17.42	-	148.02	73.23	83.96
	Computers, Printers	559.19	-	41.65	-	600.84	484.95	-	42.20	-	527.15	73.69	74.24
	Vehicles	625.71	-	49.94	-	675.65	298.73	-	50.28	-	349.01	287.29	326.98
	Total	**1,18,519.56**	**-**	**15,922.83**	**-**	**1,34,442.37**	**40,510.74**	**-**	**4,655.83**	**-**	**45,166.56**	**89,275.80**	**78,008.82**
II	**InTangible Assets**												
	Goodwill on Consolidation	178.06	-	-	-	178.06	-	-	-	-	-	178.06	178.06
	IT software & Other Intangible Assets	3,802.32	-	-	-	3,802.32	3,779.81	-	3.33	-	3,783.14	19.18	22.52
	Total	**3,980.38**	**-**	**-**	**-**	**3,980.38**	**3,779.81**	**-**	**3.33**	**-**	**3,783.14**	**197.24**	**200.57**
III	**Gross Total**	**1,22,499.94**	**-**	**15,922.83**	**-**	**1,38,422.75**	**44,290.54**	**-**	**4,659.16**	**-**	**48,949.70**	**89,473.04**	**78,209.40**
III	**Capital Work-in-Progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,464.37**	**18,736.61**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

e. Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st December, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	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	0.00	0.00	0.00	0.00	7,852.33
Projects temporarily suspended	0	0	0	0	0
	0.00	**0.00**	**0.00**	**0.00**	**7,852.33**

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	1,548.02	2,214.02	0.00	0.00	3,762.04
Projects temporarily suspended	0	0	0	0	0.00
	1,548.02	**2,214.02**	**0.00**	**0.00**	**3,762.04**

FY 2021-22

		GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Particulars	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 31st March, 2022	Balance as at 31st March, 2021
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	38,58,71,999.00	-	-	-	38,58,71,999.00	-	-	-	-	-	38,58,71,999.00	38,58,71,999.00
	Leasehold Land	26,39,79,884.00	-	-	-	26,39,79,884.00	2,38,98,488.00	-	21,75,618.37	-	2,60,74,106.37	23,79,05,777.63	24,00,81,396.00
	Buildings	1,20,24,91,582.00	-	35,39,87,997.57	-	1,55,64,79,579.57	39,77,06,461.00	-	6,22,53,963.00	-	45,99,60,424.00	1,09,65,19,155.57	80,47,85,121.00
	Leasehold Factory Building	5,88,04,725.00	-	-	-	5,88,04,725.00	4,32,74,971.00	-	-	-	4,32,74,971.00	1,55,29,754.00	1,55,29,754.00
	Plant and Machinery	9,73,10,82,908.00	-	1,22,83,83,520.56	-	10,95,94,66,428.56	3,46,31,57,866.00	-	38,62,66,320.09	-	3,84,94,24,186.09	7,11,00,42,242.47	6,26,79,25,042.00
	Furniture and Fixtures	6,97,79,428.00	-	-	-	6,97,79,428.00	3,16,08,048.00	-	38,96,732.84	-	3,55,04,780.84	3,42,74,647.16	3,81,71,380.00
	Office Equipments	2,14,55,318.00	-	6,69,243.75	-	2,21,24,561.75	1,30,59,378.00	-	17,42,199.06	-	1,48,01,577.06	73,22,984.69	83,95,940.00
	Computers, Printers	5,59,19,106.00	-	41,64,985.50	-	6,00,84,091.50	4,84,95,442.00	-	42,19,508.65	-	5,27,14,950.65	73,69,140.85	74,23,664.00
	Vehicles	6,25,71,180.00	-	10,58,818.84	-	6,36,29,998.84	2,98,73,028.00	-	50,28,360.52	-	3,49,01,388.52	2,87,28,610.32	3,26,98,152.00
	Total	**11,85,19,56,130.00**	**-**	**1,58,82,64,566.22**	**-**	**13,44,02,20,696.22**	**4,05,10,73,682.00**	**-**	**46,55,82,702.52**	**-**	**4,51,66,56,384.52**	**8,92,35,64,311.70**	**7,80,08,82,448.00**
II	**InTangible Assets**												
	Goodwill on Consolidation	1,78,05,673.00	-	-	-	1,78,05,673.00	-	-	-	-	-	1,78,05,673.00	1,78,05,673.00
	IT software & Other Intangible Assets	38,02,32,257.00	-	-	-	38,02,32,257.00	37,79,80,504.00	-	3,33,420.00	-	37,83,13,924.00	19,18,333.00	22,51,753.00
	Total	**39,80,37,930.00**	**-**	**-**	**-**	**39,80,37,930.00**	**37,79,80,504.00**	**-**	**3,33,420.00**	**-**	**37,83,13,924.00**	**1,97,24,006.00**	**2,00,57,426.00**
III	**Gross Total**	**12,24,99,94,060.00**	**-**	**1,58,82,64,566.22**	**-**	**13,83,82,58,626.22**	**4,42,90,54,186.00**	**-**	**46,59,16,122.52**	**-**	**4,89,49,70,308.52**	**8,94,32,88,317.70**	**7,82,09,39,874.00**
III	**Capital Work-in-Progress**						**-**	**-**	**-**	**-**	**-**	**1,14,64,37,050.26**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 1 - Property, Plant and Equipment (FY 2022- 23)

		GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Particulars	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 31st March, 2022	Balance as at 31st March, 2021
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	3,858.72	-	-	-	3,858.72	-	-	-	-	-	3,858.72	3,858.72
	Leasehold Land	2,639.80	-	-	-	2,639.80	238.98	-	21.76	-	260.74	2,379.06	2,400.81
	Buildings	12,024.92	-	3,539.88	-	15,564.80	3,977.06	-	622.54	-	4,599.60	10,965.19	8,047.85
	Buildings	588.05	-	-	-	588.05	432.75	-	-	-	432.75	155.30	155.30
	Plant and Machinery	97,310.83	-	12,283.84	-	1,09,594.66	34,631.58	-	3,862.66	-	38,494.24	71,100.42	62,679.25
	Furniture and Fixtures	697.79	-	-	-	697.79	316.08	-	38.97	-	355.05	342.75	381.71
	Office Equipments	214.55	-	6.69	-	221.25	130.59	-	17.42	-	148.02	73.23	83.96
	Computers, Printers	559.19	-	41.65	-	600.84	484.95	-	42.20	-	527.15	73.69	74.24
	Vehicles	625.71	-	10.59	-	636.30	298.73	-	50.28	-	349.01	287.29	326.98
	Total	**1,18,519.56**	**-**	**15,882.65**	**-**	**1,34,402.21**	**40,510.74**	**-**	**4,655.83**	**-**	**45,166.56**	**89,235.64**	**78,008.82**
II	**InTangible Assets**												
	Goodwill on Consolidation	178.06	-	-	-	178.06	-	-	-	-	-	178.06	178.06
	IT software & Other Intangible Assets	3,802.32	-	-	-	3,802.32	3,779.81	-	3.33	-	3,783.14	19.18	22.52
	Total	**3,980.38**	**-**	**-**	**-**	**3,980.38**	**3,779.81**	**-**	**3.33**	**-**	**3,783.14**	**197.24**	**200.57**
III	**Gross Total**	**1,22,499.94**	**-**	**15,882.65**	**-**	**1,38,382.59**	**44,290.54**	**-**	**4,659.16**	**-**	**48,949.70**	**89,432.88**	**78,209.40**
III	**Capital Work-in-Progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,464.37**	**18,736.61**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st December, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	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	Average**
Projects in progress	3,210.66	4,491.68	0.00	0.00	7,702.33
Projects temporarily suspended	0	0	0	0	0
	3,210.66	**4,491.68**	**0.00**	**0.00**	**7,702.33**

Capital Work-in-Progress	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	Average**
Projects in progress	1,548.02	2,214.02	0.00	0.00	3,762.04
Projects temporarily suspended	0	0	0	0	0.00
	1,548.02	**2,214.02**	**0.00**	**0.00**	**3,762.04**

Note 1 - Property, Plant and Equipment (FY 2021-22)

		GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Particulars	Balance as at 1st April, 2022	Addition on Account of Scheme of Arrangment	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st Dec, 2022	Balance as at 1st April, 2022	Addition on Account of Scheme of Arrangment	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st Dec, 2022	Balance as at 31st Dec, 2022	Balance as at 31st March, 2022
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	-	3,858.72	-	-	3,858.72	-	-	-	-	-	3,858.72	-
	Leasehold Land	-	2,356.64	283.16	-	2,639.80	-	208.56	30.42	-	238.98	2,400.81	-
	Buildings	-	10,545.82	1,479.10	-	12,024.92	-	3,541.06	436.00	-	3,977.06	8,047.85	-
	Buildings	-	440.88	147.17	-	588.05	-	320.36	112.39	-	432.75	155.30	-
	Plant and Machinery	-	88,296.52	9,014.31	-	97,310.83	-	30,863.63	3,767.95	-	34,631.58	62,679.25	-
	Furniture and Fixtures	-	692.23	5.57	-	697.79	-	273.99	42.09	-	316.08	381.71	-
	Office Equipments	-	189.46	25.10	-	214.55	-	114.29	16.30	-	130.59	83.96	-
	Computers, Printers	-	533.76	25.43	-	559.19	-	411.72	73.24	-	484.95	74.24	-
	Vehicles	-	508.30	169.86	52.45	625.71	-	309.01	33.05	43.33	298.73	326.98	-
	Total	**-**	**1,07,422.32**	**11,149.69**	**52.45**	**1,18,519.56**	**-**	**36,042.62**	**4,511.44**	**43.33**	**40,510.74**	**78,008.82**	**-**
II	**InTangible Assets**												
	Goodwill on Consolidation	-	178.06	-	-	178.06	-	-	-	-	-	178.06	-
	IT software & Other Intangible Assets	-	3,783.76	18.56	-	3,802.32	-	3,773.41	6.40	-	3,779.81	22.52	-
	Total	**-**	**3,961.82**	**18.56**	**-**	**3,980.38**	**-**	**3,773.41**	**6.40**	**-**	**3,779.81**	**200.57**	**-**
III	**Gross Total**	**-**	**1,11,384.14**	**11,168.25**	**52.45**	**1,22,499.94**	**-**	**39,816.03**	**4,517.84**	**43.33**	**44,290.54**	**78,209.40**	**-**
III	**Capital Work-in-Progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,736.61**	**-**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

e. Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st December, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	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	Average**
Projects in progress	10,903.13	4,956.18	663.28	0.00	16,522.59
Projects temporarily suspended	0	0	0	0	0
	10,903.13	**4,956.18**	**663.28**	**0.00**	**16,522.59**

Capital Work-in-Progress	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	Average**
Projects in progress	2,214.02	0.00	0.00	0.00	2,214.02
Projects temporarily suspended	0	0	0	0	0
	2,214.02	**0.00**	**0.00**	**0.00**	**2,214.02**

Note 2 - Non Current Financial Assets - Investments

Particulars	Number of Units/Shares (all fully paid up)					As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Opening Balance	Transfer Pursuant to Scheme	Acquisition	Disposal	Closing Balance			
Investments - (Unquoted) in Equity Shares of Other Companies								
Dilesh Roadlines Private Limited	0	464550	0	0	464550	1123.24	1041.34	0.00
Aarti Ventures Limited	0	454364	0	0	454364	738.75	739.02	0.00
Tarapur Environment Protection Society	0	21751	0	0	21751	61.97	61.97	0.00
Derma Touch Inc.	0	N.A.	0	0	N.A	942.58	899.21	0.00
Invatech Pharma Solutions LLC		N.A.			N.A	124.10	113.69	0.00
Investments - (Unquoted) in Limited Liability Partnership								
Aarti Udyog Limited Liability Partnership		N.A.			N.A	566.19	367.33	0.00
Total	-	-		-	-	3,556.83	3,222.55	-

- All Investments are transfered pursuant to the Scheme of Arrangment approved by NCLT to Aarti Pharmalabs Limited. Pending trasnfer formalities, all investmens are in the name of Aarti Industries limited as at 31st December, 2022. The same will be transferred in the name of the Company in due course.
- Change in Fair value of Investment during the year is recongnised in Other Comprehensive Income (OCI) during the period.

Disclosure pursuant to Ind AS 27 - Separate Financial Statements

Investments in the following subsidiary is accounted at cost

Name of the Subsidiary	Principal Activity	Country of Incorporation	% of equity interest As at 31st Dec, 2022	% of equity interest As at 31st Dec, 2022
Aarti USA Inc	Trading of Pharmaceutical API & API Intermediates, Chemical	USA	100%	100%
Aarti Pharmachem Limited	Pharmaceutical API & API Intermediates, Chemical Manufacturing	India	100%	100%

(Rs. in lakhs)

3	Other Financial Assets	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Deposits	905.05	858.42	0.00
	Total	**905.05**	**858.42**	**0.00**

4	Other Non-Current Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Income Tax Assets (Net of Provisions)	0.00	37.44	0.00
	Capital Advance	429.10	110.82	0.00
	Total	**429.10**	**148.26**	**0.00**

5	Current Assets - Inventories	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Raw Materials and Components (incl of In-transit stock)	18,856.17	19,067.03	0.00
	Work-in-progress	14,960.53	9,006.48	0.00
	Finished Goods (incl of In-transit stock)	24,757.31	19,021.78	0.00
	Stores and spares	307.75	230.63	0.00
	Fuel	86.40	104.61	0.00
	Packing Materials	161.30	114.84	0.00
	Total	**59129**	**47,545.37**	**0.00**

6	Current Financial Assets - Trade Receivables	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Unsecured and considered good	42,796.49	37,565.71	0.00
	-Unsecured Doubtful Debts	0.00	0.00	0.00
	-Provision for Doubtful Debts	100.00	100.00	0.00
	Total	**42,896.49**	**37,665.71**	**0.00**

*The Company has availed credit facilities from banks which are secured interalia by hypothecation of Trade Receivables.

7	Current Financial Assets - Cash and Cash Equivalents	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Cash on Hand	7.87	5.72	0.00
	Cash Equivalants investment in highly Liquid Funds	5,046.52	5,630.62	0.00
	Balances with Banks	3,163.66	2,691.00	25.00
	Total	**8,218.05**	**8,327.34**	**25.00**

8	Loans	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	(i) Loan to Related Party	585.23	477.97	0.00
	(ii) Loan to Employees	125.62	135.84	0.00
	(ii) Advance to Supplier	30.95	0.00	0.00
	Total	**741.80**	**613.81**	**0.00**

8	Current Other Financial Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Balance with Customs, Central Excise, GST and State Authorities	4358.26	7588.91	0.00
	Other Receivable	101.14	112.98	0.00
	Other	0.00	0.00	0.00
	Total	**4459.40**	**7701.89**	**0.00**

10	Other Current Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Prepaid Expenses	513.23	419.55	0.00
	Others Receivable	576.26	541.22	0.00
	Total	**1,089.49**	**960.77**	**0.00**

11 SHARE CAPITAL:

Particulars	No. of Shares	As at 31st Dec 2022	No. of Shares	As at 31st Mar 2022	No. of Shares	As at 31st Mar 2021
Authorised Share Capital						
Equity Shares of Rs 5/- each	10,00,00,000	5,000.00	5,00,000	50.00	5,00,000	50.00
Issued, Subscribed & Paid up						
a Equity Shares of ` 5/- each	9,06,26,008	4,531.30			2,50,000	25.00
b Equity Shares of ` 10/- each Pending Cancellations	-	-	2,50,000	25.00		
c Equity Shares of ` 5/- each pending Allotment upon Scheme of Arrangment	-	-	9,06,26,008	4,531.30		0
TOTAL	**9,06,26,008**	**4,531.30**	**9,08,76,008**	**4,556.30**	**2,50,000**	**25.00**

- Pursuant to the Scheme of Arrangment, Aarti Pharmalabs Limited to issue to the Equity Shareholders of Aarti Industries Limited -For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company
- The Honourable High Cout of Ahemedabad has approved the scheme of Arrangment on 21st September, 2022 . Pending allotment of share as at Balance sheet Date, Share capital of Rs 4531.30 lakhs as approved Under Scheme of Arragment is shown as Share capital pending for Allotment.
- Pursuant to Scheme of Arrangment Authorised share capital is Increased to 100000000 Shares of Rs 5 Each for Issue of Shares to the Shareholders of Demerged Company Aarti Industries limited

11 (b) Share Capital Pending Cancancellation

- Aarti Pharmalabs limited is 100% Subsidiary of Aarti Industries limited. As per the order of NCLT, upon scheme becoming effective, original share capital of Rs 25 Lakhs stands automatically cancelled and reinstated to Rs 4531.30 lakhs by payment of applicable stamp duty and compliance of ROC formalities. As at Balance Sheet date, ROC formalities with respect to increase in authorised share capital, allotment of share capital and cancellation of existing share capital were pending and hence, the share capital of Rs. 25 Lakhs, existing on the balance sheet date is shown as 'Share Capital Pending Cancellation'.

(Rs. in lakhs)

Particulars	As at 31st Dec 2022 No' Of Shares	As at 31st March, 2022 No' Of Shares	As at 31st March, 2021 No' Of Shares
Equity Shares at the beginning of the year	9,08,76,008	2,50,000	2,50,000
Add: Shares issued during the year Pursuant to the Scheme of Arrangement	9,06,26,008	9,06,26,008	-
Less: Shares Cancelled Pursuant to the Scheme of Arrangement	-9,08,76,008	-	-
Equity Shares at the end of the year	9,06,26,008	9,08,76,008	2,50,000

11.2 Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares 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.

26	Interest	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Interest	1,423.70	33.99	0.00
	Other Borrowing Costs	87.55	1,161.88	0.00
	Sub Total	1,511.25	33.99	0.00
	Less: Amount capitalised in the cost of PPE	0.00	0.00	0.00
	Total	1,511.25	1,195.87	0.00

27	Depreciation	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Depreciation of Property, Plant and Equipment (Refer Note No.1)	4,659.16	4,211.86	0.00
	Total Depreciation and Amortisation Expenses	4,659.16	4,211.86	0.00

28	Other Expense	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Manufacturing Expenses			
	Freight, Cartage & Transport	1,415.07	1,867.97	0.00
	Power consumption	5,270.48	4,165.01	0.00
	Water Charges	330.02	249.11	0.00
	Processing Charges	580.86	604.20	0.00
	Other Manufacturing Expenses	4,738.84	4,368.00	0.00
	Repairs & Maintenance	2,528.77	2,192.15	0.00
	Insurance Charges	714.09	650.39	0.00
	Research & Development Expenses	942.77	581.55	0.00
	Factory Administrative Expenses	1,042.92	780.62	0.00
	Sub-Total (A)	17,563.82	15,459.00	0.00
	Office Administrative Expenses			
	Rent, Rates and Taxes	78.41	11.51	0.00
	Travelling and Conveyance	127.45	95.43	0.00
	Auditor's Remuneration	11.58	1.54	0.42
	Legal & Professional Charges	91.44	39.28	0.00
	Postage, Telegraph & Telephone	14.48	10.44	0.00
	Printing & Stationery Expenses	0.00	0.00	0.00
	ROC & Other Filling Fees	0.00	0.00	0.00
	Directors Sitting Fees	0.00	0.00	0.00
	Loss by Fire	0.00	0.00	0.00
	Other Administrative Expenses	232.22	4.15	0.04
	Sub-Total (B)	555.58	162.35	0.46
	Selling and Distribution Expenses			
	Advertisement & Sales Promotion	415.22	-167.58	0.00
	Export Freight Expenses, Outward Freights	2,082.86	2,101.13	0.00
	Commission on Sales	1,846.71	596.48	0.00
	Export Insurance Charges	0.00	0.00	0.00
	Sales Tax & Other Dues Paid	0.23	0.00	0.00
	Sample Testing & Analysis Charges	38.40	42.99	0.00
	Sundry Balance Written Off/(Back)	-0.06	0.70	0.00
	Other Expenses	67.82	40.62	0.00
	Other Selling Expenses	0.00	0.00	0.00
	Sub-Total (C)	4,451.18	2,614.34	0.00
	Non-Operating Expenses			
	Donations and CSR Expenses	118.22	32.95	0.00
	Sub-Total (D)	118.22	32.95	0.00
	Total (A+B+C+D)	**22,688.80**	**18,268.64**	**0.46**

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
29	**Earning Per Share (EPS)**			
	Face Value Per Equity Share (in Rs.)	**5.00**	**5.00**	**10.00**
	Basic Earnings Per Share (in Rs.)	**16.62**	**13.49**	**-0.18**
				(Rs. in lakhs)
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	15,061.73	12,225.29	-0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Nos)	**9,06,26,008**	**9,06,26,008**	**2,50,000**
	Diluted Earnings Per Share (in Rs.)	**16.62**	**13.49**	**-0.18**
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	15,061.73	12,225.29	-0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Nos)	**9,06,26,008**	**9,06,26,008**	**2,50,000**

29.1 Pursuant to the Scheme of Arrangment approved by NCLT, Aarti Pharmalabs Limited to issue to the Equity Shareholders of Aarti Industries Limited -For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company. The Company to allot 90626009 equity shares (1 Equity shares of Company for Every 4 Equity Shares held in Aarti Industries Limited)

29.2 As per the Scheme of Arrangment, upon the scheme becoming effective, existing share capital of Rs. 5 lakhs stands automatically cancelled. Hence same is not considered in EPS calculations.

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
12	**Other Equity**			
	Retained Earnings / Profit & Loss Account			
	As per last Balance Sheet	71723.83	-2.33	-1.73
	Add: Balance transferred on account of scheme of arrangement	0.00	64455.78	0.00
	Add: Cancellation of Share Capital on Issuance of Fresh Share Capital as per the Scheme of Arrangement	0.00	0.00	
	Profit / Loss for the year	15147.74	12225.29	-0.46
	Dividend Payout / Received	123.93	247.86	0.00
	Foreign Exchange Differnce on Translation	-166.79	28.27	0.00
	Issue of Shares capital pursuant to scheme of Demerger	0.00	4531.30	0.00
	Transferred to Reserves	159.86	147.48	0.00
	Closing Balance	**86754.57**	**71723.83**	**-2.19**
	Securities Premium Account			
	As per last Balance Sheet	44032.54	0.00	0.00
	Add: Balance transferred on account of scheme of arrangement		0.00	0.00
	Add: During the Years	0.00	44032.54	0.00
	Less: During the year		0.00	0.00
	Closing Balance	**44032.54**	44032.54	0.00
	Capital Reserves	8943.81	0.00	0.00
	Opening Balance			
	Addition:			
	Deduction:			
	Closing Balance	8943.81	8943.81	0.00
	Capital Redemption Reserve			
	As per last Balance Sheet	0.00	0.00	
	Add: Share capital Cancelled pursuant to scheme	25.00	0.00	0.00
	Add: During the Years		0.00	0.00
	Less: During the year	0.00	0.00	0.00
	Closing Balance	**25.00**	0.00	0.00
	General Reserve			
	As per last Balance Sheet	8335.04	0.00	0.00
	Add: Balance transferred on account of scheme of arrangement	0.00	8187.56	0.00
	Add: During the Years	159.86	147.48	0.00
	Less: During the year		0.00	0.00
	Closing Balance	8494.89	8335.04	0.00
	Other Comprehensive Income			
	As per last Balance Sheet	1056.44	349.58	0.00
	Add: Balance transferred on account of scheme of arrangement	0.00	0.00	
	Add: Movement in OCI (Net) During the Year	-7.21	706.86	0.00
	Closing Balance	**1049.23**	**1056.44**	**0.00**
	Total	149300.05	134091.65	**-2.19**

12.1 Pursuant to the scheme of arrangment approved by NCLT, Ahmedabad Bench, Excess of the Net Assets transfered over the face value of the New Securities to be allotted in accordance with the Scheme, shall be credited to same reserves as debited in the books of AIL with adjustment for balance, if any, to Profit and Loss Account/Retained Earnings. As at balance sheet date, allotment of share capital is pending and hence Excess of Net Asets Over the face value of Equity shares to be issue is shown as 'Reserves Pending Allocation'.

(Rs. in lakhs)

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
13	**Non Current Financial Liabilities - Borrowings**			
	Secured - At Amortised Cost		-	-
	Less : Current Maturity of Term Loan		-	-
	Vehicle Loan from Bank	38.88	55.45	-
	Inter Corporate Deposit		-	-
	Total	**38.88**	**55.45**	**-**
13.1	**Repayment Terms (Vehicle Loan)**			

	Repayment Tenor	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	1-2 Years	38.88	55.45	-
	2-3 Years		-	-
	3-5 Years		-	-

14	Other Non Current Financial Liabilities - Borrowings	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Secured - At Amortised Cost	**-**	**-**	**-**
	Lease Liability	151.23	153.23	-
	Other		NIL	-
	Total	**151.23**	**153.23**	**-**

15	Deferred Tax Liability (Net)	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	At the start of the year	7,066.99	-	-
	Transferred Pursuant to the Scheme of Arrangement	-	6,585.28	-
	Charge/(credit) to the Statement of Profit and Loss	643.23	481.71	-
	At the end of the year	**7,710.22**	**7,066.99**	**-**

16	Current Financial Liabilities - Borrowings	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	At Amortised Cost			
	Secured - Working capital Loan From Banks	17,989.94	-	-
	Secured - Working capital Loan From Banks (Under scheme demerger)	11,696.62	33,772.75	-
	From Related Parties			1.73
	Total	**29,686.56**	**33,772.75**	**1.73**

30	Payment to Auditors	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
a.	Statutory Audit Fees	9.00	0.32	0.32
b.	Certification Fees	1.25	0.10	0.10
c.	Reimbursement of Expenses	-	-	-
	Total	**10.25**	**0.42**	**0.42**

31	Contingent Liabilities and Commitments	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
(i)	**Contingent Liabilities**			
	(a) Claims against the company not acknowledged as Debt - Unpaid	-	-	-
	(b) Claims against the company not acknowledged as Debt - Paid (under dispute)	-	-	-
	(c) Letter of Credit, Bank Guarantees	-	-	-
(ii)	**Commitments**			
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	39,747.76	37,000.00	-
	Total	**39,747.76**	**37,000.00**	**-**

32 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. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Home and personal care ingredients.

O CHANGE IN ACCOUNTING POLICIES IN THE LAST THREE YEARS AND THEIR EFFECTS ON THE PROFITS AND RESERVE

There are no significant changes in accounting policies of the company from last three financial years and their effects on the profits and reserve

P. SUMMARY OF CONTINGENT LIABILITIES

There are no contingent liabilities for the quarter and nine months ended December 31, 2022 and the financial year ended March 31, 2022.

Q. SUMMARY OF RELATED PARTY TRANSACTIONS

The related Party Transactions for the year 2022-23 and 2021- 22. are as follows:

(Rs. in lakhs)

Sr. No.	Name	Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction	Details of other related party transaction	Value of transaction during 22-23	Value of transaction during 21-22
1	Hetal Gogri Gala	Promoter/CMD	Remuneration		66.00	0
2	Chandrakant V Gogri	Other related party	Rent	Rent	8.01	10.68
4	Aarti Industries Limited	Other related party	Sale of Goods		5319.70	6,817.96
	Aarti Industries Limited	Other related party	Purchase of Goods		3165.98	6,863.13
5	Aarti Drugs Limited	Other related party	Sale of Goods		217.48	2,158.41
6	Alchemie Gases & Chemicals Private Limited	Other related party	Purchase of Goods		22.95	38.73
7	Aarti USA Inc	Subsidiary Company	Sale of Goods		244.10	2,428.60
8	Ganesh Polychem Limited	Entities with joint control or significant influence over entity	Sale of Goods		440.22	369.56
	Ganesh Polychem Limited	Entities with joint control or significant influence over entity	Purchase of Goods		7.08	2.47
9	Narendra Salvi	Director	Remuneration		66.00	0.00
11	Piyush Lakhani	KMP	Remuneration		31.24	0.0
12	Valiant Organics Limited	Other related party	Sale of Goods		489.64	0.30
	Valiant Organics Limited	Other related party	Purchase of Goods		146.35	37.70
13	Aarti Ventures limited	Other related party		Loan	107.25	0.0
14	Nikhil Natu	KMP			17.17	16.66

R. DETAILS OF OUR GROUP COMPANIES

As per the requirements of the SEBI ICDR Regulations, the term 'Group Company', shall include such companies as covered under the applicable accounting standards (i.e. Ind AS 24 issued by the Institute of Chartered Accountants of India (ICAI)) and also any other company as considered "material" by the Board. Accordingly, the Materiality Policy for Determination of Group Companies and Litigation has been adopted by the Company.

As on date there are no related party transaction, but pursuant to the policy on materiality, for the purpose of disclosures in the Offer Documents, as prescribed under the SEBI ICDR Regulations, other than the entities covered under Ind AS 24 as issued by the ICAI, there are no other entities except mentioned below, which are considered "material" and ought to be classified as group companies of the Company in the Offer Documents.

AARTI INDUSTRIES LIMITED (AIL)

Aarti Industries Limited (hereinafter referred to as the "Demerged Company", or "AIL") is a listed public limited company incorporated on 28th September, 1984 under the Companies Act, 1956 with CIN L24110GJ1984PLC007301 having its registered office at Plot Nos 801, 801/23, GIDC Estate, Phase III, Vapi ? 396 195, Gujarat. The equity shares of Demerged Company are listed on BSE Limited and National Stock Exchange of India. The Demerged Company is a leading Indian manufacturer of specialty chemicals and pharmaceuticals with a global footprint. It manufactures chemicals used in downstream manufacturing of agrochemicals, polymers, additives, surfactants, pigments and dyes, etc. ("Speciality Chemical Business" or "Speciality Chemical Division"). The Pharma Business is divided into three verticals i.e. a) manufacture of active pharmaceuticals ingredients ("APIs") b) manufacture of intermediates and c) manufacture of xanthine derivatives. The Pharma business of the Demerged Company has four APIs manufacturing plants, two of which are approved by the United States Food and Drug Administration ("USFDA") and rest two are WHO/GMP certified. Additionally, it has two dedicated research and development facilities for pharmaceuticals API. ("Pharma Business" or "Pharma Division")

The Authorised Share Capital of the Company is Rs. 3,00,00,00,000 comprising of 60,00,00,000 Equity shares of Rs. 5/- each. The Issued and paid-up share capital of the Company is Rs. 181,25,20,175 comprising of 36,25,04,035 Equity shares of Rs. 5/- each.

Board of Directors:

1. Shri Rajendra Vallabhaji Gogri - Chairman & Managing Director
2. Shri Rashesh Chandrakant Gogri - Vice-Chairman & Managing Director
3. Shri Parimal Hasmukhlal Desai - Executive Director
4. Shri Manoj Mulji Chheda - Executive Director
5. Shri Kirit Ratilal Mehta - Executive Director
6. Smt. Hetal Gogri Gala - Non Executive Director
7. Shri Renil Rajendra Gogri - Executive Director
8. Shri Narendra Jagannath Salvi - Non Executive Director
9. Shri KVS Shyamsunder Ramamurthy - Independent Director
10. Shri Premchand Amolak Sethi - Independent Director
11. Shri Bhavesh Rasiklal Vora - Independent Director
12. Shri Ganapati Dadasaheb Yadav - Independent Director
13. Smt. Priti Paras Savla - Independent Director
14. Shri Vinay Gopal Nayak - Independent Director
15. Shri Lalitkumar Shantaram Naik - Independent Director
16. Smt. Natasha Kersi Treasurywala - Independent Director

Capital Structure as on December 31, 2022

Authorised Share Capital	Amount (Rs. In lakhs)
60,00,00,000 Equity Shares of Rs. 5/- each	30,000.00
Total	**30,000.00**
Issued, Subscribed and Paid-up Share Capital	**Amount (Rs. In lakhs)**
36,25,04,035 Equity Shares of Rs. 5/- each	18,125.20
Total	**18,125.20**

Financial Performance

The audited financial results of the company for the last three Fiscals are as follows:

(Rs. in lakhs, except per share data)

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
Sales and Other Income	7,76,496	4,80,782	4,40,819
Profit/ (Loss) after tax	1,28,885	51,350	52,336
Equity Capital	18,125	8,712	8,712
Reserves and Surplus (excluding revaluation reserve)	5,60,417	3,32,462	2,81,470
Earnings/ (Loss) per share (Rs.)	35.55	29.47	30.04
Diluted earnings per share (Rs.)	35.55	29.47	30.04

16.1 Pursuant to the Scheme of Arrangement, common working capital borrowing was allocated to Aarti pharmalabs Limited in the ratio of value of Assets transferred in the scheme of arrangement to the total assets of Aarti Industries Limited prior to demerger. In absence of specific loan from lenders, borrowings allocated to the Company are shown as loan from Aarti Industries Limited to be repaid by taking loans from banks.

16.2 Company has applied for Total working capital limit of Rs 375 crore with five banks and has offered security - First pari-passu hypothecation charge on all existing and future current assets/ of the Borrower, to be shared with others banks under multiple banking arrangement. Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with other banks under multiple banking arrangement.

During Fy 2022-23, out of Five banks, company has drawdown loans from three banks and same is used for repayment of Loan Transfered pursuant to scheme. Company is in process of executing loan documetns with other two banks for repayment of balances Outstanding payable to Aarti Industries limited Rs 116.96 crore

16.3 There are no material differences between the quarterly statements of stock filed by the company with banks and the books of accounts.

16.4 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.

17	Current Liabilities - Trade Payables	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Due to			
	- Micro and Small Enterprises	3,848.84	2,114.38	0.26
	- Other Than Micro and Small Enterprises	27,153.75	19,344.39	-
	Total	**31,002.59**	**21458.77**	**0.26**

18	Other Current Liabilities	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Current maturities of Vehicle Loan	25.37	34.18	-
	Lease Liability Current	126.44	124.44	-
	Other Current Liabilities	0.10	30.79	0.20
	Total	**151.91**	**189.41**	**0.20**

19	Current Provisions	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Provision for Employee Benefits	1,525.11	1,774.04	-
	Other Provisions	473.50	121.51	-
	Total	**1998.61**	**1895.55**	**0.00**

20	Current Tax Liabilities (Net)	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Current Tax Liabilities (Net)	121.79	750.00	-
	Total	**121.79**	**750.00**	**0.00**

21	Revenue from Operations	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Sale of Products	1,45,232.50	1,19,203.36	0.00
	Sale of Services			
	Other Operating Revenues (Refer Note No. 22.1)	784.59	790.95	0.00
	Total	1,46,017.09	1,19,994.31	0.00
21	**Other Operating Revenues**			
	Export Benefits/Incentives Received	645.35	642.78	0.00
22	Scrap Sales	179.75	148.17	0.00
	Other Operating Revenues	-40.51	0.00	0.00
	Total	784.59	790.95	0.00

	Other Income	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Dividend Received	123.93	247.86	0.00
	Interest Income	29.20	0.57	0.00
	Other Non-Operating Income			
	Insurance Claim	0.00	0.00	0.00
23	Profit on Sale of Assets/Investment	0.00	2.08	0.00
	Other Income	4.20	0.82	0.00
	Total	157.33	251.33	0.00

	Cost of Material Consumed	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Consumption of Raw Material	67,433.11	52,380.65	0.00
	Consumption of Packing Material	1,521.32	1,336.61	0.00
24	Consumption of Fuel	6,524.51	4,585.85	0.00
	Consumption of Stores & Spares	3,252.09	2,821.04	0.00
	Total	78,731.03	61,124.15	0.00

	Change in Inventory	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Inventories (at commencement)			
	Finished Goods	18,812.43	15,842.71	0.00
	Work-in-Progress	9,035.98	7,100.83	0.00
		27,848.41	22,943.54	0.00
	Inventories (at Close)			
	Finished Goods	24,757.31	18,812.43	0.00
	Work-in-Progress	14,960.53	9,035.98	0.00
		39,717.84	27,848.41	0.00
	Increase in Inventory	**-11,869.43**	**-4,904.87**	**0.00**

25	Employee Benefits	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Directors' Remunderation	617.12	570.62	0.00
	Salaries and Wages	8,006.78	7,887.80	0.00
	Contribution to Provident and other Funds	603.91	28.32	0.00
	Staff Welfare Expenses	418.50	33.55	0.00
	Total	9,646.31	8,520.29	0.00

Significant notes of auditors

There are no qualifications provided by the auditors of Aarti Industries Limited in relation to aforementioned financial statements for the specified three immediately preceding financial years

Other Disclosures

- **Group Companies which are sick industrial companies**
  Our Group Company has not become sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
- **Group Companies under winding up / insolvency proceedings**
  Our Group Company is not under winding up/insolvency proceedings.
- **Defunct Group Company**
  As on date of this Information Memorandum, our Group Company is neither defunct company or nor has made any an application to the relevant registrar of companies for striking off the name.
- **Nature and extent of interest of our Promoters in AIL**
  Our Promoters are part of the promoter and promoter group of AIL. Further, some of our Promoters are also on the board of AIL. Accordingly, our Promoters may be deemed to be interested in AIL to the extent of their shareholding in AIL, dividend and other entitlements thereon and the remuneration paid or payable to any of them in their capacity as director(s) of AIL.
  Common Pursuits
  Some of our Promoters and members of Promoter Group are also members and promoters in our Group Company AIL. Some of our Directors hold directorships in our Group Company. Except as disclosed herein, there are no other common pursuits or conflict of interest situations between our Group Company and our Company.
  Our Company will adopt the necessary procedures and practices as permitted or required by law to address any conflict of interest situation as and when it arises.
- **Material Litigation involving our Group Companies**
  There are no litigations involving our Group Company, which has a material impact on our Company.

P. Internal Risk Factors

1. **Our business is dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or under-utilization of our manufacturing facilities or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations could have an adverse effect on our business, financial condition and results of operations.**

   We conduct our operations through our manufacturing facilities located at Vapi in Gujarat, Tarapur and Dombivali in Maharashtra. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

   Success of our operations depends on availability of labour and good relationships with our labour force. Strikes and lockouts as a result of disputes with our labour force may adversely affect our operations. While we have not had instance of strikes, lockouts or labour disputes in the past, we cannot assure you that we shall not experience any strikes, lockouts or labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations. In addition, we also may face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

   Although we have not experienced any significant disruptions at our manufacturing facilities in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, financial condition and results of operations.

2. **Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business**

   With a view to improve our market position and foster business growth, we plan to adopt several business strategies, which include:

   - Expansion in existing value chain and increased production of value added products;
   - Deepening relationships with existing customers through co-development and strategic alliances;
   - Entering new product value chains;
   - Developing long term contracts and manufacturing outsourcing;
   - Focus on high growth sectors and emerging major industry trends in the pharmaceutical industry.

   Our strategy may not succeed due to various factors, including our inability to reduce our debt and our operating costs, our failure to develop new products and services with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our technology and strategic partners, our failure to effectively market these new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. Any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, financial condition and results of operations.

3. **We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances**

   Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances such as benzene, toluene, chlorine, nitric acid, methanol, hydrogen, sulphuric acid, amongst others. We are subject to operating risks associated with handling of such hazardous materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage and environmental contamination. In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences may result in the shutdown of one or more of our manufacturing facilities and expose us to civil or criminal liability which could have an adverse effect on our business, financial condition and results of operations. Moreover, certain environmental laws impose strict liability for accidents and damages resulting from hazardous substances and any failure to comply with such laws may lead to closure, penalties, fines and imprisonment.

4. **Our business is subject to extensive regulation. If we fail to comply with the applicable regulations prescribed by governments and regulatory agencies or our customers, our business, financial condition and results of operations could be adversely affected.**

   We operate in a highly regulated industry and our operations are subject to extensive regulation in each market in which we do business. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business license, imposition of fines and criminal sanctions in those jurisdictions.

5. **Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies.**

   Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollars. Accordingly, we have currency exposures relating to buying, selling and financing in currencies other than in Indian Rupees, particularly the U.S. Dollar. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. While we hedge a portion of the resulting net foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee and we cannot assure you whether hedging or other risk management strategies will be effective. Accordingly, while we enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies. Additionally, we have incurred losses due to these fluctuations in foreign currency in Fiscal 2022, Fiscal 2021 and Fiscal 2020. These losses were related to instances where the market exchange rate at the time of transaction was against us as compared to the rates we had applied when the transactions were accounted for or hedged.

6. **Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, financial condition and results of operations.**

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our R&D and manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment.

Any accident at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to legal proceedings, which could lower our profits in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production.

7. We are subject to strict quality requirements, regular inspections and audits, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our business, financial condition, results of operations and prospects.

We develop, manufacture and market a diverse range of APIs and formulations, which are primarily used as raw materials for host of products in the pharmaceuticals segments. Additionally, two manufacturing plants in our Pharmaceuticals Segment are approved by the USFDA. Accordingly, our customers maintain strict qualification and/or certification procedures. Our products go through various quality checks at various stages including random sampling check and quality check by internal and external agencies. Many of our key customers have audited and approved our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. Failure of our products to meet prescribed quality standards may result in rejection and reworking of our products. This may result in our customers cancelling present or future purchases of our products and could adversely affect our business, financial condition and results of operations.

While we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our prescribed quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. Any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, financial condition, results of operations and prospects.

8. **We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our operations.**

Our business operations are subject to various laws, the compliance of which is supervised by multiple regulatory authorities and government bodies. In order to conduct our business, we are required to obtain multiple licenses, approvals, permits and consents. Additionally, our government approvals and licenses are subject to numerous conditions, some of which are onerous including making an application for amending the existing approval and require us to make substantial expenditure. Most of these approvals and licenses are subject to ongoing inspection and compliance requirements and are valid only for a fixed period of time subject to renewal and accreditation. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. If we fail to renew, obtain or retain any of such approvals, in a timely manner, or at all, our business may be adversely affected.

We also incur significant expenditure in order to comply with such applicable laws and regulations. Amongst the laws that we must adhere to, environmental, health and safety laws and regulations are one of the most critical laws. These include laws and regulations that limit the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of hazardous waste materials, amongst others. Significant fines and penalties may be imposed for noncompliance with such environmental laws. We are also inspected at regular intervals by various environmental protection agencies to ensure our compliance with applicable laws and regulations. We are also required to obtain permits from governmental authorities for certain aspects of our operations. These laws, regulations and permits often require us to purchase and install expensive pollution control equipment or to make operational changes to limit impacts or potential impacts on the environment and/or health of our employees.

Furthermore, two for our manufacturing units are USFDA approved, which results in on-going inspection and compliance requirement from the United States authorities that we are required to comply with. Our failure to comply with such global regulatory requirements, amongst others, could also adversely affect our business, financial condition and results of operations.

9. **Our failure to manage growth effectively may adversely impact our business, prospects, financial condition and results of operations.**

Our ability to sustain growth depends primarily upon our ability to manage key issues such as our ability to sustain existing relationships with our clients, ability to obtain raw materials at better prices, ability to compete effectively, ability to scaling up our operations, adhering to high quality and execution standards, our ability to expand our manufacturing capabilities and our presence in India as well as globally, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, financial condition, results of operations and prospects.

10. **We require substantial financing for our business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability**

We require substantial capital for our business operations and planned capital expenditure. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in our Company and could adversely impact our Equity Share price.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. Our ability to raise debt financing on acceptable terms also depends on our credit ratings. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, financial condition and results of operations.

11. **Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.**

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends. Additionally, we may be restricted by the terms of any future debt financing in relation to the payment of dividends.

12. **The requirements of being a listed company may strain our resources.**

We were not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely affect the financial position of our Company.

13. **Our performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory or working capital.**

We maintain relatively high inventory levels of approximately two months of raw material inventory. In addition, the large number of products in our portfolio leads to a high finished goods inventory. We evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component of the success of our business, financial condition and results of operations. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. Our inventory levels have increased significantly over the last three fiscal years. If our raw materials purchase decisions do not accurately predict sourcing levels, customer trends or our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a client defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result, or have resulted, in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, financial condition, results of operations and prospects.

14. **Our business may expose us to potential product liability claims and recalls, which could adversely affect our results operation, goodwill and the marketability of our products.**

We may be exposed to risks of products recalls and returns. In addition, we may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. While we have taken insurance to protect us from such claims; however, this insurance coverage may be inadequate or not applicable to a particular set of claims. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management's time and focus. Accordingly, such product liability claims, may adversely affect our results of operation, goodwill and the marketability of our products.

15. **We are dependent on our R&D activities for our future success. If we do not successfully develop new products or continue our product portfolio expansion in a timely and cost-effective manner, our business, financial condition, cash flows and results of operations may be adversely affected.**

We are dependent on our R&D activities and scientists at our R&D centres for our future success. Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. In addition, we intend to expand our Pharmaceuticals Segment in order to take advantage of the growth opportunities in the sector, by expanding our capacities in existing products as well as expanding and strengthening our research capabilities in order to ensure rapid product innovation. Innovation continues to be the key determinant for our success. The development and commercialisation of new products are complex, time-consuming, costly and involves a high degree of business risk. We may encounter unexpected delays in the launch of these products or these products, and even if launched as planned, such products may not perform as we expect.

The success of our new product offerings will depend on several factors, including our ability to properly anticipate customer needs; obtain timely regulatory approvals; establish collaborations with suppliers and customers; develop and manufacture our products in a timely and cost-effective manner through our R&D efforts; and successfully market and sell our products. In addition, the development and commercialisation of new products is characterised by significant upfront costs, including costs associated with R&D, product development activities, obtaining regulatory approvals, building inventory and sales and marketing. Our planned investments in new manufacturing facilities and equipment for future expansion could result in higher costs, especially in the event of cost overruns, without a proportionate increase in revenues.

16. **The demand of our products in foreign countries is subject to international market conditions and regulatory risks that could adversely affect our business, financial condition and results of operations.**

We export our products to several countries. Therefore, any developments in the global chemical industry or the industries in which our customers operate could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Community and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. Any such imposition of trade barriers may have a material adverse effect on our business, financial condition and results of operations.

17. **If any of the products of our customers cause, or are perceived to cause, severe side effects, our reputation, revenues and profitability could be adversely affected.**

We develop, manufacture and market a diverse range of products and formulations, which are primarily used as raw materials for a variety of end user applications. If our customers' products cause, or are perceived to cause, severe side effects to their end-users, we may face a number of consequences, including, a severe decrease in the demand for, and sales of, the relevant products; the recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for the relevant production facility; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. As a result of these consequences, our business, financial condition and results of operations may be adversely affected.

18. **We engage contract labour for carrying out certain business operations.**

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our business, financial condition and results of operations.

19. **Our success largely depends upon the knowledge and experience of our Promoters and our Senior Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Senior Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations**

Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Senior Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Directors and Senior Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations. We depend on the management skills and guidance of our Promoters for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Senior Management Personnel. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Senior Management Personnel are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business, financial condition and results of operations could be adversely affected.

There is significant competition for management and other skilled personnel in the pharmaceuticals industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Information Memorandum Document, we do not have key man insurance policies and in the event that we are not able to attract and retain talented employees, as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected.

20. **Some of the companies of which our Promoters have significant influence are engaged in businesses and industries in which we operate and are in a similar line of business or could offer services that are related to our business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations.**

Some of the companies of which our Promoters have significant influence are engaged or may be engaged in a similar line of business or offer services that are related to our pharmaceutical business. This may be a potential source of conflict of interest for us and may have an adverse effect on our business, financial condition and results of operations. Further there is no assurance that a conflict of interest may not occur between our business and the business of such companies in the future, or that we will be able to suitably resolve such a conflict without an adverse effect on our business, financial condition and results of operations.

21. **Our Promoters have a significant shareholding in the Company and will continue to exercise significant influence over us.**

Our Promoters are interested in our Company to the extent of their shareholding in our Company. After the completion of the Demerger, our Promoters will continue to hold significant shareholding in our Company. So long as our Promoters own a significant portion of our Equity Shares, they will be able to influence the election of our Directors and influence most matters affecting us, including our business strategies and policies, decisions with respect to mergers, business combinations, acquisitions or dispositions of assets, dividend policies, capital structure and financing, and may also delay or prevent a change of management or control, even if such a transaction may be beneficial to other shareholders of us. In addition, the interests of our Promoters, as our largest shareholders, may also conflict with our interests or the interests of our other shareholders.

22. **We have entered and may, in future, enter related party transactions. We may face conflicts of interest in transactions with related parties.**

In the course of our business, we have entered into and may continue to enter into transactions with related parties. For more information regarding our related party transactions, see "Financial Information - Related Party Transactions". While we believe that all of our related party transactions have been conducted on an arm's length basis in the ordinary course of business, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition or results of operations, including because of potential conflicts of interest or otherwise.

23. **We engage in hedging transactions which involves certain risks. If any of such risks materializes, our financial performance could be adversely affected.**

We are exposed to market risks arising from the conduct of our business activities that are denominated in foreign currencies, which is subject to exchange rate fluctuations. Since we have significant exposure in foreign exchanges, we have hedged risks arising out of exchange rate fluctuations and fluctuations in interest rates by entering into hedging arrangements with various banks. Hedging agreements expose us to certain risks which, if materialized, could adversely affect our profitability.

Although we engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

We currently hold, and have in the past held, derivative contracts, including forward exchange contracts and interest rate swaps. We believe that these forward exchange contracts, and cross currency swaps have the effect of reducing the volatility of our profit and reducing our exposure to foreign exchange and interest rate risk. If, in the future, foreign exchange rates or interest rates move contrary to our expectations, or if our risk management procedures prove to be inadequate, we could incur derivative-related or other charges and opportunity losses independent of the relative strength of our business, which could affect our results of operations and financial condition.

24. **The Registered Office and all our manufacturing facilities are on leasehold basis.**

We do not own our Registered Office premises or the premises of our manufacturing facilities. These premises instead are occupied by us on a leasehold basis, which are leased to us either by one of our related parties or third parties or from the state run industrial development corporations such as the GIDC, MIDC. While the lease agreements for our manufacturing facilities are typically long term in nature and provide us with an option to renew them, they also provide the lessor with the right to terminate the lease for non-compliance of the terms of the agreement. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable terms.

25. **Failure or disruption of our IT and/or ERP systems may adversely affect our business, financial Condition and results of operations.**

We have implemented various information technology ("IT") and/or enterprise resource planning ("ERP") solutions to cover key areas of our operations, procurement, dispatch and accounting. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or ERP systems may lead to inefficiency or disruption of IT system thereby adversely affecting our ability to operate efficiently.

26. **The cost of implementing new technologies for our operations could be significant and could adversely affect our business, financial condition and results of operations.**

Our future success may depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology underpinning our operational platform, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our services less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our profitability. Any of the above events may adversely affect our business, financial condition, results of operations and prospects.

27. **We cannot assure you that our Company will declare dividends to its shareholders in the future.**

The declaration and payment of dividends, if any, in the future will be recommended by our Board of Directors, at their discretion and will depend on a number of factors, including our earnings and profitability, cash generated from operations, capital requirements and overall financial conditions. Consequently, we may be unable to pay dividends in the near- or medium-term. In the event we do not declare dividends going forward, our reputation and the price of the Equity Shares shall be adversely affected. There can be no assurance that we shall, or shall be able to, declare dividends in future.

Q. OUTSTANDING LITIGATION OF THE COMPANY, PROMOTERS, DIRECTORS OR ANY OF THE GROUP COMPANIES

In terms of Schedule VI, Part A, para (12), sub-para (A) of the ICDR Regulations, our Board has approved the Materiality Policy for Determination of Group Companies and Litigation. Pursuant to the Policy, our Company is required to disclose in this Draft Information Memorandum, (i) all criminal proceedings; (ii) all civil proceedings; (iii) all actions by statutory/ regulatory authorities which are pending as on date, or taken against the relevant entity in the last 5 years; (iv) taxation proceedings - Separate disclosures regarding claims related to direct and indirect taxes, in a tabular and consolidated manner giving details of number of cases and total amount; and (v) all other pending litigation.

Unless stated to the contrary, the information provided below is as of the date of Draft Information Memorandum

Nature of Cases	Number of Cases	Amount (Rs. lakhs)
Litigations against our Company		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations by our Company		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations against our Promoters		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations by our Promoters		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations against our Directors		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations by our Directors		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations against our Subsidiaries		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	*Nil*	*Nil*
Litigations by our Subsidiaries		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil

Continuation of legal proceedings (as per para 6 of the Scheme)

All legal or other proceedings of whatsoever nature by or against the Demerged Undertaking pending and/ or arising on or after the Appointed Date and relating to the Demerged Undertaking or its properties, assets, debts, liabilities, duties and obligations, shall be continued and/ or enforced until the Effective Date as desired by APL and as and from the Effective Date shall be continued and enforced by or against APL in the same manner and to the same extent as would or might have been continued and enforced by or against AIL. On and from the Effective Date, APL shall and may, if required, initiate any legal proceedings in its name in relation to the Demerged Undertaking in the same manner and to the same extent as would or might have been initiated by AIL.

R. REGULATORY ACTION, IF ANY – DISCIPLINARY ACTION TAKEN BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTERS IN LAST 5 FINANCIAL YEARS- NIL

S. OUTSTANDING CRIMINAL PROCEEDINGS AGAINST THE PROMOTERS- NIL

T. PARTICULARS OF HIGH, LOW AND AVERAGE PRICES OF THE SHARES OF THE LISTED DEMERGED COMPANY DURING THE PRECEDING THREE YEARS

Year	BSE			NSE		
	High*	Low*	Average**	High*	Low*	Average**
2021-2022	1,887.65	787.25	1,337.45	1,863.65	782.55	1,323.10
2020-2021	1,399.00	769.30	1,084.15	1,399.40	768.05	1,083.73
2019-2020	1,899.00	662.05	1,280.53	1,899.00	668.00	1,283.50

***The high and low prices during a particular financial year are derived from the high/low prices prevalent on a particular trading day during that period.**

**** The average stock price is the simple average price for all trading days of a particular financial year.**

U. MATERIAL DEVELOPMENT AFTER THE DATE OF LAST FINANCIAL STATEMENTS AS ON MARCH 31, 2022

Except as given below, in the opinion of our Board, there have not arisen since the date of last Financial Statements for the period ended March 31, 2022, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next twelve months:

- The National Company Law Tribunal, Ahmedabad bench, vide its order dated September 21, 2022 approved the Scheme of Arrangement between Aarti Industries Limited and Aarti Pharmalabs Limited and their respective shareholders under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Effective date pursuant to NCLT order is October 17, 2022.
- Our Board of Directors was reconstituted and Directors were appointed/reappointed on October 17, 2022
- Company Secretary and Compliance Officer of our Company was appointed on August 19, 2021.
- In principle approval for listing of 9,06,26,008 equity shares of Rs. 5/- each of the Company received from BSE Limited on **December 23, 2022**
- In principle approval for listing of 9,06,26,008 equity shares of Rs. 5/- each of the Company received from National Stock Exchange of India Limited on **December 28, 2022**
- SEBI granted relaxation under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 vide its letter dated **January 9, 2023**

V. SUCH OTHER INFORMATION AS MAY BE SPECIFIED BY THE BOARD FROM TIME TO TIME:
None.

For and on behalf of the Board of Directors of Aarti Pharmalabs Limited

Sd/-
Hetal Gogri Gala
Vice Chairperson and Managing Director
DIN: 00005499

Sd/-
Narendra J. Salvi
Managing Director
DIN: 00299202

Date: January 21, 2023
Place: Mumbai

U. P. Power Corporation Ltd.

R-APDRP Part-A 5th Floor Shakti Bhawan Extn. Lucknow-226001
Phone: 0522-2288801, RAX-8360 E-mail-cloud.uppcl@gmail.com
CIN U3220UP1999SGC024928

NIT

E-Tender Notice

RFP No.: 01/UPPCL/RAPDRP-A/IT/CSC UPPCL/2023 **Dated: 20.01.2023**

E-tenders are invited in two parts (Part-I Techno Commercial Bid and Part II Price Bid) for the Selection of Cyber Security Consultancy Agency. Bid document (RFP) is available online on https://etender.up.nic.in as per indicated below. Any changes in the Bid Schedule, corrigendum etc. shall also be notified via same website. Prospective bidders are therefore requested to regularly check the website for any updates.

S.N.	Particulars	Details
1.	e-Tendering Notice no.	01/UPPCL/RAPDRP-A/IT/CSC UPPCL/2023
2.	e-Bid Portal (website)	**https://etender.up.nic.in**
3.	Name of Work	Selection of Cyber Security Consultant Agency for UPPCL/Discom
4.	e-Tender Cost	Rs. 20,000/- + GST @ 18% (Non-Refundable)
5.	Earnest money deposit	Rs. 2,00,000/- (Rs Two Lakh Only)
6.	Document downloading/sale date starts	20/01/2023 17:00 Hrs
7.	Document download/ sale date ends	10/02/2023 17:00 Hrs
8.	e-Bid submission start date	20/01/2022 17:00 Hrs
9.	e-Bid submission end date	10/02/2023 17:00 Hrs
10.	Pre-Bid Meeting through Video Conferencing*	25/01/2023 12:00 Hrs
11.	last date for submission of hard copy of requisite documents.	10/02/2023 17:00 Hrs
12.	Opening date of e-bid, part-I	13/02/2022 15:00 Hrs
13.	Opening date of e-bid part-II	To be notified later

* Link for joining Pre-bid VC will be shared with bidders who place a request for the same on our mail address **cscauppcl@gmail.com**

Note: Bid shall be accepted thorough the e-tender portal. Tender issuing authority is not responsible for the delay/downloading of tender document by the recipient due to any problem in accessing the e-tender website. The tender issuing authority is also not responsible for delay in uploading bids due to any problem in the e-tender website. Cost of Bid Document & Eamest Money Deposit (EMD) shall be in favour of Accounts Officer, Central Payment Cell, U.P. Power Corporation Ltd. Shakti Bhawan Extension, Lucknow-226001 payable at Lucknow. Further details are available at website: **https://etender.up.nic.in**

UPPCL reserves the right to reject any or all proposals or cancel the bid without assigning any reason thereof.

Sd/-
Superintending Engineer-2
R-APDRP Part-A/IT, UPPCL,
5th Floor, Shakti Bhawan Extension, Lucknow-226001
Phone No. 0522-2288801
संख्या: 21–ज.स./पाकालि./2023 –दिनांक 21.01.2023

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Aarti Pharmalabs Limited

(Formerly known as Aarti Organics Limited)

CIN: U24100GJ2019PLC110964

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: www.aartipharmalabs.com; **Email:** investorrelations@aartipharmalabs.com; **Tel.:** +91-22-6797 6666, **Fax:** +91-22-2565 3234

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF AARTI PHARMALABS LIMITED ("COMPANY")

STATUTORY ADVERTISEMENT ISSUED IN COMPLIANCE WITH PARA III A V of ANNEXURE I TO SEBI CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017, AS AMENDED ISSUED UNDER SECTION 11 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 19(7) OF THE SECURITIES CONTRACTS (REGULATIONS) RULES, 1957 ("SCRR") PURSUANT TO GRANT OF RELAXATION BY SEBI FROM THE APPLICABILITY OF RULE 19(2)(B) OF THE SCRR.

A. ABOUT THE SCHEME OF ARRANGEMENT AND DEMERGER (the "Scheme")

The Hon'ble NCLT has, vide an Order dated September 21, 2022, approved Scheme of Arrangement between Aarti Industries Limited ("Demerged Company" or "AIL") and Aarti Pharmalabs Limited ("Resulting Company" or "Company" or "APL") and their respective shareholders ("Scheme") under Sections 230 to 232 and other related provisions of the Companies Act, 2013 and other applicable laws. Pursuant to the Scheme, the Demerged Undertaking (as defined in the Scheme) of Aarti Industries Limited has been transferred and vested into our Company from the Appointed Date of the Scheme i.e. July 1, 2021. The Effective Date of the Scheme is October 17, 2022. In accordance with the Scheme, our Company has allotted 9,06,26,008 equity shares of Rs. 5/- each to the shareholders of Aarti Industries Limited as on Record Date i.e. October 20, 2022 in the ratio of 1 (one) equity share of Rs. 5/- each fully paid up of APL for every 4 (four) equity shares of Rs. 5/- each fully paid up held in AIL and the existing 2,50,000 equity shares of Rs. 10/- each of the Company was cancelled.

B. DETAILS OF CHANGE OF NAME AND/OR OBJECT

Our Company was originally incorporated as "Aarti Organics Limited" on November 22, 2019 as a wholly owned subsidiary of Aarti Industries Limited under the Companies Act, 2013 in the state of Gujarat vide Certificate of Registration issued by the Central Registration Centre, Registrar of Companies. Our Company filed a declaration of commencement of business with the RoC on October 15, 2020.. The Company's name was changed from Aarti Organics Limited to Aarti Pharmalabs Limited upon receipt of certificate of incorporation consequent upon change of name dated August 18, 2021 from RoC. There have been no changes in the object clause of the Company.

C. CAPITAL STRUCTURE OF THE COMPANY

1) Pre-Scheme Capital Structure of our Company:

Authorised Share Capital	Amount (Rs. In lakhs)
5,00,000 Equity Shares of Rs. 10/- each	50.00
Total	**50.00**
Issued, Subscribed and Paid-up Share Capital	**Amount (Rs. In lakhs)**
2,50,000 Equity Shares of Rs. 10/- each	25.00
Total	**25.00**

2) Post-Scheme Capital Structure of our Company:

Authorised Share Capital	Amount (Rs. In lakhs)
10,00,00,000 Equity Shares of Rs. 5/- each	5,000.00
Total	**5,000.00**
Issued, Subscribed and Paid-up Share Capital	**Amount (Rs. In lakhs)**
9,06,26,008 Equity Shares of Rs. 5/- each	4,531.30
Total	**4,531.30**

D. SHAREHOLDING PATTERN GIVING DETAILS OF ITS PROMOTER GROUP SHAREHOLDING, GROUP COMPANIES

1) Pre-Scheme shareholding pattern of the Company

I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+ (V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	7	250000	0	0	250000	100.00	250000	0	250000	100.00	0	250000	0	0	0	0	0
(B)	Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(C)	Non Promoter - Non Public				0	0	0.00	0	0			0			0	0	0	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
	Total	**7**	**250000**	**0**	**0**	**250000**	**100.00**	**250000**	**0**	**250000**	**100.00**	**0**	**250000**	**0**	**0**	**0**	**0**	**0**

2) Post-Scheme shareholding pattern of the Company as on date.

I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+ (V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	45	40023412	0	0	40023412	44.1633	40023412	0	40023412	44.1633	0	44.1633	0	0	0	0	40023412
(B)	Public	305411	50602596	0	0	50602596	55.8367	50602596	0	50602596	55.8367	0	55.8367	0	0	0	0	50602596
(C)	Non Promoter - Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0	0	0	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0	0	0	0	0
	Total	**305456**	**90626008**	**0**	**0**	**90626008**	**100.00**	**90626008**	**0**	**90626008**	**100.00**	**0**	**100.00**	**0**	**0**	**0**	**0**	**90626008**

E. PRE AND POST SCHEME SHAREHOLDING OF THE PROMOTERS AND PROMOTER GROUP

1. Pre-Scheme Shareholding

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of the total Equity Shares Capital
A	Promoter		
1	Aarti Industries Limited	250000	100.00
	Total (A)	**250000**	**100.00**
B	**Promoter Group**		
2	-	-	-
	Total (B)	**-**	**-**
	Total (A+B)	**250000**	**100.00**

2) Post-Scheme Shareholding

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of the total Equity Shares Capital
A	**Promoters**		
1	Sarla Shantilal Shah	2435830	2.69
2	Rajendra Vallabhaji Gogri	1425900	1.57
3	Bhavna Shah Lalka	513941	0.57
4	Parimal Hasmukhlal Desai	399571	0.44
5	Mananjay Singh Garewal	162510	0.18
6	Chandrakant Vallabhaji Gogri	155500	0.17
7	Monisha Bhatia	121121	0.13
8	Shreya Suneja	112500	0.12
9	Jayesh Shah	16416	0.02
10	Orchid Family Trust (Relacion Trusteeship Services Private Limited)	1649000	1.82
11	Bhavna Family Private Trust (Barclays Wealth Trustees India Pvt Ltd)	804101	0.89
	Total (A)	**7796390**	**8.60**
B	**Promoter Group**		
12	Rashesh Chandrakant Gogri	3834404	4.23
13	Mirik Rajendra Gogri	2793094	3.08
14	Renil Rajendra Gogri	2792750	3.08
15	Hetal Gogri Gala	2615548	2.89
16	Jaya Chandrakant Gogri	2474637	2.73
17	Nehal Garewal	1122487	1.24
18	Nikhil Parimal Desai	768754	0.85
19	Aarnav Rashesh Gogri	550000	0.61
20	Aashay Rashesh Gogri	550000	0.61
21	Manisha Rashesh Gogri	550000	0.61
22	Arti Rajendra Gogri	475256	0.52
23	Ratanben Premji Gogri	337807	0.37
24	Heena Bhatia	322588	0.36
25	Rajendra Vallabhaji Gogri (HUF) (Karta-Rajendra Vallabhaji Gogri	)308274	0.34
26	Shantilal Tejshi Shah (HUF) (Karta-Nehal Garewal)	278881	0.31
27	Indira Madan Dedhia	182250	0.2
28	Gunavanti Navin Shah	86644	0.1
29	Prasadi Yogesh Banatwala	4245	0.0
30	Pooja Renil Gogri	382	0.0
31	Bhanu Pradip Savla	130737	0.14
32	Labdhi Business Trust (Saswat Trusteeship Private Limited)	2300000	2.54
33	Tulip Family Trust (Gloire Trusteeship Services Private Limited)	1649000	1.82
34	Heena Family Private Trust (Barclays Wealth Trustees India Private Limited)	833859	0.92
35	Jasmine Family Trust (Relacion Trusteeship Services Private Limited)	687500	0.76
36	Lotus Family Trust (Gloire Trusteeship Services Private Limited)	624500	0.69
37	Manomaya Business Trust (Alabhya Trusteeship Private Limited)	600000	0.66
38	Anushakti Enterprise Private Limited	2492500	2.75
39	Safechem Enterprises Private Limited	1463000	1.61
40	Alchemie Financial Services Limited	673006	0.74
41	Alchemie Finserv Private Limited	264105	0.29
42	Gogri Finserv Private Limited	264105	0.29
43	Nikhil Holdings Private Limited	180891	0.20
44	Dilesh Roadlines Private Limited	8318	0.01
45	Valiant Organics Limited	7500	0.01
	Total (B)	**32227022**	**35.56**
	Total (A+B)	**40023412**	**44.16**

F. DETAILS OF TEN LARGEST SHAREHOLDERS OF THE COMPANY AS ON DATE :

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of the total Equity Shares Capital
1	Life Insurance Corporation Of India	6164067	6.80
2	Rashesh Chandrakant Gogri*	3834404	4.23
3	Mirik Rajendra Gogri*	2793094	3.08
4	Renil Rajendra Gogri*	2792750	3.08
5	Hetal Gogri Gala*	2615548	2.89
6	Anushakti Enterprise Private Limited*	2492500	2.75
7	Jaya Chandrakant Gogri*	2474637	2.73
8	Sarla Shantilal Shah*	2435830	2.69
9	HDFC Trustee Company Limited	2412079	2.66
10	Aditya Birla Sun Life Trustee Private Limited	2360468	2.60
	Total	**30375377**	**33.51**

* These shareholders are part of the Promoter and Promoter Group of the Company and are interested as such.

G. DETAILS OF PROMOTERS OF THE COMPANY:

The Promoters of our Company are Sarla Shantilal Shah, Rajendra Vallabhaji Gogri, Bhavna Shah Lalka, Parimal Hasmukhlal Desai, Mananjay Singh Garewal, Chandrakant Vallabhaji Gogri, Monisha Bhatia, Shreya Suneja, Jayesh Shah, Orchid Family Trust and Bhavna Family Private Trust. Brief details of the Promoters is set forth below:

Smt. Sarla Shantilal Shah
PAN: AADPS4231N
Address: Flat No 404, 4th Floor, Raheja Havenprananajali Prananjali, JVPD Scheme, Plot No 21 22, Mumbai - 400 049.
Educational Qualification: High School certificate
Experience: Smt. Sarla Shantilal Shah is a Homemaker.

Shri Rajendra Vallabhaji Gogri
PAN: AACPG2278E
DIN: 00061003
Address: 2402 Richmond, Cliff Avenue, Near Forest Club, Hiranandani Gardens, Powai, Mumbai - 400 076
Educational Qualification: B.E. from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)] and Master's Degree in Chemical Engineering from the U.S.A.
Experience: Shri Rajendra V. Gogri was appointed as Chairman of Aarti Industries Limited in 2012, nearly two decades after having been appointed as the Managing Director of the Company. In addition to technical acumen, he possesses a keen understanding of the financial and commercial aspects of the chemical industry.

Smt. Bhavna Shah Lalka
PAN: AOBPS2060R
Address: 404, Raheja Haven, Prananjali, 21 22 Ashok Nagar Society, NS Road No 10, JVPD Scheme, Mumbai - 400 049
Educational Qualification: L.C.E.H Mumbai
Experience: In addition to her practice as a Homoeopathic Doctor, Smt. Lalka has almost 10 years' experience in charitable function.

Shri Parimal Hasmukhlal Desai
PAN: AABPD4102D
DIN: 00009272
Address: A-1403, Runwal Heights, LBS Marg Opp. Nirmal Lifestyle, Mulund West, Mumbai - 400 080
Educational Qualification: B.E. from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)]
Experience: Shri Parimal H. Desai has more than 38 years of experience in development and project implementation in the chemical industry

Shri Mananjay Singh Garewal
PAN: BMYPG4323H
Address: C-16, FF Etanjali Enclave, Delhi - 110 017
Educational Qualification: BFA Industrial Design
Experience: Shri Garewal is an Industrial Designer and has 4 years' experience in industrial designing field.

Shri Chandrakant Vallabhaji Gogri
PAN: AAFPG8847C
DIN: 00005048
Address: 1801, Richmond Tower, Cliff Avenue, Hiranandani Gardens, Near Hiranandani School, Powai, Mumbai - 400 076
Educational Qualification: B.E. from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)]
Experience: Shri Chandrakant V. Gogri is the founder of Aarti group of industries. He started Aarti Industries Limited from a small unit and took it to the path breaking enterprise it is today. His experience in the areas of projects, operations, process development and local & international marketing in the Chemical Industry is remarkable. Further, his business acumen and flair for finance has stood the test of time during the growth of Aarti Group.

Smt. Monisha Bhatia
PAN: CKLPB0016J
Address: House No 1079, Sector 15, Escorts Nagar, Faridabad - 121 007.
Educational Qualification: MA Human Animal Interaction
Experience: Smt. Bhatia has 2 years' experience in field dog training

Smt. Shreya Suneja
PAN: ANZPB4077C
Address: House No 114, Sector 14, Faridabad - 121 007.
Educational Qualification: MBA in Marketing
Experience: Smt. Shreya Suneja is a Homemaker

Shri Jayesh Shah
PAN: AAJPS1143D
Address: Gunjan Bhokare Colony, Sangli Miraj Road, Miraj Sangli, India - 416 410.
Educational Qualification: Commerce Graduate
Experience: Shri Shah is a Businessman and Partner in Parvati Polyplast Private Limited, which is into the business of PVC and HDPE Pipes

Orchid Family Trust
PAN: AAATO7555N
Address: 127, 1st Floor, Udyog Kshetra Mulund Goregaon Link Road Near D Mart, Mulund (West), Mumbai - 400 080.
Educational Qualification: N.A.
Experience: The Trust is into Business

Bhavna Family Private Trust
PAN: AADTB5396B
Address: 208 Ceejay House, Dr Annie Besant Road, Shivsagar Estate - Worli, Mumbai - 400 018
Educational Qualification: N.A.
Experience: The Trust is into Business

H. BUSINESS OVERVIEW, STRATEGY AND MANAGEMENT OF THE COMPANY

Business Overview

Aarti Pharmalabs Limited was incorporated as an unlisted public company under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated November 22, 2019 bearing Registration Number 110964 issued by the Registrar of Companies, Ahmedabad, Gujarat.

Prior to the Scheme of Arrangement approved by Hon'ble NCLT, Ahmedabad Bench, our Company has not commenced any business operations. Pursuant to the Scheme becoming effective, the Pharma Division of Aarti Industries Limited has been transferred and vested into our Company from the Appointed Date of the Scheme i.e. July 1, 2021.

Pursuant to the vesting of aforesaid business of Aarti Industries Limited in our Company, our Company is now engaging in the business of manufacturing and trading of Pharmaceuticals and allied products.

The Pharma Business is divided into three verticals i.e. a) manufacture of active pharmaceuticals ingredients ("APIs") b) manufacture of intermediates and c) manufacture of xanthine derivatives. The Pharma business of the Demerged Company has four APIs manufacturing plants, two of which are approved by the United States Food and Drug Administration ("USFDA") and rest two are WHO/GMP certified. Additionally, it has two dedicated research and development facilities for pharmaceuticals API. ("Pharma Business" or "Pharma Division").

Strategic Overview

Aarti Pharmalabs Limited (APL) is a leading, internationally recognized manufacturer of Active Pharmaceutical Ingredients (APIs), pharmaceutical intermediates, New Chemical Entities (NCEs), and xanthine derivatives based in India. Our strategy is centered on building a sustainable future by integrating our expertise in process chemistry and scale-up engineering to optimize both recipe development and asset utilization.

Over the past two decades, APL has established itself as a reliable partner for innovators and generic players worldwide, thanks to our cutting-edge R&D and manufacturing capabilities. We specialize in lifestyle generic APIs, regulated generic intermediates, and xanthine derivatives, and offer CDMO services for drug substance and NCE development and manufacturing, with a focus on the Ph-I/II/III, launch, and commercial phases. We also have dedicated facilities for the production of high-potency APIs, corticosteroids, cytotoxic medicines, and oncology products.

As the largest manufacturer of caffeine in India, APL has become a preferred partner for beverage, nutraceutical, and pharmaceutical companies worldwide. Our commitment to quality and sustainability has made us a trusted partner in the industry.

To continue to grow and meet the demands of our clients, we have plans to scale up our manufacturing capabilities by developing a greenfield project on land we have already acquired in Atali. The company has already secured approval for a capital expenditure of 375 crore rupees for this project. Additionally, we will work to improve productivity at our existing site through debottlenecking efforts.

As we continue to strengthen our position as a leading player in the industry, we are committed to providing high-quality products and services to our clients, while also promoting sustainability and growth. We look forward to the opportunities that lie ahead as we continue to drive innovation and progress in the pharmaceutical industry.

BOARD OF DIRECTORS OF THE COMPANY

Shri Rashesh Chandrakant Gogri

Designation: Chairman & Non-Executive Director **DIN:** 00066291
Address: 1802 Richmond, Cliff Avenue, Near Hiranandani School, Hiranandani Gardens, Powai IIT, Powai, Mumbai -400 076
Date of Birth and Age (years): 03/06/1974 (48 Years)
Occupation: Industrialist
Term and period of directorship: N.A.
Directorship in other Companies: Aarti Industries Limited
Aarti Drugs Limited
Spark Pharmachem Private Limited
Anushakti Enterprise Private Limited
Alchemie Dye Chem Private Limited
Alchemie Multichem Private Limited
Aarti Polychem Private Limited
Alchemie Financial Services Limited
Gogri Finserv Private Limited
Crystal Millennium Realtors Private Limited
Alabhya Trusteeship Private Limited
Saswat Trusteeship Private Limited
Vahal Welfare Foundation
Past positions held in other entities (Director/ Partner) : Aar Em Ventures LLP (01/10/2013 to 01/08/2017)
Aashay Ventures LLP (28/12/2012 to 01/07/2015)
Conventry Properties LLP (14/10/2013 to 15/03/2017)
Infoleap Market Research and Consultancy LLP (21/10/2013 to 27/06/2014)
High Scale Ventures LLP (26/11/2013 to 01/11/2020)
Ganesh Polychem Limited (07/11/2001 to 11/06/2019)
Aashay Finance and Investment Private Limited (28/01/2020 to 25/05/2022)
Innovative Envirocare Jhagadia Limited (06/07/2012 to 12/08/2013)
Experience: A Production Engineer from Mumbai University, he has played a key role in the growth of various strategic business units in chemical, pharma and personal care segments.

Smt. Hetal Gogri Gala

Designation: Vice Chairperson and Managing Director **DIN:** 00005499
Address: 1502 Richmond Tower, Cliff Avenue, Forest Club, Hiranandani Gardens, Powai, Mumbai- 400076
Date of Birth and Age (years): 10/07/1975 (47 Years)
Occupation: Industrialist
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Aarti Industries Limited
Anushakti Enterprise Private Limited
Alchemie Dye Chem Private Limited
Alchemie Multichem Private Limited
Alchemie Financial Services Ltd
Gogri Finserv Private Limited
Alabhya Trusteeship Private Limited
Saswat Trusteeship Private Limited
Aarti Nature Care Private Limited
Vahal Welfare Foundation
Past positions held in other entities (Director/ Partner): Aarti Lifescience LLP (30/03/2012 to 16/08/2017)
Aar Em Ventures LLP (01/10/2013 to 01/08/2017)
Aarti Realchem LLP (27/12/2012 to 01/10/2016)
Ganesh Polychem Limited (13/09/2005 to 16/01/2014)
Aashay Finance and Investment Private Limited (28/01/2020 to 25/05/2022)
Aarti Vikas and Mission (20/03/2015 to 30/06/2021)
Experience: A graduate in electronics engineering from Mumbai University. She has completed MEP from IIM-Ahmedabad and possesses a degree in supply chain management. She has rich experience in the purchase function and currently manages various strategic business units.

Shri Narendra Jagannath Salvi

Designation: Managing Director **DIN:** 00299202
Address: 901, Kona Seema Chs, Plot No.8, Palm View, S.T. Road, Opp. K Star Mall, B/H PMC Bank Chembur Mumbai 400071, Maharashtra India
Date of Birth and Age (years): 16/08/1964 (58 Years)
Occupation: Service
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Aarti Industries Ltd
Aarti Drugs Limited
Aarti Pharmachem Limited
Past positions held in other entities (Director/ Partner): Nil
Experience: Shri Narendra Salvi is vastly experienced in the chemicals industry with an experience spanning over three decades. He is presently helming the quality system and projects and operations of the pharma division.

Shri Rajendra Vallabhaji Gogri

Designation: Non-Executive Non-Independent Director **DIN:** 00061003
Address: 2402 Richmond, Cliff Avenue, Near Forest Club, Hiranandani Gardens, Powai, Mumbai – 400 076
Date of Birth and Age (years): 15/12/1959 (62 Years)
Occupation: Industrialist
Term and period of directorship: NA
Directorship in other Companies: Aarti Industries Ltd
Prince Pipes And Fittings Limited
Safechem Enterprises Private Limited
Aarti Polychem Private Limited
Gala Precision Engineering Private Limited
Alchemie Finserv Private Limited
Crystal Millennium Realtors Private Limited
Kutchi Angel Network Private Limited
Gloire Trusteeship Services Private Limited
Relacion Trusteeship Services Private Limited
Past positions held in other entities (Director/ Partner): Aashay Ventures LLP (02/06/2017 to 01/04/2020)
Rupal Enterprise LLP (24/10/2016 to 01/06/2021)
Aarti Drugs Limited (29/09/1984 to 25/08/2020)
Aarti Biotech Limited (16/04/1998 to 10/03/2016)
Alchemie Dyechem Private Limited (15/09/1994 to 18/07/2016)
Pinnacle Lifescience Private Limited (24/08/2020 to 31/03/2022)
Innovative Envirocare Jhagadia Limited (06/07/2012 to 02/08/2013)
Aarti Corporate Services Limited (25/01/1995 to 11/10/2010)
Plancess Edusolutions Private Limited (18/03/2011 to 01/06/2011)
Experience: A rank holder from UDCT, Mumbai, he possesses a master's degree in chemical engineering from USA. Along with Mr. Chandrakant V. Gogri, he has played a pivotal role in Aarti Industries Limited in acquiring its present stature. In addition to technical acumen, he possesses a keen understanding of the financial and commercial aspects of the chemical industry. Like Mr. Chandrakant V. Gogri, he also was conferred with the prestigious 'Distinguished Alumnus Award' from UDCT in the year 1995 for his entrepreneurial achievements. He was honoured with the 'Hurun Most Respected Entrepreneur of the Year – India' award in the year 2019. In the same year, he was also presented by the Indian Chemical Council with the 'Lala Shriram National Award' for leadership in the chemical industry.

Shri Parimal Hasmukhlal Desai

Designation: Non-Executive Non-Independent Director **DIN:** 00009272
Address: A – 1403 , Runwal Heights, L.B.S Road, Opp Nirmal Lifestyle, Mulund West, Mumbai, Maharashtra – 400080
Date of Birth and Age (years): 29/05/1949 (73 Years)
Occupation: Industrialist
Term and period of directorship: NA
Directorship in other Companies: Aarti Industries Limited
Aarti HPC Limited
Nikhil Holdings Private Limited
Aarti Corporate Services Limited
Sulochna and Nandini Welfare Foundation
Past positions held in other entities (Director/ Partner): Alchemie Dyechem Private Limited (23/02/1979 to 18/07/2016)
Experience: A chemical engineer from UDCT, Mumbai, Shri Parimal H. Desai has more than 38 years of experience in development and project implementation in the chemical industry.

Shri Bhavesh Rasiklal Vora

Designation: Non-Executive Independent Director **DIN:** 00267604
Address: B/702, Kailash Jyot-2, Opposite Gayatri Tower, Derasar Lane, Rajawadi, Ghatkopar (East), Mumbai-400 077, Maharashtra
Date of Birth and Age (years): 13/09/1967 (55 Years)
Occupation: Chartered Accountant
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Aarti Industries Limited
Edelweiss Trusteeship Company Limited
Basilstone Consulting Private Limited
Past positions held in other entities (Director/ Partner): Aarti Drugs Limited (31/07/2006 to 31/03/2022)
Pinnacle Lifescience Private Limited (27/08/2016 to 31/03/2022)
Experience: Shri Bhavesh R. Vora is a commerce graduate and ACA by qualification. He is a practising Chartered Accountant, with more than 28 years of experience in the field of stock brokers' audits, compliances, derivatives, futures and options, accounting standards and internal management audit.

Dr. Vinay Gopal Nayak

Designation: Non-Executive Independent Director **DIN:** 02577389
Address: 601, Royal Grace CHS, Lokmanya Tilak Vashat Road-2, Behind Swami Narayan Temple, Dadar East, Mumbai - 400014
Date of Birth and Age (years): 12/12/1956 (66 Years)
Occupation: Industry Specialist
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Aarti Industries Limited
Past positions held in other entities (Director/ Partner): Marksans Pharma Limited (29/09/2016 to 01/01/2019)
Medicaps Limited (31/10/2005 to 12/07/2009)
Experience: Dr. Vinay Gopal Nayak, a pharmaceutical professional with a technical background, has worked with organisations such as Cipla, Lupin, Watson, Marksans, Alembic and Emcure Pharmaceuticals for the past 32 years. He is specialised in the areas of manufacturing, quality, R&D, compliance and regulatory affairs, both for API and formulation manufacturing.

Prof. Vilas Gajanan Gaikar

Designation: Non-Executive Independent Director **DIN:** 00033383
Address: A-703, Dhananjay Apartments, Veera Desai Road Extension, Near R. G. Hospital, Azad Nagar, Andheri (W), Mumbai 400053
Date of Birth and Age (years): 28/08/1960 (62 Years)
Occupation: Professor
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Nil
Past positions held in other entities (Director/ Partner): Aarti Drugs Limited (31/12/2005 to 31/03/2022)
Bharat Oman Refineries Limited (23/09/2014 to 04/03/2019)
Experience: Prof. Vilas G. Gaikar is an Independent Director of the Company. He holds a Ph.D. degree in Chemical Engineering from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology]. He is presently serving as the Distinguished Professor of Chemical Engineering in ICT. His field of specialisation and research includes Process Intensification using Microwave, Light and alternative energy sources, Thermochemical conversions of Biomass, Soft Condensed Matter, Reactive Separations and Design by Molecular Modelling, Clean Technology, Innovation Practices. He is a recipient of numerous awards and has published more than 190 publications in referred International Journals.

Smt. Jeenal Kenil Savla

Designation: Non-Executive Independent Director **DIN:** 07545244
Address: 402, My Residency, TPS-11, Dixit Road, Near Ashish Nursing Home, Vile Parle (E), Mumbai- 400057
Date of Birth and Age (years): 09/12/1983 (39 Years)
Occupation: Chartered Accountant
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Ganesh Polychem Limited
Past positions held in other entities (Director/ Partner): Valiant Organics Limited (30/09/2019 to 30/06/2022)
Experience: Smt. Jeenal K. Savla is a Chartered Accountant by qualification and has 14 plus years of experience in the areas of Internal Audit and Risk Management.

Smt. Rupal Anand Vora

Designation: Non-Executive Independent Director **DIN:** 07096253
Address: 806 Cumballa Crest 42, G Deshmukh Marg, HSBC Bank Lane, Peddar Road, Cumballa Hill, Mumbai -400026
Date of Birth and Age (years): 24/06/1963 (59 Years)
Occupation: Advocate
Term and period of directorship: 3 years w.e.f. October 17, 2022
Directorship in other Companies: Geecee Ventures Limited
Winro Commercial (India) Limited
Saraswati Commercial (India) Limited
Walchandnagar Industries Limited
Bombay Cycle and Motor Agency Limited
Singularity Holdings Limited
Four Dimensions Securities (India) Limited
Extramarks Education India Private Limited
Past positions held in other entities (Director/ Partner): Nil
Experience: Smt. Rupal Vora is a Commerce graduate and Law graduate from Government Law College, Mumbai University. She is Practising Advocate having more than 30 years of experience and having specialization in Direct Taxation.

To be continued

DETAILS OF KEY MANAGERIAL PERSONNEL OF THE COMPANY

Name	Designation
Smt. Hetal Gogri Gala	Vice Chairperson and Managing Director
Shri Narendra J. Salvi	Managing Director
Shri Piyush Lakhani	Chief Financial Officer
Shri Nikhil Natu	Company Secretary

I. REASON FOR THE SCHEME OF ARRANGEMENT

AIL basically has 2 (Two) business verticals i.e., specialty chemicals and pharmaceuticals with divergent business profile, growth potential, risk-rewards, regulatory and capital requirements and are largely independent of each other. The demerger of the Business is being undertaken due to the following reasons:

1. The Demerged Undertaking relates to Pharma manufacturing units, allied activities investments and cash balance & cash equivalents for future Capital Expenditures of Demerged Undertaking. In order to create overall value for the shareholders and also to enable management of the Company to focus and adopt the relevant strategies necessary for promoting growth and expansion, it is proposed that the Demerged Undertaking, (as specifically set out in the Scheme), be demerged and transferred to the Resulting Company under the terms and conditions of this Scheme.
2. The shareholders of AIL, pursuant to the demerger, will get Equity Shares of Resulting Company for the values of Business Transferred in the manner set out under this Scheme.
3. The demerger will also result in AIL and APL achieving operational efficiencies by streamlining of the relevant businesses.
4. By demerger of the Demerged Undertaking into Resulting Company, the financial resources will be conveniently raised in accordance with the requirement of the business.
5. The demerger will enable APL to expand its presence in the fast-moving Pharma Business in India and abroad.
6. The demerger will result into two dedicated and focused business segments i.e. Speciality Chemical and Pharma without any risk or overlap of one business over the other.

J. THE AUDITED FINANCIAL RESULTS OF THE COMPANY FOR THE LAST THREE FINANCIAL YEAR ARE AS FOLLOWS:

Rs. in Lakhs, except per share data

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Sales and Other Income	1,13,826.17	94,353.33	0
Profit/ (Loss) after tax	13,173.21	10,672.61	-0.46
Equity Capital	4,531.30	4,531.30	25
Reserves and Surplus (excluding revaluation reserve)	1,37,062.28	1,23,871.30	-2.19
Earnings/ (Loss) per share (Rs.)	14.54	11.78	-0.18
Diluted earnings per share(Rs.)	14.54	11.78	-0.18

K. Independent Auditors' Report on Audit of Standalone Financial Results for the year-to-date financial results for the period 1 April 2022 to 31 December 2022.

To Board of Directors of
Aarti Pharmalabs Limited

Report on the Audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone year to date financial results of Aarti Pharmalabs Limited ("the Company") for year-to-date results for the period from 1 April 2022 to 31 December 2022, attached herewith, being submitted by the Company pursuant to regulatory requirements required for the purpose of filing application to exchanges for obtaining trading approval of its equity shares.

In our opinion and to the best of our information and according to the explanations given to us these standalone year to date financial results:

1. are presented in accordance with the regulatory requirements required for the purpose of filing application to exchanges for obtaining trading approval of its equity shares.
2. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS-34") prescribed under section 133 of the Companies Act 2013 read with relevant rules thereunder and other accounting principles generally accepted in India of the net profit and total other comprehensive income, and other financial information of the Company for year to date results for the period 1 April 2022 to 31 December 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

These year-to-date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulatory requirements.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the management and the Board of Directors are 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 the management and the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the interim standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim condensed standalone 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 interim condensed 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.

Other Matters

I. Comparative Audited Standalone Financial Results

a) The comparative audited standalone annual financial results for the period 1 July 2021 (Appointed date) to 31 March 2022 of pharma business undertaking were audited by erstwhile statutory auditors, Kirtane & Pandit, LLP (FRN: 105215W/W100057), Chartered Accountants of Aarti Industries Limited (demerged company) whose annual auditors report dated 27 May 2022 had expressed an unmodified opinion on financial statements.

b) The comparative audited annual financial results of the Company for the year ended 31 March 2022 (prior to giving effect to scheme of arrangement) were audited by erstwhile statutory auditors of the Company, Jatin Vora & Associates, LLP (FRN: 118024W), Chartered Accountants of Aarti Pharmalabs whose annual auditors report dated 20 May 2022 had expressed an unmodified opinion on financial statements.

c) The comparative audited annual financial results of the Company for the year ended 31 March 2021 (prior to giving effect to scheme of arrangement) were audited by erstwhile statutory auditors of the Company, Jatin Vora & Associates, LLP (FRN: 118024W), Chartered Accountants of Aarti Pharmalabs whose annual auditors report dated 15 May 2021 had expressed an unmodified opinion on financial statements.

Our opinion is not modified in respect of above matters.

II. Effect of Scheme of Arrangement

a) The Scheme of Arrangement for the demerger of Pharma Business Undertaking from Aarti Industries Limited ("the demerged company") to its wholly owned subsidiary Aarti Pharmalabs Limited ("the resulting company" or "the Company") between the two companies and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 ('Act') and all other applicable provisions of the Companies Act, 2013 ("the Scheme") was approved by Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench on 21 September 2022. Accordingly, all the assets and liabilities pertaining to the Pharma Business Undertaking, including supporting manufacturing units, employees, cash and cash equivalents and investments (including investments in subsidiaries and joint ventures), as defined in the Scheme, stand transferred and vested into the resulting company from its Appointed Date i.e., from 1 July 2021.

b) Pending receipt of the NCLT Order approving scheme of arrangement, financial statements of the Demerged Company (before giving effect to scheme of arrangement) for the year ended 31 March 2022 were approved by the Board of Directors of Demerged Company in their meeting held on 27 May 2022 and audited by erstwhile statutory auditors (refer para I (a) above). Subsequently, the same were approved by their shareholders in the general meeting held on 26 September 2022

c) We, Gokhale & Sathe, Chartered Accountants (FRN: 103264W) were appointed as statutory auditors of the Company to fill casual vacancy caused due to resignation of Jatin Vora & Associates, Chartered Accountants, through resolution passed by shareholders of the Company through postal ballot on 10 January 2023.

d) The management approached us to perform agreed upon procedures on standalone financial results prepared to give effect to scheme of arrangement. Accordingly, we have performed agreed upon procedures as per Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India and we report that as follows:

- standalone financial results of pharma business undertaking prepared by the management of the Company for period from 1 July 2021 to 31 March 2022 is as per accounting treatment and information mentioned in the scheme.
- It is drawn from standalone financial statements prepared and audited by erstwhile statutory auditors of Demerged Company as mentioned in I (a) above.
- It is extracted from the books of accounts maintained by the Company having records/information maintained for pharma business and speciality chemical business.

For GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Registration No.: 103264W

Tejas Parikh
Partner
Membership No.: 123215
UDIN: - 23123215BGQKZR9410
Place: Mumbai
Date: 17 January 2023

L. Standalone Audited Financial Statement For The Nine Months Ended December 31, 2022 & Financial Year Ended March 31, 2022

(Rs. in lakhs)

Particulars	Note No.	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
A ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	1	81,628.29	70,089.25	0
(b) Capital Work-in-Progress	1	7,702.33	16,522.59	0
(c) Intangible Assets	1	19.18	22.52	0
(d) Intangible Assets Under Developments	1	3,762.04	2,214.02	0
(e) Financial Assets				
(i) Investment in Subsidiary	2	90.76	90.76	0
(ii) Other Investments	2	4,176.53	3,896.04	0
(iii) Other Financial Assets	3	866.93	820.58	0.00
(f) Other Non-Current Assets	4	429.10	0	NIL
Total Non-Current Assets		**98,675.16**	**93,655.76**	**0**
2 Current Assets				
(a) Inventories	5	52,719.91	44,437.53	0.00
(b) Financial Assets				
(i) Trade Receivables	6	33,225.96	30,421.97	0.00
(ii) Cash and Cash Equivalents	7	5,079.25	5,649.99	25.00
(iii) Loans	8	585.23	477.97	0.00
(iv) Other Financial Assets	9	4,061.01	7,000.39	0.00
(c) Other Current Assets	10	1,152.66	1,039.57	0.00
Total Current Assets		**96,824.02**	**89,027.42**	**25.00**
TOTAL ASSETS		**1,95,499.17**	**1,82,683.19**	**25.00**
B EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share Capital	11	4,531.30	25.00	25.00
(b) Equity Share Capital pending allotment upon scheme of arrangment	11	NIL	4,531.30	0
(c) Other Equity	12	1,37,062.28	1,23,871.30	-2.19
Total Equity		**1,41,593.58**	**1,28,427.60**	**23.81**
3 LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	13	NIL	NIL	-
Other Non Current Financial Liability	14	151.23	153.23	0
(b) Deferred Tax Liabilities (Net)	15	6,610.00	5,935.00	-
Total Non-Current Liabilities		**6,761.23**	**6,088.23**	**-**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	29,686.56	32,462.44	1.73
(ii) Trade Payables Due to				
- Micro and Small Enterprises	17	3,848.84	2,114.38	0.26
- Other Than Micro and Small Enterprises	17	11,905.52	11,046.92	0
(iii) Others				
(b) Other Current Liabilities	18	126.44	124.44	0.20
(c) Provisions	19	1,455.21	1,669.17	0.00
(d) Current Tax Liabilities (Net)	20	121.79	750.00	0.00
Total Current Liabilities		**47,144.36**	**48,167.35**	**2.19**
Total Liabilities		**53,905.59**	**54,255.58**	**2.19**
TOTAL EQUITY AND LIBILITIES		**1,95,499.17**	**1,82,683.19**	**25.00**
Significant Accounting Policies				

Standalone Statement of Profit and Loss for the Period Ended 31st December, 2022

(Rs. in lakhs)

	Particulars	Note No.	As at 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
I	Revenue from Operations	**21**	1,13,698.04	94,102.10	-
II	Other Income	**22**	128.13	251.23	-
III	**Total Income (I+II)**		**1,13,826.17**	**94,353.33**	**-**
IV	**EXPENSES**				
	(a) Cost of Materials Consumed	**23**	68,933.39	55,018.79	-
	(b) Purchase of Stock In trade		969.69	45.57	-
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	**24**	-8,252.82	-3,254.26	-
	(d) Employee Benefits Expense	**25**	9,121.61	7,998.43	-
	(e) Finance Costs	**26**	1,469.09	1,133.91	-
	(f) Depreciation / Amortisation Expenses	**27**	4,151.95	3,723.30	-
	(g) Other Expenses	**28**	19,772.19	16,314.98	0.46
	Total Expenses (IV)		**96,165.10**	**80,980.72**	**0.46**
V	**Profit before Exceptional Items and Tax (III-IV)**		**17,661.07**	**13,372.61**	**-0.46**
VI	Exceptional Items		-	-	-
V	**Profit before Tax (III-IV)**		**17,661.07**	**13,372.61**	**-0.46**
VI	TAX EXPENSE				
	Current Tax		3,500.00	2,250.00	-
	Earlier Year Tax		312.86	NIL	-
	Deferred Tax		675.00	450.00	-
	Total Tax Expenses		**4,487.86**	**2,700.00**	**-**
VII	**Profit for the year (V-VI)**		**13,173.21**	**10,672.61**	**-0.46**
VIII	**OTHER COMPREHENSIVE INCOME**				
	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)		-7.21	706.86	-0.00
	- Remeasurement of defined employee benefit plans (net of tax)		-		
	b. Items that will be reclassified to Statement of Profit and Loss		**-**		
	Other Comprehensive Income (Net of Tax)		**-7.21**	**706.86**	**-0.00**
IX	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX (VII+VIII)**		**13,166.00**	**11,379.47**	-0.46
X	**Earnings Per Equity Share of Face Value of Rs 10 Each (EPS) (in Rs.)**	**29**			
	Basic		14.54	11.78	-0.18
	Diluted		14.54	11.78	-0.18
	Significant Accounting Policies				
	Accompanying Notes to the Financial Statements	**1-33**			

Standalone Cash Flow Statement for the Period Ended 31st December, 2022

(Rs. in lakhs)

Sr. No.	Particulars	For the Period Ended 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before Tax	17,661.07	13,372.61	-0.46
	Adjusted for:			
	- Finance Costs	1,469.09	1,133.91	0.00
	- Depreciation/Amortisation	4,151.95	3,723.30	0.00
	- Dividend Income	-128.13	-247.86	0.00
	- Interest Income	NIL	NIL	NIL
	Operating Profit before Working Capital Changes	**23,153.98**	**17,981.96**	**-0.46**
	Adjusted for:			
	- (Increase)/Decrease in Trade and Other Receivables	-560.41	-8,570.97	0.00
	- (Increase)/Decrease in Inventories	-8,282.38	-10,814.41	0.00
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	963.32	-3,579.85	0.46
	Cash Generated from Operations	**15,274.51**	**-4,983.27**	**0.00**
	Taxes Paid (Net)	-3,812.86	-1,500.00	0.00
	Net Cash Flow from Operating Activities	**11,461.50**	**-6,483.27**	**0.00**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Acquisition of Property, Plant and Equipment and Capital Work In Progress	-8,415.41	-13,602.57	0.00
	Other Investments	NIL	NIL	NIL
	Dividend Income	128.13	247.86	0.00
	Interest Income	NIL	NIL	NIL
	Proceeds from Sale of Investments	500.00	NIL	NIL
	Net Cash Flow used in Investing Activities	**-7,787.28**	**-13,354.71**	**0.00**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds/(Repayment) from Current Borrowing (Net)	-2,775.88	26,596.86	0.00
	Finance Costs	-1,469.09	-1,133.91	0.00
	Dividends Paid	0.00	0.00	0.00
	Net Cash Flow from /(used in) Financing Activities	**-4,244.97**	**25,462.95**	**0.00**
	Net Increase/(Decrease) in Cash and Cash Equivalents	**-570.74**	**5,624.98**	**0.00**
	Opening Balance of Cash and Cash Equivalents	**5,649.99**	**25.00**	**25.00**
	Closing Balance of Cash and Cash Equivalents	**5,079.25**	**5,649.99**	**25.00**

Notes:

1 The accompanying notes are an integral part of the Ind AS financial statements.

2 The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India.3Cash and Cash Equivalents comprises of:

Particulars	For the Period Ended 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
a. Cash on Hand	32.72	19.37	0.00
b. Balances with Banks	5,046.52	5,630.62	25.00
Total	**5,079.25**	**5,649.99**	**25.00**

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER, 2022

A. Equity Share Capital

(Rs. in Lakhs)

As at 31st March, 2020	25.00
Changes in equity share capital during the year 2020-21	-
As at 31st March, 2021	25.00
Changes in equity share capital during the year 2021-22	0.00
As at 31st March, 2022	25.00
Changes in equity share capital during the year 2022-23	-4,506.30
As at 31st December, 2022	4,531.30

B. Other Equity

(Rs. in lakhs)

Particulars	Ratained Earnings	General Reserve	Securities premium	Capital Redemption Reserve	Other Comprehen-sive Income	Total
Balance as at 31st Mar, 2020	**-1.73**	**-**	**-**		**-**	**-1.73**
Profit / loss for the year	-0.46	-	-		-	-0.46
Balance as at 31st Mar, 2021	**-2.19**	**-**	**-**		**-**	**-2.19**
Transferred On Account of Scheme of Arrangement	64,455.78	8,187.56	44,032.54		349.58	1,17,025.45
Share Issue	-4,531.30	-		-	-4,531.30	
Total Comprehensive Income for the year	-				706.86	706.86
Profit for the year	10,672.61			-	10,672.61	
Dividend Paid					-	
Remeasurement of defined employee benefit plans (net of tax)					-	
Balance as at 31st Mar, 2022	**70,594.76**	**8,187.56**	**44,032.54**	**-**	**1,056.44**	**1,23,871.30**
Transferred On Account of Scheme of Arrangement	-	-	-		-	**-**
Share capital Cancellation on account of Scheme of Arrangement	-	-	-	25.00	-	**25.00**
Effect of Gratuity Provison to be maintained as per NCLT order	-	-	-		-	**-**
Total Comprehensive Income for the year	-	-	-		-7.21	**-7.21**
Profit for the year	13,173.19				-	**13,173.19**
Dividend Paid						**-**
Remeasurement of defined employee benefit plans (net of tax)						**-**
Balance as at 31st Dec 2022	**83,767.95**	**8,187.56**	**44,032.54**	**25.00**	**1,049.23**	**1,37,062.28**

Corporate Information and Significant Accounting Policies:

A. Corporate Information

AARTI PHARMALABS LIMITED ("the Company") is a Public Limited Company incorporated under the provisions of the Companies Act, 2013. During Fy 2021-22, Company has change its name from Aarti Organics limited to Aarti Pharmalabs limited and same is approved at ROC. Necessary changes has been incorporate in all places including MOA & AOA. During Fy 2021-22 Company has changed its Regsitered Office to Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad Gujarat – 396195 and same is approved at ROC.

The Honourable NCLT - Ahmedabad Bench has approved the scheme of arrangment between Aarti Industries Limited , Aarti Pharmalabs Limited and their shareholders on 21 September, 2022; pursuant to which, the Pharma Undertaking of Aarti Industries Limited is transferred to the Company w.e.f. Appointment Date (i.e. with effect from 1st July, 2021).

The Company is into Manufacture of Active Pharmaceuticals Ingredients ("APIs"), Manufacture of API / KSM intermediates and Xanthine derivatives for the pharmaceutical and food/beverages industry. Company is specialise in generic APIs, generic intermediates, and xanthine derivatives. Company also provides CDMO services for drug substance/NCE development and manufacturing for innovative pharmaceutical and biotech firms with a focus on the Ph-I/II/III, launch, and commercial phases. Company has dedicated facilities for the production of HPAPIs, corticosteroids, cytotoxic medicines, and oncology products

Manufacturing Units of the Company are located at Maharashtra & Gujarat State at various locations

B. Explainatory Note on the Composite Scheme of Arrangement

The Scheme of Arrangement under sections 230 to 232 has been entered by the Company and Aarti Industries Limited (the Demerged Company) and AND THEIR RESPECTIVE SHAREHOLDERS IN RESPECT OF DEMERGER OF PHARMA DIVISION OF AARTI INDUSTRIES LIMITED INTO AARTI PHARMALABS LIMITED (FORMERLY KNOWN AS AARTI ORGANICS LIMITED) UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

Certified copies of the order of the Hon'ble National Company Law Tribunal have been filed with the Registrar of Companies at Vapi, Gujarat on 17th October, 2022 and the scheme has become effective from 17th October 2022

The Scheme has accordingly been given effect to in the accounts effective from the Appointed Date being opening of business hours on 1st July, 2021

Demerged Company Aarti Industries limited is deemed to have been carrying on all business activities relating to the demerged undertaking with effect from opening of business hours on July 1, 2021 and on account of and in trust of the Company. All profits or losses, income and expenses accruing or arising or incurred after opening of business hours on July 1, 2021 relating to the said undertaking shall get vested to the Company.

Pursuant to the Scheme of Arrangement, Aarti Pharmalabs Limited to issue to Equity Shareholder of Aarti Industries Limited, For every 4 equity shares held in Aarti Industries Limited 1 Equity Shares of Aarti Pharmalabs Limited.

Details of Assets & Liability of Aarti Industries limited Demerged Pharma Undertaking Transferred to Company pursuant to scheme as at Appointed date is as below

Particular	Amount (Rs. In Crore)
Property, Plant and Equipment	789.69
Investments	32.71
Trade Receivable	256.89
Inventories	336.23
Other Current & Non-Current Assets (Incl Cash & Cash Equivalents)	721.56
Total Assets	2,137.08
Trade Payables	-170.47
Other Current & Non-Current Liability	-71.00
Borrowings (In the Ratio of Net Assets Transferred)	-725.68
Total Liability	-967.14
Excess of Assets over Liabilities	1,169.94

B. Significant Accounting Policies

B.1 Basis of Preparation and Presentation

"The financial statements of the Company have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:a. Certain financial assets and liabilities that are measured at fair value; andb. Defined benefit plans - Plan assets measured at fair value."

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) (Amendment) Rules, 2015 amended from time to time and other relevant provisions of the Act.

Company's Financial Statements are presented in Indian Rupees (`), which is also its functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated.

The financial statements of the Company for the Period ended 31.12.2022 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 17th January, 2023

B.2 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in subsequent financial years.

(a) 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.

(b) 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.

(c) 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.

(d) 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.

B.3 Summary of Significant Accounting Policies

(a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

"An asset is treated as Current when it is –- Expected to be realised or intended to be sold or consumed in normal operating cycle;- Held primarily for the purpose of trading;- Expected to be realised within twelve months after the reporting period, or- Cash or cash equivalent unless 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."

"A liability is considered as Current, when -- It is expected to be settled in normal operating cycle;- It is held primarily for the purpose of trading;- It is due to be settled within twelve months after the reporting period, or- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.All other liabilities are classified as non-current."

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

(c) 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 intangible assets.

(d) Valuation of Inventories

Inventories are valued at Cost or Net Realizable Value whichever is lower.

Inventories have been valued on the following basis:

a. Raw Materials, Packing Material, Stores and Spares Weighted Average cost or net realisable value, whichever is lower

b. Work-in-Progress - At cost plus appropriate allocation of overheads or net realisable value, whichever is lower

c. Finished Goods - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

(e) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments that are readily convertilbe to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Revenue Recognition

(i) Revenue from Sale of Goods to customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Sale of Scrap and obsolete stores is accounted for at the time of disposal.

(ii) Export entitlements are recognized on realization.

(iii) Revenue in respect of Interest is recognized on the time proportion method.

(iv) Industrial Promotion Incentive granted by State Government is recognised when claim in respect of Entitlement is made & admitted after close of yearly Sales Tax Assessment.

(v) Dividend Income is recognised when the Company's right to receive the amount has been established.

(g) Government Grants

(i) Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

(ii) Government grants are recognised in Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

(iii) In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(h) Depreciation/Amortization

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Shchedule II;

Sr. No.	Particulars	Depreciation or Amortisation
1.	Leasehold Land	Over the remaining tenure of lease
2.	Building	Over a period of 19 years
3.	Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 19 years, based on the type of Equipment
4.	Computers	Over a period of 2.5 years
5.	Office Equipments	Over a period of 5 years
6.	Furniture and Fixtures	Over a period of 10 years
7.	Vehicles	Over a period of 7 years
8.	Intangible Assets (Product Registration Rights)	Over a period of 5 years

(i) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(j) Foreign Currency Transactions

Foreign currency transactions are accounted at the rates prevailing on the date of the transactions. The exchange rate differences arising out of such transactions are approriately dealt in the financial statements in accordance with the applicables accounting standards.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

(k) Operating Leases

As a lessee:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

(l) Finance Costs

Borrowing Costs other than those directly attributable to Qualifying Assets are recognised as expenses in profit or loss in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements.

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(n) Employee Benefits

Short-term Benefits

Short term employee benefits including accumulating compensated absences are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

Post-retirement Benefits

Defined Contribution Plans

Retirement Benefits in the form of Provident Fund which is a defined contribution schemes is charged to the statement of profit and loss for the period in which the contributions to the fund accrue as per the relevant statute.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the gratuity fund maintained with Life Insurance Corporation of India, exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurements of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

(o) Taxes on Income

The tax expense for the period comprises of current tax and deferred income tax. 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.

Current Tax

Tax on income for the current period is determined on the basis on 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. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT)

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the same at each balance sheet date.

P. Financial Instruments

Øè Financial Assets

I Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

II Subsequent Measurement

(i) Financial assets measured at Amortised Cost (AC)

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 specific dates to cash flows that are 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 specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets measured at Fair Value Through Profit or Loss (FVTPL)

A financial assets, which are not classified in any of the above categories are measured at FVTPL.

III Equity Investments

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. Equity Investments in Subsidiaries are carried individually at cost less accumulated impairment, if any.

IV Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses, 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables, the Company applies 'simplified approach', which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

Øè Financial Liabilities

I Initial Recognition and Measurement

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

II Subsequent Measurement

Financial liabilities are carried at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

Øè Derecognition of Financial Instruments

The Company derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. 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.

Øè Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q. Earnings Per Shares

Basic earnings per share are calculated by dividing the Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the 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 effect of all dilutive potential equity shares.

C. Recent Accounting Pronouncements

Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase 2

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

- Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.
- Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The amendments do not have any impact on the financial statements.

Amendment to Ind AS 103 "Business Combination" – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 – Business Combinations. The management does not expect the amendment to have any impact in its financial statements.

Amendment to Ind AS 16 "Property, Plant and Equipment" – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The management does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 1 - Property, Plant and Equipment (FY 2022- 23)

		GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Particulars	Balance as at 1st April, 2022	Addition on Account of Scheme of Arrangment	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st Dec, 2022	Balance as at 1st April, 2022	Addition on Account of Scheme of Arrangment	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st Dec, 2022	Balance as at 31st Dec, 2022	Balance as at 31st March, 2022
1	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	-	-	-	2,173.98	173.21	-	16.36	-	189.57	1,984.42	2,000.77
	Buildings	11,601.95	-	3,533.86	-	15,135.81	3,977.06	-	514.36	-	4,491.42	10,644.39	7,624.89
	Buildings	588.05	-	-	-	588.05	344.30	-	97.50	-	441.80	146.25	243.75
	Plant and Machinery	86,283.78	-	12,095.51	-	98,379.29	30,595.48	-	3,394.57	-	33,990.05	64,389.25	55,688.30
	Furniture and Fixtures	645.38	-	-	-	645.38	316.08	-	36.72	-	352.80	292.58	329.30
	Office Equipments	214.55	-	6.27	-	220.83	130.59	-	17.37	-	147.96	72.86	83.96
	Computers, Printers	559.19	-	41.43	-	600.62	448.50	-	41.89	-	490.39	110.23	110.69
	Vehicles	343.21	-	10.59	-	353.79	194.34	-	29.85	-	224.19	129.61	148.87
	Total	**1,06,268.81**	**-**	**15,687.66**	**-**	**1,21,956.47**	**36,179.56**	**-**	**4,148.62**	**-**	**40,328.18**	**81,628.29**	**70,089.25**
II	InTangible Assets												
	IT software & Other Intangible Assets	3,802.32	-	-	-	3,802.32	3,779.81	-	3.33	-	3,783.14	19.18	22.52
	Total	**3,802.32**	**-**	**-**	**-**	**3,802.32**	**3,779.81**	**-**	**3.33**	**-**	**3,783.14**	**19.18**	**22.52**
III	**Gross Total**	**1,10,071.13**	**-**	**15,687.66**	**-**	**1,25,758.79**	**39,959.37**	**-**	**4,151.95**	**-**	**44,111.32**	**81,647.47**	**70,111.77**
III	**Capital Work-in-Progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,464.37**	**18,736.61**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

e. Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st December, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	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	Average**
Projects in progress	3,210.66	4,491.68	0.00	0.00	7,702.33
Projects temporarily suspended	0	0	0	0	0
	3,210.66	4,491.68	0.00	0.00	7,702.33

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	Average**
Projects in progress	1,548.02	2,214.02	0.00	0.00	3,762.04
Projects temporarily suspended	0	0	0	0	0.00
	1,548.02	**2,214.02**	**0.00**	**0.00**	**3,762.04**

Note 1 - Property, Plant and Equipment (FY 2021-22)

		GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Particulars	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 31st March, 2022	Balance as at 31st March, 2021
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	-	3,858.72	-	-	3,858.72	-	-	-	-	-	3,858.72	-
	Leasehold Land	-	1,890.83	283.16	-	2,173.98	-	149.99	23.22	-	173.21	2,000.77	-
	Buildings	-	10,183.13	1,418.82	-	11,601.95	-	3,541.06	436.00	-	3,977.06	7,624.89	-
	Buildings	-	440.88	147.17	-	588.05	-	244.96	99.34	-	344.30	243.75	-
	Plant and Machinery	-	77,778.54	8,505.24	-	86,283.78	-	27,428.67	3,166.80	-	30,595.48	55,688.30	-
	Furniture and Fixtures	-	642.47	2.91	-	645.38	-	273.99	42.09	-	316.08	329.30	-
	Office Equipments	-	189.46	25.10	-	214.55	-	114.29	16.30	-	130.59	83.96	-
	Computers, Printers	-	533.76	25.43	-	559.19	-	378.90	69.60	-	448.50	110.69	-
	Vehicles	-	314.08	29.13	-	343.21	-	184.79	9.55	-	194.34	148.87	-
	Total	**-**	**95,831.86**	**10,436.96**	**-**	**1,06,268.81**	**-**	**32,316.66**	**3,862.90**	**-**	**36,179.56**	**70,089.25**	**-**
II	**InTangible Assets**												
	IT software & Other Intangible Assets	-	3,783.76	18.56	-	3,802.32	-	3,773.41	6.40	-	3,779.81	22.52	-
	Total	**-**	**3,783.76**	**18.56**	**-**	**3,802.32**	**-**	**3,773.41**	**6.40**	**-**	**3,779.81**	**22.52**	**-**
III	**Gross Total**	**-**	**99,615.61**	**10,455.52**	**-**	**1,10,071.13**	**-**	**36,090.07**	**3,869.30**	**-**	**39,959.37**	**70,111.77**	**-**
III	**Capital Work-in-Progress**	**-**	**15,448.62**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,736.61**	**-**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

e. Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st March, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	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	Average**
Projects in progress	10,903.13	4,956.18	663.28	0.00	16,522.59
Projects temporarily suspended	0	0	0	0	0
	10,903.13	**4,956.18**	**663.28**	**0.00**	**16,522.59**

Capital Work-in-Progress	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	Average**
Projects in progress	2,214.02	0.00	0.00	0.00	2,214.02
Projects temporarily suspended	0	0	0	0	0
	2,214.02	**0.00**	**0.00**	**0.00**	**2,214.02**

Note 2 - Non Current Financial Assets - Investments

Particulars	Number of Units/Shares (all fully paid up)					As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Opening Balance	Transfer Pursuant to Scheme	Acquisition	Disposal	Closing Balance			
2.1 Investments - (Unquoted) in Equity Shares of Subsidiary Companies								
Aarti USA Inc.	0	10000000	0	0	10000000	65.76	65.76	0.00
Aarti Pharmachem Limited	0	50000	0	0	50000	25.00	25.00	0.00
2.2 Investments - (Unquoted) in Equity Shares of Joint Control/Associates Companies								
Ganesh Polychem Limited *	0	3098257			3098257	1260.86	1260.86	0.00
Investments - (Unquoted) in Equity Shares of Other Companies								
Dilesh Roadlines Private Limited	0	464550	0	0	464550	1123.24	1041.34	0.00
Aarti Ventures Limited	0	454364	0	0	454364	738.75	739.02	0.00
Tarapur Environment Protection Society	0	21751	0	0	21751	61.97	61.97	0.00
Derma Touch Inc.	0	125000	0	0	125000	425.52	425.52	0.00
Investments - (Unquoted) in Limited Liability Partnership								
Aarti Udyog Limited Liability Partnership	0	N.A.	0	0	N.A.	566.19	367.33	0.00
Total	-	-		-	-	**4267.29**	**3986.80**	**0.00**

(Rs. in lakhs)

3	Other Financial Assets	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Deposits	866.93	820.58	0.00
	Total	**866.93**	**820.58**	**0.00**

4	Other Non-Current Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Capital Advance	429.10	NIL	
	Total	**429.10**	**NIL**	**NIL**

5	Current Assets - Inventories	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Raw Materials and Components (incl of In-transit stock)	15,955.89	18,691.41	0.00
	Work-in-progress	14,298.56	8,150.40	0.00
	Finished Goods (incl of In-transit stock)	21,984.09	17,251.57	0.00
	Stores and spares	295.84	223.12	0.00
	Fuel	43.81	22.32	0.00
	Packing Materials	141.72	98.72	0.00
	Total	**52,719.91**	**44,437.54**	**0.00**

6	Current Financial Assets - Trade Receivables	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Unsecured and considered good	33,125.96	30,321.97	0.00
	-Unsecured Doubtful Debts	0.00	0.00	0.00
	-Provision for Doubtful Debts	100.00	100.00	0.00
	Total	**33,225.96**	**30,421.97**	**0.00**

*The Company has availed credit facilities from banks which are secured interalia by hypothecation of Trade Receivables.

7	Current Financial Assets - Cash and Cash Equivalents	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Cash on Hand	5.79	4.69	0.00
	Cash Equivalants investment in highly Liquid Funds	5,046.52	5,630.62	0.00
	Balances with Banks	26.93	14.68	25.00
	Total	**5,079.24**	**5,649.99**	**25.00**

8	Loans	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	(i) Loan to Related Party (Refer Note no. 36)	585.23	477.97	0.00
	(ii) Loan to Employees	0.00	0.00	0.00
	Total	**585.23**	**477.97**	**0.00**

9	Other Financial Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Balance with Customs, Central Excise, GST and State Authorities	3,959.87	6,887.42	0.00
	Other Receivable	101.14	112.98	0.00
	Total	**4,061.01**	**7,000.40**	**0.00**

10	Other Current Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Others Receivable	660.90	646.58	0.00
	Prepaid Expenses	491.76	392.99	0.00
	Advance to Suppliers	0.00	0.00	0.00
	Total	**1,152.66**	**1,039.57**	**0.00**

11 SHARE CAPITAL:

Particulars	No. of Shares	As at 31st Dec 2022	No. of Shares	As at 31st Mar 2022	No. of Shares	As at 31st Mar 2021
Authorised Share Capital						
Equity Shares of Rs 5/- each	10,00,00,000	5,000.00	5,00,000	50.00	5,00,000	50.00
Issued, Subscribed & Paid up						
a Equity Shares of ` 5/- each	9,06,26,008	4,531.30			2,50,000	25.00
b Equity Shares of ` 10/- each Pending Cancellations	-	-	2,50,000	25.00		
c Equity Shares of ` 5/- each pending Allotment upon Scheme of Arrangment	-	-	9,06,26,008	4,531.30		0
TOTAL	**9,06,26,008**	**4,531.30**	**9,08,76,008**	**4,556.30**	**2,50,000**	**25.00**

11.1 - Pursuant to the Scheme of Arrangment, Aarti Pharmalabs Limited to issue to the Equity Shareholders of Aarti Industries Limited -For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company

- The Honourable High Cout of Ahemedabad has approved the scheme of Arrangment on 21st September, 2022 . Pending allotment of share as at Balance sheet Date, Share capital of Rs 4531.30 lakhs as approved Under Scheme of Arragment is shown as Share capital pending for Allotment.
- Pursuant to Scheme of Arrangment Authorised share capital is Increased to 100000000 Shares of Rs 5 Each for Issue of Shares to the Shareholders of Demerged Company Aarti Industries limited

11.2 Share Capital Pending Cancancellation

- Aarti Pharmalabs limited is 100% Subsidiary of Aarti Industries limited. As per the order of NCLT, upon scheme becoming effective, original share capital of Rs 25 Lakhs stands automatically cancelled and reinstated to Rs 4531.30 lakhs by payment of applicable stamp duty and compliance of ROC formalities. As at Balance Sheet date, ROC formalities with respect to increase in authorised share capital, allotment of share capital and cancellation of existing share capital were pending and hence, the share capital of Rs. 25 Lakhs, existing on the balance sheet date is shown as 'Share Capital Pending Cancellation'.

11.3 Reconciliation of number of Equity Shares outstanding:

(Rs. in lakhs)

Particulars	As at 31st Dec 2022 No' Of Shares	As at 31st March, 2022 No' Of Shares	As at 31st March, 2021 No' Of Shares
Equity Shares at the beginning of the year	2,50,000	2,50,000	2,50,000
Add: Shares issued during the year Pursuant to the Scheme of Arrangement	9,06,26,008	-	-
Less: Shares Cancelled Pursuant to the Scheme of Arrangement	-2,50,000	-	-
Equity Shares at the end of the year	9,06,26,008	2,50,000	2,50,000

11.4 Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares 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.

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Retained Earnings / Profit & Loss Account			
	As per last Balance Sheet	70,594.76	-2.19	-1.73
	Add: Balance transferred on account of scheme of arrangment	- .00	64,455.78	- .00
	Less : Toward Issue of Shares capital	- .00	-4,531.30	- .00
	Add: Cancellation of Share Capital on Issuance of Fresh Share Capital as per the Scheme of Arrangement	- .00	- .00	- .00
	Profit / Loss for the year	13,173.20	10,672.61	-0.46
	Dividend Paid	- .00	- .00	- .00
	Share Capital Cancellation Purs	- .00		- .00
	Remeasurement of defined employee benefit plans (net of tax)	- .00	- .00	- .00
	Closing Balance	**83,767.96**	**70,594.76**	**-2.19**
	Securities Premium Account			
	As per last Balance Sheet	44,032.54	- .00	- .00
	Add: Balance transferred on account of scheme of arrangment	- .00	44,032.54	- .00
	Add: During the Years	- .00	- .00	- .00
	Less: During the year	- .00	- .00	- .00
	Closing Balance	**44,032.54**	**44,032.54**	**- .00**
	Capital Redemption Reserve			
	As per last Balance Sheet	- .00		- .00
	Add: Share capital Cancelled pursuant to scheme	25.00	- .00	- .00
	Add: During the Years	- .00	- .00	- .00
	Less: During the year	- .00	- .00	- .00
	Closing Balance	**25.00**	**- .00**	**- .00**
	General Reserve			
	As per last Balance Sheet	8,187.56	- .00	- .00
	Add: Balance transferred on account of scheme of arrangment	- .00	8,187.56	- .00
	Add: During the Years	- .00	- .00	- .00
	Less: During the year	- .00	- .00	- .00
	Closing Balance	**8,187.56**	**8,187.56**	**- .00**
	Other Comprehensive Income			
	As per last Balance Sheet	1,056.44	- .00	- .00
	Add: Balance transferred on account of scheme of arrangment	- .00	349.58	- .00
	Add: Movement in OCI (Net) During the Year	-7.21	706.86	- .00
	Closing Balance	1,049.23	1,056.44	- .00
	Total	1,37,062.28	1,23,871.30	-2.19

12.1 Pursuant to the scheme of arrangment approved by NCLT, Ahmedabad Bench, Excess of the Net Assets transfered over the face value of the New Securities to be allotted in accordance with the Scheme, shall be credited to same reserves as debited in the books of AIL with adjustment for balance, if any, to Profit and Loss Account/Retained Earnings. As at balance sheet date, allotment of share capital is pending and hence Excess of Net Asets Over the face value of Equity shares to be issue is shown as 'Reserves Pending Allocation'.

(Rs. in lakhs)

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
13	**Non Current Financial Liabilities - Borrowings**			
	Secured - At Amortised Cost	-	-	
	Total	**-**	**-**	**-**

14	Other Non Current Financial Liabilities - Borrowings	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Secured - At Amortised Cost	-	-	
	Lease Liability	151.23	153.23	
	Other	-	-	-
	Total	**151.23**	**153.23**	**-**

15	Deferred Tax Liability (Net)	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	At the start of the year	5,935.00	-	-
	Transfered Pursuant to the Scheme of Arrangment	-	5,485.00	-
	Charge/(credit) to the Statement of Profit and Loss	675.00	450.00	-
	MAT Credit Entitlement	-	-	-
	At the end of the year	**6,610.00**	**5,935.00**	**-**

16	Current Financial Liabilities - Borrowings	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	At Amortised Cost			
	Secured - Working capital Loan From Banks	17,989.94	-	
	Secured - Working capital Loan to be repaid to Aarti Industries limited under schem of Demerger	11,696.62	32,462.44	
	From Related Parties	-	-	1.73
	Total	**29,686.56**	**32,462.44**	**1.73**

16.1 Pursuant to the Scheme of Arrangement, common working capital borrowing was allocated to Aarti pharmalabs Limited in the ratio of value of Assets transfered in the scheme of arrangement to the total assets of Aarti Industries Limited prior to demerger. In absence of specific loan from lenders, borrowings allocated to the Company are shown as loan from Aarti Industries Limited to be repaid by taking loans from banks.

16.2 "Company has applied for Total working capital limit of Rs 375 crore with five banks and has offered security - First pari-passu hypothecation charge on all existing and future current assets/ of the Borrower, to be shared with others banks under multiple banking arrangement. Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with other banks under multiple banking arrangement. During Fy 2022-23, out of Five banks, company has drawdown loans from three banks and same is used for repayment of Loan Transfered pursuant to scheme. Company is in process of executing loan documetns with other two banks for repayment of balances Outstanding payable to Aarti Industries limited Rs 116.96 crore"

16.3 There are no material differences between the quarterly statements of stock filed by the company with banks and the books of accounts.

16.4 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.

17	Current Liabilities - Trade Payables	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Due to			
	- Micro and Small Entereprises	3,848.84	2,114.38	
	- Other Than Micro and Small Entereprises	11,905.52	11,046.92	0.26
	Total	**15,754.36**	**13,161.30**	**0.26**

18	Other Current Liabilities	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Lease Liability Current	126.44	124.44	
	Other Current Liabilities	-	NIL	0.20
	Total	**126.44**	**124.44**	**0.20**

19	Current Provisions	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Provision for Employee Benefits	1,224.41	1,638.57	
	Other Provisions	230.80	30.59	
	Total	**1,455.20**	**1,669.16**	**0.00**

20	Current Tax Liabilities (Net)	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Current Tax Liabilities (Net)	121.79	750.00	
	Total	**121.79**	**750.00**	**0.00**

21	Revenue from Operations	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Local Sales	63,455.98	53,075.46	
	Export Sales	49,594.43	40,390.78	
	Sales of Products (Net of GST)	**1,13,050.41**	93,466.24	0.00
	Other Operating Revenues (Refer Note No. 20.1)	647.63	635.85	
	Total Revenue	**1,13,698.04**	**94,102.10**	**0.00**
21.1	**Other Operating Revenues**			
	Export Benefits/Incentives Received	506.35	501.62	
	Scrap Sales	141.28	134.23	
	Other Operating Revenues	NIL	NIL	
	Total	**647.63**	**635.85**	**0.00**

22	Other Income	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Dividend Received	123.93	247.86	
	Profit on Sale of Assets/Investment	NIL	3.22	
	Other Income	4.20	0.16	0.00
	Total	**128.13**	**251.24**	**0.00**

23	Cost of Material Consumed	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Consumption of Raw Material	60,443.63	48,374.37	
	Consumption of Packing Material	1,427.33	1,234.35	
	Consumption of Fuel	4,106.06	2,629.62	
	Consumption of Stores & Spares	2,956.37	2,780.45	
	Total	**68,933.39**	**55,018.79**	**0.00**

24	Change in Inventory	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Inventories (at commencement)			
	Finished Goods	17,251.57	15,429.71	
	Work-in-Progress	8,150.40	6,717.99	
		25,401.97	22,147.70	0.00
	Inventories (at Close)			
	Finished Goods	19,356.23	17,251.57	
	Work-in-Progress	14,298.56	8,150.40	
		33,654.79	25,401.97	0.00
	Increase in Inventory	**-8,252.82**	**-3,254.26**	**0.00**

25	Employee Benefits	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Directors' Remunderation	610.37	545.88	
	Salaries and Wages	7,576.38	6,768.13	
	Contribution to Provident and other Funds	576.49	379.29	
	Staff Welfare Expenses	358.37	305.13	
	Total	**9,121.61**	**7,998.43**	**0.00**

26	Interest	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Interest	1,405.02	1,133.89	
	Other Borrowing Costs	64.07	0.02	0.00
	Sub Total	**1,469.09**	**1,133.89**	
	Less: Amount capitalised in the cost of PPE	0.00	0.00	0.00
	Total	**1,469.09**	**1,133.91**	**0.00**

Note: Finance Cost incurred on various projects being qualifying asset is capitalised in accordance with Ind AS 23.

27	Interest	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Depreciation of Property, Plant and Equipment (Refer Note No.1)	4,151.95	3,723.30	0.00
	Total Depreciation and Amortisation Expenses	**4,151.95**	**3,723.30**	**0.00**

28	Other Expense	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Manufacturing Expenses			
	Freight, Cartage & Transport	1,398.45	1,543.43	
	Power consumption	5,270.48	4,165.01	
	Water Charges	259.02	178.42	
	Processing Charges	580.86	604.20	
	Other Manufacturing Expenses	4,225.90	3,590.22	
	Repairs & Maintenance	2,343.25	1,992.78	
	Insurance Charges	660.73	619.89	
	Research & Development Expenses	942.77	716.36	
	Factory Administrative Expenses	1,002.77	757.24	
	Sub-Total (A)	**16,684.23**	**14,167.55**	**0.00**
	Office Administrative Expenses			
	Rent, Rates and Taxes	75.71	15.91	
	Travelling and Conveyance	94.89	42.15	
	Auditor's Remuneration	10.25	0.42	0.42
	Legal & Professional Charges	67.10	8.87	
	Postage, Telegraph & Telephone	0.49	0.21	
	Printing & Stationery Expenses	8.55	2.74	0.00
	ROC & Other Filling Fees	0.72	0.00	
	Directors Sitting Fees	2.60	0.00	
	Loss by Fire	0.00	0.00	
	Other Administrative Expenses	226.81	4.36	0.04
	Sub-Total (B)	**487.12**	**74.66**	**0.46**
	Selling and Distribution Expenses			
	Advertisement & Sales Promotion	415.22	31.47	
	Export Freight Expenses, Outward Freights	1,552.19	1,519.39	
	Commission on Sales	453.23	470.03	
	Export Insurance Charges	0.00	3.63	
	Sample Testing & Analysis Charges	38.40	42.99	
	Other Selling Expenses	36.08	4.23	
	Sub-Total ©	**2,495.12**	**2,071.74**	**0.00**
	Non-Operating Expenses			
	Donations and CSR Expenses	105.72	1.00	
	Sub-Total (D)	105.72	1.00	
	Total (A+B+C+D)	**19,772.19**	**16,314.98**	**0.46**

		As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
29	Earning Per Share (EPS)			
	Face Value Per Equity Share (in Rs.)	5.00	5.00	10.00
	Basic Earnings Per Share (in Rs.)	14.54	11.78	-0.18
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	13,173.21	10,672.61	-0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Nos)	9,06,26,008	9,06,26,008	2,50,000
	Diluted Earnings Per Share (in Rs.)	14.54	11.78	-0.18
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	13,173.21	10,672.61	-0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Nos)	**9,06,26,008**	**9,06,26,008**	**2,50,000**

29.1 Pursuant to the Scheme of Arrangment approved by NCLT, Aarti Pharmalabs Limited has issued to the Equity Shareholders of Aarti Industries Limited -For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company. The Company to allot 90626008 equity shares (1 Equity shares of Company for Every 4 Equity Shares held in Aarti Industries Limited). Existing Paid Capital of Rs 25 lakhs is Cancelled pursuant to Scheme provision

- All Investments are transfered pursuant to the Scheme of Arrangment approved by NCLT to Aarti Pharmalabs Limited. Pending trasnfer formalities, all investmens are in the name of Aarti Industries limited as at 31st December, 2022. The same will be transferred in the name of the Company in due course.
- Change in Fair value of Investment during the year is recongnised in Other Comprehensive Income (OCI) during the period.

Disclosure pursuant to Ind AS 27 - Separate Financial Statements

Investments in the following subsidiary is accounted at cost

Name of the Subsidiary	Principal Activity	Country of Incorporation	% of equity interest As at 31st Dec, 2022	% of equity interest As at 31st Dec, 2021
Aarti USA Inc	Trading of Pharmaceutical API & API Intermediates, Chemical	USA	100%	100%
Aarti Pharmachem Limited	Pharmaceutical API & API Intermediates, Chemical Manufacturing	India	100%	100%

30	Payment to Auditors	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
a.	Statutory Audit Fees	9.00	0.32	0.32
b.	Certification Fees	1.25	0.10	0.10
c.	Reimbursement of Expenses	-	-	
	Total	**10.25**	**0.42**	**0.42**

31	Contingent Liabilities and Commitments	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
(i)	Contingent Liabilities			
	(a) Claims against the company not acknowledged as Debt - Unpaid	-	-	-
	(b) Claims against the company not acknowledged as Debt - Paid (under dispute)	-	-	-
	(c) Letter of Credit, Bank Guarantees	-	-	-
(ii)	Commitments			
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	39,747.76	37,000.00	0.40
	Total	**39,747.76**	**37,000.00**	**0.40**

32 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

33 Segment Information

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.

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
FRN No. : 103264W

Tejas Parikh
Proprietor
M.No.123215
UDIN :

For and on behalf of the Board
For Aarti Pharmalabs Limited

Hetal Gogri Gala
Director
DIN:

Narendra Salvi
Director
DIN:

Piyush Lakhani
Chief Financial Officer

Nikhil Natu
Company Secretary
ICSI M.No : A27738

M. Independent Auditors' Report on Audit of Consolidated Financial Results for the year-to-date results for the period 1 April 2022 to 31 December 2022.

To Board of Directors of Aarti Pharmalabs Limited
Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Statement of Consolidated Financial Results of Aarti Pharmalabs Limited ("Holding company"), its subsidiaries and joint controlled entity (together referred to as "the Group") for the period from 1 April 2022 to 31 December 2022 ("the Statement"), being submitted by the Holding company pursuant to regulatory requirements required for the purpose of filing application to exchanges for obtaining trading approval of its equity shares.

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 reports of the other auditors on separate financial statements/ financial information of subsidiaries (refer other matter paras), the Statement:

1. includes the results of the following entities:

a. Subsidiaries

i. Aarti USA Inc
ii. Aarti Pharmachem Limited

b. Joint Controlled Entity

i. Ganesh Polychem Limited

2. are presented in accordance with the regulatory requirements required for the purpose of filing application to exchanges for obtaining trading approval of its equity shares.
3. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS-34") prescribed under section 133 of the Companies Act 2013 read with relevant rules thereunder and other accounting principles generally accepted in India of the consolidated net profit and consolidated total other comprehensive income and other financial information of the Group for year to date results for the period from 1 April 2022 to 31 December 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results.

These year-to-date consolidated financial results have been prepared on the basis of the interim financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulatory requirements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results 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 results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Board of Directors either intends to liquidate the Group 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 responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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 consolidated financial results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 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 results 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the interim consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim consolidated financial results 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 interim consolidated financial results.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

Other Matters

I. Comparative Audited Consolidated Financial Results

The comparative audited consolidated annual financial results (comprising of pharma business undertaking and investment in subsidiaries and joint controlled entity received by the Holding Company as per scheme of arrangement) for the period 1 July 2021 (Appointed date) to 31 March 2022 were audited by erstwhile statutory auditors, Kirtane & Pandit, LLP (FRN: 105215W/W100057), Chartered Accountant of Aarti Industries Limited ("Demerged Company") whose annual auditors report on demerged company consolidated financial results dated 27 May 2022 had expressed an unmodified opinion on financial statements.

Our opinion is not modified in respect of above matter.

II. Effect of Scheme of Arrangement

a) The Scheme of Arrangement for the demerger of Pharma Business Undertaking from Aarti Industries Limited ("the demerged company") to its wholly owned subsidiary Aarti Pharmalabs Limited ("the resulting company" or "the Holding Company") between the two companies and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 ('Act') and all other applicable provisions of the Companies Act, 2013 ("the Scheme") was approved by Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench on 21 September 2022. Accordingly, all the assets and liabilities pertaining to the Pharma Business Undertaking, including supporting manufacturing units, employees, cash and cash equivalents and investments (including investments in subsidiaries and joint ventures), as defined in the Scheme, stand transferred and vested into the Company from its Appointed Date i.e. from 1 July 2021. Pursuant to demerger, investments in subsidiaries, namely, Aarti USA, Inc, Aarti Pharmachem Limited and investment in joint controlled entity namely, Ganesh Polychem Limited was transferred to the Holding Company. Further investment of Demerged Company in Aarti Pharmalabs Limited (earlier known as Aarti Organics Limited) is cancelled and as a result no longer remains subsidiary of the demerged company.

b) Pending receipt of the NCLT Order approving scheme of arrangement, consolidated financial statements of the demerged company (before giving effect to scheme of arrangement) for the year ended 31 March 2022 were approved by the Board of Directors of demerged company in their meeting held on 27 May 2022 and audited by erstwhile statutory auditors (refer para I above). Subsequently, the same were approved by their shareholders in the general meeting held on 26 September 2022.

c) We, Gokhale & Sathe, Chartered Accountants (FRN: 103264W) were appointed as statutory auditors of the Company to fill casual vacancy caused due to resignation of Jatin Vora & Associates, Chartered Accountants, through resolution passed by shareholders of the Company through postal ballot on 10 January 2023.

d) The management of the Company approached us to perform agreed upon procedures on consolidated financial results prepared to give effect to scheme of arrangement. Accordingly, we have performed agreed upon procedures as per Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India and we report that as follows.

" consolidated financial results prepared by the management of the Holding Company (comprising of pharma business undertaking along with investment in subsidiaries and joint controlled entity received as part of scheme of arrangement) for period 1 July 2021 to year ended 31 March 2022 is as per accounting treatment and information mentioned in the scheme.

" It is drawn from consolidated financial statements prepared and audited by erstwhile statutory auditors of Demerged Company as mentioned in I above.

" It is extracted from the books of accounts maintained by the Demerged Company having records/information maintained for pharma business undertaking and speciality chemical business.

III. Financial Results of Subsidiaries/Jointly Controlled Entity not audited by us.

The consolidated financial results include the audited financial results of 2 subsidiaries (including 1 foreign subsidiary) and 1 joint controlled entity whose interim financial Results/ financial information reflects total revenues of Rs. 33004.22 lakhs and total net profit after tax (net) of Rs. 1929.15 lakhs for the period from 1 April 2022 to 31 December 2022 respectively, as considered in the consolidated financial results, which have been audited by their respective independent auditors. The independent auditors' reports on interim financial statements/Financial Results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion is not modified in respect of above matters.

For GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Registration No.: 103264W

Sd/-
Tejas Parikh
Partner
Membership No.: 123215
UDIN: - 23123215BGQKZR9410
Place: Mumbai
Date: 17 January 2023

N. Consolidated Audited Financial Statement For The Nine Months Ended December 31, 2022 & Financial Year Ended March 31, 2022

(Rs. in lakhs)

Particulars	Note No.	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
A ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	1	89,275.8	78,008.8	0
(b) Capital Work-in-Progress	1	7,702.33	16,522.59	0
(c) Goodwill	1	178.06	178.06	0
(d) Intangible Assets	1	19.18	22.52	0
(e) Intangible Assets Under Developments	1	3,762.04	2,214.02	0
(f) Financial Assets		0	0	0
(i) Investments	2	3,556.83	3,222.55	0
(ii) Other Financial Assets	3	905.05	858.42	0.00
(g) Other Non-Current Assets	4	429.10	148.27	0.00
Total Non-Current Assets		**10,5828.39**	**10,1175.23**	**0**
2 Current Assets				
(a) Inventories	5	59,129.46	47,545.37	0.00
(b) Financial Assets				
(i) Investments		2,330.07	-	-
(ii) Trade Receivables	6	42,896.49	37,665.71	0.00
(iii) Cash and Cash Equivalents	7	8,218.05	8,327.34	25.00
(iv) Loans	8	741.79	613.81	0.00
(v) Other Financial Assets	9	4,459.41	7,701.89	0.00
(c) Other Current Assets	10	1,089.50	960.77	0.00
Total Current Assets		**11,8864.77**	**10,2814.89**	**25.00**
TOTAL ASSETS		**22,4693.16**	**20,3990.11**	**25.00**
B EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share Capital	11	4,531.30	25.00	25.00
(b) Equity Share Capital pending allotment upon scheme of arrangment	11	0	4,531.30	0
(c) Other Equity	12	14,9300.05	13,4091.65	-2.19
Total Equity		**15,3831.35**	**13,8647.95**	**22.81**
2 LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	13	38.88	55.45	-
Other Non Current Financial Liability	14	151.23	153.23	-
Provisions		261.43	-	-
(b) Deferred Tax Liabilities (Net)	15	77,10.22	7,066.99	-
Total Non-Current Liabilities		**8,161.76**	**7,275.67**	**-**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	29,686.56	33,772.75	1.73
(ii) Trade Payables Due to				
- Micro and Small Entereprises	17	3,848.84	2,114.38	0.26
- Other Than Micro and Small Enterepprises	17	27,153.75	19,344.39	-
(iii) Others				
(b) Other Current Liabilities	18	151.92	189.42	0.20
(c) Provisions	19	1,737.18	1,895.55	0.00
(d) Current Tax Liabilities (Net)	20	121.79	750	0.00
Total Current Liabilities		**62,961.48**	**58,066.49**	**2.19**
Total Liabilities		**71,123.24**	**65,342.16**	**2.19**
TOTAL EQUITY AND LIBILITIES		**2,24,693.16**	**2,03,990.12**	**25.00**
Significant Accounting Policies				
Accompanying Notes to the Financial Statements	**1-32**	**0.00**	**0.00**	**0.00**

The accompanying notes are an integral part of the Ind AS financial statements.

Consolidated Statement of Profit and Loss for the Period Ended 31st December, 2022

(Rs. in lakhs)

	Particulars	Note No.	As at 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
I	Revenue from Operations	21	1,46,017.09	1,19,994.31	-
II	Other Income	22	157.33	251.33	-
III	**Total Income (I+II)**		**1,46,174.42**	**1,20,245.63**	**-**
IV	**EXPENSES**				
	(a) Cost of Materials Consumed	23	78,731.02	61,124.15	-
	(b) Purchase of Stock In trade		20,613.99	16,291.50	-
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	24	-11,869.43	-4,904.87	-
	(d) Employee Benefits Expense	25	9,646.31	8,520.30	-
	(e) Finance Costs	26	1,511.25	1,195.88	-
	(f) Depreciation / Amortisation Expenses	27	4,659.16	4,211.86	-
	(g) Other Expenses	28	22,688.79	18,268.62	0.46
	Total Expenses (IV)		**1,25,981.09**	**1,04,707.44**	**0.46**
V	**Profit before Exceptional Items and Tax (III-IV)**		**20,193.33**	**15,538.19**	**-0.46**
VI	Exceptional Items		-	-	-
V	**Profit before Tax (III-IV)**		**20,193.33**	**15,538.19**	**-0.46**
VI	**TAX EXPENSE**				
	Current Tax		4,175.50	2,732.50	-
	Earlier Year Tax		312.86	-	-
	MAT Credit Entitlement		-	112.50	-
	Deferred Tax		643.23	467.93	-
	Total Tax Expenses		5,131.59	3,312.93	-
VII	Profit for the year (V-VI)		15,061.74	12,225.26	-0.46
VIII	**OTHER COMPREHENSIVE INCOME**				
	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)		159.58	706.86	-0.00
	- Remeasurement of defined employee benefit plans (net of tax)		-	-	-
	b. Items that will be reclassified to Statement of Profit and Loss		-	-	-
	Other Comprehensive Income (Net of Tax)		159.58	706.86	-0.00
IX	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX (VII+VIII)**		**15,221.32**	**12,932.12**	**-0.46**
X	**Earnings Per Equity Share of Face Value of Rs 10 Each (EPS) (in Rs.)**	**29**			
	Basic		16.62	13.49	-0.18
	Diluted		16.62	13.49	-0.18
	Significant Accounting Policies				
	Accompanying Notes to the Financial Statements	**1-32**			

Consolidated Cash Flow Statement for the Period Ended 31st December, 2022

(Rs. in lakhs)

Sr. No.	Particulars	For the Period Ended 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before Tax	20,193.33	15,538.22	-0.46
	Adjusted for:			
	- Finance Costs	1,511.25	1,195.88	0.00
	- Depreciation/Amortisation	4,659.16	4,211.86	0.00
	Consolidated Adjustments	0.00	85.72	0.00
	- Dividend Income	-128.13	-247.86	0.00
	- Interest Income	-29.20	-0.76	0.00
	- Profit on sales	0.00	-4.01	0.00
	Operating Profit before Working Capital Changes	**26,206.41**	**20,779.05**	**-0.46**
	Adjusted for:			
	- (Increase)/Decrease in Trade and Other Receivables	-2,009.89	-10,250.92	0.46
	- (Increase)/Decrease in Inventories	-11,538.88	-5,599.20	0.00
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	7,759.87	-7186.23	0.00
	Cash Generated from Operations	20,417.51	-2,257.30	0.00
	Taxes Paid (Net)	-4,456.73	-2,112.93	0.00
	Net Cash Flow from Operating Activities	15,960.78	-4,370.23	0.00
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Acquisition of Property, Plant and Equipment and Capital Work In Progress	-8,650.58	-14,115.20	0.00
	Other Investments	-2,330.07	-11.32	0.00
	Dividend Income	128.13	247.86	0.00
	Interest Income	29.20	0.76	0.00
	Proceeds from Sale of Investments	500.00	4.01	0.00
	Net Cash Flow used in Investing Activities	-10,323.32	-13,873.89	0.00
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds/(Repayment) from Current Borrowing (Net)	-4,111.56	27,234.22	0.00
	Finance Costs	-1,511.25	-1,195.88	0.00
	Dividends Paid	-123.93	0.00	0.00
	Net Cash Flow from /(used in) Financing Activities	**-5,746.74**	**26,038.34**	**0.00**
	Net Increase/(Decrease) in Cash and Cash Equivalents	-109.28	7,794.22	0.00
	Opening Balance of Cash and Cash Equivalents	8,327.34	533.11	25.00
	Closing Balance of Cash and Cash Equivalents	**8,218.06**	**8,327.34**	**25.00**

Notes:

1 The accompanying notes are an integral part of the Ind AS financial statements.

2 The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India.

3 Cash and Cash Equivalents comprises of:

Particulars	For the Period Ended 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
a. Cash on Hand	7.87	5.72	25.00
b. Balances with Banks	8,210.19	8,321.62	0.00
Total	**8,218.06**	**8,327.34**	**25.00**

Consolidated Statement of Changes in Equity for the Period Ended 31st December, 2022

A. Equity Share Capital

(Rs. in Lakhs)

As at 31st March, 2020	25.00
Changes in equity share capital during the year 2020-21	-
As at 31st March, 2021	25.00
Changes in equity share capital during the year 2021-22	-
As at 31st March, 2022	25.00
Changes in equity share capital during the year 2022-23	4506.30
As at 31st December, 2022	4,531.30

B. Other Equity

(Rs. in lakhs)

Particulars	Ratained Earnings	General Reserve	Securities premium	Capital Reserve	Capital Redemption Reserve	Other Comprehensive Income	Total
Balance as at 31st Mar, 2020	-1.73	-	-			-	-1.73
Profit for the year	-0.46						
Balance as at 31st Mar, 2021	-2.19	-	-			-	-2.19
Share Issue	-4,531.30		-			-	-4,531.30
Transferred On Account of Scheme of Arrangment	64,455.50	8,187.56	44,032.54	-	-	349.58	1,17,025.17
Total Comprehensive Income for the year					706.86	706.86	
Profit for the year	10,672.61					-	10,672.61
Dividend Paid	0						0
Remeasurement of defined employee benefit plans (net of tax)	-	-	-	-	-	-	-
Balance as at 31st Mar, 2022	**70,594.62**	**8,187.56**	**44,032.54**	**-**	**-**	**1,056.44**	**1,23,871.16**
Transferred On Account of Scheme of Arrangment	-	-	-			-	-
Share capital Cancellaiton on account of							
Scheme of Arrangment	-	-	-	-	25.00	-	25.00
Total Comprehensive Income for the year	-	-	-			-7.21	-7.21
Profit for the year	10				-	13,173.21	13,173.21
Dividend Paid	-	-	-	-	-	-	-
Balance as at 31st Dec 2022	**83,767.83**	**8,187.56**	**44,032.54**	**-**	**25.00**	**1,049.23**	**1,37,062.14**

Corporate Information and Significant Accounting Policies:

A. Corporate Information

AARTI PHARMALABS LIMITED ("the Company") is a Public Limited Company incorporated under the provisions of the Companies Act, 2013. During Fy 2021-22, Company has change its name from Aarti Organics limited to Aarti Pharmalabs limited and same is approved at ROC. Necessary changes has been incorporate in all places including MOA & AOA. During Fy 2021-22 Company has changed its Registered Office to Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad Gujarat – 396195 and same is approved at ROC.

The Honourable NCLT - Ahmedabad Bench has approved the scheme of arrangment between Aarti Industries Limited , Aarti Pharmalabs Limited and their shareholders on 21 September, 2022; pursuant to which, the Pharma Undertaking of Aarti Industries Limited is transferred to the Company w.e.f. Appointment Date (i.e. with effect from 1st July, 2021).

The Company is into Manufacture of Active Pharmaceuticals Ingredients ("APIs"), Manufacture of API / KSM intermediates and Xanthine derivatives for the pharmaceutical and food/beverages industry. Company is specialise in generic APIs, generic intermediates, and xanthine derivatives. Company also provides CDMO services for drug substance/NCE development and manufacturing for innovative pharmaceutical and biotech firms with a focus on the Ph-I/II/III, launch, and commercial phases. Company has dedicated facilities for the production of HPAPIs, corticosteroids, cytotoxic medicines, and oncology products

Manufacturing Units of the Company are located at Maharashtra & Gujarat State at various locations

B Significant Accounting Policies

(i) The Consolidated Financial Statements comprise financial statements of Aarti Pharmalabs Limited ("The Holding Company"), subsidiaries and joint control entity

The principal activities of the Group consist of manufacturing and dealing in Pharmaceuticals, Nutraceuticals & chemicals

In preparing Consolidated Financial Statements, financial statements of below entities are considered,

(ii) **Background:**

	Name of the Subsidiary	Country	(%)
	Indian Subsidiary:		
(i)	Aarti Pharmachem Limited	India	100.00%
	Foreign Subsidiary:		
(i)	Aarti USA Inc.	USA	100.00%
	Joint Control:		
(i)	Ganesh Polychem Limited	India	50.00%

(iii) Basis of Prepration and Presentation:

Significant Accounting policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosures and a guide to better understanding of the consolidated position of the Companies. Recognizing this purpose the Company has disclosed only such Policies and Notes from the individual financial statements which fairly present the needed disclosures.

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules 2015 and amended by the Companies (Indian Accounting Standards) {Amendment} Rules 2016.

(iv) Principles of Consolidation :

(i) The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements & Indian Accounting Standard (Ind AS) 28 -Accounting for Investments in Associates in Consolidated Financial Statements and Indian Accounting Standard (Ind AS) 111 - Joint Arrangements.

(ii) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company Subsidiary Companies and Joint Control Entity drawn up to the same reporting date i.e 31st Dec 2022

(iii) 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.

(iv) The consolidation of financial statements of the Parent Company and its Subsidiaries is done on line by adding together the book values of the like items of assets liabilities income and expenses after eliminating all significant intra-group balances intra-group transactions and unrealized profit or loss except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.

(v) Both the subsidiary consolidated are 100% subsidiary & there is no Non Controlling Interest as at balance sheet date

(vi) 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.

(vii) Investments in Associates are accounted for using equity method in accordance with Indian Accounting Standard (Ind AS) 28 "Accounting for Investment in Associates in Consolidated Financial Statements" under which the investment is initially recorded at cost identifying any goodwill or capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses are recouped.

(viii) Investments in joint operations are accounted using the Proportionate Consolidation Method as per Indian Accounting Standard (Ind AS) 111 "Joint Arrangements".

B.1 Basis of Preparation and Presentation

"The financial statements of the Company have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:a. Certain financial assets and liabilities that are measured at fair value; andb. Defined benefit plans - Plan assets measured at fair value."

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) (Amendment) Rules, 2015 amended from time to time and other relevant provisions of the Act.

Company's Financial Statements are presented in Indian Rupees (`), which is also its functional currency and all values are rounded to the nearest Lakhs (` 00,000), except when otherwise indicated.

The financial statements of the Company for the Period ended 31.12.2022 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 17th January, 2023

B.2 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in subsequent financial years.

(a) 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.

(b) 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.

(c) 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.

(d) 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.

B.3 Summary of Significant Accounting Policies

(a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

"An asset is treated as Current when it is –- Expected to be realised or intended to be sold or consumed in normal operating cycle;- Held primarily for the purpose of trading;- Expected to be realised within twelve months after the reporting period, or- Cash or cash equivalent unless 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."

"A liability is considered as Current, when -- It is expected to be settled in normal operating cycle;- It is held primarily for the purpose of trading;- It is due to be settled within twelve months after the reporting period, or- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.All other liabilities are classified as non-current."

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

(c) 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 intangible assets.

(d) Valuation of Inventories

Inventories are valued at Cost or Net Realizable Value whichever is lower.

Inventories have been valued on the following basis:

a. Raw Materials, Packing Material, Stores and Spares Weighted Average cost or net realisable value, whichever is lower

b. Work-in-Progress - At cost plus appropriate allocation of overheads or net realisable value, whichever is lower

c. Finished Goods - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

(e) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments that are readily convertilbe to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Revenue Recognition

(i) Revenue from Sale of Goods to customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Sale of Scrap and obsolete stores is accounted for at the time of disposal.

(ii) Export entitlements are recognized on realization.

(iii) Revenue in respect of Interest is recognized on the time proportion method.

(iv) Industrial Promotion Incentive granted by State Government is recognised when claim in respect of Entitlement is made & admitted after close of yearly Sales Tax Assessment.

(v) Dividend Income is recognised when the Company's right to receive the amount has been established.

(g) Government Grants

(i) Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

(ii) Government grants are recognised in Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

(iii) In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(h) Depreciation/Amortization

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Shchedule II;

Sr. No.	Particulars	Depreciation or Amortisation
1.	Leasehold Land	Over the remaining tenure of lease
2.	Building	Over a period of 19 years
3.	Plant & Machinery	Over its useful life as technically assessed, i.e over a Period of 19 years, based on the type of Equipment
4.	Computers	Over a period of 2.5 years
5.	Office Equipments	Over a period of 5 years
6.	Furniture and Fixtures	Over a period of 10 years
7.	Vehicles	Over a period of 7 years
8.	Intangible Assets (Product Registration Rights)	Over a period of 5 years

(i) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(j) Foreign Currency Transactions

Foreign currency transactions are accounted at the rates prevailing on the date of the transactions. The exchange rate differences arising out of such transactions are approriately dealt in the financial statements in accordance with the applicables accounting standards.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

(k) Operating Leases

As a lessee:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature.

Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

(l) Finance Costs

Borrowing Costs other than those directly attributable to Qualifying Assets are recognised as expenses in profit or loss in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements.

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(n) Employee Benefits

Short-term Benefits

Short term employee benefits including accumulating compensated absences are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

Post-retirement Benefits

Defined Contribution Plans

Retirement Benefits in the form of Provident Fund which is a defined contribution schemes is charged to the statement of profit and loss for the period in which the contributions to the fund accrue as per the relevant statute.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the gratuity fund maintained with Life Insurance Corporation of India, exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurements of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

(o) Taxes on Income

The tax expense for the period comprises of current tax and deferred income tax. 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.

Current Tax

Tax on income for the current period is determined on the basis on 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. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT)

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the same at each balance sheet date.

P. Financial Instruments

Øè Financial Assets

I Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

II Subsequent Measurement

(i) Financial assets measured at Amortised Cost (AC)

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 specific dates to cash flows that are 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 specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets measured at Fair Value Through Profit or Loss (FVTPL)

A financial assets, which are not classified in any of the above categories are measured at FVTPL.

III Equity Investments

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. Equity Investments in Subsidiaries are carried individually at cost less accumulated impairment, if any.

IV Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses, 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables, the Company applies 'simplified approach', which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

Øè Financial Liabilities

I Initial Recognition and Measurement

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

II Subsequent Measurement

Financial liabilities are carried at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

Øè Derecognition of Financial Instruments

The Company derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. 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.

Øè Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q. Earnings Per Shares

Basic earnings per share are calculated by dividing the Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the 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 effect of all dilutive potential equity shares.

C. Recent Acccounting Pronouncements

Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase 2

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

- Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.
- Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The amendments do not have any impact on the financial statements.

Amendment to Ind AS 103 "Business Combination" – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 – Business Combinations. The management does not expect the amendment to have any impact in its financial statements.

Amendment to Ind AS 16 "Property, Plant and Equipment" – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The management does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Property, Plant and Equipment (FY 2022- 23)

		GROSS BLOCK							DEPRECIATION		NET BLOCK	
	Particulars	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 31st March, 2022	Balance as at 31st March, 2021
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	3,858.72	-	-	-	3,858.72	-	-	-	-	-	3,858.72	3,858.72
	Leasehold Land	2,639.80	-	-	-	2,639.80	238.98	-	21.76	-	260.74	2,379.06	2,400.81
	Buildings	12,024.92	-	3,539.88	-	15,564.80	3,977.06	-	622.54	-	4,599.60	10,965.19	8,047.85
	Buildings	588.05	-	-	-	588.05	432.75	-	-	-	432.75	155.30	155.30
	Plant and Machinery	97,310.83	-	12,283.84	-	1,09,594.66	34,631.58	-	3,862.66	-	38,494.24	71,100.40	62,679.25
	Furniture and Fixtures	697.79	-	0.83	-	698.62	316.08	-	38.97	-	355.05	343.58	381.71
	Office Equipments	214.55	-	6.69	-	221.25	130.59	-	17.42	-	148.02	73.23	83.96
	Computers, Printers	559.19	-	41.65	-	600.84	484.95	-	42.20	-	527.15	73.69	74.24
	Vehicles	625.71	-	49.94	-	675.65	298.73	-	50.28	-	349.01	287.29	326.98
	Total	**1,18,519.56**	**-**	**15,922.83**	**-**	**1,34,442.37**	**40,510.74**	**-**	**4,655.83**	**-**	**45,166.56**	**89,275.80**	**78,008.82**
II	**InTangible Assets**												
	Goodwill on Consolidation	178.06	-	-	-	178.06	-	-	-	-	-	178.06	178.06
	IT software & Other Intangible Assets	3,802.32	-	-	-	3,802.32	3,779.81	-	3.33	-	3,783.14	19.18	22.52
	Total	**3,980.38**	**-**	**-**	**-**	**3,980.38**	**3,779.81**	**-**	**3.33**	**-**	**3,783.14**	**197.24**	**200.57**
III	**Gross Total**	**1,22,499.94**	**-**	**15,922.83**	**-**	**1,38,422.75**	**44,290.54**	**-**	**4,659.16**	**-**	**48,949.70**	**89,473.04**	**78,209.40**
III	**Capital Work-in-Progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,464.37**	**18,736.61**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

e. Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st December, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	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	0.00	0.00	0.00	0.00	7,852.33
Projects temporarily suspended	0	0	0	0	0
	0.00	**0.00**	**0.00**	**0.00**	**7,852.33**

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	1,548.02	2,214.02	0.00	0.00	3,762.04
Projects temporarily suspended	0	0	0	0	0.00
	1,548.02	**2,214.02**	**0.00**	**0.00**	**3,762.04**

FY 2021-22

		GROSS BLOCK							DEPRECIATION		NET BLOCK	
	Particulars	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 31st March, 2022	Balance as at 31st March, 2021
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	38,58,71,999.00	-	-	-	38,58,71,999.00	-	-	-	-	-	38,58,71,999.00	38,58,71,999.00
	Leasehold Land	26,39,79,884.00	-	-	-	26,39,79,884.00	2,38,98,488.00	-	21,75,618.37	-	2,60,74,106.37	23,79,05,777.63	24,00,81,396.00
	Buildings	1,20,24,91,582.00	-	35,39,87,997.57	-	1,55,64,79,579.57	39,77,06,461.00	-	6,22,53,963.00	-	45,99,60,424.00	1,09,65,19,155.57	80,47,85,121.00
	Leasehold Factory Building	5,88,04,725.00	-	-	-	5,88,04,725.00	4,32,74,971.00	-	-	-	4,32,74,971.00	1,55,29,754.00	1,55,29,754.00
	Plant and Machinery	9,73,10,82,908.00	-	1,22,83,83,520.56	-	10,95,94,66,428.56	3,46,31,57,866.00	-	38,62,66,320.09	-	3,84,94,24,186.09	7,11,00,42,242.47	6,26,79,25,042.00
	Furniture and Fixtures	6,97,79,428.00	-	-	-	6,97,79,428.00	3,16,08,048.00	-	38,96,732.84	-	3,55,04,780.84	3,42,74,647.16	3,81,71,380.00
	Office Equipments	2,14,55,318.00	-	6,69,243.75	-	2,21,24,561.75	1,30,59,378.00	-	17,42,199.06	-	1,48,01,577.06	73,22,984.69	83,95,940.00
	Computers, Printers	5,59,19,106.00	-	41,64,985.50	-	6,00,84,091.50	4,84,95,442.00	-	42,19,508.65	-	5,27,14,950.65	73,69,140.85	74,23,664.00
	Vehicles	6,25,71,180.00	-	10,58,818.84	-	6,36,29,998.84	2,98,73,028.00	-	50,28,360.52	-	3,49,01,388.52	2,87,28,610.32	3,26,98,152.00
	Total	**11,85,19,56,130.00**	**-**	**1,58,82,64,566.22**	**-**	**13,44,02,20,696.22**	**4,05,10,73,682.00**	**-**	**46,55,82,702.52**	**-**	**4,51,66,56,384.52**	**8,92,35,64,311.70**	**7,80,08,82,448.00**
II	**InTangible Assets**												
	Goodwill on Consolidation	1,78,05,673.00	-	-	-	1,78,05,673.00	-	-	-	-	-	1,78,05,673.00	1,78,05,673.00
	IT software & Other Intangible Assets	38,02,32,257.00	-	-	-	38,02,32,257.00	37,79,80,504.00	-	3,33,420.00	-	37,83,13,924.00	19,18,333.00	22,51,753.00
	Total	**39,80,37,930.00**	**-**	**-**	**-**	**39,80,37,930.00**	**37,79,80,504.00**	**-**	**3,33,420.00**	**-**	**37,83,13,924.00**	**1,97,24,006.00**	**2,00,57,426.00**
III	**Gross Total**	**12,24,99,94,060.00**	**-**	**1,58,82,64,566.22**	**-**	**13,83,82,58,626.22**	**4,42,90,54,186.00**	**-**	**46,59,16,122.52**	**-**	**4,89,49,70,308.52**	**8,94,32,88,317.70**	**7,82,09,39,874.00**
III	**Capital Work-in-Progress**						**-**	**-**	**-**	**-**	**-**	**1,14,64,37,050.26**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 1 - Property, Plant and Equipment (FY 2022- 23)

		GROSS BLOCK							DEPRECIATION		NET BLOCK	
	Particulars	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangment	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 31st March, 2022	Balance as at 31st March, 2021
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	3,858.72	-	-	-	3,858.72	-	-	-	-	-	3,858.72	3,858.72
	Leasehold Land	2,639.80	-	-	-	2,639.80	238.98	-	21.76	-	260.74	2,379.06	2,400.81
	Buildings	12,024.92	-	3,539.88	-	15,564.80	3,977.06	-	622.54	-	4,599.60	10,965.19	8,047.85
	Buildings	588.05	-	-	-	588.05	432.75	-	-	-	432.75	155.30	155.30
	Plant and Machinery	97,310.83	-	12,283.84	-	1,09,594.66	34,631.58	-	3,862.66	-	38,494.24	71,100.42	62,679.25
	Furniture and Fixtures	697.79	-	-	-	697.79	316.08	-	38.97	-	355.05	342.75	381.71
	Office Equipments	214.55	-	6.69	-	221.25	130.59	-	17.42	-	148.02	73.23	83.96
	Computers, Printers	559.19	-	41.65	-	600.84	484.95	-	42.20	-	527.15	73.69	74.24
	Vehicles	625.71	-	10.59	-	636.30	298.73	-	50.28	-	349.01	287.29	326.98
	Total	**1,18,519.56**	**-**	**15,882.65**	**-**	**1,34,402.21**	**40,510.74**	**-**	**4,655.83**	**-**	**45,166.56**	**89,235.64**	**78,008.82**
II	**InTangible Assets**												
	Goodwill on Consolidation	178.06	-	-	-	178.06	-	-	-	-	-	178.06	178.06
	IT software & Other Intangible Assets	3,802.32	-	-	-	3,802.32	3,779.81	-	3.33	-	3,783.14	19.18	22.52
	Total	**3,980.38**	**-**	**-**	**-**	**3,980.38**	**3,779.81**	**-**	**3.33**	**-**	**3,783.14**	**197.24**	**200.57**
III	**Gross Total**	**1,22,499.94**	**-**	**15,882.65**	**-**	**1,38,382.59**	**44,290.54**	**-**	**4,659.16**	**-**	**48,949.70**	**89,432.88**	**78,209.40**
III	**Capital Work-in-Progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,464.37**	**18,736.61**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st December, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	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	Average**
Projects in progress	3,210.66	4,491.68	0.00	0.00	7,702.33
Projects temporarily suspended	0	0	0	0	0
	3,210.66	**4,491.68**	**0.00**	**0.00**	**7,702.33**

Capital Work-in-Progress	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	Average**
Projects in progress	1,548.02	2,214.02	0.00	0.00	3,762.04
Projects temporarily suspended	0	0	0	0	0.00
	1,548.02	**2,214.02**	**0.00**	**0.00**	**3,762.04**

Note 1 - Property, Plant and Equipment (FY 2021-22)

		GROSS BLOCK							DEPRECIATION		NET BLOCK	
	Particulars	Balance as at 1st April, 2022	Addition on Account of Scheme of Arrangment	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st Dec, 2022	Balance as at 1st April, 2022	Addition on Account of Scheme of Arrangment	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st Dec, 2022	Balance as at 31st Dec, 2022	Balance as at 31st March, 2022
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	-	3,858.72	-	-	3,858.72	-	-	-	-	-	3,858.72	-
	Leasehold Land	-	2,356.64	283.16	-	2,639.80	-	208.56	30.42	-	238.98	2,400.81	-
	Buildings	-	10,545.82	1,479.10	-	12,024.92	-	3,541.06	436.00	-	3,977.06	8,047.85	-
	Buildings	-	440.88	147.17	-	588.05	-	320.36	112.39	-	432.75	155.30	-
	Plant and Machinery	-	88,296.52	9,014.31	-	97,310.83	-	30,863.63	3,767.95	-	34,631.58	62,679.25	-
	Furniture and Fixtures	-	692.23	5.57	-	697.79	-	273.99	42.09	-	316.08	381.71	-
	Office Equipments	-	189.46	25.10	-	214.55	-	114.29	16.30	-	130.59	83.96	-
	Computers, Printers	-	533.76	25.43	-	559.19	-	411.72	73.24	-	484.95	74.24	-
	Vehicles	-	508.30	169.86	52.45	625.71	-	309.01	33.05	43.33	298.73	326.98	-
	Total	**-**	**1,07,422.32**	**11,149.69**	**52.45**	**1,18,519.56**	**-**	**36,042.62**	**4,511.44**	**43.33**	**40,510.74**	**78,008.82**	**-**
II	**InTangible Assets**												
	Goodwill on Consolidation	-	178.06	-	-	178.06	-	-	-	-	-	178.06	-
	IT software & Other Intangible Assets	-	3,783.76	18.56	-	3,802.32	-	3,773.41	6.40	-	3,779.81	22.52	-
	Total	**-**	**3,961.82**	**18.56**	**-**	**3,980.38**	**-**	**3,773.41**	**6.40**	**-**	**3,779.81**	**200.57**	**-**
III	**Gross Total**	**-**	**1,11,384.14**	**11,168.25**	**52.45**	**1,22,499.94**	**-**	**39,816.03**	**4,517.84**	**43.33**	**44,290.54**	**78,209.40**	**-**
III	**Capital Work-in-Progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,736.61**	**-**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

e. Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st December, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	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	Average**
Projects in progress	10,903.13	4,956.18	663.28	0.00	16,522.59
Projects temporarily suspended	0	0	0	0	0
	10,903.13	**4,956.18**	**663.28**	**0.00**	**16,522.59**

Capital Work-in-Progress	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	Average**
Projects in progress	2,214.02	0.00	0.00	0.00	2,214.02
Projects temporarily suspended	0	0	0	0	0
	2,214.02	**0.00**	**0.00**	**0.00**	**2,214.02**

Note 2 - Non Current Financial Assets - Investments

Particulars	Number of Units/Shares (all fully paid up)					As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Opening Balance	Transfer Pursuant to Scheme	Acquisition	Disposal	Closing Balance			
Investments - (Unquoted) in Equity Shares of Other Companies								
Dilesh Roadlines Private Limited	0	464550	0	0	464550	1123.24	1041.34	0.00
Aarti Ventures Limited	0	454364	0	0	454364	738.75	739.02	0.00
Tarapur Environment Protection Society	0	21751	0	0	21751	61.97	61.97	0.00
Derma Touch Inc.	0	N.A.	0	0	N.A	942.58	899.21	0.00
Invatech Pharma Solutions LLC		N.A.			N.A	124.10	113.69	0.00
Investments - (Unquoted) in Limited Liability Partnership								
Aarti Udyog Limited Liability Partnership		N.A.			N.A	566.19	367.33	0.00
Total	-	-		-	-	**3,556.83**	**3,222.55**	-

- All Investments are transfered pursuant to the Scheme of Arrangment approved by NCLT to Aarti Pharmalabs Limited. Pending trasnfer formalities, all investmens are in the name of Aarti Industries limited as at 31st December, 2022. The same will be transferred in the name of the Company in due course.
- Change in Fair value of Investment during the year is recongnised in Other Comprehensive Income (OCI) during the period.

Disclosure pursuant to Ind AS 27 - Separate Financial Statements

Investments in the following subsidiary is accounted at cost

Name of the Subsidiary	Principal Activity	Country of Incorporation	% of equity interest	% of equity interest
			As at 31st Dec, 2022	As at 31st Dec, 2022
Aarti USA Inc	Trading of Pharmaceutical API & API Intermediates, Chemical	USA	100%	100%
Aarti Pharmachem Limited	Pharmaceutical API & API Intermediates, Chemical Manufacturing	India	100%	100%

(Rs. in lakhs)

3	Other Financial Assets	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Deposits	905.05	858.42	0.00
	Total	**905.05**	**858.42**	**0.00**

4	Other Non-Current Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Income Tax Assets (Net of Provisions)	0.00	37.44	0.00
	Capital Advance	429.10	110.82	0.00
	Total	**429.10**	**148.26**	**0.00**

5	Current Assets - Inventories	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Raw Materials and Components (incl of In-transit stock)	18,856.17	19,067.03	0.00
	Work-in-progress	14,960.53	9,006.48	0.00
	Finished Goods (incl of In-transit stock)	24,757.31	19,021.78	0.00
	Stores and spares	307.75	230.63	0.00
	Fuel	86.40	104.61	0.00
	Packing Materials	161.30	114.84	0.00
	Total	**59129**	**47,545.37**	**0.00**

6	Current Financial Assets - Trade Receivables	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Unsecured and considered good	42,796.49	37,565.71	0.00
	-Unsecured Doubtful Debts	0.00	0.00	0.00
	-Provision for Doubtful Debts	100.00	100.00	0.00
	Total	**42,896.49**	**37,665.71**	**0.00**

*The Company has availed credit facilities from banks which are secured interalia by hypothecation of Trade Receivables.

7	Current Financial Assets - Cash and Cash Equivalents	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Cash on Hand	7.87	5.72	0.00
	Cash Equivalants investment in highly Liquid Funds	5,046.52	5,630.62	0.00
	Balances with Banks	3,163.66	2,691.00	25.00
	Total	**8,218.05**	**8,327.34**	**25.00**

8	Loans	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	(i) Loan to Related Party	585.23	477.97	0.00
	(ii) Loan to Employees	125.62	135.84	0.00
	(ii) Advance to Supplier	30.95	0.00	0.00
	Total	**741.80**	**613.81**	**0.00**

8	Current Other Financial Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Balance with Customs, Central Excise, GST and State Authorities	4358.26	7588.91	0.00
	Other Receivable	101.14	112.98	0.00
	Other	0.00	0.00	0.00
	Total	**4459.40**	**7701.89**	**0.00**

10	Other Current Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Prepaid Expenses	513.23	419.55	0.00
	Others Receivable	576.26	541.22	0.00
	Total	**1,089.49**	**960.77**	**0.00**

11 SHARE CAPITAL:

Particulars	No. of Shares	As at 31st Dec 2022	No. of Shares	As at 31st Mar 2022	No. of Shares	As at 31st Mar 2021
Authorised Share Capital						
Equity Shares of Rs 5/- each	10,00,00,000	5,000.00	5,00,000	50.00	5,00,000	50.00
Issued, Subscribed & Paid up						
a Equity Shares of ` 5/- each	9,06,26,008	4,531.30			2,50,000	25.00
b Equity Shares of ` 10/- each Pending Cancellations	-	-	2,50,000	25.00		
c Equity Shares of ` 5/- each pending Allotment upon Scheme of Arrangment	-	-	9,06,26,008	4,531.30		0
TOTAL	**9,06,26,008**	**4,531.30**	**9,08,76,008**	**4,556.30**	**2,50,000**	**25.00**

- Pursuant to the Scheme of Arrangment, Aarti Pharmalabs Limited to issue to the Equity Shareholders of Aarti Industries Limited -For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company
- The Honourable High Cout of Ahemedabad has approved the scheme of Arrangment on 21st September, 2022 . Pending allotment of share as at Balance sheet Date, Share capital of Rs 4531.30 lakhs as approved Under Scheme of Arragment is shown as Share capital pending for Allotment.
- Pursuant to Scheme of Arrangment Authorised share capital is Increased to 100000000 Shares of Rs 5 Each for Issue of Shares to the Shareholders of Demerged Company Aarti Industries limited

11 (b) Share Capital Pending Cancancellation

- Aarti Pharmalabs limited is 100% Subsidiary of Aarti Industries limited. As per the order of NCLT, upon scheme becoming effective, original share capital of Rs 25 Lakhs stands automatically cancelled and reinstated to Rs 4531.30 lakhs by payment of applicable stamp duty and compliance of ROC formalities. As at Balance Sheet date, ROC formalities with respect to increase in authorised share capital, allotment of share capital and cancellation of existing share capital were pending and hence, the share capital of Rs. 25 Lakhs, existing on the balance sheet date is shown as 'Share Capital Pending Cancellation'.

(Rs. in lakhs)

Particulars	As at 31st Dec 2022 No' Of Shares	As at 31st March, 2022 No' Of Shares	As at 31st March, 2021 No' Of Shares
Equity Shares at the beginning of the year	9,08,76,008	2,50,000	2,50,000
Add: Shares issued during the year Pursuant to the Scheme of Arrangement	9,06,26,008	9,06,26,008	-
Less: Shares Cancelled Pursuant to the Scheme of Arrangement	-9,08,76,008	-	-
Equity Shares at the end of the year	9,06,26,008	9,08,76,008	2,50,000

11.2 Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares 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.

26	Interest	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Interest	1,423.70	33.99	0.00
	Other Borrowing Costs	87.55	1,161.88	0.00
	Sub Total	1,511.25	33.99	0.00
	Less: Amount capitalised in the cost of PPE	0.00	0.00	0.00
	Total	1,511.25	1,195.87	0.00

27	Depreciation	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Depreciation of Property, Plant and Equipment (Refer Note No.1)	4,659.16	4,211.86	0.00
	Total Depreciation and Amortisation Expenses	4,659.16	4,211.86	0.00

28	Other Expense	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Manufacturing Expenses			
	Freight, Cartage & Transport	1,415.07	1,867.97	0.00
	Power consumption	5,270.48	4,165.01	0.00
	Water Charges	330.02	249.11	0.00
	Processing Charges	580.86	604.20	0.00
	Other Manufacturing Expenses	4,738.84	4,368.00	0.00
	Repairs & Maintenance	2,528.77	2,192.15	0.00
	Insurance Charges	714.09	650.39	0.00
	Research & Development Expenses	942.77	581.55	0.00
	Factory Administrative Expenses	1,042.92	780.62	0.00
	Sub-Total (A)	17,563.82	15,459.00	0.00
	Office Administrative Expenses			
	Rent, Rates and Taxes	78.41	11.51	0.00
	Travelling and Conveyance	127.45	95.43	0.00
	Auditor's Remuneration	11.58	1.54	0.42
	Legal & Professional Charges	91.44	39.28	0.00
	Postage, Telegraph & Telephone	14.48	10.44	0.00
	Printing & Stationery Expenses	0.00	0.00	0.00
	ROC & Other Filling Fees	0.00	0.00	0.00
	Directors Sitting Fees	0.00	0.00	0.00
	Loss by Fire	0.00	0.00	0.00
	Other Administrative Expenses	232.22	4.15	0.04
	Sub-Total (B)	555.58	162.35	0.46
	Selling and Distribution Expenses			
	Advertisement & Sales Promotion	415.22	-167.58	0.00
	Export Freight Expenses, Outward Freights	2,082.86	2,101.13	0.00
	Commission on Sales	1,846.71	596.48	0.00
	Export Insurance Charges	0.00	0.00	0.00
	Sales Tax & Other Dues Paid	0.23	0.00	0.00
	Sample Testing & Analysis Charges	38.40	42.99	0.00
	Sundry Balance Written Off/(Back)	-0.06	0.70	0.00
	Other Expenses	67.82	40.62	0.00
	Other Selling Expenses	0.00	0.00	0.00
	Sub-Total (C)	4,451.18	2,614.34	0.00
	Non-Operating Expenses			
	Donations and CSR Expenses	118.22	32.95	0.00
	Sub-Total (D)	118.22	32.95	0.00
	Total (A+B+C+D)	**22,688.80**	**18,268.64**	**0.46**

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
29	**Earning Per Share (EPS)**			
	Face Value Per Equity Share (in Rs.)	**5.00**	**5.00**	**10.00**
	Basic Earnings Per Share (in Rs.)	**16.62**	**13.49**	**-0.18**
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	15,061.73	12,225.29	(Rs. in lakhs) -0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Nos)	**9,06,26,008**	**9,06,26,008**	**2,50,000**
	Diluted Earnings Per Share (in Rs.)	**16.62**	**13.49**	**-0.18**
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	15,061.73	12,225.29	-0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Nos)	**9,06,26,008**	**9,06,26,008**	**2,50,000**

29.1 Pursuant to the Scheme of Arrangment approved by NCLT, Aarti Pharmalabs Limited to issue to the Equity Shareholders of Aarti Industries Limited -For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company. The Company to allot 90626009 equity shares (1 Equity shares of Company for Every 4 Equity Shares held in Aarti Industries Limited)

29.2 As per the Scheme of Arrangment, upon the scheme becoming effective, existing share capital of Rs. 5 lakhs stands automatically cancelled. Hence same is not considered in EPS calculations.

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
12	**Other Equity**			
	Retained Earnings / Profit & Loss Account			
	As per last Balance Sheet	71723.83	-2.33	-1.73
	Add: Balance transferred on account of scheme of arrangement	0.00	64455.78	0.00
	Add: Cancellation of Share Capital on Issuance of Fresh Share Capital as per the Scheme of Arrangement	0.00	0.00	
	Profit / Loss for the year	15147.74	12225.29	-0.46
	Dividend Payout / Received	123.93	247.86	0.00
	Foreign Exchange Differnce on Translation	-166.79	28.27	0.00
	Issue of Shares capital pursuant to scheme of Demerger	0.00	4531.30	0.00
	Transferred to Reserves	159.86	147.48	0.00
	Closing Balance	**86754.57**	**71723.83**	**-2.19**
	Securities Premium Account			
	As per last Balance Sheet	44032.54	0.00	0.00
	Add: Balance transferred on account of scheme of arrangement		0.00	0.00
	Add: During the Years	0.00	44032.54	0.00
	Less: During the year		0.00	0.00
	Closing Balance	**44032.54**	44032.54	0.00
	Capital Reserves	8943.81	0.00	0.00
	Opening Balance			
	Addition:			
	Deduction:			
	Closing Balance	8943.81	8943.81	0.00
	Capital Redemption Reserve			
	As per last Balance Sheet	0.00	0.00	
	Add: Share capital Cancelled pursuant to scheme	25.00	0.00	0.00
	Add: During the Years		0.00	0.00
	Less: During the year	0.00	0.00	0.00
	Closing Balance	**25.00**	0.00	0.00
	General Reserve			
	As per last Balance Sheet	8335.04	0.00	0.00
	Add: Balance transferred on account of scheme of arrangement	0.00	8187.56	0.00
	Add: During the Years	159.86	147.48	0.00
	Less: During the year		0.00	0.00
	Closing Balance	8494.89	8335.04	0.00
	Other Comprehensive Income			
	As per last Balance Sheet	1056.44	349.58	0.00
	Add: Balance transferred on account of scheme of arrangement	0.00	0.00	
	Add: Movement in OCI (Net) During the Year	-7.21	706.86	0.00
	Closing Balance	**1049.23**	**1056.44**	**0.00**
	Total	149300.05	134091.65	**-2.19**

12.1 Pursuant to the scheme of arrangment approved by NCLT, Ahmedabad Bench, Excess of the Net Assets transfered over the face value of the New Securities to be allotted in accordance with the Scheme, shall be credited to same reserves as debited in the books of AIL with adjustment for balance, if any, to Profit and Loss Account/Retained Earnings. As at balance sheet date, allotment of share capital is pending and hence Excess of Net Asets Over the face value of Equity shares to be issue is shown as 'Reserves Pending Allocation'.

(Rs. in lakhs)

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
13	**Non Current Financial Liabilities - Borrowings**			
	Secured - At Amortised Cost		-	-
	Less : Current Maturity of Term Loan		-	-
	Vehicle Loan from Bank	38.88	55.45	-
	Inter Corporate Deposit		-	-
	Total	**38.88**	**55.45**	**-**
13.1	**Repayment Terms (Vehicle Loan)**			

	Repayment Tenor	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	1-2 Years	38.88	55.45	-
	2-3 Years		-	-
	3-5 Years		-	-

14	Other Non Current Financial Liabilities - Borrowings	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Secured - At Amortised Cost	**-**	**-**	**-**
	Lease Liability	151.23	153.23	-
	Other		NIL	-
	Total	**151.23**	**153.23**	**-**

15	Deferred Tax Liability (Net)	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	At the start of the year	7,066.99	-	-
	Transferred Pursuant to the Scheme of Arrangement	-	6,585.28	-
	Charge/(credit) to the Statement of Profit and Loss	643.23	481.71	-
	At the end of the year	**7,710.22**	**7,066.99**	**-**

16	Current Financial Liabilities - Borrowings	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	At Amortised Cost			
	Secured - Working capital Loan From Banks	17,989.94	-	-
	Secured - Working capital Loan From Banks (Under scheme demerger)	11,696.62	33,772.75	-
	From Related Parties			1.73
	Total	**29,686.56**	**33,772.75**	**1.73**

30	Payment to Auditors	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
a.	Statutory Audit Fees	9.00	0.32	0.32
b.	Certification Fees	1.25	0.10	0.10
c.	Reimbursement of Expenses	-	-	-
	Total	**10.25**	**0.42**	**0.42**

31	Contingent Liabilities and Commitments	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
(i)	**Contingent Liabilities**			
	(a) Claims against the company not acknowledged as Debt - Unpaid	-	-	-
	(b) Claims against the company not acknowledged as Debt - Paid (under dispute)	-	-	-
	(c) Letter of Credit, Bank Guarantees	-	-	-
(ii)	**Commitments**			
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	39,747.76	37,000.00	-
	Total	**39,747.76**	**37,000.00**	**-**

32 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. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Home and personal care ingredients.

O CHANGE IN ACCOUNTING POLICIES IN THE LAST THREE YEARS AND THEIR EFFECTS ON THE PROFITS AND RESERVE

There are no significant changes in accounting policies of the company from last three financial years and their effects on the profits and reserve

P. SUMMARY OF CONTINGENT LIABILITIES

There are no contingent liabilities for the quarter and nine months ended December 31, 2022 and the financial year ended March 31, 2022.

Q. SUMMARY OF RELATED PARTY TRANSACTIONS

The related Party Transactions for the year 2022-23 and 2021- 22. are as follows:

(Rs. in lakhs)

Sr. No.	Name	Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction	Details of other related party transaction	Value of transaction during 22-23	Value of transaction during 21-22
1	Hetal Gogri Gala	Promoter/CMD	Remuneration		66.00	0
2	Chandrakant V Gogri	Other related party	Rent	Rent	8.01	10.68
4	Aarti Industries Limited	Other related party	Sale of Goods		5319.70	6,817.96
	Aarti Industries Limited	Other related party	Purchase of Goods		3165.98	6,863.13
5	Aarti Drugs Limited	Other related party	Sale of Goods		217.48	2,158.41
6	Alchemie Gases & Chemicals Private Limited	Other related party	Purchase of Goods		22.95	38.73
7	Aarti USA Inc	Subsidiary Company	Sale of Goods		244.10	2,428.60
8	Ganesh Polychem Limited	Entities with joint control or significant influence over entity	Sale of Goods		440.22	369.56
	Ganesh Polychem Limited	Entities with joint control or significant influence over entity	Purchase of Goods		7.08	2.47
9	Narendra Salvi	Director	Remuneration		66.00	0.00
11	Piyush Lakhani	KMP	Remuneration		31.24	0.0
12	Valiant Organics Limited	Other related party	Sale of Goods		489.64	0.30
	Valiant Organics Limited	Other related party	Purchase of Goods		146.35	37.70
13	Aarti Ventures limited	Other related party		Loan	107.25	0.0
14	Nikhil Natu	KMP			17.17	16.66

R. DETAILS OF OUR GROUP COMPANIES

As per the requirements of the SEBI ICDR Regulations, the term 'Group Company', shall include such companies as covered under the applicable accounting standards (i.e. Ind AS 24 issued by the Institute of Chartered Accountants of India (ICAI)) and also any other company as considered "material" by the Board. Accordingly, the Materiality Policy for Determination of Group Companies and Litigation has been adopted by the Company.

As on date there are no related party transaction, but pursuant to the policy on materiality, for the purpose of disclosures in the Offer Documents, as prescribed under the SEBI ICDR Regulations, other than the entities covered under Ind AS 24 as issued by the ICAI, there are no other entities except mentioned below, which are considered "material" and ought to be classified as group companies of the Company in the Offer Documents.

AARTI INDUSTRIES LIMITED (AIL)

Aarti Industries Limited (hereinafter referred to as the "Demerged Company", or "AIL") is a listed public limited company incorporated on 28th September, 1984 under the Companies Act, 1956 with CIN L24110GJ1984PLC007301 having its registered office at Plot Nos 801, 801/23, GIDC Estate, Phase III, Vapi ? 396 195, Gujarat. The equity shares of Demerged Company are listed on BSE Limited and National Stock Exchange of India. The Demerged Company is a leading Indian manufacturer of specialty chemicals and pharmaceuticals with a global footprint. It manufactures chemicals used in downstream manufacturing of agrochemicals, polymers, additives, surfactants, pigments and dyes, etc. ("Speciality Chemical Business" or "Speciality Chemical Division"). The Pharma Business is divided into three verticals i.e. a) manufacture of active pharmaceuticals ingredients ("APIs") b) manufacture of intermediates and c) manufacture of xanthine derivatives. The Pharma business of the Demerged Company has four APIs manufacturing plants, two of which are approved by the United States Food and Drug Administration ("USFDA") and rest two are WHO/GMP certified. Additionally, it has two dedicated research and development facilities for pharmaceuticals API. ("Pharma Business" or "Pharma Division")

The Authorised Share Capital of the Company is Rs. 3,00,00,00,000 comprising of 60,00,00,000 Equity shares of Rs. 5/- each. The Issued and paid-up share capital of the Company is Rs. 181,25,20,175 comprising of 36,25,04,035 Equity shares of Rs. 5/- each.

Board of Directors:

1. Shri Rajendra Vallabhaji Gogri - Chairman & Managing Director
2. Shri Rashesh Chandrakant Gogri - Vice-Chairman & Managing Director
3. Shri Parimal Hasmukhlal Desai - Executive Director
4. Shri Manoj Mulji Chheda - Executive Director
5. Shri Kirit Ratilal Mehta - Executive Director
6. Smt. Hetal Gogri Gala - Non Executive Director
7. Shri Renil Rajendra Gogri - Executive Director
8. Shri Narendra Jagannath Salvi - Non Executive Director
9. Shri KVS Shyamsunder Ramamurthy - Independent Director
10. Shri Premchand Amolak Sethi - Independent Director
11. Shri Bhavesh Rasiklal Vora - Independent Director
12. Shri Ganapati Dadasaheb Yadav - Independent Director
13. Smt. Priti Paras Savla - Independent Director
14. Shri Vinay Gopal Nayak - Independent Director
15. Shri Lalitkumar Shantaram Naik - Independent Director
16. Smt. Natasha Kersi Treasurywala - Independent Director

Capital Structure as on December 31, 2022

Authorised Share Capital	Amount (Rs. In lakhs)
60,00,00,000 Equity Shares of Rs. 5/- each	30,000.00
Total	**30,000.00**
Issued, Subscribed and Paid-up Share Capital	**Amount (Rs. In lakhs)**
36,25,04,035 Equity Shares of Rs. 5/- each	18,125.20
Total	**18,125.20**

Financial Performance

The audited financial results of the company for the last three Fiscals are as follows:

(Rs. in lakhs, except per share data)

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
Sales and Other Income	7,76,496	4,80,782	4,40,819
Profit/ (Loss) after tax	1,28,885	51,350	52,336
Equity Capital	18,125	8,712	8,712
Reserves and Surplus (excluding revaluation reserve)	5,60,417	3,32,462	2,81,470
Earnings/ (Loss) per share (Rs.)	35.55	29.47	30.04
Diluted earnings per share (Rs.)	35.55	29.47	30.04

16.1 Pursuant to the Scheme of Arrangement, common working capital borrowing was allocated to Aarti pharmalabs Limited in the ratio of value of Assets transferred in the scheme of arrangement to the total assets of Aarti Industries Limited prior to demerger. In absence of specific loan from lenders, borrowings allocated to the Company are shown as loan from Aarti Industries Limited to be repaid by taking loans from banks.

16.2 Company has applied for Total working capital limit of Rs 375 crore with five banks and has offered security - First pari-passu hypothecation charge on all existing and future current assets/ of the Borrower, to be shared with others banks under multiple banking arrangement. Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with other banks under multiple banking arrangement.

During Fy 2022-23, out of Five banks, company has drawdown loans from three banks and same is used for repayment of Loan Transfered pursuant to scheme. Company is in process of executing loan documetns with other two banks for repayment of balances Outstanding payable to Aarti Industries limited Rs 116.96 crore

16.3 There are no material differences between the quarterly statements of stock filed by the company with banks and the books of accounts.

16.4 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.

17	Current Liabilities - Trade Payables	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Due to			
	- Micro and Small Enterprises	3,848.84	2,114.38	0.26
	- Other Than Micro and Small Enterprises	27,153.75	19,344.39	-
	Total	**31,002.59**	**21458.77**	**0.26**

18	Other Current Liabilities	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Current maturities of Vehicle Loan	25.37	34.18	-
	Lease Liability Current	126.44	124.44	-
	Other Current Liabilities	0.10	30.79	0.20
	Total	**151.91**	**189.41**	**0.20**

19	Current Provisions	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Provision for Employee Benefits	1,525.11	1,774.04	-
	Other Provisions	473.50	121.51	-
	Total	**1998.61**	**1895.55**	**0.00**

20	Current Tax Liabilities (Net)	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Current Tax Liabilities (Net)	121.79	750.00	-
	Total	**121.79**	**750.00**	**0.00**

21	Revenue from Operations	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Sale of Products	1,45,232.50	1,19,203.36	0.00
	Sale of Services			
	Other Operating Revenues (Refer Note No. 22.1)	784.59	790.95	0.00
	Total	1,46,017.09	1,19,994.31	0.00
21	**Other Operating Revenues**			
	Export Benefits/Incentives Received	645.35	642.78	0.00
22	Scrap Sales	179.75	148.17	0.00
	Other Operating Revenues	-40.51	0.00	0.00
	Total	784.59	790.95	0.00

	Other Income	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Dividend Received	123.93	247.86	0.00
	Interest Income	29.20	0.57	0.00
	Other Non-Operating Income			
	Insurance Claim	0.00	0.00	0.00
23	Profit on Sale of Assets/Investment	0.00	2.08	0.00
	Other Income	4.20	0.82	0.00
	Total	157.33	251.33	0.00

	Cost of Material Consumed	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Consumption of Raw Material	67,433.11	52,380.65	0.00
	Consumption of Packing Material	1,521.32	1,336.61	0.00
24	Consumption of Fuel	6,524.51	4,585.85	0.00
	Consumption of Stores & Spares	3,252.09	2,821.04	0.00
	Total	78,731.03	61,124.15	0.00

	Change in Inventory	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Inventories (at commencement)			
	Finished Goods	18,812.43	15,842.71	0.00
	Work-in-Progress	9,035.98	7,100.83	0.00
		27,848.41	22,943.54	0.00
	Inventories (at Close)			
	Finished Goods	24,757.31	18,812.43	0.00
	Work-in-Progress	14,960.53	9,035.98	0.00
		39,717.84	27,848.41	0.00
	Increase in Inventory	**-11,869.43**	**-4,904.87**	**0.00**

25	Employee Benefits	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Directors' Remunderation	617.12	570.62	0.00
	Salaries and Wages	8,006.78	7,887.80	0.00
	Contribution to Provident and other Funds	603.91	28.32	0.00
	Staff Welfare Expenses	418.50	33.55	0.00
	Total	9,646.31	8,520.29	0.00

Significant notes of auditors

There are no qualifications provided by the auditors of Aarti Industries Limited in relation to aforementioned financial statements for the specified three immediately preceding financial years

Other Disclosures

- **Group Companies which are sick industrial companies**
  Our Group Company has not become sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
- **Group Companies under winding up / insolvency proceedings**
  Our Group Company is not under winding up/insolvency proceedings.
- **Defunct Group Company**
  As on date of this Information Memorandum, our Group Company is neither defunct company or nor has made any an application to the relevant registrar of companies for striking off the name.
- **Nature and extent of interest of our Promoters in AIL**
  Our Promoters are part of the promoter and promoter group of AIL. Further, some of our Promoters are also on the board of AIL. Accordingly, our Promoters may be deemed to be interested in AIL to the extent of their shareholding in AIL, dividend and other entitlements thereon and the remuneration paid or payable to any of them in their capacity as director(s) of AIL.
  Common Pursuits
  Some of our Promoters and members of Promoter Group are also members and promoters in our Group Company AIL. Some of our Directors hold directorships in our Group Company. Except as disclosed herein, there are no other common pursuits or conflict of interest situations between our Group Company and our Company.
  Our Company will adopt the necessary procedures and practices as permitted or required by law to address any conflict of interest situation as and when it arises.
- **Material Litigation involving our Group Companies**
  There are no litigations involving our Group Company, which has a material impact on our Company.

P. Internal Risk Factors

1. **Our business is dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or under-utilization of our manufacturing facilities or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations could have an adverse effect on our business, financial condition and results of operations.**

   We conduct our operations through our manufacturing facilities located at Vapi in Gujarat, Tarapur and Dombivali in Maharashtra. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

   Success of our operations depends on availability of labour and good relationships with our labour force. Strikes and lockouts as a result of disputes with our labour force may adversely affect our operations. While we have not had instance of strikes, lockouts or labour disputes in the past, we cannot assure you that we shall not experience any strikes, lockouts or labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations. In addition, we also may face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

   Although we have not experienced any significant disruptions at our manufacturing facilities in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, financial condition and results of operations.

2. **Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business**

   With a view to improve our market position and foster business growth, we plan to adopt several business strategies, which include:

   - Expansion in existing value chain and increased production of value added products;
   - Deepening relationships with existing customers through co-development and strategic alliances;
   - Entering new product value chains;
   - Developing long term contracts and manufacturing outsourcing;
   - Focus on high growth sectors and emerging major industry trends in the pharmaceutical industry.

   Our strategy may not succeed due to various factors, including our inability to reduce our debt and our operating costs, our failure to develop new products and services with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our technology and strategic partners, our failure to effectively market these new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. Any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, financial condition and results of operations.

3. **We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances**

   Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances such as benzene, toluene, chlorine, nitric acid, methanol, hydrogen, sulphuric acid, amongst others. We are subject to operating risks associated with handling of such hazardous materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage and environmental contamination. In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences may result in the shutdown of one or more of our manufacturing facilities and expose us to civil or criminal liability which could have an adverse effect on our business, financial condition and results of operations. Moreover, certain environmental laws impose strict liability for accidents and damages resulting from hazardous substances and any failure to comply with such laws may lead to closure, penalties, fines and imprisonment.

4. **Our business is subject to extensive regulation. If we fail to comply with the applicable regulations prescribed by governments and regulatory agencies or our customers, our business, financial condition and results of operations could be adversely affected.**

   We operate in a highly regulated industry and our operations are subject to extensive regulation in each market in which we do business. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business license, imposition of fines and criminal sanctions in those jurisdictions.

5. **Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies.**

   Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollars. Accordingly, we have currency exposures relating to buying, selling and financing in currencies other than in Indian Rupees, particularly the U.S. Dollar. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. While we hedge a portion of the resulting net foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee and we cannot assure you whether hedging or other risk management strategies will be effective. Accordingly, while we enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies. Additionally, we have incurred losses due to these fluctuations in foreign currency in Fiscal 2022, Fiscal 2021 and Fiscal 2020. These losses were related to instances where the market exchange rate at the time of transaction was against us as compared to the rates we had applied when the transactions were accounted for or hedged.

6. **Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, financial condition and results of operations.**

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our R&D and manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment.

Any accident at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to legal proceedings, which could lower our profits in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production.

7. We are subject to strict quality requirements, regular inspections and audits, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our business, financial condition, results of operations and prospects.

We develop, manufacture and market a diverse range of APIs and formulations, which are primarily used as raw materials for host of products in the pharmaceuticals segments. Additionally, two manufacturing plants in our Pharmaceuticals Segment are approved by the USFDA. Accordingly, our customers maintain strict qualification and/or certification procedures. Our products go through various quality checks at various stages including random sampling check and quality check by internal and external agencies. Many of our key customers have audited and approved our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. Failure of our products to meet prescribed quality standards may result in rejection and reworking of our products. This may result in our customers cancelling present or future purchases of our products and could adversely affect our business, financial condition and results of operations.

While we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our prescribed quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. Any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, financial condition, results of operations and prospects.

8. **We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our operations.**

Our business operations are subject to various laws, the compliance of which is supervised by multiple regulatory authorities and government bodies. In order to conduct our business, we are required to obtain multiple licenses, approvals, permits and consents. Additionally, our government approvals and licenses are subject to numerous conditions, some of which are onerous including making an application for amending the existing approval and require us to make substantial expenditure. Most of these approvals and licenses are subject to ongoing inspection and compliance requirements and are valid only for a fixed period of time subject to renewal and accreditation. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. If we fail to renew, obtain or retain any of such approvals, in a timely manner, or at all, our business may be adversely affected.

We also incur significant expenditure in order to comply with such applicable laws and regulations. Amongst the laws that we must adhere to, environmental, health and safety laws and regulations are one of the most critical laws. These include laws and regulations that limit the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of hazardous waste materials, amongst others. Significant fines and penalties may be imposed for noncompliance with such environmental laws. We are also inspected at regular intervals by various environmental protection agencies to ensure our compliance with applicable laws and regulations. We are also required to obtain permits from governmental authorities for certain aspects of our operations. These laws, regulations and permits often require us to purchase and install expensive pollution control equipment or to make operational changes to limit impacts or potential impacts on the environment and/or health of our employees.

Furthermore, two for our manufacturing units are USFDA approved, which results in on-going inspection and compliance requirement from the United States authorities that we are required to comply with. Our failure to comply with such global regulatory requirements, amongst others, could also adversely affect our business, financial condition and results of operations.

9. **Our failure to manage growth effectively may adversely impact our business, prospects, financial condition and results of operations.**

Our ability to sustain growth depends primarily upon our ability to manage key issues such as our ability to sustain existing relationships with our clients, ability to obtain raw materials at better prices, ability to compete effectively, ability to scaling up our operations, adhering to high quality and execution standards, our ability to expand our manufacturing capabilities and our presence in India as well as globally, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, financial condition, results of operations and prospects.

10. **We require substantial financing for our business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability**

We require substantial capital for our business operations and planned capital expenditure. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in our Company and could adversely impact our Equity Share price.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. Our ability to raise debt financing on acceptable terms also depends on our credit ratings. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, financial condition and results of operations.

11. **Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.**

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends. Additionally, we may be restricted by the terms of any future debt financing in relation to the payment of dividends.

12. **The requirements of being a listed company may strain our resources.**

We were not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely affect the financial position of our Company.

13. **Our performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory or working capital.**

We maintain relatively high inventory levels of approximately two months of raw material inventory. In addition, the large number of products in our portfolio leads to a high finished goods inventory. We evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component of the success of our business, financial condition and results of operations. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. Our inventory levels have increased significantly over the last three fiscal years. If our raw materials purchase decisions do not accurately predict sourcing levels, customer trends or our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a client defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result, or have resulted, in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, financial condition, results of operations and prospects.

14. **Our business may expose us to potential product liability claims and recalls, which could adversely affect our results operation, goodwill and the marketability of our products.**

We may be exposed to risks of products recalls and returns. In addition, we may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. While we have taken insurance to protect us from such claims; however, this insurance coverage may be inadequate or not applicable to a particular set of claims. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management's time and focus. Accordingly, such product liability claims, may adversely affect our results of operation, goodwill and the marketability of our products.

15. **We are dependent on our R&D activities for our future success. If we do not successfully develop new products or continue our product portfolio expansion in a timely and cost-effective manner, our business, financial condition, cash flows and results of operations may be adversely affected.**

We are dependent on our R&D activities and scientists at our R&D centres for our future success. Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. In addition, we intend to expand our Pharmaceuticals Segment in order to take advantage of the growth opportunities in the sector, by expanding our capacities in existing products as well as expanding and strengthening our research capabilities in order to ensure rapid product innovation. Innovation continues to be the key determinant for our success. The development and commercialisation of new products are complex, time-consuming, costly and involves a high degree of business risk. We may encounter unexpected delays in the launch of these products or these products, and even if launched as planned, such products may not perform as we expect.

The success of our new product offerings will depend on several factors, including our ability to properly anticipate customer needs; obtain timely regulatory approvals; establish collaborations with suppliers and customers; develop and manufacture our products in a timely and cost-effective manner through our R&D efforts; and successfully market and sell our products. In addition, the development and commercialisation of new products is characterised by significant upfront costs, including costs associated with R&D, product development activities, obtaining regulatory approvals, building inventory and sales and marketing. Our planned investments in new manufacturing facilities and equipment for future expansion could result in higher costs, especially in the event of cost overruns, without a proportionate increase in revenues.

16. **The demand of our products in foreign countries is subject to international market conditions and regulatory risks that could adversely affect our business, financial condition and results of operations.**

We export our products to several countries. Therefore, any developments in the global chemical industry or the industries in which our customers operate could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Community and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. Any such imposition of trade barriers may have a material adverse effect on our business, financial condition and results of operations.

17. **If any of the products of our customers cause, or are perceived to cause, severe side effects, our reputation, revenues and profitability could be adversely affected.**

We develop, manufacture and market a diverse range of products and formulations, which are primarily used as raw materials for a variety of end user applications. If our customers' products cause, or are perceived to cause, severe side effects to their end-users, we may face a number of consequences, including, a severe decrease in the demand for, and sales of, the relevant products; the recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for the relevant production facility; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. As a result of these consequences, our business, financial condition and results of operations may be adversely affected.

18. **We engage contract labour for carrying out certain business operations.**

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our business, financial condition and results of operations.

19. **Our success largely depends upon the knowledge and experience of our Promoters and our Senior Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Senior Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations**

Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Senior Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Directors and Senior Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations. We depend on the management skills and guidance of our Promoters for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Senior Management Personnel. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Senior Management Personnel are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business, financial condition and results of operations could be adversely affected.

There is significant competition for management and other skilled personnel in the pharmaceuticals industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Information Memorandum Document, we do not have key man insurance policies and in the event that we are not able to attract and retain talented employees, as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected.

20. **Some of the companies of which our Promoters have significant influence are engaged in businesses and industries in which we operate and are in a similar line of business or could offer services that are related to our business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations.**

Some of the companies of which our Promoters have significant influence are engaged or may be engaged in a similar line of business or offer services that are related to our pharmaceutical business. This may be a potential source of conflict of interest for us and may have an adverse effect on our business, financial condition and results of operations. Further there is no assurance that a conflict of interest may not occur between our business and the business of such companies in the future, or that we will be able to suitably resolve such a conflict without an adverse effect on our business, financial condition and results of operations.

21. **Our Promoters have a significant shareholding in the Company and will continue to exercise significant influence over us.**

Our Promoters are interested in our Company to the extent of their shareholding in our Company. After the completion of the Demerger, our Promoters will continue to hold significant shareholding in our Company. So long as our Promoters own a significant portion of our Equity Shares, they will be able to influence the election of our Directors and influence most matters affecting us, including our business strategies and policies, decisions with respect to mergers, business combinations, acquisitions or dispositions of assets, dividend policies, capital structure and financing, and may also delay or prevent a change of management or control, even if such a transaction may be beneficial to other shareholders of us. In addition, the interests of our Promoters, as our largest shareholders, may also conflict with our interests or the interests of our other shareholders.

22. **We have entered and may, in future, enter related party transactions. We may face conflicts of interest in transactions with related parties.**

In the course of our business, we have entered into and may continue to enter into transactions with related parties. For more information regarding our related party transactions, see "Financial Information - Related Party Transactions". While we believe that all of our related party transactions have been conducted on an arm's length basis in the ordinary course of business, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition or results of operations, including because of potential conflicts of interest or otherwise.

23. **We engage in hedging transactions which involves certain risks. If any of such risks materializes, our financial performance could be adversely affected.**

We are exposed to market risks arising from the conduct of our business activities that are denominated in foreign currencies, which is subject to exchange rate fluctuations. Since we have significant exposure in foreign exchanges, we have hedged risks arising out of exchange rate fluctuations and fluctuations in interest rates by entering into hedging arrangements with various banks. Hedging agreements expose us to certain risks which, if materialized, could adversely affect our profitability.

Although we engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

We currently hold, and have in the past held, derivative contracts, including forward exchange contracts and interest rate swaps. We believe that these forward exchange contracts, and cross currency swaps have the effect of reducing the volatility of our profit and reducing our exposure to foreign exchange and interest rate risk. If, in the future, foreign exchange rates or interest rates move contrary to our expectations, or if our risk management procedures prove to be inadequate, we could incur derivative-related or other charges and opportunity losses independent of the relative strength of our business, which could affect our results of operations and financial condition.

24. **The Registered Office and all our manufacturing facilities are on leasehold basis.**

We do not own our Registered Office premises or the premises of our manufacturing facilities. These premises instead are occupied by us on a leasehold basis, which are leased to us either by one of our related parties or third parties or from the state run industrial development corporations such as the GIDC, MIDC. While the lease agreements for our manufacturing facilities are typically long term in nature and provide us with an option to renew them, they also provide the lessor with the right to terminate the lease for non-compliance of the terms of the agreement. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable terms.

25. **Failure or disruption of our IT and/or ERP systems may adversely affect our business, financial Condition and results of operations.**

We have implemented various information technology ("IT") and/or enterprise resource planning ("ERP") solutions to cover key areas of our operations, procurement, dispatch and accounting. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or ERP systems may lead to inefficiency or disruption of IT system thereby adversely affecting our ability to operate efficiently.

26. **The cost of implementing new technologies for our operations could be significant and could adversely affect our business, financial condition and results of operations.**

Our future success may depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology underpinning our operational platform, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our services less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our profitability. Any of the above events may adversely affect our business, financial condition, results of operations and prospects.

27. **We cannot assure you that our Company will declare dividends to its shareholders in the future.**

The declaration and payment of dividends, if any, in the future will be recommended by our Board of Directors, at their discretion and will depend on a number of factors, including our earnings and profitability, cash generated from operations, capital requirements and overall financial conditions. Consequently, we may be unable to pay dividends in the near- or medium-term. In the event we do not declare dividends going forward, our reputation and the price of the Equity Shares shall be adversely affected. There can be no assurance that we shall, or shall be able to, declare dividends in future.

Q. OUTSTANDING LITIGATION OF THE COMPANY, PROMOTERS, DIRECTORS OR ANY OF THE GROUP COMPANIES

In terms of Schedule VI, Part A, para (12), sub-para (A) of the ICDR Regulations, our Board has approved the Materiality Policy for Determination of Group Companies and Litigation. Pursuant to the Policy, our Company is required to disclose in this Draft Information Memorandum, (i) all criminal proceedings; (ii) all civil proceedings; (iii) all actions by statutory/ regulatory authorities which are pending as on date, or taken against the relevant entity in the last 5 years; (iv) taxation proceedings - Separate disclosures regarding claims related to direct and indirect taxes, in a tabular and consolidated manner giving details of number of cases and total amount; and (v) all other pending litigation.

Unless stated to the contrary, the information provided below is as of the date of Draft Information Memorandum

Nature of Cases	Number of Cases	Amount (Rs. lakhs)
Litigations against our Company		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations by our Company		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations against our Promoters		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations by our Promoters		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations against our Directors		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations by our Directors		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations against our Subsidiaries		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	*Nil*	*Nil*
Litigations by our Subsidiaries		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil

Continuation of legal proceedings (as per para 6 of the Scheme)

All legal or other proceedings of whatsoever nature by or against the Demerged Undertaking pending and/ or arising on or after the Appointed Date and relating to the Demerged Undertaking or its properties, assets, debts, liabilities, duties and obligations, shall be continued and/ or enforced until the Effective Date as desired by APL and as and from the Effective Date shall be continued and enforced by or against APL in the same manner and to the same extent as would or might have been continued and enforced by or against AIL. On and from the Effective Date, APL shall and may, if required, initiate any legal proceedings in its name in relation to the Demerged Undertaking in the same manner and to the same extent as would or might have been initiated by AIL.

R. REGULATORY ACTION, IF ANY – DISCIPLINARY ACTION TAKEN BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTERS IN LAST 5 FINANCIAL YEARS- NIL

S. OUTSTANDING CRIMINAL PROCEEDINGS AGAINST THE PROMOTERS- NIL

T. PARTICULARS OF HIGH, LOW AND AVERAGE PRICES OF THE SHARES OF THE LISTED DEMERGED COMPANY DURING THE PRECEDING THREE YEARS

Year	BSE			NSE		
	High*	Low*	Average**	High*	Low*	Average**
2021-2022	1,887.65	787.25	1,337.45	1,863.65	782.55	1,323.10
2020-2021	1,399.00	769.30	1,084.15	1,399.40	768.05	1,083.73
2019-2020	1,899.00	662.05	1,280.53	1,899.00	668.00	1,283.50

***The high and low prices during a particular financial year are derived from the high/low prices prevalent on a particular trading day during that period.**

**** The average stock price is the simple average price for all trading days of a particular financial year.**

U. MATERIAL DEVELOPMENT AFTER THE DATE OF LAST FINANCIAL STATEMENTS AS ON MARCH 31, 2022

Except as given below, in the opinion of our Board, there have not arisen since the date of last Financial Statements for the period ended March 31, 2022, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next twelve months:

- The National Company Law Tribunal, Ahmedabad bench, vide its order dated September 21, 2022 approved the Scheme of Arrangement between Aarti Industries Limited and Aarti Pharmalabs Limited and their respective shareholders under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Effective date pursuant to NCLT order is October 17, 2022.
- Our Board of Directors was reconstituted and Directors were appointed/reappointed on October 17, 2022
- Company Secretary and Compliance Officer of our Company was appointed on August 19, 2021.
- In principle approval for listing of 9,06,26,008 equity shares of Rs. 5/- each of the Company received from BSE Limited on **December 23, 2022**
- In principle approval for listing of 9,06,26,008 equity shares of Rs. 5/- each of the Company received from National Stock Exchange of India Limited on **December 28, 2022**
- SEBI granted relaxation under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 vide its letter dated **January 9, 2023**

V. SUCH OTHER INFORMATION AS MAY BE SPECIFIED BY THE BOARD FROM TIME TO TIME:

None.

For and on behalf of the Board of Directors of Aarti Pharmalabs Limited

Sd/-
Hetal Gogri Gala
Vice Chairperson and Managing Director
DIN: 00005499

Sd/-
Narendra J. Salvi
Managing Director
DIN: 00299202

Date: January 21, 2023
Place: Mumbai

મનપા દબાણ શાખા દ્વારા દબાણો હટાવઝુંબેશ

૪૩ કાચાં ઝુંપડાં તોડી પાડયાં : પ્લોટ ખૂલ્લો થતાં આ સ્થળેગોત્રી શાકમાર્કેટ ખસેડાશે

વડોદરા, તા.૨૧

વડોદરા મ્યુનિસિપલ કોર્પોરેશનની દબાણ શાખા દ્વારા આજે બીજા દિવસે પણ દબાણો હટાવવાની ઝુંબેશ ચાલુ રહી હતી. સુભાનપુરા હાઈટેન્શન રોડ ઉપર ઈન્દિરા નગર સુભાનપુરા ખાતે પ્લોટ પર વર્ષોથી કરવામાં આવેલ ૪૩ કાચા- પાકા ઝુંપડાઓ સહિતના દબાણો તોડી પાડવામાં આવ્યા હતા. હાઈ ટેન્શન રોડ, અમીન પાર્ટી પ્લોટ ની બાજુમાં ગેરકાયદે બનેલા પતરા નો શેડ તોડી પાડવામાં આવ્યો હતો. સમગ્ર કાર્યવાહી બાદ મેયર અને સ્થાનિક કાઉન્સિલરોએ દબાણો હટાવવાની કામગીરીનું નિરીક્ષણ કર્યુ હતુ. આ કામગીરીનું નિરીક્ષણ કરવા મેયર અને વિસ્તારના કોર્પોરેટરો પહોંચ્યા હતા. મેયર સાથે વોર્ડનાં સ્થાનિક અધિકારીઓ, આસિસ્ટન્ટ મ્યુનિસિપલ કમિશનર અને તેમની ટીમ પણ જોડાઈ હતી. મેયર કેયુર રોકડિયાએ દબાણ હટાવવાની કામગીરીની નિરિક્ષણ બાદ કહ્યુ હતુ કે વર્ષોથી અહિં ગેરકાયદેસર દબાણો મનપાનાં પ્લોટ પર કરવામાં આવ્યા હતા. આ પ્લોટ કોર્પોરેશનની માલિકીનો છે, હવે મનપા દ્વારા શાકમાર્કેટ સહિત જીમ અને સ્વિમિંગ પૂલ બનાવવાનું આયોજન હાથ ધરાયું છે. યસ કોમ્પ્લેક્ષ પાસે ગોત્રી શાક માર્કેટ આવેલ છે. ત્યાં શાક માર્કેટના કારણે ટ્રાફિકના પ્રશ્નો સર્જાય છે, લોકોને હાલાકીઓ ભોગવવી પડે છે. અને એટલે શાક માર્કેટ ખસેડીને અહિં ખસેડવામાં આવશે.

પકડાયેલી ગાયોના ટેગ નંબરોના આધારે બે ગૌપાલકો વિરુદ્ધ ગુનો નોંધવામાં આવ્યો

વડોદરા, તા.૨૧

વડોદરા શહેરમાં રસ્તે રખડતી ગાયોને લીધે રોજબરોજ થતાં અકસ્માતોના બનાવોમાં નોંધપાત્ર વધારો નોંધાઈ રહ્યો છે તેવા સમયે વડોદરા પાલિકાએ ગાયોને રસ્તે રખડતી છોડી મૂકતાં લોકોના જીવનું જોખમ ઊભું કરતાં ગૌપાલકો પૈકી બે ગૌપાલકો વિરુદ્ધ પાલિકાની ઢોરપાર્ટીના અધિકારીએ ગોત્રી પોલીસ મથકે ફરિયાદ નોંધાવી છે. પોલીસે ગુનો નોંધી કાયદેસરની કાર્યવાહી હાથ ધરી છે. શહેરના દિવાળીપુરા ગદાપુરા ભરવાડ વાસમાં રહેતા વાલાભાઈ રઘાભાઈ ભરવાડે તેની ગાયોને શહેરના જાહેર માર્ગો ઉપર રસ્તે રખડતી છોડી મૂકી હતી. આ દરમિયાન તેમની બે ગાયો ગોત્રી ઈસ્કોન મંદિર પાસેથી પાલિકાની ઢોરપાર્ટીએ પકડી હતી. આ પકડાયેલી ગાયોના કાન પર લગાવેલા અલગ અલગ બે ટેગ નંબરો જોવા મળ્યા હતા. આ ટેગ નંબરના આધારે ગાયોના માલિકની તપાસ કરતાં નામ-નંબરના આધારે ગદાપુરા ભરવાડ વાસમાં રહેતા ગાયોના માલિક વાલાભાઈ ભરવાડનું નામ ખૂલ્વા પામ્યું હતું. જેના આધારે પાલિકાના ઢોરપાર્ટીના અધિકારી વિજય પંચાલે ગોત્રી પોલીસ મથકે ફરિયાદ નોંધાવતાં પોલીસે ગૌપાલક વાલાભાઈ ભરવાડ વિરુદ્ધ કાનૂની કાર્યવાહી હાથ ધરી હતી. શહેરમાં રસ્તે રખડતાં ઢોરોને કારણે અકસ્માતોના બનાવોમાં નોંધપાત્ર વધારો નોંધાઈ રહ્યો છે. જ્યારે બીજી તરફ પાલિકાના ઢોરપાર્ટીના તંત્રે ગૌપાલકો સામે લાલ આંખ કરી ગાયો પકડવાની સાથે સાથે કડક કાર્યવાહી કરતાં ગૌપાલકોમાં ફફડાટ વ્યાપી ગયો છે.

દોડકા ગામના યુવકે વિદ્યાર્થિની પોતાના વશમાં ન થતાં ચાકૂ વડે ઘાતક હુમલો કર્યો

વડોદરા, તા.૨૧

એકતરફી પ્રેમમાં પાગલ બનેલા યુવકે દશરથ ખાતે આઈટીઆઈ કોલેજમાં અભ્યાસ કરતી ૧૬ વર્ષીય વિદ્યાર્થિનીને રણોલી બસસ્ટેન્ડ પાસે રોકી પોતાની સાથે લઈ જવાની જબરદસ્તી સાથે પોતાના વશમાં લેવા પ્રયાસ કર્યો હતો. વિદ્યાર્થિનીએ ઈન્કાર કરતાં ઉશ્કેરાયેલા યુવકે તેણીની ઉપર ચાકૂ વડે હુમલો કરતાં હાથ ઉપર ઈજાઓ પહોંચી હતી. ઉશ્કેરાયેલો યુવક બનાવસ્થળેથી ફરાર થઈ ગયો હતો. જ્યારે વિદ્યાર્થિનીને સારવાર માટે બાજવા ખાતે સામૂહિક આરોગ્ય કેન્દ્રમાં લઈ જવામાં આવી હતી. આ બનાવની જાણ છાણી પોલીસને કરવામાં આવતાં પોલીસે ગુનો નોંધી ફરાર આરોપી યુવકની ધરપકડના ચક્રો ગતિમાન કર્યાં છે. વડોદરા તાલુકાના દોડકા ગામે રહેતી ૧૬ વર્ષીય કિશોરી દશરથ ખાતે આવેલ આઈટીઆઈ કોલેજમાં ડ્રાફટમેન સિવિલના પ્રથમ વર્ષમાં અભ્યાસ કરે છે. તેણીની રોજ દોડકાથી દશરથ બસ મારફત અપ-ડાઉન કરે છે. આ વિદ્યાર્થિનીના એકતરફી પ્રેમમાં પાગલ બનેલો તેના જ ગામનો અજય રાઠોડ વિદ્યાર્થિની સાથે મિત્રતા કરવા માટે અથાગ પ્રયાસ કરતો હતો અને વારંવાર પત્ર મોકલતો હતો, પરંતુ વિદ્યાર્થિનીએ કોઈ મચક ન આપતાં તે રઘવાયો બન્યો હતો. તેને આજે વિદ્યાર્થિનીનો પીછો કરી જે બસમાં બેઠી હતી તેની પાછળ આવ્યો હતો. રણોલી પાસે બસમાંથી ઉતરીને કોલેજ તરફ ચાલતી જતી હતી તે વખતે અજય રાઠોડે આ વિદ્યાર્થિનીને આંતરી હતી અને પોતાની સાથે લઈ જવા માટે જબરદસ્તી સાથે કહ્યું કે ચાલ મારી સાથે તેમ જણાવ્યું હતું. જો કે, વિદ્યાર્થિનીએ ધરાર ઈન્કાર કરતાં તે અકળાઈ ગયો હતો અને ખિસ્સામાં લાવેલ ચાકૂ વડે તેણીની ઉપર ઘાતકી હુમલો કર્યો હતો. આ હુમલામાં હાથ ઉપર ચાકૂના બે ઘા વાગ્યા હતા. સ્થળ પર વિદ્યાર્થિનીએ બૂમાબૂમ કરતાં અન્ય રાહદારીઓ દોડી આવ્યા હતા. જ્યારે હુમલાખોર ફરાર થઈ ગયો હતો. ઈજાગ્રસ્ત વિદ્યાર્થિનીને સારવાર માટે બાજવા ખાતે સામૂહિક આરોગ્ય કેન્દ્રમાં લઈ જવાઈ હતી. આ બનાવની જાણ છાણી પોલીસને કરવામાં આવતાં પોલીસે કાયદેસરની કાર્યવાહી સાથે આરોપીની ધરપકડના ચક્રો ગતિમાન કર્યાં છે.

પાણીગેટ અને કલાલી વિસ્તામાં આપઘાતના બે બનાવો

શહેરમાં વિભિન્ન કારણોસર બે વ્યક્તિનો ફાંસો ખાઈને આપઘાત

વડોદરા, તા.૨૧

વડોદરા શહેરના અલગ અલગ બે વિસ્તારોમાં વિભિન્ન કારણોસર ગળાફાંસો ખાઈને આપઘાત કરી લેવાના બે બનાવો નોંધાયા છે. બંને મૃતદેહોને પોસ્ટ મોર્ટમ માટે સયાજી હોસ્પિટલમાં ખસેડાયા હતા. પાણીગેટ વિસ્તાર નાની છીપવાડ સ્કૂલની સામે મહેન્દ્રભાઈ જયકિશનદાસ ભાવસાર (ઉં.વ.૬૫) અપરિણીત અને એકલવાયુ જીવન જીવતા હતા. તેઓ ઘણાં સમયથી હઠીલા દર્દીથી પીડાતા હતા. તેમના દર્દની સારવાર ચાલી રહી હતી, પરંતુ કોઈ રાહત મળતી ન હતી. તેમની આ બીમારી એટલી હદે વધી ગઈ હતી કે તેઓ જમી શકતા પણ ન હતા, જેથી શારીરિક અશક્તિનો પણ શિકાર બન્યા હતા. તેમની બીમારીથી ત્રસ્ત જીવનનો અંત લાવવાના નિર્ણય સાથે મકાનના પ્રથમ માળે રૂમમાં દોડી વડે ગળાફાંસો ખાઈને જીવન ટૂંકાવી દીધું હતું. આ બનાવની જાણ આડોશ-પાડોશમાં રહેતા રહીશોને થતાં તેઓએ સિટી પોલીસ મથકને કરી હતી. પોલીસનો કાફલો બનાવસ્થળે પહોંચ્યો હતો અને કાયદેસરની કાર્યવાહી હાથ ધરી મૃતદેહને પોસ્ટ મોર્ટમ માટે સયાજી હોસ્પિટલમાં ખસેડયો હતો. આપઘાતના બીજા બનાવની પ્રાપ્ત વિગત મુજબ શહેરના કલાલી વિસ્તારમાં આવેલ ડિવાઈન ગેલેક્ષીની બાજુની ઓરોવિસ્ટા સોસાયટીમાં રહેતો ૩૬ વર્ષીય ગૌરવ મહેન્દ્રભાઈ લીમ્બાચિયા પાદરા રોડ સ્થિત ખાનગી કંપનીમાં નોકરી કરતો હતો. છેલ્લા એક વર્ષથી નોકરી છૂટી ગયા બાદ તે બેરોજગાર બન્યો હતો. આ ઉપરાંત વર્ષ ૨૦૧૫માં પત્ની સાથે અણબનાવ બનતાં પત્ની સાથે છૂટાછેડા થયા હતા. બેરોજગાર બનતાંની સાથે અર્ધાંગિનીની એકલતા સાલતાં માનસિક ડિપ્રેશનમાં આવી જઈને મકાનના પ્રથમ માળે રૂમમાં ગળાફાંસો ખાઈને આપઘાત કરી લીધો હતો. આ બનાવની જાણ માંજલપુર પોલીસને કરવામાં આવતાં પોલીસ બનાવસ્થળે પહોંચી હતી અને કાયદેસરની કાર્યવાહી હાથ ધરી મૃતદેહને પોસ્ટ મોર્ટમ માટે સયાજી હોસ્પિટલમાં ખસેડયો હતો.

Aarti Pharmalabs Limited

(Formerly known as Aarti Organics Limited)

CIN: U24100GJ2019PLC110964

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: www.aartipharmalabs.com; **Email:** investorrelations@aartipharmalabs.com; **Tel.:** +91-22-6797 6666, **Fax:** +91-22-2565 3234

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF AARTI PHARMALABS LIMITED (“COMPANY”)

STATUTORY ADVERTISEMENT ISSUED IN COMPLIANCE WITH PARA III A V of ANNEXURE I TO SEBI CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017, AS AMENDED ISSUED UNDER SECTION 11 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 19(7) OF THE SECURITIES CONTRACTS (REGULATIONS) RULES, 1957 (“SCRR”) PURSUANT TO GRANT OF RELAXATION BY SEBI FROM THE APPLICABILITY OF RULE 19(2)(B) OF THE SCRR.

A. ABOUT THE SCHEME OF ARRANGEMENT AND DEMERGER (the “Scheme”)

The Hon'ble NCLT has, vide an Order dated September 21, 2022, approved Scheme of Arrangement between Aarti Industries Limited (“Demerged Company” or “AIL”) and Aarti Pharmalabs Limited (“Resulting Company” or “Company” or “APL”) and their respective shareholders (“Scheme”) under Sections 230 to 232 and other related provisions of the Companies Act, 2013 and other applicable laws. Pursuant to the Scheme, the Demerged Undertaking (as defined in the Scheme) of Aarti Industries Limited has been transferred and vested into our Company from the Appointed Date of the Scheme i.e. July 1, 2021. The Effective Date of the Scheme is October 17, 2022. In accordance with the Scheme, our Company has allotted 9,06,26,008 equity shares of Rs. 5/- each to the shareholders of Aarti Industries Limited as on Record Date i.e. October 20, 2022 in the ratio of 1 (one) equity share of Rs. 5/- each fully paid up of APL for every 4 (four) equity shares of Rs. 5/- each fully paid up held in AIL and the existing 2,50,000 equity shares of Rs. 10/- each of the Company was cancelled.

B. DETAILS OF CHANGE OF NAME AND/OR OBJECT

Our Company was originally incorporated as “Aarti Organics Limited” on November 22, 2019 as a wholly owned subsidiary of Aarti Industries Limited under the Companies Act, 2013 in the state of Gujarat vide Certificate of Registration issued by the Central Registration Centre, Registrar of Companies. Our Company filed a declaration of commencement of business with the RoC on October 15, 2020.. The Company's name was changed from Aarti Organics Limited to Aarti Pharmalabs Limited upon receipt of certificate of incorporation consequent upon change of name dated August 18, 2021 from RoC. There have been no changes in the object clause of the Company.

C. CAPITAL STRUCTURE OF THE COMPANY

1) Pre-Scheme Capital Structure of our Company:

Authorised Share Capital	Amount (Rs. In lakhs)
5,00,000 Equity Shares of Rs. 10/- each	50.00
Total	**50.00**
Issued, Subscribed and Paid-up Share Capital	**Amount (Rs. In lakhs)**
2,50,000 Equity Shares of Rs. 10/- each	25.00
Total	**25.00**

2) Post-Scheme Capital Structure of our Company:

Authorised Share Capital	Amount (Rs. In lakhs)
10,00,00,000 Equity Shares of Rs. 5/- each	5,000.00
Total	**5,000.00**
Issued, Subscribed and Paid-up Share Capital	**Amount (Rs. In lakhs)**
9,06,26,008 Equity Shares of Rs. 5/- each	4,531.30
Total	**4,531.30**

D. SHAREHOLDING PATTERN GIVING DETAILS OF ITS PROMOTER GROUP SHAREHOLDING, GROUP COMPANIES

1) Pre-Scheme shareholding pattern of the Company

I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+ (V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	7	250000	0	0	250000	100.00	250000	0	250000	100.00	0	250000	0	0	0	0	0
(B)	Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(C)	Non Promoter - Non Public				0	0	0.00	0	0			0			0	0	0	
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
	Total	**7**	**250000**	**0**	**0**	**250000**	**100.00**	**250000**	**0**	**250000**	**100.00**	**0**	**250000**	**0**	**0**	**0**	**0**	**0**

2) Post-Scheme shareholding pattern of the Company as on date.

I - Summary Statement holding of specified securities

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+ (V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)= (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	45	40023412	0	0	40023412	44.1633	40023412	0	40023412	44.1633	0	44.1633	0	0	0	0	40023412
(B)	Public	305411	50602596	0	0	50602596	55.8367	50602596	0	50602596	55.8367	0	55.8367	0	0	0	0	50602596
(C)	Non Promoter - Non Public	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0	0	0	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0	0	0	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0	0.00	0	0	0	0	0
	Total	**305456**	**90626008**	**0**	**0**	**90626008**	**100.00**	**90626008**	**0**	**90626008**	**100.00**	**0**	**100.00**	**0**	**0**	**0**	**0**	**90626008**

E. PRE AND POST SCHEME SHAREHOLDING OF THE PROMOTERS AND PROMOTER GROUP

1. Pre-Scheme Shareholding

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of the total Equity Shares Capital
A	Promoter		
1	Aarti Industries Limited	250000	100.00
	Total (A)	**250000**	**100.00**
B	**Promoter Group**		
2	-	-	-
	Total (B)	**-**	**-**
	Total (A+B)	**250000**	**100.00**

2) Post-Scheme Shareholding

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of the total Equity Shares Capital
A	**Promoters**		
1	Sarla Shantilal Shah	2435830	2.69
2	Rajendra Vallabhaji Gogri	1425900	1.57
3	Bhavna Shah Lalka	513941	0.57
4	Parimal Hasmukhlal Desai	399571	0.44
5	Mananjay Singh Garewal	162510	0.18
6	Chandrakant Vallabhaji Gogri	155500	0.17
7	Monisha Bhatia	121121	0.13
8	Shreya Suneja	112500	0.12
9	Jayesh Shah	16416	0.02
10	Orchid Family Trust (Relacion Trusteeship Services Private Limited)	1649000	1.82
11	Bhavna Family Private Trust (Barclays Wealth Trustees India Pvt Ltd)	804101	0.89
	Total (A)	**7796390**	**8.60**
B	**Promoter Group**		
12	Rashesh Chandrakant Gogri	3834404	4.23
13	Mirik Rajendra Gogri	2793094	3.08
14	Renil Rajendra Gogri	2792750	3.08
15	Hetal Gogri Gala	2615548	2.89
16	Jaya Chandrakant Gogri	2474637	2.73
17	Nehal Garewal	1122487	1.24
18	Nikhil Parimal Desai	768754	0.85
19	Aarnav Rashesh Gogri	550000	0.61
20	Aashay Rashesh Gogri	550000	0.61
21	Manisha Rashesh Gogri	550000	0.61
22	Arti Rajendra Gogri	475256	0.52
23	Ratanben Premji Gogri	337807	0.37
24	Heena Bhatia	322588	0.36
25	Rajendra Vallabhaji Gogri (HUF) (Karta-Rajendra Vallabhaji Gogri	)308274	0.34
26	Shantilal Tejshi Shah (HUF) (Karta-Nehal Garewal)	278881	0.31
27	Indira Madan Dedhia	182250	0.2
28	Gunavanti Navin Shah	86644	0.1
29	Prasadi Yogesh Banatwala	4245	0.0
30	Pooja Renil Gogri	382	0.0
31	Bhanu Pradip Savla	130737	0.14
32	Labdhi Business Trust (Saswat Trusteeship Private Limited)	2300000	2.54
33	Tulip Family Trust (Gloire Trusteeship Services Private Limited)	1649000	1.82
34	Heena Family Private Trust (Barclays Wealth Trustees India Private Limited)	833859	0.92
35	Jasmine Family Trust (Relacion Trusteeship Services Private Limited)	687500	0.76
36	Lotus Family Trust (Gloire Trusteeship Services Private Limited)	624500	0.69
37	Manomaya Business Trust (Alabhya Trusteeship Private Limited)	600000	0.66
38	Anushakti Enterprise Private Limited	2492500	2.75
39	Safechem Enterprises Private Limited	1463000	1.61
40	Alchemie Financial Services Limited	673006	0.74
41	Alchemie Finserv Private Limited	264105	0.29
42	Gogri Finserv Private Limited	264105	0.29
43	Nikhil Holdings Private Limited	180891	0.20
44	Dilesh Roadlines Private Limited	8318	0.01
45	Valiant Organics Limited	7500	0.01
	Total (B)	**32227022**	**35.56**
	Total (A+B)	**40023412**	**44.16**

F. DETAILS OF TEN LARGEST SHAREHOLDERS OF THE COMPANY AS ON DATE :

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of the total Equity Shares Capital
1	Life Insurance Corporation Of India	6164067	6.80
2	Rashesh Chandrakant Gogri*	3834404	4.23
3	Mirik Rajendra Gogri*	2793094	3.08
4	Renil Rajendra Gogri*	2792750	3.08
5	Hetal Gogri Gala*	2615548	2.89
6	Anushakti Enterprise Private Limited*	2492500	2.75
7	Jaya Chandrakant Gogri*	2474637	2.73
8	Sarla Shantilal Shah*	2435830	2.69
9	HDFC Trustee Company Limited	2412079	2.66
10	Aditya Birla Sun Life Trustee Private Limited	2360468	2.60
	Total	**30375377**	**33.51**

* These shareholders are part of the Promoter and Promoter Group of the Company and are interested as such.

G. DETAILS OF PROMOTERS OF THE COMPANY:

The Promoters of our Company are Sarla Shantilal Shah, Rajendra Vallabhaji Gogri, Bhavna Shah Lalka, Parimal Hasmukhlal Desai, Mananjay Singh Garewal, Chandrakant Vallabhaji Gogri, Monisha Bhatia, Shreya Suneja, Jayesh Shah, Orchid Family Trust and Bhavna Family Private Trust. Brief details of the Promoters is set forth below:

Smt. Sarla Shantilal Shah
PAN: AADPS4231N
Address: Flat No 404, 4th Floor, Raheja Havenprananajali Prananjali, JVPD Scheme, Plot No 21 22, Mumbai - 400 049.
Educational Qualification: High School certificate
Experience: Smt. Sarla Shantilal Shah is a Homemaker.

Shri Rajendra Vallabhaji Gogri
PAN: AACPG2278E
DIN: 00061003
Address: 2402 Richmond, Cliff Avenue, Near Forest Club, Hiranandani Gardens, Powai, Mumbai - 400 076
Educational Qualification: B.E. from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)] and Master's Degree in Chemical Engineering from the U.S.A.
Experience: Shri Rajendra V. Gogri was appointed as Chairman of Aarti Industries Limited in 2012, nearly two decades after having been appointed as the Managing Director of the Company. In addition to technical acumen, he possesses a keen understanding of the financial and commercial aspects of the chemical industry.

Smt. Bhavna Shah Lalka
PAN: AOBPS2060R
Address: 404, Raheja Haven, Prananjali, 21 22 Ashok Nagar Society, NS Road No 10, JVPD Scheme, Mumbai - 400 049
Educational Qualification: L.C.E.H Mumbai
Experience: In addition to her practice as a Homoeopathic Doctor, Smt. Lalka has almost 10 years' experience in charitable function.

Shri Parimal Hasmukhlal Desai
PAN: AABPD4102D
DIN: 00009272
Address: A-1403, Runwal Heights, LBS Marg Opp. Nirmal Lifestyle, Mulund West, Mumbai - 400 080
Educational Qualification: B.E. from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)]
Experience: Shri Parimal H. Desai has more than 38 years of experience in development and project implementation in the chemical industry

Shri Mananjay Singh Garewal
PAN: BMYPG4323H
Address: C-16, FF Etanjali Enclave, Delhi - 110 017
Educational Qualification: BFA Industrial Design
Experience: Shri Garewal is an Industrial Designer and has 4 years' experience in industrial designing field.

Shri Chandrakant Vallabhaji Gogri
PAN: AAFPG8847C
DIN: 00005048
Address: 1801, Richmond Tower, Cliff Avenue, Hiranandani Gardens, Near Hiranandani School, Powai, Mumbai - 400 076
Educational Qualification: B.E. from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)]
Experience: Shri Chandrakant V. Gogri is the founder of Aarti group of industries. He started Aarti Industries Limited from a small unit and took it to the path breaking enterprise it is today. His experience in the areas of projects, operations, process development and local & international marketing in the Chemical Industry is remarkable. Further, his business acumen and flair for finance has stood the test of time during the growth of Aarti Group.

Smt. Monisha Bhatia
PAN: CKLPB0016J
Address: House No 1079, Sector 15, Escorts Nagar, Faridabad - 121 007.
Educational Qualification: MA Human Animal Interaction
Experience: Smt. Bhatia has 2 years' experience in field dog training

Smt. Shreya Suneja
PAN: ANZPB4077C
Address: House No 114, Sector 14, Faridabad - 121 007.
Educational Qualification: MBA in Marketing
Experience: Smt. Shreya Suneja is a Homemaker

Shri Jayesh Shah
PAN: AAJPS1143D
Address: Gunjan Bhokare Colony, Sangli Miraj Road, Miraj Sangli, India - 416 410.
Educational Qualification: Commerce Graduate
Experience: Shri Shah is a Businessman and Partner in Parvati Polyplast Private Limited, which is into the business of PVC and HDPE Pipes

Orchid Family Trust
PAN: AAATO7555N
Address: 127, 1st Floor, Udyog Kshetra Mulund Goregaon Link Road Near D Mart, Mulund (West), Mumbai - 400 080.
Educational Qualification: N.A.
Experience: The Trust is into Business

Bhavna Family Private Trust
PAN: AADTB5396B
Address: 208 Ceejay House, Dr Annie Besant Road, Shivsagar Estate - Worli, Mumbai - 400 018
Educational Qualification: N.A.
Experience: The Trust is into Business

H. BUSINESS OVERVIEW, STRATEGY AND MANAGEMENT OF THE COMPANY

Business Overview

Aarti Pharmalabs Limited was incorporated as an unlisted public company under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated November 22, 2019 bearing Registration Number 110964 issued by the Registrar of Companies, Ahmedabad, Gujarat.

Prior to the Scheme of Arrangement approved by Hon'ble NCLT, Ahmedabad Bench, our Company has not commenced any business operations. Pursuant to the Scheme becoming effective, the Pharma Division of Aarti Industries Limited has been transferred and vested into our Company from the Appointed Date of the Scheme i.e. July 1, 2021.

Pursuant to the vesting of aforesaid business of Aarti Industries Limited in our Company, our Company is now engaging in the business of manufacturing and trading of Pharmaceuticals and allied products.

The Pharma Business is divided into three verticals i.e. a) manufacture of active pharmaceuticals ingredients (“APIs”) b) manufacture of intermediates and c) manufacture of xanthine derivatives. The Pharma business of the Demerged Company has four APIs manufacturing plants, two of which are approved by the United States Food and Drug Administration (“USFDA”) and rest two are WHO/GMP certified. Additionally, it has two dedicated research and development facilities for pharmaceuticals API. (“Pharma Business” or “Pharma Division”).

Strategic Overview

Aarti Pharmalabs Limited (APL) is a leading, internationally recognized manufacturer of Active Pharmaceutical Ingredients (APIs), pharmaceutical intermediates, New Chemical Entities (NCEs), and xanthine derivatives based in India. Our strategy is centered on building a sustainable future by integrating our expertise in process chemistry and scale-up engineering to optimize both recipe development and asset utilization.

Over the past two decades, APL has established itself as a reliable partner for innovators and generic players worldwide, thanks to our cutting-edge R&D and manufacturing capabilities. We specialize in lifestyle generic APIs, regulated generic intermediates, and xanthine derivatives, and offer CDMO services for drug substance and NCE development and manufacturing, with a focus on the Ph-I/II/III, launch, and commercial phases. We also have dedicated facilities for the production of high-potency APIs, corticosteroids, cytotoxic medicines, and oncology products.

As the largest manufacturer of caffeine in India, APL has become a preferred partner for beverage, nutraceutical, and pharmaceutical companies worldwide. Our commitment to quality and sustainability has made us a trusted partner in the industry.

To continue to grow and meet the demands of our clients, we have plans to scale up our manufacturing capabilities by developing a greenfield project on land we have already acquired in Atali. The company has already secured approval for a capital expenditure of 375 crore rupees for this project. Additionally, we will work to improve productivity at our existing site through debottlenecking efforts.

As we continue to strengthen our position as a leading player in the industry, we are committed to providing high-quality products and services to our clients, while also promoting sustainability and growth. We look forward to the opportunities that lie ahead as we continue to drive innovation and progress in the pharmaceutical industry.

BOARD OF DIRECTORS OF THE COMPANY

Shri Rashesh Chandrakant Gogri

Designation: Chairman & Non-Executive Director **DIN:** 00066291
Address: 1802 Richmond, Cliff Avenue, Near Hiranandani School, Hiranandani Gardens, Powai IIT, Powai, Mumbai -400 076
Date of Birth and Age (years): 03/06/1974 (48 Years)
Occupation: Industrialist
Term and period of directorship: N.A.
Directorship in other Companies: Aarti Industries Limited
Aarti Drugs Limited
Spark Pharmachem Private Limited
Anushakti Enterprise Private Limited
Alchemie Dye Chem Private Limited
Alchemie Multichem Private Limited
Aarti Polychem Private Limited
Alchemie Financial Services Limited
Gogri Finserv Private Limited
Crystal Millennium Realtors Private Limited
Alabhya Trusteeship Private Limited
Saswat Trusteeship Private Limited
Vahal Welfare Foundation
Past positions held in other entities (Director/ Partner) : Aar Em Ventures LLP (01/10/2013 to 01/08/2017)
Aashay Ventures LLP (28/12/2012 to 01/07/2015)
Conventry Properties LLP (14/10/2013 to 15/03/2017)
Infoleap Market Research and Consultancy LLP (21/10/2013 to 27/06/2014)
High Scale Ventures LLP (26/11/2013 to 01/11/2020)
Ganesh Polychem Limited (07/11/2001 to 11/06/2019)
Aashay Finance and Investment Private Limited (28/01/2020 to 25/05/2022)
Innovative Envirocare Jhagadia Limited (06/07/2012 to 12/08/2013)
Experience: A Production Engineer from Mumbai University, he has played a key role in the growth of various strategic business units in chemical, pharma and personal care segments.

Smt. Hetal Gogri Gala

Designation: Vice Chairperson and Managing Director **DIN:** 00005499
Address: 1502 Richmond Tower, Cliff Avenue, Forest Club, Hiranandani Gardens, Powai, Mumbai- 400076
Date of Birth and Age (years): 10/07/1975 (47 Years)
Occupation: Industrialist
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Aarti Industries Limited
Anushakti Enterprise Private Limited
Alchemie Dye Chem Private Limited
Alchemie Multichem Private Limited
Alchemie Financial Services Ltd
Gogri Finserv Private Limited
Alabhya Trusteeship Private Limited
Saswat Trusteeship Private Limited
Aarti Nature Care Private Limited
Vahal Welfare Foundation
Past positions held in other entities (Director/ Partner): Aarti Lifescience LLP (30/03/2012 to 16/08/2017)
Aar Em Ventures LLP (01/10/2013 to 01/08/2017)
Aarti Realchem LLP (27/12/2012 to 01/10/2016)
Ganesh Polychem Limited (13/09/2005 to 16/01/2014)
Aashay Finance and Investment Private Limited (28/01/2020 to 25/05/2022)
Aarti Vikas and Mission (20/03/2015 to 30/06/2021)
Experience: A graduate in electronics engineering from Mumbai University. She has completed MEP from IIM-Ahmedabad and possesses a degree in supply chain management. She has rich experience in the purchase function and currently manages various strategic business units.

Shri Narendra Jagannath Salvi

Designation: Managing Director **DIN:** 00299202
Address: 901, Kona Seema Chs, Plot No.8, Palm View, S.T. Road, Opp. K Star Mall, B/H PMC Bank Chembur Mumbai 400071, Maharashtra India
Date of Birth and Age (years): 16/08/1964 (58 Years)
Occupation: Service
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Aarti Industries Ltd
Aarti Drugs Limited
Aarti Pharmachem Limited
Past positions held in other entities (Director/ Partner): Nil
Experience: Shri Narendra Salvi is vastly experienced in the chemicals industry with an experience spanning over three decades. He is presently helming the quality system and projects and operations of the pharma division.

Shri Rajendra Vallabhaji Gogri

Designation: Non-Executive Non-Independent Director **DIN:** 00061003
Address: 2402 Richmond, Cliff Avenue, Near Forest Club, Hiranandani Gardens, Powai, Mumbai – 400 076
Date of Birth and Age (years): 15/12/1959 (62 Years)
Occupation: Industrialist
Term and period of directorship: NA
Directorship in other Companies: Aarti Industries Ltd
Prince Pipes And Fittings Limited
Safechem Enterprises Private Limited
Aarti Polychem Private Limited
Gala Precision Engineering Private Limited
Alchemie Finserv Private Limited
Crystal Millennium Realtors Private Limited
Kutchi Angel Network Private Limited
Gloire Trusteeship Services Private Limited
Relacion Trusteeship Services Private Limited
Past positions held in other entities (Director/ Partner): Aashay Ventures LLP (02/06/2017 to 01/04/2020)
Rupal Enterprise LLP (24/10/2016 to 01/06/2021)
Aarti Drugs Limited (29/09/1984 to 25/08/2020)
Aarti Biotech Limited (16/04/1998 to 10/03/2016)
Alchemie Dyechem Private Limited (15/09/1994 to 18/07/2016)
Pinnacle Lifescience Private Limited (24/08/2020 to 31/03/2022)
Innovative Envirocare Jhagadia Limited (06/07/2012 to 02/08/2013)
Aarti Corporate Services Limited (25/01/1995 to 11/10/2010)
Plancess Edusolutions Private Limited (18/03/2011 to 01/06/2011)
Experience: A rank holder from UDCT, Mumbai, he possesses a master's degree in chemical engineering from USA. Along with Mr. Chandrakant V. Gogri, he has played a pivotal role in Aarti Industries Limited in acquiring its present stature. In addition to technical acumen, he possesses a keen understanding of the financial and commercial aspects of the chemical industry. Like Mr. Chandrakant V. Gogri, he also was conferred with the prestigious 'Distinguished Alumnus Award' from UDCT in the year 1995 for his entrepreneurial achievements. He was honoured with the 'Hurun Most Respected Entrepreneur of the Year – India' award in the year 2019. In the same year, he was also presented by the Indian Chemical Council with the 'Lala Shriram National Award' for leadership in the chemical industry.

Shri Parimal Hasmukhlal Desai

Designation: Non-Executive Non-Independent Director **DIN:** 00009272
Address: A – 1403 , Runwal Heights, L.B.S Road, Opp Nirmal Lifestyle, Mulund West, Mumbai, Maharashtra – 400080
Date of Birth and Age (years): 29/05/1949 (73 Years)
Occupation: Industrialist
Term and period of directorship: NA
Directorship in other Companies: Aarti Industries Limited
Aarti HPC Limited
Nikhil Holdings Private Limited
Aarti Corporate Services Limited
Sulochna and Nandini Welfare Foundation
Past positions held in other entities (Director/ Partner): Alchemie Dyechem Private Limited (23/02/1979 to 18/07/2016)
Experience: A chemical engineer from UDCT, Mumbai, Shri Parimal H. Desai has more than 38 years of experience in development and project implementation in the chemical industry.

Shri Bhavesh Rasiklal Vora

Designation: Non-Executive Independent Director **DIN:** 00267604
Address: B/702, Kailash Jyot-2, Opposite Gayatri Tower, Derasar Lane, Rajawadi, Ghatkopar (East), Mumbai-400 077, Maharashtra
Date of Birth and Age (years): 13/09/1967 (55 Years)
Occupation: Chartered Accountant
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Aarti Industries Limited
Edelweiss Trusteeship Company Limited
Basilstone Consulting Private Limited
Past positions held in other entities (Director/ Partner): Aarti Drugs Limited (31/07/2006 to 31/03/2022)
Pinnacle Lifescience Private Limited (27/08/2016 to 31/03/2022)
Experience: Shri Bhavesh R. Vora is a commerce graduate and ACA by qualification. He is a practising Chartered Accountant, with more than 28 years of experience in the field of stock brokers' audits, compliances, derivatives, futures and options, accounting standards and internal management audit.

Dr. Vinay Gopal Nayak

Designation: Non-Executive Independent Director **DIN:** 02577389
Address: 601, Royal Grace CHS, Lokmanya Tilak Vashat Road-2, Behind Swami Narayan Temple, Dadar East, Mumbai - 400014
Date of Birth and Age (years): 12/12/1956 (66 Years)
Occupation: Industry Specialist
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Aarti Industries Limited
Past positions held in other entities (Director/ Partner): Marksans Pharma Limited (29/09/2016 to 01/01/2019)
Medicaps Limited (31/10/2005 to 12/07/2009)
Experience: Dr. Vinay Gopal Nayak, a pharmaceutical professional with a technical background, has worked with organisations such as Cipla, Lupin, Watson, Marksans, Alembic and Emcure Pharmaceuticals for the past 32 years. He is specialised in the areas of manufacturing, quality, R&D, compliance and regulatory affairs, both for API and formulation manufacturing.

Prof. Vilas Gajanan Gaikar

Designation: Non-Executive Independent Director **DIN:** 00033383
Address: A-703, Dhananjay Apartments, Veera Desai Road Extension, Near R. G. Hospital, Azad Nagar, Andheri (W), Mumbai 400053
Date of Birth and Age (years): 28/08/1960 (62 Years)
Occupation: Professor
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Nil
Past positions held in other entities (Director/ Partner): Aarti Drugs Limited (31/12/2005 to 31/03/2022)
Bharat Oman Refineries Limited (23/09/2014 to 04/03/2019)
Experience: Prof. Vilas G. Gaikar is an Independent Director of the Company. He holds a Ph.D. degree in Chemical Engineering from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology]. He is presently serving as the Distinguished Professor of Chemical Engineering in ICT. His field of specialisation and research includes Process Intensification using Microwave, Light and alternative energy sources, Thermochemical conversions of Biomass, Soft Condensed Matter, Reactive Separations and Design by Molecular Modelling, Clean Technology, Innovation Practices. He is a recipient of numerous awards and has published more than 190 publications in referred International Journals.

Smt. Jeenal Kenil Savla

Designation: Non-Executive Independent Director **DIN:** 07545244
Address: 402, My Residency, TPS-11, Dixit Road, Near Ashish Nursing Home, Vile Parle (E), Mumbai- 400057
Date of Birth and Age (years): 09/12/1983 (39 Years)
Occupation: Chartered Accountant
Term and period of directorship: 5 years w.e.f. October 17, 2022
Directorship in other Companies: Ganesh Polychem Limited
Past positions held in other entities (Director/ Partner): Valiant Organics Limited (30/09/2019 to 30/06/2022)
Experience: Smt. Jeenal K. Savla is a Chartered Accountant by qualification and has 14 plus years of experience in the areas of Internal Audit and Risk Management.

Smt. Rupal Anand Vora

Designation: Non-Executive Independent Director **DIN:** 07096253
Address: 806 Cumballa Crest 42, G Deshmukh Marg, HSBC Bank Lane, Peddar Road, Cumballa Hill, Mumbai -400026
Date of Birth and Age (years): 24/06/1963 (59 Years)
Occupation: Advocate
Term and period of directorship: 3 years w.e.f. October 17, 2022
Directorship in other Companies: Geecee Ventures Limited
Winro Commercial (India) Limited
Saraswati Commercial (India) Limited
Walchandnagar Industries Limited
Bombay Cycle and Motor Agency Limited
Singularity Holdings Limited
Four Dimensions Securities (India) Limited
Extramarks Education India Private Limited
Past positions held in other entities (Director/ Partner): Nil
Experience: Smt. Rupal Vora is a Commerce graduate and Law graduate from Government Law College, Mumbai University. She is Practising Advocate having more than 30 years of experience and having specialization in Direct Taxation.

To be continued

DETAILS OF KEY MANAGERIAL PERSONNEL OF THE COMPANY

Name	Designation
Smt. Hetal Gogri Gala	Vice Chairperson and Managing Director
Shri Narendra J. Salvi	Managing Director
Shri Piyush Lakhani	Chief Financial Officer
Shri Nikhil Natu	Company Secretary

I. REASON FOR THE SCHEME OF ARRANGEMENT

AIL basically has 2 (Two) business verticals i.e., specialty chemicals and pharmaceuticals with divergent business profile, growth potential, risk-rewards, regulatory and capital requirements and are largely independent of each other. The demerger of the Business is being undertaken due to the following reasons:

1. The Demerged Undertaking relates to Pharma manufacturing units, allied activities investments and cash balance & cash equivalents for future Capital Expenditures of Demerged Undertaking. In order to create overall value for the shareholders and also to enable management of the Company to focus and adopt the relevant strategies necessary for promoting growth and expansion, it is proposed that the Demerged Undertaking, (as specifically set out in the Scheme), be demerged and transferred to the Resulting Company under the terms and conditions of this Scheme.
2. The shareholders of AIL, pursuant to the demerger, will get Equity Shares of Resulting Company for the values of Business Transferred in the manner set out under this Scheme.
3. The demerger will also result in AIL and APL achieving operational efficiencies by streamlining of the relevant businesses.
4. By demerger of the Demerged Undertaking into Resulting Company, the financial resources will be conveniently raised in accordance with the requirement of the business.
5. The demerger will enable APL to expand its presence in the fast-moving Pharma Business in India and abroad.
6. The demerger will result into two dedicated and focused business segments i.e. Speciality Chemical and Pharma without any risk or overlap of one business over the other.

J. THE AUDITED FINANCIAL RESULTS OF THE COMPANY FOR THE LAST THREE FINANCIAL YEAR ARE AS FOLLOWS:

Rs. in Lakhs, except per share data

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Sales and Other Income	1,13,826.17	94,353.33	0
Profit/ (Loss) after tax	13,173.21	10,672.61	-0.46
Equity Capital	4,531.30	4,531.30	25
Reserves and Surplus (excluding revaluation reserve)	1,37,062.28	1,23,871.30	-2.19
Earnings/ (Loss) per share (Rs.)	14.54	11.78	-0.18
Diluted earnings per share(Rs.)	14.54	11.78	-0.18

K. Independent Auditors' Report on Audit of Standalone Financial Results for the year-to-date financial results for the period 1 April 2022 to 31 December 2022.

To Board of Directors of
Aarti Pharmalabs Limited

Report on the Audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone year to date financial results of Aarti Pharmalabs Limited ("the Company") for year-to-date results for the period from 1 April 2022 to 31 December 2022, attached herewith, being submitted by the Company pursuant to regulatory requirements required for the purpose of filing application to exchanges for obtaining trading approval of its equity shares.

In our opinion and to the best of our information and according to the explanations given to us these standalone year to date financial results:

1. are presented in accordance with the regulatory requirements required for the purpose of filing application to exchanges for obtaining trading approval of its equity shares.
2. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS-34") prescribed under section 133 of the Companies Act 2013 read with relevant rules thereunder and other accounting principles generally accepted in India of the net profit and total other comprehensive income, and other financial information of the Company for year to date results for the period 1 April 2022 to 31 December 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

These year-to-date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulatory requirements.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the management and the Board of Directors are 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 the management and the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the interim standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim condensed standalone 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 interim condensed 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.

Other Matters

I. Comparative Audited Standalone Financial Results

a) The comparative audited standalone annual financial results for the period 1 July 2021 (Appointed date) to 31 March 2022 of pharma business undertaking were audited by erstwhile statutory auditors, Kirtane & Pandit, LLP (FRN: 105215W/W100057), Chartered Accountants of Aarti Industries Limited (demerged company) whose annual auditors report dated 27 May 2022 had expressed an unmodified opinion on financial statements.

b) The comparative audited annual financial results of the Company for the year ended 31 March 2022 (prior to giving effect to scheme of arrangement) were audited by erstwhile statutory auditors of the Company, Jatin Vora & Associates, LLP (FRN: 118024W), Chartered Accountants of Aarti Pharmalabs whose annual auditors report dated 20 May 2022 had expressed an unmodified opinion on financial statements.

c) The comparative audited annual financial results of the Company for the year ended 31 March 2021 (prior to giving effect to scheme of arrangement) were audited by erstwhile statutory auditors of the Company, Jatin Vora & Associates, LLP (FRN: 118024W), Chartered Accountants of Aarti Pharmalabs whose annual auditors report dated 15 May 2021 had expressed an unmodified opinion on financial statements.

Our opinion is not modified in respect of above matters.

II. Effect of Scheme of Arrangement

a) The Scheme of Arrangement for the demerger of Pharma Business Undertaking from Aarti Industries Limited ("the demerged company") to its wholly owned subsidiary Aarti Pharmalabs Limited ("the resulting company" or "the Company") between the two companies and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 ('Act') and all other applicable provisions of the Companies Act, 2013 ("the Scheme") was approved by Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench on 21 September 2022. Accordingly, all the assets and liabilities pertaining to the Pharma Business Undertaking, including supporting manufacturing units, employees, cash and cash equivalents and investments (including investments in subsidiaries and joint ventures), as defined in the Scheme, stand transferred and vested into the resulting company from its Appointed Date i.e., from 1 July 2021.

b) Pending receipt of the NCLT Order approving scheme of arrangement, financial statements of the Demerged Company (before giving effect to scheme of arrangement) for the year ended 31 March 2022 were approved by the Board of Directors of Demerged Company in their meeting held on 27 May 2022 and audited by erstwhile statutory auditors (refer para I (a) above). Subsequently, the same were approved by their shareholders in the general meeting held on 26 September 2022

c) We, Gokhale & Sathe, Chartered Accountants (FRN: 103264W) were appointed as statutory auditors of the Company to fill casual vacancy caused due to resignation of Jatin Vora & Associates, Chartered Accountants, through resolution passed by shareholders of the Company through postal ballot on 10 January 2023.

d) The management approached us to perform agreed upon procedures on standalone financial results prepared to give effect to scheme of arrangement. Accordingly, we have performed agreed upon procedures as per Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India and we report that as follows:

- standalone financial results of pharma business undertaking prepared by the management of the Company for period from 1 July 2021 to 31 March 2022 is as per accounting treatment and information mentioned in the scheme.
- It is drawn from standalone financial statements prepared and audited by erstwhile statutory auditors of Demerged Company as mentioned in I (a) above.
- It is extracted from the books of accounts maintained by the Company having records/information maintained for pharma business and speciality chemical business.

For GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Registration No.: 103264W

Tejas Parikh
Partner
Membership No.: 123215
UDIN: - 23123215BGQKZR9410
Place: Mumbai
Date: 17 January 2023

L. Standalone Audited Financial Statement For The Nine Months Ended December 31, 2022 & Financial Year Ended March 31, 2022

(Rs. in lakhs)

Particulars	Note No.	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
A ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	1	81,628.29	70,089.25	0
(b) Capital Work-in-Progress	1	7,702.33	16,522.59	0
(c) Intangible Assets	1	19.18	22.52	0
(d) Intangible Assets Under Developments	1	3,762.04	2,214.02	0
(e) Financial Assets				
(i) Investment in Subsidiary	2	90.76	90.76	0
(ii) Other Investments	2	4,176.53	3,896.04	0
(iii) Other Financial Assets	3	866.93	820.58	0.00
(f) Other Non-Current Assets	4	429.10	0	NIL
Total Non-Current Assets		**98,675.16**	**93,655.76**	**0**
2 Current Assets				
(a) Inventories	5	52,719.91	44,437.53	0.00
(b) Financial Assets				
(i) Trade Receivables	6	33,225.96	30,421.97	0.00
(ii) Cash and Cash Equivalents	7	5,079.25	5,649.99	25.00
(iii) Loans	8	585.23	477.97	0.00
(iv) Other Financial Assets	9	4,061.01	7,000.39	0.00
(c) Other Current Assets	10	1,152.66	1,039.57	0.00
Total Current Assets		**96,824.02**	**89,027.42**	**25.00**
TOTAL ASSETS		**1,95,499.17**	**1,82,683.19**	**25.00**
B EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share Capital	11	4,531.30	25.00	25.00
(b) Equity Share Capital pending allotment upon scheme of arrangment	11	NIL	4,531.30	0
(c) Other Equity	12	1,37,062.28	1,23,871.30	-2.19
Total Equity		**1,41,593.58**	**1,28,427.60**	**23.81**
3 LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	13	NIL	NIL	-
Other Non Current Financial Liability	14	151.23	153.23	0
(b) Deferred Tax Liabilities (Net)	15	6,610.00	5,935.00	-
Total Non-Current Liabilities		**6,761.23**	**6,088.23**	**-**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	29,686.56	32,462.44	1.73
(ii) Trade Payables Due to				
- Micro and Small Enterprises	17	3,848.84	2,114.38	0.26
- Other Than Micro and Small Enterprises	17	11,905.52	11,046.92	0
(iii) Others				
(b) Other Current Liabilities	18	126.44	124.44	0.20
(c) Provisions	19	1,455.21	1,669.17	0.00
(d) Current Tax Liabilities (Net)	20	121.79	750.00	0.00
Total Current Liabilities		**47,144.36**	**48,167.35**	**2.19**
Total Liabilities		**53,905.59**	**54,255.58**	**2.19**
TOTAL EQUITY AND LIBILITIES		**1,95,499.17**	**1,82,683.19**	**25.00**
Significant Accounting Policies				

Standalone Statement of Profit and Loss for the Period Ended 31st December, 2022

(Rs. in lakhs)

	Particulars	Note No.	As at 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
I	Revenue from Operations	**21**	1,13,698.04	94,102.10	-
II	Other Income	**22**	128.13	251.23	-
III	**Total Income (I+II)**		**1,13,826.17**	**94,353.33**	**-**
IV	**EXPENSES**				
	(a) Cost of Materials Consumed	**23**	68,933.39	55,018.79	-
	(b) Purchase of Stock In trade		969.69	45.57	-
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	**24**	-8,252.82	-3,254.26	-
	(d) Employee Benefits Expense	**25**	9,121.61	7,998.43	-
	(e) Finance Costs	**26**	1,469.09	1,133.91	-
	(f) Depreciation / Amortisation Expenses	**27**	4,151.95	3,723.30	-
	(g) Other Expenses	**28**	19,772.19	16,314.98	0.46
	Total Expenses (IV)		**96,165.10**	**80,980.72**	**0.46**
V	**Profit before Exceptional Items and Tax (III-IV)**		**17,661.07**	**13,372.61**	**-0.46**
VI	Exceptional Items		-	-	-
V	**Profit before Tax (III-IV)**		**17,661.07**	**13,372.61**	**-0.46**
VI	TAX EXPENSE				
	Current Tax		3,500.00	2,250.00	-
	Earlier Year Tax		312.86	NIL	-
	Deferred Tax		675.00	450.00	-
	Total Tax Expenses		**4,487.86**	**2,700.00**	**-**
VII	**Profit for the year (V-VI)**		**13,173.21**	**10,672.61**	**-0.46**
VIII	**OTHER COMPREHENSIVE INCOME**				
	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)		-7.21	706.86	-0.00
	- Remeasurement of defined employee benefit plans (net of tax)		-		
	b. Items that will be reclassified to Statement of Profit and Loss		**-**		
	Other Comprehensive Income (Net of Tax)		**-7.21**	**706.86**	**-0.00**
IX	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX (VII+VIII)**		**13,166.00**	**11,379.47**	-0.46
X	**Earnings Per Equity Share of Face Value of Rs 10 Each (EPS) (in Rs.)**	**29**			
	Basic		14.54	11.78	-0.18
	Diluted		14.54	11.78	-0.18
	Significant Accounting Policies				
	Accompanying Notes to the Financial Statements	**1-33**			

Standalone Cash Flow Statement for the Period Ended 31st December, 2022

(Rs. in lakhs)

Sr. No.	Particulars	For the Period Ended 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before Tax	17,661.07	13,372.61	-0.46
	Adjusted for:			
	- Finance Costs	1,469.09	1,133.91	0.00
	- Depreciation/Amortisation	4,151.95	3,723.30	0.00
	- Dividend Income	-128.13	-247.86	0.00
	- Interest Income	NIL	NIL	NIL
	Operating Profit before Working Capital Changes	**23,153.98**	**17,981.96**	**-0.46**
	Adjusted for:			
	- (Increase)/Decrease in Trade and Other Receivables	-560.41	-8,570.97	0.00
	- (Increase)/Decrease in Inventories	-8,282.38	-10,814.41	0.00
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	963.32	-3,579.85	0.46
	Cash Generated from Operations	**15,274.51**	**-4,983.27**	**0.00**
	Taxes Paid (Net)	-3,812.86	-1,500.00	0.00
	Net Cash Flow from Operating Activities	**11,461.50**	**-6,483.27**	**0.00**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Acquisition of Property, Plant and Equipment and Capital Work In Progress	-8,415.41	-13,602.57	0.00
	Other Investments	NIL	NIL	NIL
	Dividend Income	128.13	247.86	0.00
	Interest Income	NIL	NIL	NIL
	Proceeds from Sale of Investments	500.00	NIL	NIL
	Net Cash Flow used in Investing Activities	**-7,787.28**	**-13,354.71**	**0.00**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds/(Repayment) from Current Borrowing (Net)	-2,775.88	26,596.86	0.00
	Finance Costs	-1,469.09	-1,133.91	0.00
	Dividends Paid	0.00	0.00	0.00
	Net Cash Flow from /(used in) Financing Activities	**-4,244.97**	**25,462.95**	**0.00**
	Net Increase/(Decrease) in Cash and Cash Equivalents	**-570.74**	**5,624.98**	**0.00**
	Opening Balance of Cash and Cash Equivalents	**5,649.99**	**25.00**	**25.00**
	Closing Balance of Cash and Cash Equivalents	**5,079.25**	**5,649.99**	**25.00**

Notes:

1 The accompanying notes are an integral part of the Ind AS financial statements.

2 The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India.3Cash and Cash Equivalents comprises of:

Particulars	For the Period Ended 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
a. Cash on Hand	32.72	19.37	0.00
b. Balances with Banks	5,046.52	5,630.62	25.00
Total	**5,079.25**	**5,649.99**	**25.00**

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER, 2022

A. Equity Share Capital

(Rs. in Lakhs)

As at 31st March, 2020	25.00
Changes in equity share capital during the year 2020-21	-
As at 31st March, 2021	25.00
Changes in equity share capital during the year 2021-22	0.00
As at 31st March, 2022	25.00
Changes in equity share capital during the year 2022-23	-4,506.30
As at 31st December, 2022	4,531.30

B. Other Equity

(Rs. in lakhs)

Particulars	Ratained Earnings	General Reserve	Securities premium	Capital Redemption Reserve	Other Comprehen-sive Income	Total
Balance as at 31st Mar, 2020	**-1.73**	**-**	**-**		**-**	**-1.73**
Profit / loss for the year	-0.46	-	-		-	-0.46
Balance as at 31st Mar, 2021	**-2.19**	**-**	**-**		**-**	**-2.19**
Transferred On Account of Scheme of Arrangement	64,455.78	8,187.56	44,032.54		349.58	1,17,025.45
Share Issue	-4,531.30	-		-	-4,531.30	
Total Comprehensive Income for the year	-				706.86	706.86
Profit for the year	10,672.61			-	10,672.61	
Dividend Paid					-	
Remeasurement of defined employee benefit plans (net of tax)					-	
Balance as at 31st Mar, 2022	**70,594.76**	**8,187.56**	**44,032.54**	**-**	**1,056.44**	**1,23,871.30**
Transferred On Account of Scheme of Arrangement	-	-	-		-	**-**
Share capital Cancellation on account of Scheme of Arrangement	-	-	-	25.00	-	**25.00**
Effect of Gratuity Provison to be maintained as per NCLT order	-	-	-		-	**-**
Total Comprehensive Income for the year	-	-	-		-7.21	**-7.21**
Profit for the year	13,173.19				-	**13,173.19**
Dividend Paid						**-**
Remeasurement of defined employee benefit plans (net of tax)						**-**
Balance as at 31st Dec 2022	**83,767.95**	**8,187.56**	**44,032.54**	**25.00**	**1,049.23**	**1,37,062.28**

Corporate Information and Significant Accounting Policies:

A. Corporate Information

AARTI PHARMALABS LIMITED ("the Company") is a Public Limited Company incorporated under the provisions of the Companies Act, 2013. During Fy 2021-22, Company has change its name from Aarti Organics limited to Aarti Pharmalabs limited and same is approved at ROC. Necessary changes has been incorporate in all places including MOA & AOA. During Fy 2021-22 Company has changed its Regsitered Office to Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad Gujarat – 396195 and same is approved at ROC.

The Honourable NCLT - Ahmedabad Bench has approved the scheme of arrangment between Aarti Industries Limited , Aarti Pharmalabs Limited and their shareholders on 21 September, 2022; pursuant to which, the Pharma Undertaking of Aarti Industries Limited is transferred to the Company w.e.f. Appointment Date (i.e. with effect from 1st July, 2021).

The Company is into Manufacture of Active Pharmaceuticals Ingredients ("APIs"), Manufacture of API / KSM intermediates and Xanthine derivatives for the pharmaceutical and food/beverages industry. Company is specialise in generic APIs, generic intermediates, and xanthine derivatives. Company also provides CDMO services for drug substance/NCE development and manufacturing for innovative pharmaceutical and biotech firms with a focus on the Ph-I/II/III, launch, and commercial phases. Company has dedicated facilities for the production of HPAPIs, corticosteroids, cytotoxic medicines, and oncology products

Manufacturing Units of the Company are located at Maharashtra & Gujarat State at various locations

B. Explainatory Note on the Composite Scheme of Arrangement

The Scheme of Arrangement under sections 230 to 232 has been entered by the Company and Aarti Industries Limited (the Demerged Company) and AND THEIR RESPECTIVE SHAREHOLDERS IN RESPECT OF DEMERGER OF PHARMA DIVISION OF AARTI INDUSTRIES LIMITED INTO AARTI PHARMALABS LIMITED (FORMERLY KNOWN AS AARTI ORGANICS LIMITED) UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

Certified copies of the order of the Hon'ble National Company Law Tribunal have been filed with the Registrar of Companies at Vapi, Gujarat on 17th October, 2022 and the scheme has become effective from 17th October 2022

The Scheme has accordingly been given effect to in the accounts effective from the Appointed Date being opening of business hours on 1st July, 2021

Demerged Company Aarti Industries limited is deemed to have been carrying on all business activities relating to the demerged undertaking with effect from opening of business hours on July 1, 2021 and on account of and in trust of the Company. All profits or losses, income and expenses accruing or arising or incurred after opening of business hours on July 1, 2021 relating to the said undertaking shall get vested to the Company.

Pursuant to the Scheme of Arrangement, Aarti Pharmalabs Limited to issue to Equity Shareholder of Aarti Industries Limited, For every 4 equity shares held in Aarti Industries Limited 1 Equity Shares of Aarti Pharmalabs Limited.

Details of Assets & Liability of Aarti Industries limited Demerged Pharma Undertaking Transferred to Company pursuant to scheme as at Appointed date is as below

Particular	Amount (Rs. In Crore)
Property, Plant and Equipment	789.69
Investments	32.71
Trade Receivable	256.89
Inventories	336.23
Other Current & Non-Current Assets (Incl Cash & Cash Equivalents)	721.56
Total Assets	2,137.08
Trade Payables	-170.47
Other Current & Non-Current Liability	-71.00
Borrowings (In the Ratio of Net Assets Transferred)	-725.68
Total Liability	-967.14
Excess of Assets over Liabilities	1,169.94

B. Significant Accounting Policies

B.1 Basis of Preparation and Presentation

"The financial statements of the Company have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:a. Certain financial assets and liabilities that are measured at fair value; andb. Defined benefit plans - Plan assets measured at fair value."

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) (Amendment) Rules, 2015 amended from time to time and other relevant provisions of the Act.

Company's Financial Statements are presented in Indian Rupees (`), which is also its functional currency and all values are rounded to the nearest Lakhs, except when otherwise indicated.

The financial statements of the Company for the Period ended 31.12.2022 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 17th January, 2023

B.2 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in subsequent financial years.

(a) 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.

(b) 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.

(c) 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.

(d) 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.

B.3 Summary of Significant Accounting Policies

(a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

"An asset is treated as Current when it is –- Expected to be realised or intended to be sold or consumed in normal operating cycle;- Held primarily for the purpose of trading;- Expected to be realised within twelve months after the reporting period, or- Cash or cash equivalent unless 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."

"A liability is considered as Current, when -- It is expected to be settled in normal operating cycle;- It is held primarily for the purpose of trading;- It is due to be settled within twelve months after the reporting period, or- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.All other liabilities are classified as non-current."

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

(c) 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 intangible assets.

(d) Valuation of Inventories

Inventories are valued at Cost or Net Realizable Value whichever is lower.

Inventories have been valued on the following basis:

a. Raw Materials, Packing Material, Stores and Spares Weighted Average cost or net realisable value, whichever is lower
b. Work-in-Progress - At cost plus appropriate allocation of overheads or net realisable value, whichever is lower
c. Finished Goods - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

(e) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments that are readily convertilbe to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Revenue Recognition

(i) Revenue from Sale of Goods to customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Sale of Scrap and obsolete stores is accounted for at the time of disposal.

(ii) Export entitlements are recognized on realization.

(iii) Revenue in respect of Interest is recognized on the time proportion method.

(iv) Industrial Promotion Incentive granted by State Government is recognised when claim in respect of Entitlement is made & admitted after close of yearly Sales Tax Assessment.

(v) Dividend Income is recognised when the Company's right to receive the amount has been established.

(g) Government Grants

(i) Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

(ii) Government grants are recognised in Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

(iii) In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(h) Depreciation/Amortization

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Shchedule II;

Sr. No.	Particulars	Depreciation or Amortisation
1.	Leasehold Land	Over the remaining tenure of lease
2.	Building	Over a period of 19 years
3.	Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 19 years, based on the type of Equipment
4.	Computers	Over a period of 2.5 years
5.	Office Equipments	Over a period of 5 years
6.	Furniture and Fixtures	Over a period of 10 years
7.	Vehicles	Over a period of 7 years
8.	Intangible Assets (Product Registration Rights)	Over a period of 5 years

(i) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(j) Foreign Currency Transactions

Foreign currency transactions are accounted at the rates prevailing on the date of the transactions. The exchange rate differences arising out of such transactions are approriately dealt in the financial statements in accordance with the applicables accounting standards.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

(k) Operating Leases

As a lessee:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

(l) Finance Costs

Borrowing Costs other than those directly attributable to Qualifying Assets are recognised as expenses in profit or loss in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements.

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(n) Employee Benefits

Short-term Benefits

Short term employee benefits including accumulating compensated absences are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

Post-retirement Benefits

Defined Contribution Plans

Retirement Benefits in the form of Provident Fund which is a defined contribution schemes is charged to the statement of profit and loss for the period in which the contributions to the fund accrue as per the relevant statute.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the gratuity fund maintained with Life Insurance Corporation of India, exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurements of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

(o) Taxes on Income

The tax expense for the period comprises of current tax and deferred income tax. 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.

Current Tax

Tax on income for the current period is determined on the basis on 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. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT)

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the same at each balance sheet date.

P. Financial Instruments

Øè Financial Assets

I Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

II Subsequent Measurement

(i) Financial assets measured at Amortised Cost (AC)

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 specific dates to cash flows that are 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 specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets measured at Fair Value Through Profit or Loss (FVTPL)

A financial assets, which are not classified in any of the above categories are measured at FVTPL.

III Equity Investments

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. Equity Investments in Subsidiaries are carried individually at cost less accumulated impairment, if any.

IV Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses, 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables, the Company applies 'simplified approach', which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

Øè Financial Liabilities

I Initial Recognition and Measurement

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

II Subsequent Measurement

Financial liabilities are carried at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

Øè Derecognition of Financial Instruments

The Company derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. 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.

Øè Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q. Earnings Per Shares

Basic earnings per share are calculated by dividing the Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the 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 effect of all dilutive potential equity shares.

C. Recent Accounting Pronouncements

Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase 2

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

- Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.
- Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The amendments do not have any impact on the financial statements.

Amendment to Ind AS 103 "Business Combination" – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 – Business Combinations. The management does not expect the amendment to have any impact in its financial statements.

Amendment to Ind AS 16 "Property, Plant and Equipment" – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The management does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 1 - Property, Plant and Equipment (FY 2022- 23)

		GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Particulars	**Balance as at 1st April, 2022**	**Addition on Account of Scheme of Arrangment**	**Additions/ Adjustments**	**Deduction/ Adjustments**	**Balance as at 31st Dec, 2022**	**Balance as at 1st April, 2022**	**Addition on Account of Scheme of Arrangment**	**Depreciation charge for the year**	**Deduction/ Adjustments**	**Balance as at 31st Dec, 2022**	**Balance as at 31st Dec, 2022**	**Balance as at 31st March, 2022**
1	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	-	-	-	2,173.98	173.21	-	16.36	-	189.57	1,984.42	2,000.77
	Buildings	11,601.95	-	3,533.86	-	15,135.81	3,977.06	-	514.36	-	4,491.42	10,644.39	7,624.89
	Buildings	588.05	-	-	-	588.05	344.30	-	97.50	-	441.80	146.25	243.75
	Plant and Machinery	86,283.78	-	12,095.51	-	98,379.29	30,595.48	-	3,394.57	-	33,990.05	64,389.25	55,688.30
	Furniture and Fixtures	645.38	-	-	-	645.38	316.08	-	36.72	-	352.80	292.58	329.30
	Office Equipments	214.55	-	6.27	-	220.83	130.59	-	17.37	-	147.96	72.86	83.96
	Computers, Printers	559.19	-	41.43	-	600.62	448.50	-	41.89	-	490.39	110.23	110.69
	Vehicles	343.21	-	10.59	-	353.79	194.34	-	29.85	-	224.19	129.61	148.87
	Total	**1,06,268.81**	**-**	**15,687.66**	**-**	**1,21,956.47**	**36,179.56**	**-**	**4,148.62**	**-**	**40,328.18**	**81,628.29**	**70,089.25**
II	InTangible Assets												
	IT software & Other Intangible Assets	3,802.32	-	-	-	3,802.32	3,779.81	-	3.33	-	3,783.14	19.18	22.52
	Total	**3,802.32**	**-**	**-**	**-**	**3,802.32**	**3,779.81**	**-**	**3.33**	**-**	**3,783.14**	**19.18**	**22.52**
III	**Gross Total**	**1,10,071.13**	**-**	**15,687.66**	**-**	**1,25,758.79**	**39,959.37**	**-**	**4,151.95**	**-**	**44,111.32**	**81,647.47**	**70,111.77**
III	**Capital Work-in-Progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,464.37**	**18,736.61**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

e. Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st December, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	**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**	**Average****
Projects in progress	3,210.66	4,491.68	0.00	0.00	7,702.33
Projects temporarily suspended	0	0	0	0	0
	3,210.66	4,491.68	0.00	0.00	7,702.33

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**	**Average****
Projects in progress	1,548.02	2,214.02	0.00	0.00	3,762.04
Projects temporarily suspended	0	0	0	0	0.00
	1,548.02	**2,214.02**	**0.00**	**0.00**	**3,762.04**

Note 1 - Property, Plant and Equipment (FY 2021-22)

		GROSS BLOCK						DEPRECIATION				NET BLOCK	
	Particulars	**Balance as at 1st April, 2021**	**Addition on Account of Scheme of Arrangment**	**Additions/ Adjustments**	**Deduction/ Adjustments**	**Balance as at 31st March, 2022**	**Balance as at 1st April, 2021**	**Addition on Account of Scheme of Arrangment**	**Depreciation charge for the year**	**Deduction/ Adjustments**	**Balance as at 31st March, 2022**	**Balance as at 31st March, 2022**	**Balance as at 31st March, 2021**
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	-	3,858.72	-	-	3,858.72	-	-	-	-	-	3,858.72	-
	Leasehold Land	-	1,890.83	283.16	-	2,173.98	-	149.99	23.22	-	173.21	2,000.77	-
	Buildings	-	10,183.13	1,418.82	-	11,601.95	-	3,541.06	436.00	-	3,977.06	7,624.89	-
	Buildings	-	440.88	147.17	-	588.05	-	244.96	99.34	-	344.30	243.75	-
	Plant and Machinery	-	77,778.54	8,505.24	-	86,283.78	-	27,428.67	3,166.80	-	30,595.48	55,688.30	-
	Furniture and Fixtures	-	642.47	2.91	-	645.38	-	273.99	42.09	-	316.08	329.30	-
	Office Equipments	-	189.46	25.10	-	214.55	-	114.29	16.30	-	130.59	83.96	-
	Computers, Printers	-	533.76	25.43	-	559.19	-	378.90	69.60	-	448.50	110.69	-
	Vehicles	-	314.08	29.13	-	343.21	-	184.79	9.55	-	194.34	148.87	-
	Total	**-**	**95,831.86**	**10,436.96**	**-**	**1,06,268.81**	**-**	**32,316.66**	**3,862.90**	**-**	**36,179.56**	**70,089.25**	**-**
II	**InTangible Assets**												
	IT software & Other Intangible Assets	-	3,783.76	18.56	-	3,802.32	-	3,773.41	6.40	-	3,779.81	22.52	-
	Total	**-**	**3,783.76**	**18.56**	**-**	**3,802.32**	**-**	**3,773.41**	**6.40**	**-**	**3,779.81**	**22.52**	**-**
III	**Gross Total**	**-**	**99,615.61**	**10,455.52**	**-**	**1,10,071.13**	**-**	**36,090.07**	**3,869.30**	**-**	**39,959.37**	**70,111.77**	**-**
III	**Capital Work-in-Progress**	**-**	**15,448.62**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,736.61**	**-**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

e. Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st March, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	**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**	**Average****
Projects in progress	10,903.13	4,956.18	663.28	0.00	16,522.59
Projects temporarily suspended	0	0	0	0	0
	10,903.13	**4,956.18**	**663.28**	**0.00**	**16,522.59**

Capital Work-in-Progress	**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**	**Average****
Projects in progress	2,214.02	0.00	0.00	0.00	2,214.02
Projects temporarily suspended	0	0	0	0	0
	2,214.02	**0.00**	**0.00**	**0.00**	**2,214.02**

Note 2 - Non Current Financial Assets - Investments

Particulars	Number of Units/Shares (all fully paid up) Opening Balance	Transfer Pursuant to Scheme	Acquisition	Disposal	Closing Balance	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
2.1 Investments - (Unquoted) in Equity Shares of Subsidiary Companies								
Aarti USA Inc.	0	10000000	0	0	10000000	65.76	65.76	0.00
Aarti Pharmachem Limited	0	50000	0	0	50000	25.00	25.00	0.00
2.2 Investments - (Unquoted) in Equity Shares of Joint Control/Associates Companies								
Ganesh Polychem Limited *	0	3098257			3098257	1260.86	1260.86	0.00
Investments - (Unquoted) in Equity Shares of Other Companies								
Dilesh Roadlines Private Limited	0	464550	0	0	464550	1123.24	1041.34	0.00
Aarti Ventures Limited	0	454364	0	0	454364	738.75	739.02	0.00
Tarapur Environment Protection Society	0	21751	0	0	21751	61.97	61.97	0.00
Derma Touch Inc.	0	125000	0	0	125000	425.52	425.52	0.00
Investments - (Unquoted) in Limited Liability Partnership								
Aarti Udyog Limited Liability Partnership	0	N.A.	0	0	N.A.	566.19	367.33	0.00
Total	-	-		-	-	**4267.29**	**3986.80**	**0.00**

(Rs. in lakhs)

3	Other Financial Assets	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Deposits	866.93	820.58	0.00
	Total	**866.93**	**820.58**	**0.00**

4	Other Non-Current Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Capital Advance	429.10	NIL	
	Total	**429.10**	**NIL**	**NIL**

5	Current Assets - Inventories	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Raw Materials and Components (incl of In-transit stock)	15,955.89	18,691.41	0.00
	Work-in-progress	14,298.56	8,150.40	0.00
	Finished Goods (incl of In-transit stock)	21,984.09	17,251.57	0.00
	Stores and spares	295.84	223.12	0.00
	Fuel	43.81	22.32	0.00
	Packing Materials	141.72	98.72	0.00
	Total	**52,719.91**	**44,437.54**	**0.00**

6	Current Financial Assets - Trade Receivables	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Unsecured and considered good	33,125.96	30,321.97	0.00
	-Unsecured Doubtful Debts	0.00	0.00	0.00
	-Provision for Doubtful Debts	100.00	100.00	0.00
	Total	**33,225.96**	**30,421.97**	**0.00**

*The Company has availed credit facilities from banks which are secured interalia by hypothecation of Trade Receivables.

7	Current Financial Assets - Cash and Cash Equivalents	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Cash on Hand	5.79	4.69	0.00
	Cash Equivalants investment in highly Liquid Funds	5,046.52	5,630.62	0.00
	Balances with Banks	26.93	14.68	25.00
	Total	**5,079.24**	**5,649.99**	**25.00**

8	Loans	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	(i) Loan to Related Party (Refer Note no. 36)	585.23	477.97	0.00
	(ii) Loan to Employees	0.00	0.00	0.00
	Total	**585.23**	**477.97**	**0.00**

9	Other Financial Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Balance with Customs, Central Excise, GST and State Authorities	3,959.87	6,887.42	0.00
	Other Receivable	101.14	112.98	0.00
	Total	**4,061.01**	**7,000.40**	**0.00**

10	Other Current Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Others Receivable	660.90	646.58	0.00
	Prepaid Expenses	491.76	392.99	0.00
	Advance to Suppliers	0.00	0.00	0.00
	Total	**1,152.66**	**1,039.57**	**0.00**

11 SHARE CAPITAL:

Particulars	No. of Shares	As at 31st Dec 2022	No. of Shares	As at 31st Mar 2022	No. of Shares	As at 31st Mar 2021
Authorised Share Capital						
Equity Shares of Rs 5/- each	10,00,00,000	5,000.00	5,00,000	50.00	5,00,000	50.00
Issued, Subscribed & Paid up						
a Equity Shares of ` 5/- each	9,06,26,008	4,531.30			2,50,000	25.00
b Equity Shares of ` 10/- each Pending Cancellations	-	-	2,50,000	25.00		
c Equity Shares of ` 5/- each pending Allotment upon Scheme of Arrangment	-	-	9,06,26,008	4,531.30		0
TOTAL	**9,06,26,008**	**4,531.30**	**9,08,76,008**	**4,556.30**	**2,50,000**	**25.00**

11.1 - Pursuant to the Scheme of Arrangment, Aarti Pharmalabs Limited to issue to the Equity Shareholders of Aarti Industries Limited -For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company

- The Honourable High Cout of Ahemedabad has approved the scheme of Arrangment on 21st September, 2022 . Pending allotment of share as at Balance sheet Date, Share capital of Rs 4531.30 lakhs as approved Under Scheme of Arragment is shown as Share capital pending for Allotment.

- Pursuant to Scheme of Arrangment Authorised share capital is Increased to 100000000 Shares of Rs 5 Each for Issue of Shares to the Shareholders of Demerged Company Aarti Industries limited

11.2 Share Capital Pending Cancancellation

- Aarti Pharmalabs limited is 100% Subsidiary of Aarti Industries limited. As per the order of NCLT, upon scheme becoming effective, original share capital of Rs 25 Lakhs stands automatically cancelled and reinstated to Rs 4531.30 lakhs by payment of applicable stamp duty and compliance of ROC formalities. As at Balance Sheet date, ROC formalities with respect to increase in authorised share capital, allotment of share capital and cancellation of existing share capital were pending and hence, the share capital of Rs. 25 Lakhs, existing on the balance sheet date is shown as 'Share Capital Pending Cancellation'.

11.3 Reconciliation of number of Equity Shares outstanding:

(Rs. in lakhs)

Particulars	As at 31st Dec 2022 No' Of Shares	As at 31st March, 2022 No' Of Shares	As at 31st March, 2021 No' Of Shares
Equity Shares at the beginning of the year	2,50,000	2,50,000	2,50,000
Add: Shares issued during the year Pursuant to the Scheme of Arrangement	9,06,26,008	-	-
Less: Shares Cancelled Pursuant to the Scheme of Arrangement	-2,50,000	-	-
Equity Shares at the end of the year	9,06,26,008	2,50,000	2,50,000

11.4 Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares 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.

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Retained Earnings / Profit & Loss Account			
	As per last Balance Sheet	70,594.76	-2.19	-1.73
	Add: Balance transferred on account of scheme of arrangment	- .00	64,455.78	- .00
	Less : Toward Issue of Shares capital	- .00	-4,531.30	- .00
	Add: Cancellation of Share Capital on Issuance of Fresh Share Capital as per the Scheme of Arrangement	- .00	- .00	- .00
	Profit / Loss for the year	13,173.20	10,672.61	-0.46
	Dividend Paid	- .00	- .00	- .00
	Share Capital Cancellation Purs	- .00		- .00
	Remeasurement of defined employee benefit plans (net of tax)	- .00	- .00	- .00
	Closing Balance	**83,767.96**	**70,594.76**	**-2.19**
	Securities Premium Account			
	As per last Balance Sheet	44,032.54	- .00	- .00
	Add: Balance transferred on account of scheme of arrangment	- .00	44,032.54	- .00
	Add: During the Years	- .00	- .00	- .00
	Less: During the year	- .00	- .00	- .00
	Closing Balance	**44,032.54**	**44,032.54**	**- .00**
	Capital Redemption Reserve			
	As per last Balance Sheet	- .00		- .00
	Add: Share capital Cancelled pursuant to scheme	25.00	- .00	- .00
	Add: During the Years	- .00	- .00	- .00
	Less: During the year	- .00	- .00	- .00
	Closing Balance	**25.00**	**- .00**	**- .00**
	General Reserve			
	As per last Balance Sheet	8,187.56	- .00	- .00
	Add: Balance transferred on account of scheme of arrangment	- .00	8,187.56	- .00
	Add: During the Years	- .00	- .00	- .00
	Less: During the year	- .00	- .00	- .00
	Closing Balance	**8,187.56**	**8,187.56**	**- .00**
	Other Comprehensive Income			
	As per last Balance Sheet	1,056.44	- .00	- .00
	Add: Balance transferred on account of scheme of arrangment	- .00	349.58	- .00
	Add: Movement in OCI (Net) During the Year	-7.21	706.86	- .00
	Closing Balance	1,049.23	1,056.44	- .00
	Total	1,37,062.28	1,23,871.30	-2.19

12.1 Pursuant to the scheme of arrangment approved by NCLT, Ahmedabad Bench, Excess of the Net Assets transfered over the face value of the New Securities to be allotted in accordance with the Scheme, shall be credited to same reserves as debited in the books of AIL with adjustment for balance, if any, to Profit and Loss Account/Retained Earnings. As at balance sheet date, allotment of share capital is pending and hence Excess of Net Asets Over the face value of Equity shares to be issue is shown as 'Reserves Pending Allocation'.

(Rs. in lakhs)

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
13	**Non Current Financial Liabilities - Borrowings**			
	Secured - At Amortised Cost	-	-	
	Total	**-**	**-**	**-**
14	**Other Non Current Financial Liabilities - Borrowings**	**As at 31st Dec 2022**	**As at 31st March, 2022**	**As at 31st March, 2021**
	Secured - At Amortised Cost	-	-	
	Lease Liability	151.23	153.23	
	Other	-	-	-
	Total	**151.23**	**153.23**	**-**
15	**Deferred Tax Liability (Net)**	**As at 31st Dec 2022**	**As at 31st March, 2022**	**As at 31st March, 2021**
	At the start of the year	5,935.00	-	-
	Transfered Pursuant to the Scheme of Arrangment	-	5,485.00	-
	Charge/(credit) to the Statement of Profit and Loss	675.00	450.00	-
	MAT Credit Entitlement	-	-	-
	At the end of the year	**6,610.00**	**5,935.00**	**-**

16	Current Financial Liabilities - Borrowings	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	At Amortised Cost			
	Secured - Working capital Loan From Banks	17,989.94	-	
	Secured - Working capital Loan to be repaid to Aarti Industries limited under schem of Demerger	11,696.62	32,462.44	
	From Related Parties	-	-	1.73
	Total	**29,686.56**	**32,462.44**	**1.73**

16.1 Pursuant to the Scheme of Arrangement, common working capital borrowing was allocated to Aarti pharmalabs Limited in the ratio of value of Assets transfered in the scheme of arrangement to the total assets of Aarti Industries Limited prior to demerger. In absence of specific loan from lenders, borrowings allocated to the Company are shown as loan from Aarti Industries Limited to be repaid by taking loans from banks.

16.2 "Company has applied for Total working capital limit of Rs 375 crore with five banks and has offered security - First pari-passu hypothecation charge on all existing and future current assets/ of the Borrower, to be shared with others banks under multiple banking arrangement. Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with other banks under multiple banking arrangement. During Fy 2022-23, out of Five banks, company has drawdown loans from three banks and same is used for repayment of Loan Transfered pursuant to scheme. Company is in process of executing loan documetns with other two banks for repayment of balances Outstanding payable to Aarti Industries limited Rs 116.96 crore"

16.3 There are no material differences between the quarterly statements of stock filed by the company with banks and the books of accounts.

16.4 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.

17	Current Liabilities - Trade Payables	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Due to			
	- Micro and Small Entereprises	3,848.84	2,114.38	
	- Other Than Micro and Small Entereprises	11,905.52	11,046.92	0.26
	Total	**15,754.36**	**13,161.30**	**0.26**

18	Other Current Liabilities	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Lease Liability Current	126.44	124.44	
	Other Current Liabilities	-	NIL	0.20
	Total	**126.44**	**124.44**	**0.20**

19	Current Provisions	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Provision for Employee Benefits	1,224.41	1,638.57	
	Other Provisions	230.80	30.59	
	Total	**1,455.20**	**1,669.16**	**0.00**

20	Current Tax Liabilities (Net)	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Current Tax Liabilities (Net)	121.79	750.00	
	Total	**121.79**	**750.00**	**0.00**

21	Revenue from Operations	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Local Sales	63,455.98	53,075.46	
	Export Sales	49,594.43	40,390.78	
	Sales of Products (Net of GST)	**1,13,050.41**	93,466.24	0.00
	Other Operating Revenues (Refer Note No. 20.1)	647.63	635.85	
	Total Revenue	**1,13,698.04**	**94,102.10**	**0.00**
21.1	**Other Operating Revenues**			
	Export Benefits/Incentives Received	506.35	501.62	
	Scrap Sales	141.28	134.23	
	Other Operating Revenues	NIL	NIL	
	Total	**647.63**	**635.85**	**0.00**

22	Other Income	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Dividend Received	123.93	247.86	
	Profit on Sale of Assets/Investment	NIL	3.22	
	Other Income	4.20	0.16	0.00
	Total	**128.13**	**251.24**	**0.00**

23	Cost of Material Consumed	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Consumption of Raw Material	60,443.63	48,374.37	
	Consumption of Packing Material	1,427.33	1,234.35	
	Consumption of Fuel	4,106.06	2,629.62	
	Consumption of Stores & Spares	2,956.37	2,780.45	
	Total	**68,933.39**	**55,018.79**	**0.00**

24	Change in Inventory	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Inventories (at commencement)			
	Finished Goods	17,251.57	15,429.71	
	Work-in-Progress	8,150.40	6,717.99	
		25,401.97	22,147.70	0.00
	Inventories (at Close)			
	Finished Goods	19,356.23	17,251.57	
	Work-in-Progress	14,298.56	8,150.40	
		33,654.79	25,401.97	0.00
	Increase in Inventory	**-8,252.82**	**-3,254.26**	**0.00**

25	Employee Benefits	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Directors' Remunderation	610.37	545.88	
	Salaries and Wages	7,576.38	6,768.13	
	Contribution to Provident and other Funds	576.49	379.29	
	Staff Welfare Expenses	358.37	305.13	
	Total	**9,121.61**	**7,998.43**	**0.00**

26	Interest	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Interest	1,405.02	1,133.89	
	Other Borrowing Costs	64.07	0.02	0.00
	Sub Total	**1,469.09**	**1,133.89**	
	Less: Amount capitalised in the cost of PPE	0.00	0.00	0.00
	Total	**1,469.09**	**1,133.91**	**0.00**

Note: Finance Cost incurred on various projects being qualifying asset is capitalised in accordance with Ind AS 23.

27	Interest	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Depreciation of Property, Plant and Equipment (Refer Note No.1)	4,151.95	3,723.30	0.00
	Total Depreciation and Amortisation Expenses	**4,151.95**	**3,723.30**	**0.00**

28	Other Expense	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	Manufacturing Expenses			
	Freight, Cartage & Transport	1,398.45	1,543.43	
	Power consumption	5,270.48	4,165.01	
	Water Charges	259.02	178.42	
	Processing Charges	580.86	604.20	
	Other Manufacturing Expenses	4,225.90	3,590.22	
	Repairs & Maintenance	2,343.25	1,992.78	
	Insurance Charges	660.73	619.89	
	Research & Development Expenses	942.77	716.36	
	Factory Administrative Expenses	1,002.77	757.24	
	Sub-Total (A)	**16,684.23**	**14,167.55**	**0.00**
	Office Administrative Expenses			
	Rent, Rates and Taxes	75.71	15.91	
	Travelling and Conveyance	94.89	42.15	
	Auditor's Remuneration	10.25	0.42	0.42
	Legal & Professional Charges	67.10	8.87	
	Postage, Telegraph & Telephone	0.49	0.21	
	Printing & Stationery Expenses	8.55	2.74	0.00
	ROC & Other Filling Fees	0.72	0.00	
	Directors Sitting Fees	2.60	0.00	
	Loss by Fire	0.00	0.00	
	Other Administrative Expenses	226.81	4.36	0.04
	Sub-Total (B)	**487.12**	**74.66**	**0.46**
	Selling and Distribution Expenses			
	Advertisement & Sales Promotion	415.22	31.47	
	Export Freight Expenses, Outward Freights	1,552.19	1,519.39	
	Commission on Sales	453.23	470.03	
	Export Insurance Charges	0.00	3.63	
	Sample Testing & Analysis Charges	38.40	42.99	
	Other Selling Expenses	36.08	4.23	
	Sub-Total ©	**2,495.12**	**2,071.74**	**0.00**
	Non-Operating Expenses			
	Donations and CSR Expenses	105.72	1.00	
	Sub-Total (D)	105.72	1.00	
	Total (A+B+C+D)	**19,772.19**	**16,314.98**	**0.46**

		As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
29	Earning Per Share (EPS)			
	Face Value Per Equity Share (in Rs.)	5.00	5.00	10.00
	Basic Earnings Per Share (in Rs.)	14.54	11.78	-0.18
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	13,173.21	10,672.61	-0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Nos)	9,06,26,008	9,06,26,008	2,50,000
	Diluted Earnings Per Share (in Rs.)	14.54	11.78	-0.18
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	13,173.21	10,672.61	-0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Nos)	**9,06,26,008**	**9,06,26,008**	**2,50,000**

29.1 Pursuant to the Scheme of Arrangment approved by NCLT, Aarti Pharmalabs Limited has issued to the Equity Shareholders of Aarti Industries Limited -For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company. The Company to allot 90626008 equity shares (1 Equity shares of Company for Every 4 Equity Shares held in Aarti Industries Limited). Existing Paid Capital of Rs 25 lakhs is Cancelled pursuant to Scheme provision

- All Investments are transfered pursuant to the Scheme of Arrangment approved by NCLT to Aarti Pharmalabs Limited. Pending trasnfer formalities, all investmens are in the name of Aarti Industries limited as at 31st December, 2022. The same will be transferred in the name of the Company in due course.
- Change in Fair value of Investment during the year is recongnised in Other Comprehensive Income (OCI) during the period.

Disclosure pursuant to Ind AS 27 - Separate Financial Statements

Investments in the following subsidiary is accounted at cost

Name of the Subsidiary	Principal Activity	Country of Incorporation	% of equity interest As at 31st Dec, 2022	% of equity interest As at 31st Dec, 2021
Aarti USA Inc	Trading of Pharmaceutical API & API Intermediates, Chemical	USA	100%	100%
Aarti Pharmachem Limited	Pharmaceutical API & API Intermediates, Chemical Manufacturing	India	100%	100%

30	Payment to Auditors	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
a.	Statutory Audit Fees	9.00	0.32	0.32
b.	Certification Fees	1.25	0.10	0.10
c.	Reimbursement of Expenses	-	-	
	Total	**10.25**	**0.42**	**0.42**

31	Contingent Liabilities and Commitments	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
(i)	Contingent Liabilities			
	(a) Claims against the company not acknowledged as Debt - Unpaid	-	-	-
	(b) Claims against the company not acknowledged as Debt - Paid (under dispute)	-	-	-
	(c) Letter of Credit, Bank Guarantees	-	-	-
(ii)	Commitments			
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	39,747.76	37,000.00	0.40
	Total	**39,747.76**	**37,000.00**	**0.40**

32 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

33 Segment Information

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.

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
FRN No. : 103264W

Tejas Parikh
Proprietor
M.No.123215
UDIN :

For and on behalf of the Board
For Aarti Pharmalabs Limited

Hetal Gogri Gala
Director
DIN:

Narendra Salvi
Director
DIN:

Piyush Lakhani
Chief Financial Officer

Nikhil Natu
Company Secretary
ICSI M.No : A27738

M. Independent Auditors' Report on Audit of Consolidated Financial Results for the year-to-date results for the period 1 April 2022 to 31 December 2022.

To Board of Directors of Aarti Pharmalabs Limited
Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Statement of Consolidated Financial Results of Aarti Pharmalabs Limited ("Holding company"), its subsidiaries and joint controlled entity (together referred to as "the Group") for the period from 1 April 2022 to 31 December 2022 ("the Statement"), being submitted by the Holding company pursuant to regulatory requirements required for the purpose of filing application to exchanges for obtaining trading approval of its equity shares.

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 reports of the other auditors on separate financial statements/ financial information of subsidiaries (refer other matter paras), the Statement:

1. includes the results of the following entities:

a. Subsidiaries
i. Aarti USA Inc
ii. Aarti Pharmachem Limited
b. Joint Controlled Entity
i. Ganesh Polychem Limited

2. are presented in accordance with the regulatory requirements required for the purpose of filing application to exchanges for obtaining trading approval of its equity shares.

3. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS-34") prescribed under section 133 of the Companies Act 2013 read with relevant rules thereunder and other accounting principles generally accepted in India of the consolidated net profit and consolidated total other comprehensive income and other financial information of the Group for year to date results for the period from 1 April 2022 to 31 December 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results.

These year-to-date consolidated financial results have been prepared on the basis of the interim financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulatory requirements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results 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 results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Board of Directors either intends to liquidate the Group 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 responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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 consolidated financial results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 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 results 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the interim consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim consolidated financial results 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 interim consolidated financial results.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

Other Matters

I. Comparative Audited Consolidated Financial Results

The comparative audited consolidated annual financial results (comprising of pharma business undertaking and investment in subsidiaries and joint controlled entity received by the Holding Company as per scheme of arrangement) for the period 1 July 2021 (Appointed date) to 31 March 2022 were audited by erstwhile statutory auditors, Kirtane & Pandit, LLP (FRN: 105215W/W100057), Chartered Accountant of Aarti Industries Limited ("Demerged Company") whose annual auditors report on demerged company consolidated financial results dated 27 May 2022 had expressed an unmodified opinion on financial statements.

Our opinion is not modified in respect of above matter.

II. Effect of Scheme of Arrangement

a) The Scheme of Arrangement for the demerger of Pharma Business Undertaking from Aarti Industries Limited ("the demerged company") to its wholly owned subsidiary Aarti Pharmalabs Limited ("the resulting company" or "the Holding Company") between the two companies and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 ('Act') and all other applicable provisions of the Companies Act, 2013 ("the Scheme") was approved by Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench on 21 September 2022. Accordingly, all the assets and liabilities pertaining to the Pharma Business Undertaking, including supporting manufacturing units, employees, cash and cash equivalents and investments (including investments in subsidiaries and joint ventures), as defined in the Scheme, stand transferred and vested into the Company from its Appointed Date i.e. from 1 July 2021. Pursuant to demerger, investments in subsidiaries, namely, Aarti USA, Inc, Aarti Pharmachem Limited and investment in joint controlled entity namely, Ganesh Polychem Limited was transferred to the Holding Company. Further investment of Demerged Company in Aarti Pharmalabs Limited (earlier known as Aarti Organics Limited) is cancelled and as a result no longer remains subsidiary of the demerged company.

b) Pending receipt of the NCLT Order approving scheme of arrangement, consolidated financial statements of the demerged company (before giving effect to scheme of arrangement) for the year ended 31 March 2022 were approved by the Board of Directors of demerged company in their meeting held on 27 May 2022 and audited by erstwhile statutory auditors (refer para I above). Subsequently, the same were approved by their shareholders in the general meeting held on 26 September 2022.

c) We, Gokhale & Sathe, Chartered Accountants (FRN: 103264W) were appointed as statutory auditors of the Company to fill casual vacancy caused due to resignation of Jatin Vora & Associates, Chartered Accountants, through resolution passed by shareholders of the Company through postal ballot on 10 January 2023.

d) The management of the Company approached us to perform agreed upon procedures on consolidated financial results prepared to give effect to scheme of arrangement. Accordingly, we have performed agreed upon procedures as per Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India and we report that as follows.

" consolidated financial results prepared by the management of the Holding Company (comprising of pharma business undertaking along with investment in subsidiaries and joint controlled entity received as part of scheme of arrangement) for period 1 July 2021 to year ended 31 March 2022 is as per accounting treatment and information mentioned in the scheme.

" It is drawn from consolidated financial statements prepared and audited by erstwhile statutory auditors of Demerged Company as mentioned in I above.

" It is extracted from the books of accounts maintained by the Demerged Company having records/information maintained for pharma business undertaking and speciality chemical business.

III. Financial Results of Subsidiaries/Jointly Controlled Entity not audited by us.

The consolidated financial results include the audited financial results of 2 subsidiaries (including 1 foreign subsidiary) and 1 joint controlled entity whose interim financial Results/ financial information reflects total revenues of Rs. 33004.22 lakhs and total net profit after tax (net) of Rs. 1929.15 lakhs for the period from 1 April 2022 to 31 December 2022 respectively, as considered in the consolidated financial results, which have been audited by their respective independent auditors. The independent auditors' reports on interim financial statements/Financial Results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion is not modified in respect of above matters.

For GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Registration No.: 103264W

Sd/-
Tejas Parikh
Partner
Membership No.: 123215
UDIN: - 23123215BGQKZR9410
Place: Mumbai
Date: 17 January 2023

N. Consolidated Audited Financial Statement For The Nine Months Ended December 31, 2022 & Financial Year Ended March 31, 2022

(Rs. in lakhs)

Particulars	Note No.	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
A ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	1	89,275.8	78,008.8	0
(b) Capital Work-in-Progress	1	7,702.33	16,522.59	0
(c) Goodwill	1	178.06	178.06	0
(d) Intangible Assets	1	19.18	22.52	0
(e) Intangible Assets Under Developments	1	3,762.04	2,214.02	0
(f) Financial Assets		0	0	0
(i) Investments	2	3,556.83	3,222.55	0
(ii) Other Financial Assets	3	905.05	858.42	0.00
(g) Other Non-Current Assets	4	429.10	148.27	0.00
Total Non-Current Assets		**10,5828.39**	**10,1175.23**	**0**
2 Current Assets				
(a) Inventories	5	59,129.46	47,545.37	0.00
(b) Financial Assets				
(i) Investments		2,330.07	-	-
(ii) Trade Receivables	6	42,896.49	37,665.71	0.00
(iii) Cash and Cash Equivalents	7	8,218.05	8,327.34	25.00
(iv) Loans	8	741.79	613.81	0.00
(v) Other Financial Assets	9	4,459.41	7,701.89	0.00
(c) Other Current Assets	10	1,089.50	960.77	0.00
Total Current Assets		**11,8864.77**	**10,2814.89**	**25.00**
TOTAL ASSETS		**22,4693.16**	**20,3990.11**	**25.00**
B EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share Capital	11	4,531.30	25.00	25.00
(b) Equity Share Capital pending allotment upon scheme of arrangment	11	0	4,531.30	0
(c) Other Equity	12	14,9300.05	13,4091.65	-2.19
Total Equity		**15,3831.35**	**13,8647.95**	**22.81**
2 LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	13	38.88	55.45	-
Other Non Current Financial Liability	14	151.23	153.23	-
Provisions		261.43	-	-
(b) Deferred Tax Liabilities (Net)	15	77,10.22	7,066.99	-
Total Non-Current Liabilities		**8,161.76**	**7,275.67**	**-**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	29,686.56	33,772.75	1.73
(ii) Trade Payables Due to				
- Micro and Small Entereprises	17	3,848.84	2,114.38	0.26
- Other Than Micro and Small Entereprises	17	27,153.75	19,344.39	-
(iii) Others				
(b) Other Current Liabilities	18	151.92	189.42	0.20
(c) Provisions	19	1,737.18	1,895.55	0.00
(d) Current Tax Liabilities (Net)	20	121.79	750	0.00
Total Current Liabilities		**62,961.48**	**58,066.49**	**2.19**
Total Liabilities		**71,123.24**	**65,342.16**	**2.19**
TOTAL EQUITY AND LIBILITIES		**2,24,693.16**	**2,03,990.12**	**25.00**
Significant Accounting Policies				
Accompanying Notes to the Financial Statements	**1-32**	**0.00**	**0.00**	**0.00**

The accompanying notes are an integral part of the Ind AS financial statements.

Consolidated Statement of Profit and Loss for the Period Ended 31st December, 2022

(Rs. in lakhs)

	Particulars	Note No.	As at 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
I	Revenue from Operations	21	1,46,017.09	1,19,994.31	-
II	Other Income	22	157.33	251.33	-
III	**Total Income (I+II)**		**1,46,174.42**	**1,20,245.63**	**-**
IV	**EXPENSES**				
	(a) Cost of Materials Consumed	23	78,731.02	61,124.15	-
	(b) Purchase of Stock In trade		20,613.99	16,291.50	-
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	24	-11,869.43	-4,904.87	-
	(d) Employee Benefits Expense	25	9,646.31	8,520.30	-
	(e) Finance Costs	26	1,511.25	1,195.88	-
	(f) Depreciation / Amortisation Expenses	27	4,659.16	4,211.86	-
	(g) Other Expenses	28	22,688.79	18,268.62	0.46
	Total Expenses (IV)		**1,25,981.09**	**1,04,707.44**	**0.46**
V	**Profit before Exceptional Items and Tax (III-IV)**		**20,193.33**	**15,538.19**	**-0.46**
VI	Exceptional Items		-	-	-
V	**Profit before Tax (III-IV)**		**20,193.33**	**15,538.19**	**-0.46**
VI	**TAX EXPENSE**				
	Current Tax		4,175.50	2,732.50	-
	Earlier Year Tax		312.86	-	-
	MAT Credit Entitlement		-	112.50	-
	Deferred Tax		643.23	467.93	-
	Total Tax Expenses		5,131.59	3,312.93	-
VII	Profit for the year (V-VI)		15,061.74	12,225.26	-0.46
VIII	**OTHER COMPREHENSIVE INCOME**				
	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)		159.58	706.86	-0.00
	- Remeasurement of defined employee benefit plans (net of tax)		-	-	-
	b. Items that will be reclassified to Statement of Profit and Loss		-	-	-
	Other Comprehensive Income (Net of Tax)		159.58	706.86	-0.00
IX	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX (VII+VIII)**		**15,221.32**	**12,932.12**	**-0.46**
X	**Earnings Per Equity Share of Face Value of Rs 10 Each (EPS) (in Rs.)**	**29**			
	Basic		16.62	13.49	-0.18
	Diluted		16.62	13.49	-0.18
	Significant Accounting Policies				
	Accompanying Notes to the Financial Statements	**1-32**			

Consolidated Cash Flow Statement for the Period Ended 31st December, 2022

(Rs. in lakhs)

Sr. No.	Particulars	For the Period Ended 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before Tax	20,193.33	15,538.22	-0.46
	Adjusted for:			
	- Finance Costs	1,511.25	1,195.88	0.00
	- Depreciation/Amortisation	4,659.16	4,211.86	0.00
	Consolidated Adjustments	0.00	85.72	0.00
	- Dividend Income	-128.13	-247.86	0.00
	- Interest Income	-29.20	-0.76	0.00
	- Profit on sales	0.00	-4.01	0.00
	Operating Profit before Working Capital Changes	**26,206.41**	**20,779.05**	**-0.46**
	Adjusted for:			
	- (Increase)/Decrease in Trade and Other Receivables	-2,009.89	-10,250.92	0.46
	- (Increase)/Decrease in Inventories	-11,538.88	-5,599.20	0.00
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	7,759.87	-7186.23	0.00
	Cash Generated from Operations	20,417.51	-2,257.30	0.00
	Taxes Paid (Net)	-4,456.73	-2,112.93	0.00
	Net Cash Flow from Operating Activities	15,960.78	-4,370.23	0.00
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Acquisition of Property, Plant and Equipment and Capital Work In Progress	-8,650.58	-14,115.20	0.00
	Other Investments	-2,330.07	-11.32	0.00
	Dividend Income	128.13	247.86	0.00
	Interest Income	29.20	0.76	0.00
	Proceeds from Sale of Investments	500.00	4.01	0.00
	Net Cash Flow used in Investing Activities	-10,323.32	-13,873.89	0.00
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds/(Repayment) from Current Borrowing (Net)	-4,111.56	27,234.22	0.00
	Finance Costs	-1,511.25	-1,195.88	0.00
	Dividends Paid	-123.93	0.00	0.00
	Net Cash Flow from /(used in) Financing Activities	**-5,746.74**	**26,038.34**	**0.00**
	Net Increase/(Decrease) in Cash and Cash Equivalents	-109.28	7,794.22	0.00
	Opening Balance of Cash and Cash Equivalents	8,327.34	533.11	25.00
	Closing Balance of Cash and Cash Equivalents	**8,218.06**	**8,327.34**	**25.00**

Notes:

1 The accompanying notes are an integral part of the Ind AS financial statements.

2 The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India.

3 Cash and Cash Equivalents comprises of:

Particulars	For the Period Ended 31st Dec,2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
a. Cash on Hand	7.87	5.72	25.00
b. Balances with Banks	8,210.19	8,321.62	0.00
Total	**8,218.06**	**8,327.34**	**25.00**

Consolidated Statement of Changes in Equity for the Period Ended 31st December, 2022

A. Equity Share Capital

(Rs. in Lakhs)

As at 31st March, 2020	25.00
Changes in equity share capital during the year 2020-21	-
As at 31st March, 2021	25.00
Changes in equity share capital during the year 2021-22	-
As at 31st March, 2022	25.00
Changes in equity share capital during the year 2022-23	4506.30
As at 31st December, 2022	4,531.30

B. Other Equity

(Rs. in lakhs)

Particulars	Ratained Earnings	General Reserve	Securities premium	Capital Reserve	Capital Redemption Reserve	Other Comprehensive Income	Total
Balance as at 31st Mar, 2020	-1.73	-	-			-	-1.73
Profit for the year	-0.46						
Balance as at 31st Mar, 2021	-2.19	-	-			-	-2.19
Share Issue	-4,531.30		-			-	-4,531.30
Transferred On Account of Scheme of Arrangment	64,455.50	8,187.56	44,032.54	-	-	349.58	1,17,025.17
Total Comprehensive Income for the year					706.86	706.86	
Profit for the year	10,672.61					-	10,672.61
Dividend Paid	0						0
Remeasurement of defined employee benefit plans (net of tax)	-	-	-	-	-	-	-
Balance as at 31st Mar, 2022	**70,594.62**	**8,187.56**	**44,032.54**	**-**	**-**	**1,056.44**	**1,23,871.16**
Transferred On Account of Scheme of Arrangment	-	-	-			-	-
Share capital Cancellaiton on account of Scheme of Arrangment	-	-	-	-	25.00	-	25.00
Total Comprehensive Income for the year	-	-	-			-7.21	-7.21
Profit for the year	10				-	13,173.21	13,173.21
Dividend Paid	-	-	-	-	-	-	-
Balance as at 31st Dec 2022	**83,767.83**	**8,187.56**	**44,032.54**	**-**	**25.00**	**1,049.23**	**1,37,062.14**

Corporate Information and Significant Accounting Policies:

A. Corporate Information

AARTI PHARMALABS LIMITED ("the Company") is a Public Limited Company incorporated under the provisions of the Companies Act, 2013. During Fy 2021-22, Company has change its name from Aarti Organics limited to Aarti Pharmalabs limited and same is approved at ROC. Necessary changes has been incorporate in all places including MOA & AOA. During Fy 2021-22 Company has changed its Registered Office to Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad Gujarat – 396195 and same is approved at ROC.

The Honourable NCLT - Ahmedabad Bench has approved the scheme of arrangment between Aarti Industries Limited , Aarti Pharmalabs Limited and their shareholders on 21 September, 2022; pursuant to which, the Pharma Undertaking of Aarti Industries Limited is transferred to the Company w.e.f. Appointment Date (i.e. with effect from 1st July, 2021).

The Company is into Manufacture of Active Pharmaceuticals Ingredients ("APIs"), Manufacture of API / KSM intermediates and Xanthine derivatives for the pharmaceutical and food/beverages industry. Company is specialise in generic APIs, generic intermediates, and xanthine derivatives. Company also provides CDMO services for drug substance/NCE development and manufacturing for innovative pharmaceutical and biotech firms with a focus on the Ph-I/II/III, launch, and commercial phases. Company has dedicated facilities for the production of HPAPIs, corticosteroids, cytotoxic medicines, and oncology products

Manufacturing Units of the Company are located at Maharashtra & Gujarat State at various locations

B Significant Accounting Policies

(i) The Consolidated Financial Statements comprise financial statements of Aarti Pharmalabs Limited ("The Holding Company"), subsidiaries and joint control entity

The principal activities of the Group consist of manufacturing and dealing in Pharmaceuticals, Nutraceuticals & chemicals

In preparing Consolidated Financial Statements, financial statements of below entities are considered,

(ii) **Background:**

	Name of the Subsidiary	Country	(%)
	Indian Subsidiary:		
(i)	Aarti Pharmachem Limited	India	100.00%
	Foreign Subsidiary:		
(i)	Aarti USA Inc.	USA	100.00%
	Joint Control:		
(i)	Ganesh Polychem Limited	India	50.00%

(iii) Basis of Prepration and Presentation:

Significant Accounting policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosures and a guide to better understanding of the consolidated position of the Companies. Recognizing this purpose the Company has disclosed only such Policies and Notes from the individual financial statements which fairly present the needed disclosures.

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules 2015 and amended by the Companies (Indian Accounting Standards) {Amendment} Rules 2016.

(iv) Principles of Consolidation :

(i) The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements & Indian Accounting Standard (Ind AS) 28 -Accounting for Investments in Associates in Consolidated Financial Statements and Indian Accounting Standard (Ind AS) 111 - Joint Arrangements.

(ii) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company Subsidiary Companies and Joint Control Entity drawn up to the same reporting date i.e 31st Dec 2022

(iii) 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.

(iv) The consolidation of financial statements of the Parent Company and its Subsidiaries is done on line by adding together the book values of the like items of assets liabilities income and expenses after eliminating all significant intra-group balances intra-group transactions and unrealized profit or loss except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.

(v) Both the subsidiary consolidated are 100% subsidiary & there is no Non Controlling Interest as at balance sheet date

(vi) 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.

(vii) Investments in Associates are accounted for using equity method in accordance with Indian Accounting Standard (Ind AS) 28 "Accounting for Investment in Associates in Consolidated Financial Statements" under which the investment is initially recorded at cost identifying any goodwill or capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses are recouped.

(viii) Investments in joint operations are accounted using the Proportionate Consolidation Method as per Indian Accounting Standard (Ind AS) 111 "Joint Arrangements".

B.1 Basis of Preparation and Presentation

"The financial statements of the Company have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:a. Certain financial assets and liabilities that are measured at fair value; andb. Defined benefit plans - Plan assets measured at fair value."

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) (Amendment) Rules, 2015 amended from time to time and other relevant provisions of the Act.

Company's Financial Statements are presented in Indian Rupees (`), which is also its functional currency and all values are rounded to the nearest Lakhs (` 00,000), except when otherwise indicated.

The financial statements of the Company for the Period ended 31.12.2022 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 17th January, 2023

B.2 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in subsequent financial years.

(a) 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.

(b) 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.

(c) 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.

(d) 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.

B.3 Summary of Significant Accounting Policies

(a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

"An asset is treated as Current when it is –- Expected to be realised or intended to be sold or consumed in normal operating cycle;- Held primarily for the purpose of trading;- Expected to be realised within twelve months after the reporting period, or- Cash or cash equivalent unless 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."

"A liability is considered as Current, when -- It is expected to be settled in normal operating cycle;- It is held primarily for the purpose of trading;- It is due to be settled within twelve months after the reporting period, or- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.All other liabilities are classified as non-current."

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

(c) 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 intangible assets.

(d) Valuation of Inventories

Inventories are valued at Cost or Net Realizable Value whichever is lower.

Inventories have been valued on the following basis:

a. Raw Materials, Packing Material, Stores and Spares Weighted Average cost or net realisable value, whichever is lower

b. Work-in-Progress - At cost plus appropriate allocation of overheads or net realisable value, whichever is lower

c. Finished Goods - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

(e) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments that are readily convertilbe to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Revenue Recognition

(i) Revenue from Sale of Goods to customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Sale of Scrap and obsolete stores is accounted for at the time of disposal.

(ii) Export entitlements are recognized on realization.

(iii) Revenue in respect of Interest is recognized on the time proportion method.

(iv) Industrial Promotion Incentive granted by State Government is recognised when claim in respect of Entitlement is made & admitted after close of yearly Sales Tax Assessment.

(v) Dividend Income is recognised when the Company's right to receive the amount has been established.

(g) Government Grants

(i) Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

(ii) Government grants are recognised in Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

(iii) In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(h) Depreciation/Amortization

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Shchedule II;

Sr. No.	Particulars	Depreciation or Amortisation
1.	Leasehold Land	Over the remaining tenure of lease
2.	Building	Over a period of 19 years
3.	Plant & Machinery	Over its useful life as technically assessed, i.e over a Period of 19 years, based on the type of Equipment
4.	Computers	Over a period of 2.5 years
5.	Office Equipments	Over a period of 5 years
6.	Furniture and Fixtures	Over a period of 10 years
7.	Vehicles	Over a period of 7 years
8.	Intangible Assets (Product Registration Rights)	Over a period of 5 years

(i) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(j) Foreign Currency Transactions

Foreign currency transactions are accounted at the rates prevailing on the date of the transactions. The exchange rate differences arising out of such transactions are approriately dealt in the financial statements in accordance with the applicables accounting standards.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

(k) Operating Leases

As a lessee:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature.

Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

(l) Finance Costs

Borrowing Costs other than those directly attributable to Qualifying Assets are recognised as expenses in profit or loss in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements.

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(n) Employee Benefits

Short-term Benefits

Short term employee benefits including accumulating compensated absences are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

Post-retirement Benefits

Defined Contribution Plans

Retirement Benefits in the form of Provident Fund which is a defined contribution schemes is charged to the statement of profit and loss for the period in which the contributions to the fund accrue as per the relevant statute.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the gratuity fund maintained with Life Insurance Corporation of India, exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurements of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

(o) Taxes on Income

The tax expense for the period comprises of current tax and deferred income tax. 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.

Current Tax

Tax on income for the current period is determined on the basis on 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. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT)

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the same at each balance sheet date.

P. Financial Instruments

Øè Financial Assets

I Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

II Subsequent Measurement

(i) Financial assets measured at Amortised Cost (AC)

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 specific dates to cash flows that are 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 specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets measured at Fair Value Through Profit or Loss (FVTPL)

A financial assets, which are not classified in any of the above categories are measured at FVTPL.

III Equity Investments

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. Equity Investments in Subsidiaries are carried individually at cost less accumulated impairment, if any.

IV Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses, 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables, the Company applies 'simplified approach', which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

Øè Financial Liabilities

I Initial Recognition and Measurement

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

II Subsequent Measurement

Financial liabilities are carried at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

Øè Derecognition of Financial Instruments

The Company derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. 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.

Øè Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q. Earnings Per Shares

Basic earnings per share are calculated by dividing the Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the 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 effect of all dilutive potential equity shares.

C. Recent Acccounting Pronouncements

Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase 2

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

- Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.
- Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The amendments do not have any impact on the financial statements.

Amendment to Ind AS 103 "Business Combination" – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 – Business Combinations. The management does not expect the amendment to have any impact in its financial statements.

Amendment to Ind AS 16 "Property, Plant and Equipment" – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The management does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Property, Plant and Equipment (FY 2022- 23)

		GROSS BLOCK								DEPRECIATION		NET BLOCK	
	Particulars	**Balance as at 1st April, 2021**	**Addition on Account of Scheme of Arrangment**	**Additions/ Adjustments**	**Deduction/ Adjustments**	**Balance as at 31st March, 2022**	**Balance as at 1st April, 2021**	**Addition on Account of Scheme of Arrangment**	**Depreciation charge for the year**	**Deduction/ Adjustments**	**Balance as at 31st March, 2022**	**Balance as at 31st March, 2022**	**Balance as at 31st March, 2021**
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	3,858.72	-	-	-	3,858.72	-	-	-	-	-	3,858.72	3,858.72
	Leasehold Land	2,639.80	-	-	-	2,639.80	238.98	-	21.76	-	260.74	2,379.06	2,400.81
	Buildings	12,024.92	-	3,539.88	-	15,564.80	3,977.06	-	622.54	-	4,599.60	10,965.19	8,047.85
	Buildings	588.05	-	-	-	588.05	432.75	-	-	-	432.75	155.30	155.30
	Plant and Machinery	97,310.83	-	12,283.84	-	1,09,594.66	34,631.58	-	3,862.66	-	38,494.24	71,100.40	62,679.25
	Furniture and Fixtures	697.79	-	0.83	-	698.62	316.08	-	38.97	-	355.05	343.58	381.71
	Office Equipments	214.55	-	6.69	-	221.25	130.59	-	17.42	-	148.02	73.23	83.96
	Computers, Printers	559.19	-	41.65	-	600.84	484.95	-	42.20	-	527.15	73.69	74.24
	Vehicles	625.71	-	49.94	-	675.65	298.73	-	50.28	-	349.01	287.29	326.98
	Total	**1,18,519.56**	**-**	**15,922.83**	**-**	**1,34,442.37**	**40,510.74**	**-**	**4,655.83**	**-**	**45,166.56**	**89,275.80**	**78,008.82**
II	**InTangible Assets**												
	Goodwill on Consolidation	178.06	-	-	-	178.06	-	-	-	-	-	178.06	178.06
	IT software & Other Intangible Assets	3,802.32	-	-	-	3,802.32	3,779.81	-	3.33	-	3,783.14	19.18	22.52
	Total	**3,980.38**	**-**	**-**	**-**	**3,980.38**	**3,779.81**	**-**	**3.33**	**-**	**3,783.14**	**197.24**	**200.57**
III	**Gross Total**	**1,22,499.94**	**-**	**15,922.83**	**-**	**1,38,422.75**	**44,290.54**	**-**	**4,659.16**	**-**	**48,949.70**	**89,473.04**	**78,209.40**
III	**Capital Work-in-Progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,464.37**	**18,736.61**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

e. Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st December, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	**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	0.00	0.00	0.00	0.00	7,852.33
Projects temporarily suspended	0	0	0	0	0
	0.00	**0.00**	**0.00**	**0.00**	**7,852.33**

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	1,548.02	2,214.02	0.00	0.00	3,762.04
Projects temporarily suspended	0	0	0	0	0.00
	1,548.02	**2,214.02**	**0.00**	**0.00**	**3,762.04**

FY 2021-22

		GROSS BLOCK								DEPRECIATION		NET BLOCK	
	Particulars	**Balance as at 1st April, 2021**	**Addition on Account of Scheme of Arrangment**	**Additions/ Adjustments**	**Deduction/ Adjustments**	**Balance as at 31st March, 2022**	**Balance as at 1st April, 2021**	**Addition on Account of Scheme of Arrangment**	**Depreciation charge for the year**	**Deduction/ Adjustments**	**Balance as at 31st March, 2022**	**Balance as at 31st March, 2022**	**Balance as at 31st March, 2021**
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	38,58,71,999.00	-	-	-	38,58,71,999.00	-	-	-	-	-	38,58,71,999.00	38,58,71,999.00
	Leasehold Land	26,39,79,884.00	-	-	-	26,39,79,884.00	2,38,98,488.00	-	21,75,618.37	-	2,60,74,106.37	23,79,05,777.63	24,00,81,396.00
	Buildings	1,20,24,91,582.00	-	35,39,87,997.57	-	1,55,64,79,579.57	39,77,06,461.00	-	6,22,53,963.00	-	45,99,60,424.00	1,09,65,19,155.57	80,47,85,121.00
	Leasehold Factory Building	5,88,04,725.00	-	-	-	5,88,04,725.00	4,32,74,971.00	-	-	-	4,32,74,971.00	1,55,29,754.00	1,55,29,754.00
	Plant and Machinery	9,73,10,82,908.00	-	1,22,83,83,520.56	-	10,95,94,66,428.56	3,46,31,57,866.00	-	38,62,66,320.09	-	3,84,94,24,186.09	7,11,00,42,242.47	6,26,79,25,042.00
	Furniture and Fixtures	6,97,79,428.00	-	-	-	6,97,79,428.00	3,16,08,048.00	-	38,96,732.84	-	3,55,04,780.84	3,42,74,647.16	3,81,71,380.00
	Office Equipments	2,14,55,318.00	-	6,69,243.75	-	2,21,24,561.75	1,30,59,378.00	-	17,42,199.06	-	1,48,01,577.06	73,22,984.69	83,95,940.00
	Computers, Printers	5,59,19,106.00	-	41,64,985.50	-	6,00,84,091.50	4,84,95,442.00	-	42,19,508.65	-	5,27,14,950.65	73,69,140.85	74,23,664.00
	Vehicles	6,25,71,180.00	-	10,58,818.84	-	6,36,29,998.84	2,98,73,028.00	-	50,28,360.52	-	3,49,01,388.52	2,87,28,610.32	3,26,98,152.00
	Total	**11,85,19,56,130.00**	**-**	**1,58,82,64,566.22**	**-**	**13,44,02,20,696.22**	**4,05,10,73,682.00**	**-**	**46,55,82,702.52**	**-**	**4,51,66,56,384.52**	**8,92,35,64,311.70**	**7,80,08,82,448.00**
II	**InTangible Assets**												
	Goodwill on Consolidation	1,78,05,673.00	-	-	-	1,78,05,673.00	-	-	-	-	-	1,78,05,673.00	1,78,05,673.00
	IT software & Other Intangible Assets	38,02,32,257.00	-	-	-	38,02,32,257.00	37,79,80,504.00	-	3,33,420.00	-	37,83,13,924.00	19,18,333.00	22,51,753.00
	Total	**39,80,37,930.00**	**-**	**-**	**-**	**39,80,37,930.00**	**37,79,80,504.00**	**-**	**3,33,420.00**	**-**	**37,83,13,924.00**	**1,97,24,006.00**	**2,00,57,426.00**
III	**Gross Total**	**12,24,99,94,060.00**	**-**	**1,58,82,64,566.22**	**-**	**13,83,82,58,626.22**	**4,42,90,54,186.00**	**-**	**46,59,16,122.52**	**-**	**4,89,49,70,308.52**	**8,94,32,88,317.70**	**7,82,09,39,874.00**
III	**Capital Work-in-Progress**						**-**	**-**	**-**	**-**	**-**	**1,14,64,37,050.26**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 1 - Property, Plant and Equipment (FY 2022- 23)

		GROSS BLOCK								DEPRECIATION		NET BLOCK	
	Particulars	**Balance as at 1st April, 2021**	**Addition on Account of Scheme of Arrangment**	**Additions/ Adjustments**	**Deduction/ Adjustments**	**Balance as at 31st March, 2022**	**Balance as at 1st April, 2021**	**Addition on Account of Scheme of Arrangment**	**Depreciation charge for the year**	**Deduction/ Adjustments**	**Balance as at 31st March, 2022**	**Balance as at 31st March, 2022**	**Balance as at 31st March, 2021**
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	3,858.72	-	-	-	3,858.72	-	-	-	-	-	3,858.72	3,858.72
	Leasehold Land	2,639.80	-	-	-	2,639.80	238.98	-	21.76	-	260.74	2,379.06	2,400.81
	Buildings	12,024.92	-	3,539.88	-	15,564.80	3,977.06	-	622.54	-	4,599.60	10,965.19	8,047.85
	Buildings	588.05	-	-	-	588.05	432.75	-	-	-	432.75	155.30	155.30
	Plant and Machinery	97,310.83	-	12,283.84	-	1,09,594.66	34,631.58	-	3,862.66	-	38,494.24	71,100.42	62,679.25
	Furniture and Fixtures	697.79	-	-	-	697.79	316.08	-	38.97	-	355.05	342.75	381.71
	Office Equipments	214.55	-	6.69	-	221.25	130.59	-	17.42	-	148.02	73.23	83.96
	Computers, Printers	559.19	-	41.65	-	600.84	484.95	-	42.20	-	527.15	73.69	74.24
	Vehicles	625.71	-	10.59	-	636.30	298.73	-	50.28	-	349.01	287.29	326.98
	Total	**1,18,519.56**	**-**	**15,882.65**	**-**	**1,34,402.21**	**40,510.74**	**-**	**4,655.83**	**-**	**45,166.56**	**89,235.64**	**78,008.82**
II	**InTangible Assets**												
	Goodwill on Consolidation	178.06	-	-	-	178.06	-	-	-	-	-	178.06	178.06
	IT software & Other Intangible Assets	3,802.32	-	-	-	3,802.32	3,779.81	-	3.33	-	3,783.14	19.18	22.52
	Total	**3,980.38**	**-**	**-**	**-**	**3,980.38**	**3,779.81**	**-**	**3.33**	**-**	**3,783.14**	**197.24**	**200.57**
III	**Gross Total**	**1,22,499.94**	**-**	**15,882.65**	**-**	**1,38,382.59**	**44,290.54**	**-**	**4,659.16**	**-**	**48,949.70**	**89,432.88**	**78,209.40**
III	**Capital Work-in-Progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,464.37**	**18,736.61**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st December, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	**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**	**Average****
Projects in progress	3,210.66	4,491.68	0.00	0.00	7,702.33
Projects temporarily suspended	0	0	0	0	0
	3,210.66	**4,491.68**	**0.00**	**0.00**	**7,702.33**

Capital Work-in-Progress	**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**	**Average****
Projects in progress	1,548.02	2,214.02	0.00	0.00	3,762.04
Projects temporarily suspended	0	0	0	0	0.00
	1,548.02	**2,214.02**	**0.00**	**0.00**	**3,762.04**

Note 1 - Property, Plant and Equipment (FY 2021-22)

		GROSS BLOCK								DEPRECIATION		NET BLOCK	
	Particulars	**Balance as at 1st April, 2022**	**Addition on Account of Scheme of Arrangment**	**Additions/ Adjustments**	**Deduction/ Adjustments**	**Balance as at 31st Dec, 2022**	**Balance as at 1st April, 2022**	**Addition on Account of Scheme of Arrangment**	**Depreciation charge for the year**	**Deduction/ Adjustments**	**Balance as at 31st Dec, 2022**	**Balance as at 31st Dec, 2022**	**Balance as at 31st March, 2022**
1	**Property, Plant and Equipment**												
I	**Tangible Assets**												
	Freehold Land	-	3,858.72	-	-	3,858.72	-	-	-	-	-	3,858.72	-
	Leasehold Land	-	2,356.64	283.16	-	2,639.80	-	208.56	30.42	-	238.98	2,400.81	-
	Buildings	-	10,545.82	1,479.10	-	12,024.92	-	3,541.06	436.00	-	3,977.06	8,047.85	-
	Buildings	-	440.88	147.17	-	588.05	-	320.36	112.39	-	432.75	155.30	-
	Plant and Machinery	-	88,296.52	9,014.31	-	97,310.83	-	30,863.63	3,767.95	-	34,631.58	62,679.25	-
	Furniture and Fixtures	-	692.23	5.57	-	697.79	-	273.99	42.09	-	316.08	381.71	-
	Office Equipments	-	189.46	25.10	-	214.55	-	114.29	16.30	-	130.59	83.96	-
	Computers, Printers	-	533.76	25.43	-	559.19	-	411.72	73.24	-	484.95	74.24	-
	Vehicles	-	508.30	169.86	52.45	625.71	-	309.01	33.05	43.33	298.73	326.98	-
	Total	**-**	**1,07,422.32**	**11,149.69**	**52.45**	**1,18,519.56**	**-**	**36,042.62**	**4,511.44**	**43.33**	**40,510.74**	**78,008.82**	**-**
II	**InTangible Assets**												
	Goodwill on Consolidation	-	178.06	-	-	178.06	-	-	-	-	-	178.06	-
	IT software & Other Intangible Assets	-	3,783.76	18.56	-	3,802.32	-	3,773.41	6.40	-	3,779.81	22.52	-
	Total	**-**	**3,961.82**	**18.56**	**-**	**3,980.38**	**-**	**3,773.41**	**6.40**	**-**	**3,779.81**	**200.57**	**-**
III	**Gross Total**	**-**	**1,11,384.14**	**11,168.25**	**52.45**	**1,22,499.94**	**-**	**39,816.03**	**4,517.84**	**43.33**	**44,290.54**	**78,209.40**	**-**
III	**Capital Work-in-Progress**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,736.61**	**-**

NOTES -

a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmalabs Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transfered to Company are shown as addtion during the year on account of scheme of Arrangment.

b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities aquired under business combinations at Fair Value. Aarti Industries Limited is Ind As compliant and hence assets and liabilites were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangment approved by NCLT.

c. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citi Bank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.

e. Company has not capitalised any Borrowing costs to the Fixed Assets

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st December, 2022 is as follows:

(Rs. in Lakhs)

Capital Work-in-Progress	**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**	**Average****
Projects in progress	10,903.13	4,956.18	663.28	0.00	16,522.59
Projects temporarily suspended	0	0	0	0	0
	10,903.13	**4,956.18**	**663.28**	**0.00**	**16,522.59**

Capital Work-in-Progress	**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**	**Average****
Projects in progress	2,214.02	0.00	0.00	0.00	2,214.02
Projects temporarily suspended	0	0	0	0	0
	2,214.02	**0.00**	**0.00**	**0.00**	**2,214.02**

Note 2 - Non Current Financial Assets - Investments

Particulars	**Number of Units/Shares (all fully paid up)**					**As at 31st Dec, 2022**	**As at 31st March, 2022**	**As at 31st March, 2021**
	Opening Balance	**Transfer Pursuant to Scheme**	**Acquisition**	**Disposal**	**Closing Balance**			
Investments - (Unquoted) in Equity Shares of Other Companies								
Dilesh Roadlines Private Limited	0	464550	0	0	464550	1123.24	1041.34	0.00
Aarti Ventures Limited	0	454364	0	0	454364	738.75	739.02	0.00
Tarapur Environment Protection Society	0	21751	0	0	21751	61.97	61.97	0.00
Derma Touch Inc.	0	N.A.	0	0	N.A	942.58	899.21	0.00
Invatech Pharma Solutions LLC		N.A.			N.A	124.10	113.69	0.00
Investments - (Unquoted) in Limited Liability Partnership								
Aarti Udyog Limited Liability Partnership		N.A.			N.A	566.19	367.33	0.00
Total	**-**	**-**		**-**	**-**	**3,556.83**	**3,222.55**	**-**

- All Investments are transfered pursuant to the Scheme of Arrangment approved by NCLT to Aarti Pharmalabs Limited. Pending trasnfer formalities, all investmens are in the name of Aarti Industries limited as at 31st December, 2022. The same will be transferred in the name of the Company in due course.
- Change in Fair value of Investment during the year is recongnised in Other Comprehensive Income (OCI) during the period.

Disclosure pursuant to Ind AS 27 - Separate Financial Statements

Investments in the following subsidiary is accounted at cost

Name of the Subsidiary	**Principal Activity**	**Country of Incorporation**	**% of equity interest As at 31st Dec, 2022**	**% of equity interest As at 31st Dec, 2022**
Aarti USA Inc	Trading of Pharmaceutical API & API Intermediates, Chemical	USA	100%	100%
Aarti Pharmachem Limited	Pharmaceutical API & API Intermediates, Chemical Manufacturing	India	100%	100%

(Rs. in lakhs)

3	Other Financial Assets	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Deposits	905.05	858.42	0.00
	Total	**905.05**	**858.42**	**0.00**

4	Other Non-Current Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Income Tax Assets (Net of Provisions)	0.00	37.44	0.00
	Capital Advance	429.10	110.82	0.00
	Total	**429.10**	**148.26**	**0.00**

5	Current Assets - Inventories	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Raw Materials and Components (incl of In-transit stock)	18,856.17	19,067.03	0.00
	Work-in-progress	14,960.53	9,006.48	0.00
	Finished Goods (incl of In-transit stock)	24,757.31	19,021.78	0.00
	Stores and spares	307.75	230.63	0.00
	Fuel	86.40	104.61	0.00
	Packing Materials	161.30	114.84	0.00
	Total	**59129**	**47,545.37**	**0.00**

6	Current Financial Assets - Trade Receivables	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Unsecured and considered good	42,796.49	37,565.71	0.00
	-Unsecured Doubtful Debts	0.00	0.00	0.00
	-Provision for Doubtful Debts	100.00	100.00	0.00
	Total	**42,896.49**	**37,665.71**	**0.00**

*The Company has availed credit facilities from banks which are secured interalia by hypothecation of Trade Receivables.

7	Current Financial Assets - Cash and Cash Equivalents	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Cash on Hand	7.87	5.72	0.00
	Cash Equivalants investment in highly Liquid Funds	5,046.52	5,630.62	0.00
	Balances with Banks	3,163.66	2,691.00	25.00
	Total	**8,218.05**	**8,327.34**	**25.00**

8	Loans	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	(i) Loan to Related Party	585.23	477.97	0.00
	(ii) Loan to Employees	125.62	135.84	0.00
	(ii) Advance to Supplier	30.95	0.00	0.00
	Total	**741.80**	**613.81**	**0.00**

8	Current Other Financial Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Balance with Customs, Central Excise, GST and State Authorities	4358.26	7588.91	0.00
	Other Receivable	101.14	112.98	0.00
	Other	0.00	0.00	0.00
	Total	**4459.40**	**7701.89**	**0.00**

10	Other Current Assets	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Prepaid Expenses	513.23	419.55	0.00
	Others Receivable	576.26	541.22	0.00
	Total	**1,089.49**	**960.77**	**0.00**

11 SHARE CAPITAL:

Particulars	No. of Shares	As at 31st Dec 2022	No. of Shares	As at 31st Mar 2022	No. of Shares	As at 31st Mar 2021
Authorised Share Capital						
Equity Shares of Rs 5/- each	10,00,00,000	5,000.00	5,00,000	50.00	5,00,000	50.00
Issued, Subscribed & Paid up						
a Equity Shares of ` 5/- each	9,06,26,008	4,531.30			2,50,000	25.00
b Equity Shares of ` 10/- each Pending Cancellations	-	-	2,50,000	25.00		
c Equity Shares of ` 5/- each pending Allotment upon Scheme of Arrangment	-	-	9,06,26,008	4,531.30		0
TOTAL	**9,06,26,008**	**4,531.30**	**9,08,76,008**	**4,556.30**	**2,50,000**	**25.00**

- Pursuant to the Scheme of Arrangment, Aarti Pharmalabs Limited to issue to the Equity Shareholders of Aarti Industries Limited -For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company
- The Honourable High Cout of Ahemedabad has approved the scheme of Arrangment on 21st September, 2022 . Pending allotment of share as at Balance sheet Date, Share capital of Rs 4531.30 lakhs as approved Under Scheme of Arragment is shown as Share capital pending for Allotment.
- Pursuant to Scheme of Arrangment Authorised share capital is Increased to 100000000 Shares of Rs 5 Each for Issue of Shares to the Shareholders of Demerged Company Aarti Industries limited

11 (b) Share Capital Pending Cancancellation

- Aarti Pharmalabs limited is 100% Subsidiary of Aarti Industries limited. As per the order of NCLT, upon scheme becoming effective, original share capital of Rs 25 Lakhs stands automatically cancelled and reinstated to Rs 4531.30 lakhs by payment of applicable stamp duty and compliance of ROC formalities. As at Balance Sheet date, ROC formalities with respect to increase in authorised share capital, allotment of share capital and cancellation of existing share capital were pending and hence, the share capital of Rs. 25 Lakhs, existing on the balance sheet date is shown as 'Share Capital Pending Cancellation'.

(Rs. in lakhs)

Particulars	As at 31st Dec 2022 No' Of Shares	As at 31st March, 2022 No' Of Shares	As at 31st March, 2021 No' Of Shares
Equity Shares at the beginning of the year	9,08,76,008	2,50,000	2,50,000
Add: Shares issued during the year Pursuant to the Scheme of Arrangement	9,06,26,008	9,06,26,008	-
Less: Shares Cancelled Pursuant to the Scheme of Arrangement	-9,08,76,008	-	-
Equity Shares at the end of the year	9,06,26,008	9,08,76,008	2,50,000

11.2 Rights, preferences and restrictions attached to equity shares :

The Company has only one class of equity shares 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.

26	Interest	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Interest	1,423.70	33.99	0.00
	Other Borrowing Costs	87.55	1,161.88	0.00
	Sub Total	1,511.25	33.99	0.00
	Less: Amount capitalised in the cost of PPE	0.00	0.00	0.00
	Total	1,511.25	1,195.87	0.00

27	Depreciation	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Depreciation of Property, Plant and Equipment (Refer Note No.1)	4,659.16	4,211.86	0.00
	Total Depreciation and Amortisation Expenses	4,659.16	4,211.86	0.00

28	Other Expense	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Manufacturing Expenses			
	Freight, Cartage & Transport	1,415.07	1,867.97	0.00
	Power consumption	5,270.48	4,165.01	0.00
	Water Charges	330.02	249.11	0.00
	Processing Charges	580.86	604.20	0.00
	Other Manufacturing Expenses	4,738.84	4,368.00	0.00
	Repairs & Maintenance	2,528.77	2,192.15	0.00
	Insurance Charges	714.09	650.39	0.00
	Research & Development Expenses	942.77	581.55	0.00
	Factory Administrative Expenses	1,042.92	780.62	0.00
	Sub-Total (A)	17,563.82	15,459.00	0.00
	Office Administrative Expenses			
	Rent, Rates and Taxes	78.41	11.51	0.00
	Travelling and Conveyance	127.45	95.43	0.00
	Auditor's Remuneration	11.58	1.54	0.42
	Legal & Professional Charges	91.44	39.28	0.00
	Postage, Telegraph & Telephone	14.48	10.44	0.00
	Printing & Stationery Expenses	0.00	0.00	0.00
	ROC & Other Filling Fees	0.00	0.00	0.00
	Directors Sitting Fees	0.00	0.00	0.00
	Loss by Fire	0.00	0.00	0.00
	Other Administrative Expenses	232.22	4.15	0.04
	Sub-Total (B)	555.58	162.35	0.46
	Selling and Distribution Expenses			
	Advertisement & Sales Promotion	415.22	-167.58	0.00
	Export Freight Expenses, Outward Freights	2,082.86	2,101.13	0.00
	Commission on Sales	1,846.71	596.48	0.00
	Export Insurance Charges	0.00	0.00	0.00
	Sales Tax & Other Dues Paid	0.23	0.00	0.00
	Sample Testing & Analysis Charges	38.40	42.99	0.00
	Sundry Balance Written Off/(Back)	-0.06	0.70	0.00
	Other Expenses	67.82	40.62	0.00
	Other Selling Expenses	0.00	0.00	0.00
	Sub-Total (C)	4,451.18	2,614.34	0.00
	Non-Operating Expenses			
	Donations and CSR Expenses	118.22	32.95	0.00
	Sub-Total (D)	118.22	32.95	0.00
	Total (A+B+C+D)	**22,688.80**	**18,268.64**	**0.46**

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
29	**Earning Per Share (EPS)**			
	Face Value Per Equity Share (in Rs.)	**5.00**	**5.00**	**10.00**
	Basic Earnings Per Share (in Rs.)	**16.62**	**13.49**	**-0.18**
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	15,061.73	12,225.29	(Rs. in lakhs) -0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Nos)	**9,06,26,008**	**9,06,26,008**	**2,50,000**
	Diluted Earnings Per Share (in Rs.)	**16.62**	**13.49**	**-0.18**
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	15,061.73	12,225.29	-0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Nos)	**9,06,26,008**	**9,06,26,008**	**2,50,000**

29.1 Pursuant to the Scheme of Arrangment approved by NCLT, Aarti Pharmalabs Limited to issue to the Equity Shareholders of Aarti Industries Limited -For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company. The Company to allot 90626009 equity shares (1 Equity shares of Company for Every 4 Equity Shares held in Aarti Industries Limited)

29.2 As per the Scheme of Arrangment, upon the scheme becoming effective, existing share capital of Rs. 5 lakhs stands automatically cancelled. Hence same is not considered in EPS calculations.

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
12	**Other Equity**			
	Retained Earnings / Profit & Loss Account			
	As per last Balance Sheet	71723.83	-2.33	-1.73
	Add: Balance transferred on account of scheme of arrangement	0.00	64455.78	0.00
	Add: Cancellation of Share Capital on Issuance of Fresh Share Capital as per the Scheme of Arrangement	0.00	0.00	
	Profit / Loss for the year	15147.74	12225.29	-0.46
	Dividend Payout / Received	123.93	247.86	0.00
	Foreign Exchange Differnce on Translation	-166.79	28.27	0.00
	Issue of Shares capital pursuant to scheme of Demerger	0.00	4531.30	0.00
	Transferred to Reserves	159.86	147.48	0.00
	Closing Balance	**86754.57**	**71723.83**	**-2.19**
	Securities Premium Account			
	As per last Balance Sheet	44032.54	0.00	0.00
	Add: Balance transferred on account of scheme of arrangement		0.00	0.00
	Add: During the Years	0.00	44032.54	0.00
	Less: During the year		0.00	0.00
	Closing Balance	**44032.54**	44032.54	0.00
	Capital Reserves	8943.81	0.00	0.00
	Opening Balance			
	Addition:			
	Deduction:			
	Closing Balance	8943.81	8943.81	0.00
	Capital Redemption Reserve			
	As per last Balance Sheet	0.00	0.00	
	Add: Share capital Cancelled pursuant to scheme	25.00	0.00	0.00
	Add: During the Years		0.00	0.00
	Less: During the year	0.00	0.00	0.00
	Closing Balance	**25.00**	0.00	0.00
	General Reserve			
	As per last Balance Sheet	8335.04	0.00	0.00
	Add: Balance transferred on account of scheme of arrangement	0.00	8187.56	0.00
	Add: During the Years	159.86	147.48	0.00
	Less: During the year		0.00	0.00
	Closing Balance	8494.89	8335.04	0.00
	Other Comprehensive Income			
	As per last Balance Sheet	1056.44	349.58	0.00
	Add: Balance transferred on account of scheme of arrangement	0.00	0.00	
	Add: Movement in OCI (Net) During the Year	-7.21	706.86	0.00
	Closing Balance	**1049.23**	**1056.44**	**0.00**
	Total	149300.05	134091.65	**-2.19**

12.1 Pursuant to the scheme of arrangment approved by NCLT, Ahmedabad Bench, Excess of the Net Assets transfered over the face value of the New Securities to be allotted in accordance with the Scheme, shall be credited to same reserves as debited in the books of AIL with adjustment for balance, if any, to Profit and Loss Account/Retained Earnings. As at balance sheet date, allotment of share capital is pending and hence Excess of Net Asets Over the face value of Equity shares to be issue is shown as 'Reserves Pending Allocation'.

(Rs. in lakhs)

Sr. No.	Particulars	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
13	**Non Current Financial Liabilities - Borrowings**			
	Secured - At Amortised Cost		-	-
	Less : Current Maturity of Term Loan		-	-
	Vehicle Loan from Bank	38.88	55.45	-
	Inter Corporate Deposit		-	-
	Total	**38.88**	**55.45**	**-**
13.1	**Repayment Terms (Vehicle Loan)**			

	Repayment Tenor	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	1-2 Years	38.88	55.45	-
	2-3 Years		-	-
	3-5 Years		-	-

14	Other Non Current Financial Liabilities - Borrowings	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	Secured - At Amortised Cost	**-**	**-**	**-**
	Lease Liability	151.23	153.23	-
	Other		NIL	-
	Total	**151.23**	**153.23**	**-**

15	Deferred Tax Liability (Net)	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	At the start of the year	7,066.99	-	-
	Transferred Pursuant to the Scheme of Arrangement	-	6,585.28	-
	Charge/(credit) to the Statement of Profit and Loss	643.23	481.71	-
	At the end of the year	**7,710.22**	**7,066.99**	**-**

16	Current Financial Liabilities - Borrowings	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
	At Amortised Cost			
	Secured - Working capital Loan From Banks	17,989.94	-	-
	Secured - Working capital Loan From Banks (Under scheme demerger)	11,696.62	33,772.75	-
	From Related Parties			1.73
	Total	**29,686.56**	**33,772.75**	**1.73**

30	Payment to Auditors	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
a.	Statutory Audit Fees	9.00	0.32	0.32
b.	Certification Fees	1.25	0.10	0.10
c.	Reimbursement of Expenses	-	-	-
	Total	**10.25**	**0.42**	**0.42**

31	Contingent Liabilities and Commitments	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
(i)	**Contingent Liabilities**			
	(a) Claims against the company not acknowledged as Debt - Unpaid	-	-	-
	(b) Claims against the company not acknowledged as Debt - Paid (under dispute)	-	-	-
	(c) Letter of Credit, Bank Guarantees	-	-	-
(ii)	**Commitments**			
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	39,747.76	37,000.00	-
	Total	**39,747.76**	**37,000.00**	**-**

32 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. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Home and personal care ingredients.

O CHANGE IN ACCOUNTING POLICIES IN THE LAST THREE YEARS AND THEIR EFFECTS ON THE PROFITS AND RESERVE

There are no significant changes in accounting policies of the company from last three financial years and their effects on the profits and reserve

P. SUMMARY OF CONTINGENT LIABILITIES

There are no contingent liabilities for the quarter and nine months ended December 31, 2022 and the financial year ended March 31, 2022.

Q. SUMMARY OF RELATED PARTY TRANSACTIONS

The related Party Transactions for the year 2022-23 and 2021- 22. are as follows:

(Rs. in lakhs)

Sr. No.	Name	Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction	Details of other related party transaction	Value of transaction during 22-23	Value of transaction during 21-22
1	Hetal Gogri Gala	Promoter/CMD	Remuneration		66.00	0
2	Chandrakant V Gogri	Other related party	Rent	Rent	8.01	10.68
4	Aarti Industries Limited	Other related party	Sale of Goods		5319.70	6,817.96
	Aarti Industries Limited	Other related party	Purchase of Goods		3165.98	6,863.13
5	Aarti Drugs Limited	Other related party	Sale of Goods		217.48	2,158.41
6	Alchemie Gases & Chemicals Private Limited	Other related party	Purchase of Goods		22.95	38.73
7	Aarti USA Inc	Subsidiary Company	Sale of Goods		244.10	2,428.60
8	Ganesh Polychem Limited	Entities with joint control or significant influence over entity	Sale of Goods		440.22	369.56
	Ganesh Polychem Limited	Entities with joint control or significant influence over entity	Purchase of Goods		7.08	2.47
9	Narendra Salvi	Director	Remuneration		66.00	0.00
11	Piyush Lakhani	KMP	Remuneration		31.24	0.0
12	Valiant Organics Limited	Other related party	Sale of Goods		489.64	0.30
	Valiant Organics Limited	Other related party	Purchase of Goods		146.35	37.70
13	Aarti Ventures limited	Other related party		Loan	107.25	0.0
14	Nikhil Natu	KMP			17.17	16.66

R. DETAILS OF OUR GROUP COMPANIES

As per the requirements of the SEBI ICDR Regulations, the term 'Group Company', shall include such companies as covered under the applicable accounting standards (i.e. Ind AS 24 issued by the Institute of Chartered Accountants of India (ICAI)) and also any other company as considered "material" by the Board. Accordingly, the Materiality Policy for Determination of Group Companies and Litigation has been adopted by the Company.

As on date there are no related party transaction, but pursuant to the policy on materiality, for the purpose of disclosures in the Offer Documents, as prescribed under the SEBI ICDR Regulations, other than the entities covered under Ind AS 24 as issued by the ICAI, there are no other entities except mentioned below, which are considered "material" and ought to be classified as group companies of the Company in the Offer Documents.

AARTI INDUSTRIES LIMITED (AIL)

Aarti Industries Limited (hereinafter referred to as the "Demerged Company", or "AIL") is a listed public limited company incorporated on 28th September, 1984 under the Companies Act, 1956 with CIN L24110GJ1984PLC007301 having its registered office at Plot Nos 801, 801/23, GIDC Estate, Phase III, Vapi ? 396 195, Gujarat. The equity shares of Demerged Company are listed on BSE Limited and National Stock Exchange of India. The Demerged Company is a leading Indian manufacturer of specialty chemicals and pharmaceuticals with a global footprint. It manufactures chemicals used in downstream manufacturing of agrochemicals, polymers, additives, surfactants, pigments and dyes, etc. ("Speciality Chemical Business" or "Speciality Chemical Division"). The Pharma Business is divided into three verticals i.e. a) manufacture of active pharmaceuticals ingredients ("APIs") b) manufacture of intermediates and c) manufacture of xanthine derivatives. The Pharma business of the Demerged Company has four APIs manufacturing plants, two of which are approved by the United States Food and Drug Administration ("USFDA") and rest two are WHO/GMP certified. Additionally, it has two dedicated research and development facilities for pharmaceuticals API. ("Pharma Business" or "Pharma Division")

The Authorised Share Capital of the Company is Rs. 3,00,00,00,000 comprising of 60,00,00,000 Equity shares of Rs. 5/- each. The Issued and paid-up share capital of the Company is Rs. 181,25,20,175 comprising of 36,25,04,035 Equity shares of Rs. 5/- each.

Board of Directors:

1. Shri Rajendra Vallabhaji Gogri - Chairman & Managing Director
2. Shri Rashesh Chandrakant Gogri - Vice-Chairman & Managing Director
3. Shri Parimal Hasmukhlal Desai - Executive Director
4. Shri Manoj Mulji Chheda - Executive Director
5. Shri Kirit Ratilal Mehta - Executive Director
6. Smt. Hetal Gogri Gala - Non Executive Director
7. Shri Renil Rajendra Gogri - Executive Director
8. Shri Narendra Jagannath Salvi - Non Executive Director
9. Shri KVS Shyamsunder Ramamurthy - Independent Director
10. Shri Premchand Amolak Sethi - Independent Director
11. Shri Bhavesh Rasiklal Vora - Independent Director
12. Shri Ganapati Dadasaheb Yadav - Independent Director
13. Smt. Priti Paras Savla - Independent Director
14. Shri Vinay Gopal Nayak - Independent Director
15. Shri Lalitkumar Shantaram Naik - Independent Director
16. Smt. Natasha Kersi Treasurywala - Independent Director

Capital Structure as on December 31, 2022

Authorised Share Capital	Amount (Rs. In lakhs)
60,00,00,000 Equity Shares of Rs. 5/- each	30,000.00
Total	**30,000.00**
Issued, Subscribed and Paid-up Share Capital	**Amount (Rs. In lakhs)**
36,25,04,035 Equity Shares of Rs. 5/- each	18,125.20
Total	**18,125.20**

Financial Performance

The audited financial results of the company for the last three Fiscals are as follows:

(Rs. in lakhs, except per share data)

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
Sales and Other Income	7,76,496	4,80,782	4,40,819
Profit/ (Loss) after tax	1,28,885	51,350	52,336
Equity Capital	18,125	8,712	8,712
Reserves and Surplus (excluding revaluation reserve)	5,60,417	3,32,462	2,81,470
Earnings/ (Loss) per share (Rs.)	35.55	29.47	30.04
Diluted earnings per share (Rs.)	35.55	29.47	30.04

16.1 Pursuant to the Scheme of Arrangement, common working capital borrowing was allocated to Aarti pharmalabs Limited in the ratio of value of Assets transferred in the scheme of arrangement to the total assets of Aarti Industries Limited prior to demerger. In absence of specific loan from lenders, borrowings allocated to the Company are shown as loan from Aarti Industries Limited to be repaid by taking loans from banks.

16.2 Company has applied for Total working capital limit of Rs 375 crore with five banks and has offered security - First pari-passu hypothecation charge on all existing and future current assets/ of the Borrower, to be shared with others banks under multiple banking arrangement. Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with other banks under multiple banking arrangement.

During Fy 2022-23, out of Five banks, company has drawdown loans from three banks and same is used for repayment of Loan Transfered pursuant to scheme. Company is in process of executing loan documetns with other two banks for repayment of balances Outstanding payable to Aarti Industries limited Rs 116.96 crore

16.3 There are no material differences between the quarterly statements of stock filed by the company with banks and the books of accounts.

16.4 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.

17	Current Liabilities - Trade Payables	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Due to			
	- Micro and Small Enterprises	3,848.84	2,114.38	0.26
	- Other Than Micro and Small Enterprises	27,153.75	19,344.39	-
	Total	**31,002.59**	**21458.77**	**0.26**

18	Other Current Liabilities	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Current maturities of Vehicle Loan	25.37	34.18	-
	Lease Liability Current	126.44	124.44	-
	Other Current Liabilities	0.10	30.79	0.20
	Total	**151.91**	**189.41**	**0.20**

19	Current Provisions	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Provision for Employee Benefits	1,525.11	1,774.04	-
	Other Provisions	473.50	121.51	-
	Total	**1998.61**	**1895.55**	**0.00**

20	Current Tax Liabilities (Net)	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Current Tax Liabilities (Net)	121.79	750.00	-
	Total	**121.79**	**750.00**	**0.00**

21	Revenue from Operations	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Sale of Products	1,45,232.50	1,19,203.36	0.00
	Sale of Services			
	Other Operating Revenues (Refer Note No. 22.1)	784.59	790.95	0.00
	Total	1,46,017.09	1,19,994.31	0.00
21	**Other Operating Revenues**			
	Export Benefits/Incentives Received	645.35	642.78	0.00
22	Scrap Sales	179.75	148.17	0.00
	Other Operating Revenues	-40.51	0.00	0.00
	Total	784.59	790.95	0.00

	Other Income	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Dividend Received	123.93	247.86	0.00
	Interest Income	29.20	0.57	0.00
	Other Non-Operating Income			
	Insurance Claim	0.00	0.00	0.00
23	Profit on Sale of Assets/Investment	0.00	2.08	0.00
	Other Income	4.20	0.82	0.00
	Total	157.33	251.33	0.00

	Cost of Material Consumed	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Consumption of Raw Material	67,433.11	52,380.65	0.00
	Consumption of Packing Material	1,521.32	1,336.61	0.00
24	Consumption of Fuel	6,524.51	4,585.85	0.00
	Consumption of Stores & Spares	3,252.09	2,821.04	0.00
	Total	78,731.03	61,124.15	0.00

	Change in Inventory	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Inventories (at commencement)			
	Finished Goods	18,812.43	15,842.71	0.00
	Work-in-Progress	9,035.98	7,100.83	0.00
		27,848.41	22,943.54	0.00
	Inventories (at Close)			
	Finished Goods	24,757.31	18,812.43	0.00
	Work-in-Progress	14,960.53	9,035.98	0.00
		39,717.84	27,848.41	0.00
	Increase in Inventory	**-11,869.43**	**-4,904.87**	**0.00**

25	Employee Benefits	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Directors' Remunderation	617.12	570.62	0.00
	Salaries and Wages	8,006.78	7,887.80	0.00
	Contribution to Provident and other Funds	603.91	28.32	0.00
	Staff Welfare Expenses	418.50	33.55	0.00
	Total	9,646.31	8,520.29	0.00

Significant notes of auditors

There are no qualifications provided by the auditors of Aarti Industries Limited in relation to aforementioned financial statements for the specified three immediately preceding financial years

Other Disclosures

- **Group Companies which are sick industrial companies**
  Our Group Company has not become sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
- **Group Companies under winding up / insolvency proceedings**
  Our Group Company is not under winding up/insolvency proceedings.
- **Defunct Group Company**
  As on date of this Information Memorandum, our Group Company is neither defunct company or nor has made any an application to the relevant registrar of companies for striking off the name.
- **Nature and extent of interest of our Promoters in AIL**
  Our Promoters are part of the promoter and promoter group of AIL. Further, some of our Promoters are also on the board of AIL. Accordingly, our Promoters may be deemed to be interested in AIL to the extent of their shareholding in AIL, dividend and other entitlements thereon and the remuneration paid or payable to any of them in their capacity as director(s) of AIL.

  Common Pursuits

  Some of our Promoters and members of Promoter Group are also members and promoters in our Group Company AIL. Some of our Directors hold directorships in our Group Company. Except as disclosed herein, there are no other common pursuits or conflict of interest situations between our Group Company and our Company.

  Our Company will adopt the necessary procedures and practices as permitted or required by law to address any conflict of interest situation as and when it arises.
- **Material Litigation involving our Group Companies**
  There are no litigations involving our Group Company, which has a material impact on our Company.

P. Internal Risk Factors

1. **Our business is dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or under-utilization of our manufacturing facilities or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations could have an adverse effect on our business, financial condition and results of operations.**

   We conduct our operations through our manufacturing facilities located at Vapi in Gujarat, Tarapur and Dombivali in Maharashtra. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

   Success of our operations depends on availability of labour and good relationships with our labour force. Strikes and lockouts as a result of disputes with our labour force may adversely affect our operations. While we have not had instance of strikes, lockouts or labour disputes in the past, we cannot assure you that we shall not experience any strikes, lockouts or labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations. In addition, we also may face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

   Although we have not experienced any significant disruptions at our manufacturing facilities in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, financial condition and results of operations.
2. **Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business**

   With a view to improve our market position and foster business growth, we plan to adopt several business strategies, which include:

- Expansion in existing value chain and increased production of value added products;
- Deepening relationships with existing customers through co-development and strategic alliances;
- Entering new product value chains;
- Developing long term contracts and manufacturing outsourcing;
- Focus on high growth sectors and emerging major industry trends in the pharmaceutical industry.

Our strategy may not succeed due to various factors, including our inability to reduce our debt and our operating costs, our failure to develop new products and services with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our technology and strategic partners, our failure to effectively market these new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. Any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, financial condition and results of operations.

3. **We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances**

   Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances such as benzene, toluene, chlorine, nitric acid, methanol, hydrogen, sulphuric acid, amongst others. We are subject to operating risks associated with handling of such hazardous materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage and environmental contamination. In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences may result in the shutdown of one or more of our manufacturing facilities and expose us to civil or criminal liability which could have an adverse effect on our business, financial condition and results of operations. Moreover, certain environmental laws impose strict liability for accidents and damages resulting from hazardous substances and any failure to comply with such laws may lead to closure, penalties, fines and imprisonment.
4. **Our business is subject to extensive regulation. If we fail to comply with the applicable regulations prescribed by governments and regulatory agencies or our customers, our business, financial condition and results of operations could be adversely affected.**

   We operate in a highly regulated industry and our operations are subject to extensive regulation in each market in which we do business. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business license, imposition of fines and criminal sanctions in those jurisdictions.
5. **Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies.**

   Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollars. Accordingly, we have currency exposures relating to buying, selling and financing in currencies other than in Indian Rupees, particularly the U.S. Dollar. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. While we hedge a portion of the resulting net foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee and we cannot assure you whether hedging or other risk management strategies will be effective. Accordingly, while we enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies. Additionally, we have incurred losses due to these fluctuations in foreign currency in Fiscal 2022, Fiscal 2021 and Fiscal 2020. These losses were related to instances where the market exchange rate at the time of transaction was against us as compared to the rates we had applied when the transactions were accounted for or hedged.

6. **Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, financial condition and results of operations.**

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our R&D and manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment.

Any accident at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to legal proceedings, which could lower our profits in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production.

7. We are subject to strict quality requirements, regular inspections and audits, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our business, financial condition, results of operations and prospects.

We develop, manufacture and market a diverse range of APIs and formulations, which are primarily used as raw materials for host of products in the pharmaceuticals segments. Additionally, two manufacturing plants in our Pharmaceuticals Segment are approved by the USFDA. Accordingly, our customers maintain strict qualification and/or certification procedures. Our products go through various quality checks at various stages including random sampling check and quality check by internal and external agencies. Many of our key customers have audited and approved our facilities and manufacturing processes in the past and may undertake similar audits periodically in the future. Failure of our products to meet prescribed quality standards may result in rejection and reworking of our products. This may result in our customers cancelling present or future purchases of our products and could adversely affect our business, financial condition and results of operations.

While we have put in place quality control procedures, we cannot assure that our products will always be able to satisfy our prescribed quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. Any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business, financial condition, results of operations and prospects.

8. **We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our operations.**

Our business operations are subject to various laws, the compliance of which is supervised by multiple regulatory authorities and government bodies. In order to conduct our business, we are required to obtain multiple licenses, approvals, permits and consents. Additionally, our government approvals and licenses are subject to numerous conditions, some of which are onerous including making an application for amending the existing approval and require us to make substantial expenditure. Most of these approvals and licenses are subject to ongoing inspection and compliance requirements and are valid only for a fixed period of time subject to renewal and accreditation. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. If we fail to renew, obtain or retain any of such approvals, in a timely manner, or at all, our business may be adversely affected.

We also incur significant expenditure in order to comply with such applicable laws and regulations. Amongst the laws that we must adhere to, environmental, health and safety laws and regulations are one of the most critical laws. These include laws and regulations that limit the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of hazardous waste materials, amongst others. Significant fines and penalties may be imposed for noncompliance with such environmental laws. We are also inspected at regular intervals by various environmental protection agencies to ensure our compliance with applicable laws and regulations. We are also required to obtain permits from governmental authorities for certain aspects of our operations. These laws, regulations and permits often require us to purchase and install expensive pollution control equipment or to make operational changes to limit impacts or potential impacts on the environment and/or health of our employees.

Furthermore, two for our manufacturing units are USFDA approved, which results in on-going inspection and compliance requirement from the United States authorities that we are required to comply with. Our failure to comply with such global regulatory requirements, amongst others, could also adversely affect our business, financial condition and results of operations.

9. **Our failure to manage growth effectively may adversely impact our business, prospects, financial condition and results of operations.**

Our ability to sustain growth depends primarily upon our ability to manage key issues such as our ability to sustain existing relationships with our clients, ability to obtain raw materials at better prices, ability to compete effectively, ability to scaling up our operations, adhering to high quality and execution standards, our ability to expand our manufacturing capabilities and our presence in India as well as globally, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, financial condition, results of operations and prospects.

10. **We require substantial financing for our business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability**

We require substantial capital for our business operations and planned capital expenditure. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in our Company and could adversely impact our Equity Share price.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. Our ability to raise debt financing on acceptable terms also depends on our credit ratings. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, financial condition and results of operations.

11. **Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.**

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends. Additionally, we may be restricted by the terms of any future debt financing in relation to the payment of dividends.

12. **The requirements of being a listed company may strain our resources.**

We were not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely affect the financial position of our Company.

13. **Our performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory or working capital.**

We maintain relatively high inventory levels of approximately two months of raw material inventory. In addition, the large number of products in our portfolio leads to a high finished goods inventory. We evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component of the success of our business, financial condition and results of operations. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. Our inventory levels have increased significantly over the last three fiscal years. If our raw materials purchase decisions do not accurately predict sourcing levels, customer trends or our expectations about customer demands and needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a client defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result, or have resulted, in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, financial condition, results of operations and prospects.

14. **Our business may expose us to potential product liability claims and recalls, which could adversely affect our results operation, goodwill and the marketability of our products.**

We may be exposed to risks of products recalls and returns. In addition, we may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. While we have taken insurance to protect us from such claims; however, this insurance coverage may be inadequate or not applicable to a particular set of claims. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management's time and focus. Accordingly, such product liability claims, may adversely affect our results of operation, goodwill and the marketability of our products.

15. **We are dependent on our R&D activities for our future success. If we do not successfully develop new products or continue our product portfolio expansion in a timely and cost-effective manner, our business, financial condition, cash flows and results of operations may be adversely affected.**

We are dependent on our R&D activities and scientists at our R&D centres for our future success. Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. In addition, we intend to expand our Pharmaceuticals Segment in order to take advantage of the growth opportunities in the sector, by expanding our capacities in existing products as well as expanding and strengthening our research capabilities in order to ensure rapid product innovation. Innovation continues to be the key determinant for our success. The development and commercialisation of new products are complex, time-consuming, costly and involves a high degree of business risk. We may encounter unexpected delays in the launch of these products or these products, and even if launched as planned, such products may not perform as we expect.

The success of our new product offerings will depend on several factors, including our ability to properly anticipate customer needs; obtain timely regulatory approvals; establish collaborations with suppliers and customers; develop and manufacture our products in a timely and cost-effective manner through our R&D efforts; and successfully market and sell our products. In addition, the development and commercialisation of new products is characterised by significant upfront costs, including costs associated with R&D, product development activities, obtaining regulatory approvals, building inventory and sales and marketing. Our planned investments in new manufacturing facilities and equipment for future expansion could result in higher costs, especially in the event of cost overruns, without a proportionate increase in revenues.

16. **The demand of our products in foreign countries is subject to international market conditions and regulatory risks that could adversely affect our business, financial condition and results of operations.**

We export our products to several countries. Therefore, any developments in the global chemical industry or the industries in which our customers operate could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the European Community and the United States, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. Any such imposition of trade barriers may have a material adverse effect on our business, financial condition and results of operations.

17. **If any of the products of our customers cause, or are perceived to cause, severe side effects, our reputation, revenues and profitability could be adversely affected.**

We develop, manufacture and market a diverse range of products and formulations, which are primarily used as raw materials for a variety of end user applications. If our customers' products cause, or are perceived to cause, severe side effects to their end-users, we may face a number of consequences, including, a severe decrease in the demand for, and sales of, the relevant products; the recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for the relevant production facility; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. As a result of these consequences, our business, financial condition and results of operations may be adversely affected.

18. **We engage contract labour for carrying out certain business operations.**

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our business, financial condition and results of operations.

19. **Our success largely depends upon the knowledge and experience of our Promoters and our Senior Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Senior Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations**

Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Senior Management Personnel as well as our ability to attract and retain skilled personnel. Any loss of our Directors and Senior Management Personnel or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations. We depend on the management skills and guidance of our Promoters for development of business strategies, monitoring their successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Senior Management Personnel. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Senior Management Personnel are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business, financial condition and results of operations could be adversely affected.

There is significant competition for management and other skilled personnel in the pharmaceuticals industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Information Memorandum Document, we do not have key man insurance policies and in the event that we are not able to attract and retain talented employees, as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected.

20. **Some of the companies of which our Promoters have significant influence are engaged in businesses and industries in which we operate and are in a similar line of business or could offer services that are related to our business. This may be a potential source of conflict of interest for us and which may have an adverse effect on our business, financial condition and results of operations.**

Some of the companies of which our Promoters have significant influence are engaged or may be engaged in a similar line of business or offer services that are related to our pharmaceutical business. This may be a potential source of conflict of interest for us and may have an adverse effect on our business, financial condition and results of operations. Further there is no assurance that a conflict of interest may not occur between our business and the business of such companies in the future, or that we will be able to suitably resolve such a conflict without an adverse effect on our business, financial condition and results of operations.

21. **Our Promoters have a significant shareholding in the Company and will continue to exercise significant influence over us.**

Our Promoters are interested in our Company to the extent of their shareholding in our Company. After the completion of the Demerger, our Promoters will continue to hold significant shareholding in our Company. So long as our Promoters own a significant portion of our Equity Shares, they will be able to influence the election of our Directors and influence most matters affecting us, including our business strategies and policies, decisions with respect to mergers, business combinations, acquisitions or dispositions of assets, dividend policies, capital structure and financing, and may also delay or prevent a change of management or control, even if such a transaction may be beneficial to other shareholders of us. In addition, the interests of our Promoters, as our largest shareholders, may also conflict with our interests or the interests of our other shareholders.

22. **We have entered and may, in future, enter related party transactions. We may face conflicts of interest in transactions with related parties.**

In the course of our business, we have entered into and may continue to enter into transactions with related parties. For more information regarding our related party transactions, see "Financial Information - Related Party Transactions". While we believe that all of our related party transactions have been conducted on an arm's length basis in the ordinary course of business, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition or results of operations, including because of potential conflicts of interest or otherwise.

23. **We engage in hedging transactions which involves certain risks. If any of such risks materializes, our financial performance could be adversely affected.**

We are exposed to market risks arising from the conduct of our business activities that are denominated in foreign currencies, which is subject to exchange rate fluctuations. Since we have significant exposure in foreign exchanges, we have hedged risks arising out of exchange rate fluctuations and fluctuations in interest rates by entering into hedging arrangements with various banks. Hedging agreements expose us to certain risks which, if materialized, could adversely affect our profitability.

Although we engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

We currently hold, and have in the past held, derivative contracts, including forward exchange contracts and interest rate swaps. We believe that these forward exchange contracts, and cross currency swaps have the effect of reducing the volatility of our profit and reducing our exposure to foreign exchange and interest rate risk. If, in the future, foreign exchange rates or interest rates move contrary to our expectations, or if our risk management procedures prove to be inadequate, we could incur derivative-related or other charges and opportunity losses independent of the relative strength of our business, which could affect our results of operations and financial condition.

24. **The Registered Office and all our manufacturing facilities are on leasehold basis.**

We do not own our Registered Office premises or the premises of our manufacturing facilities. These premises instead are occupied by us on a leasehold basis, which are leased to us either by one of our related parties or third parties or from the state run industrial development corporations such as the GIDC, MIDC. While the lease agreements for our manufacturing facilities are typically long term in nature and provide us with an option to renew them, they also provide the lessor with the right to terminate the lease for non-compliance of the terms of the agreement. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable terms.

25. **Failure or disruption of our IT and/or ERP systems may adversely affect our business, financial Condition and results of operations.**

We have implemented various information technology ("IT") and/or enterprise resource planning ("ERP") solutions to cover key areas of our operations, procurement, dispatch and accounting. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or ERP systems may lead to inefficiency or disruption of IT system thereby adversely affecting our ability to operate efficiently.

26. **The cost of implementing new technologies for our operations could be significant and could adversely affect our business, financial condition and results of operations.**

Our future success may depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology underpinning our operational platform, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our services less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our profitability. Any of the above events may adversely affect our business, financial condition, results of operations and prospects.

27. **We cannot assure you that our Company will declare dividends to its shareholders in the future.**

The declaration and payment of dividends, if any, in the future will be recommended by our Board of Directors, at their discretion and will depend on a number of factors, including our earnings and profitability, cash generated from operations, capital requirements and overall financial conditions. Consequently, we may be unable to pay dividends in the near- or medium-term. In the event we do not declare dividends going forward, our reputation and the price of the Equity Shares shall be adversely affected. There can be no assurance that we shall, or shall be able to, declare dividends in future.

Q. OUTSTANDING LITIGATION OF THE COMPANY, PROMOTERS, DIRECTORS OR ANY OF THE GROUP COMPANIES

In terms of Schedule VI, Part A, para (12), sub-para (A) of the ICDR Regulations, our Board has approved the Materiality Policy for Determination of Group Companies and Litigation. Pursuant to the Policy, our Company is required to disclose in this Draft Information Memorandum, (i) all criminal proceedings; (ii) all civil proceedings; (iii) all actions by statutory/ regulatory authorities which are pending as on date, or taken against the relevant entity in the last 5 years; (iv) taxation proceedings - Separate disclosures regarding claims related to direct and indirect taxes, in a tabular and consolidated manner giving details of number of cases and total amount; and (v) all other pending litigation.

Unless stated to the contrary, the information provided below is as of the date of Draft Information Memorandum

Nature of Cases	Number of Cases	Amount (Rs. lakhs)
Litigations against our Company		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations by our Company		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations against our Promoters		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations by our Promoters		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations against our Directors		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations by our Directors		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
Litigations against our Subsidiaries		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	*Nil*	*Nil*
Litigations by our Subsidiaries		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil

Continuation of legal proceedings (as per para 6 of the Scheme)

All legal or other proceedings of whatsoever nature by or against the Demerged Undertaking pending and/ or arising on or after the Appointed Date and relating to the Demerged Undertaking or its properties, assets, debts, liabilities, duties and obligations, shall be continued and/ or enforced until the Effective Date as desired by APL and as and from the Effective Date shall be continued and enforced by or against APL in the same manner and to the same extent as would or might have been continued and enforced by or against AIL. On and from the Effective Date, APL shall and may, if required, initiate any legal proceedings in its name in relation to the Demerged Undertaking in the same manner and to the same extent as would or might have been initiated by AIL.

R. REGULATORY ACTION, IF ANY – DISCIPLINARY ACTION TAKEN BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTERS IN LAST 5 FINANCIAL YEARS- NIL

S. OUTSTANDING CRIMINAL PROCEEDINGS AGAINST THE PROMOTERS- NIL

T. PARTICULARS OF HIGH, LOW AND AVERAGE PRICES OF THE SHARES OF THE LISTED DEMERGED COMPANY DURING THE PRECEDING THREE YEARS

Year	BSE			NSE		
	High*	Low*	Average**	High*	Low*	Average**
2021-2022	1,887.65	787.25	1,337.45	1,863.65	782.55	1,323.10
2020-2021	1,399.00	769.30	1,084.15	1,399.40	768.05	1,083.73
2019-2020	1,899.00	662.05	1,280.53	1,899.00	668.00	1,283.50

***The high and low prices during a particular financial year are derived from the high/low prices prevalent on a particular trading day during that period.**

**** The average stock price is the simple average price for all trading days of a particular financial year.**

U. MATERIAL DEVELOPMENT AFTER THE DATE OF LAST FINANCIAL STATEMENTS AS ON MARCH 31, 2022

Except as given below, in the opinion of our Board, there have not arisen since the date of last Financial Statements for the period ended March 31, 2022, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our material liabilities within the next twelve months:

- The National Company Law Tribunal, Ahmedabad bench, vide its order dated September 21, 2022 approved the Scheme of Arrangement between Aarti Industries Limited and Aarti Pharmalabs Limited and their respective shareholders under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Effective date pursuant to NCLT order is October 17, 2022.
- Our Board of Directors was reconstituted and Directors were appointed/reappointed on October 17, 2022
- Company Secretary and Compliance Officer of our Company was appointed on August 19, 2021.
- In principle approval for listing of 9,06,26,008 equity shares of Rs. 5/- each of the Company received from BSE Limited on **December 23, 2022**
- In principle approval for listing of 9,06,26,008 equity shares of Rs. 5/- each of the Company received from National Stock Exchange of India Limited on **December 28, 2022**
- SEBI granted relaxation under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 vide its letter dated **January 9, 2023**

V. SUCH OTHER INFORMATION AS MAY BE SPECIFIED BY THE BOARD FROM TIME TO TIME:

None.

For and on behalf of the Board of Directors of Aarti Pharmalabs Limited

Sd/-
Hetal Gogri Gala
Vice Chairperson and Managing Director
DIN: 00005499

Sd/-
Narendra J. Salvi
Managing Director
DIN: 00299202

Date: January 21, 2023
Place: Mumbai

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DESTINY LOGISTICS & INFRA LIMITED
CIN: L63090WB2011PLC165520
Registered Office: 375, Dakshindari Road,
Kolkata – 700 048, West Bengal, India
Corporate office: Unit No. 708, 7th Floor, ECO Centre,
Block-EM-4 Sector-V, Salt Lake Kolkata – 700091, West Bengal, India
Tel No: +91 98360 00343; **E-Mail ID:** cs@destinyinfra.in;
Website: www.destinyinfra.in

NOTICE OF RECORD DATE

Pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and vide resolution dated January 20, 2023 passed by the Board of Directors of the Company, Notice is hereby given that the Record Date for determining names of shareholders of the Company eligible to apply for the Rights Equity Shares in the Rights Issue shall be Friday, January 27, 2023.

For **Destiny Logistics & Infra Limited**
On behalf of the Board of Directors
Sd/-
Mustafa Rangwala
Company Secretary and Compliance Officer

Date: January 21, 2023
Place: Kolkata

HDB FINANCIAL SERVICES

एचडीबी फाइनेंशियल सर्विसेज लिमिटेड

पंजीकृत कार्यालयः ''राधिका', द्वितीय तल, लॉ गार्डन रोड, नवरंगपुरा, अहमदाबाद, गुजरात, पिन कोडः 380009,
शाखा कार्यालयः एससीओः 277, द्वितीय तल, सेक्टर-32-डी, चंडीगढ़-160030

सरफॉएसि अधिनियम 2002 की धारा 13(2) के अंतर्गत मांग सूचना

आप, निम्न वर्णित ऋणकर्ता, सह–ऋणकर्तागणों और गारंटरगणों ने अपनी अचल संपत्तियों (प्रतिभूतियों) को बंधक रखकर एचडीबी फाइनेंशियल सर्विसेज लिमिटेड से ऋण(ऋणानेक)/वित्तीय सुविधा(एं) प्राप्त की थीं और उनका प्रतिभुगतान करने में चूक कर चुके हैं। आपकी चूकों के परिणामस्वरूप, आपके ऋण को अनिष्पादनीय परिसंपत्ति के रूप में वर्गीकृत कर दिया गया था। इसके उपरांत, कंपनी ने वित्तीय परिसम्पत्तियों के प्रतिभूतिकरण एवं पुनर्निर्माण तथा प्रतिभूति हित प्रवर्तन अधिनियम 2002 (अधिनियम) की धारा 13(2) के अंतर्गत मांग सूचना निर्गत की थी, जिसकी विषय–वस्तु को, आपको सूचना से अवगत कराने के वैकल्पिक सेवा–माध्यम के रूप में तथा उसके द्वारा, प्रतिभूति हित (प्रवर्तन) नियमावली 2002 के नियम 3(1) के साथ पठित अधिनियम की धारा 13(2) के अनुसार यहां निम्नानुसार प्रकाशित किया जा रहा है। ऋणकर्ताओं, सह–ऋणकर्ताओं, ऋण खाता सं., ऋण राशि, धारा 13(2) के अंतर्गत मांग सूचना तिथि, सूचना में अध्यर्थित राशि, एनपीए तिथि तथा प्रतिभूतियों के विवरण निम्नानुसार दिए गए हैं:

1) उधारकर्ता/सह–उधारकर्ता/गारंटर का नाम एवं पता; 2) ऋण खाता संख्या; 3) ऋण राशि; 4) मांग सूचना की तिथि; 5) अभ्यर्थित राशि आईएनआर में; 6) एनपीए तिथि; 7) प्रतिभूतियों के विवरण;

1. उधारकर्ता और सह–उधारकर्ताओं का नामः सिटी लाइट्स – अपर बरोल धर्मशाला तहसील धर्मशाला कांगड़ा–176403 हिमाचल प्रदेश – और साथ ही यहां पर भी – खस. 143 खतौ. 218 खस. 876, 2099/877, 2102/878, किता 3, क्षेत्र 557–76, शेयर 461.66/557.76 461–66 वर्ग मीटर, महल शामनगर, धर्मशाला कांगड़ा–176403 – राहुल शर्मा – एहले मोटर सर्विसेज स्टेशन नंबर 6 के पास वीपीओ शामनगर तह. धर्मशाला जिला कांगड़ा–176403 हिमाचल प्रदेश – ज्योति शर्मा पुत्री राम नारायण, सैनिक रेस्ट हाउस के पास वार्ड नं. 5 हाउस नं. 1520 कांगड़ा एचपी कांगड़ा हिमाचल प्रदेश–176001 – सत्य पाल शर्मा पुत्र श्री धनी राम ईगल मोटर सर्विस स्टेशन के पास वार्ड नंबर 6, विल्श्याम नगर पोओ धर्मशाला श्याम नगर कांगड़ा एचपी कांगड़ा हिमाचल प्रदेश–176215 – राहुल शर्मा – अपर बरोल धर्मशाला तहसील धर्मशाला कांगड़ा हिमाचल प्रदेश–176403 : ऋण खाता संख्या 6645483/13395021; ऋण राशिः ऋण खाता संख्या 6645483 द्वारा रु. 2500000/– (रुपये पच्चीस लाख मात्र) और ऋण खाता संख्या 13395021 द्वारा रु. 450000/– (रुपए चार लाख पचास हजार मात्र); 4) मांग सूचना दिनांकः 13.01.2023; 5) अभ्यर्थित राशिः रु. 28,36,478.86/– (रुपये अट्ठाईस लाख छत्तीस हजार चार सौ अट्ठहत्तर और छियासी पैसे मात्र) 12.01.2023 तक और आकस्मिक व्यय, लागत और शुल्कों इत्यादि के साथ वास्तविक प्राप्ति तक भविष्य का संविदात्मक ब्याज; 6)एनपीए दिनांकः 02.11.2022; प्रतिभूति का विवरणः 577.76 वर्ग मीटर की संपत्ति के सभी भाग तथा अंश, जिसमें खाता/खतौनी नंबर 143/218, खसरा नंबर 876, 2099/877, 2102/878 समाविष्ट है जो मोहाल शामनगर, तहसील धर्मशाला जिला कांगड़ा एचपी में स्थित तथा श्री सत्य पाल पुत्र श्री धनी राम के स्वामित्वधारण में पंजीकृत विलेख संख्या 358 दिनांक 20–10–1983 उप–पंजीयक धर्मशाला में पंजीकृत द्वारा पंजीकृत और इस प्रकार परिसीमित हैः पूर्व– सड़क, पश्चिम– खुला भूखंड, उत्तर– डॉ. राणा का मकान, दक्षिण– एसी चौहान का मकान।

अतः आप ऋणकर्ता/सह–ऋणकर्ताओं और गारंटरगणों को निर्देश दिया जाता है कि आप इस सूचना के 60 दिवसों के अंदर यहां इसमें उक्त वर्णितानुसार भावी ब्याज के साथ ऊपर वर्णित मांगकृत राशि का पूर्ण भुगतान करें। ऐसा करने में विफल होने पर अधोहस्ताक्षरकर्ता ऊपर वर्णित प्रतिभूतियों को प्रवर्तित करने के लिए अधिनियम के अंतर्गत कार्रवाई करने को बाध्य होंगे। **(ऋणकर्ता का ध्यानाकर्षण प्रतिभूत परिसंपत्तियों के मोचनार्थ उपलब्ध समय के संदर्भ में अधिनियम की धारा 13 की उप–धारा (8) के प्रावधानों की ओर आमंत्रित किया जाता है)।**

कृपया ध्यान रखें कि उक्त अधिनियम की धारा 13(13) के अनुसार आप पर प्रतिबंध लगाया जाता है कि आप हमारी सहमति के बिना ऊपर–संदर्भित प्रतिभूतियों का विक्रय, पट्टा के माध्यम से अथवा अन्यथा हस्तांतरण नहीं कर सकेंगे और अधिनियम की धारा 13(13) का यदि कोई भी गैर–अनुपालन होता है तो वह उक्त अधिनियम की धारा 29 के अंतर्गत दण्डनीय है। **किसी पूछताछ या प्रश्न हेतु कृपया श्री आशीष मेहता को फोनः 9729438899 एवं श्री नवल किशोर को 7696442530 पर संपर्क करें।**

दिनांक : 22-01-2023, स्थान : दिल्ली **हस्ता./– प्राधिकृत अधिकारी, कृते एचडीबी फाइनेंशियल सर्विसेज लिमिटेड**

HDB FINANCIAL SERVICES

एचडीबी फाइनेंशियल सर्विसेज लिमिटेड

पंजीकृत कार्यालय : ''राधिका'', द्वितीय तल, लॉ गार्डन रोड, नवरंगपुरा, अहमदाबाद-380009 शाखा कार्यालय : एचडीबी फाइनेंशियल सर्विसेज लिमिटेड, ई-145, रमेश मार्ग, सामने सरदार पटेल मार्ग, सी-स्कीम, जयपुर, राजस्थान-302001

सरफैसी अधिनियम, 2002 की धारा 13(2) के तहत माँग सूचना

आप अधोलिखित कर्जदारों, सह-कर्जदारों तथा जमानतियों ने अपनी अचल सम्पत्तियों (प्रतिभूतियों) को गिरवी रखकर एचडीबी फाइनेंशियल सर्विसेज से ऋण/वित्तीय सुविधाएँ ग्रहण कीं और उनके पुनर्भुगतान में चूक की। आपकी चूक के परिणामस्वरूप ऋण को नॉन-पर्फामिंग आस्ति के रूप में वर्गीकृत कर दिया गया। तत्पश्चात कम्पनी ने प्रतिभूति हित अधिनियम, 2002 की वित्तीय आस्तियो तथा प्रवर्तन के प्रतिभूतिकरण एवं पुनर्निर्माण (अधिनियम) की धारा 13(2) के तहत, जिसकी विषय-सामग्री प्रतिभूति हित (प्रवर्तन) नियम, 2002 के नियम 3(1) के साथ पठित अधिनियम की धारा 13(2) के अनुसार इसके साथ प्रकाशित किये जा रहे हैं और आपके पास वैकल्पिक सेवा के रूप में माँग सूचना निर्गत की है। कर्जदारों, सह-कर्जदारों, ऋण खाता सं., ऋण की राशि, धारा 13(2) के तहत माँग सूचना, तिथि, सूचना में दावाकृत राशि, एनपीए तिथि तथा प्रतिभूतियों का विवरण नीचे दिया गया है :

1. कर्जदार और सह-कर्जदार का नामः आयशा सिद्दीकाहा टेक्सटाइल - पोस्ट कालाडेरा 172 रीको इंड एरिया वाया चोमू जयपुर राजस्थान कालाडेरा -303801 इसके अलावाः पट्टा नंबर 91 का प्लॉट मिसल नंबर 07 ग्राम पंचायत कालाडेरा पंचायत समिति गोविंदगढ़ जयपुर राज -303801 - हबीब तेली - मस्जिद के पास तहसील चोमू कालाडेरा कालाडेरा जयपुर कालाडेरा -303801 - नजमीन तेली - मस्जिद के पास तहसील चोमू कालाडेरा कालाडेरा जयपुर कालाडेरा -303801 - मकबूल तेली - मस्जिद के पास तहसील चोमू कालाडेरा कालाडेरा जयपुर कालाडेरा-303801 - जन्नत एम - मस्जिद के पास तहसील चोमू कालाडेरा कालाडेरा जयपुर कालाडेरा -303801 - सिराजुद्दीन तेली - मस्जिद के पास तहसील चोमू कालाडेरा कालाडेरा जयपुर कालाडेरा -303801.: ऋण खाता संख्याः 5337129; ऋण राशिः रु. 4852433/- (रुपए अड़तालीस लाख बावन हजार चार सौ तैंतीस मात्र); मांग सूचना दिनांकः 13.01.2023; दावा की गई राशिः रुपये 5038956.61/- (रुपये पचास लाख अड़तीस हजार नौ सौ छप्पन और इकसठ पैसे मात्र) 12-01-2023 तक और आकस्मिक व्यय, लागत और शुल्क आदि के साथ वास्तविक प्राप्ति तक भावी संविदात्मक ब्याज; एनपीए दिनांकः 03.12.2022; प्रतिभूति का विवरणः पट्टा संख्या 91, मिसल संख्या 07, ग्राम पंचायत कालाडेरा, पंचायत समिति, गोविंगपुरी, जयपुर 303801 का समस्त भाग, माप 183.33 वर्ग गज, सीमाएंः उत्तरः रास्ता आम / सार्वजनिक सड़क 16 फीट , दक्षिण : श्री बाजिम महामद्दा और अलादीन तेली का मकान, पूर्व : आम रास्ता/सार्वजनिक मार्ग 14 फीट 9 इंच, पश्चिम : 30 फीट 6 इंच सड़क

2. कर्जदार और सह-कर्जदार का नामः भारत फर्नीचर रिपेयरिंग वर्क्स - वन विहार हाउसिंग बोर्ड के सामने ईदगाह दिल्ली बाई पास रोड जयपुर जयपुर-302002-साथ हीः मकान म्युनिसिपल नंबर 720 छोकरी - शरद अंजीर दरवाजा जयपुर - जयपुर - 302002 - रूमा परवीन - 720 सिटी पैलेस रोड चीनी की बुर्ज - जयपुर त्रिपोलिया बाजार जयपुर - 302002 - शकील अहमद - 720 सिटी पैलेस रोड चीनी की बुर्ज जयपुर त्रिपोलिया बाजार जयपुर -302002.: ऋण खाता संख्याः 4270019: ऋण राशिः रु. 2390000/- (रुपये तेईस लाख नब्बे हजार मात्र): मांग सूचना दिनांकः 13.01.2023 ; दावा की गई राशिः रु. 25,46,230.51/- (रुपये पच्चीस लाख छियालीस हजार दो सौ तीस और इक्यावन पैसे मात्र) 12-जनवरी-2013 तक और आकस्मिक व्यय, लागत और शुल्क आदि के साथ वास्तविक प्राप्ति तक भावी संविदात्मक ब्याज ; एनपीए दिनांकः 03.12.2022; प्रतिभूति का विवरणः संपत्ति मकान निगम नंबर - 720, चोकरी शरद, अंजीर दरवाजा, जयपुर राजस्थान 302002 का समस्त भाग, माप 51.98 वर्ग मीटर। संपत्ति की सीमाएँ: उत्तरः सरकारी रास्ता, दक्षिणः इकबाल का घर, पूर्वः सार्वजनिक मार्ग / आम रास्ता, पश्चिमः हबीब का घर

3. कर्जदार और सह-कर्जदार का नामः हेमंत कुमार शर्मा - 128 बी सचिवालय विहार कल्याणपुरा जयपुर - 302020 राजस्थान - चंदा देवी शर्मा 128 बी सचिवालय विहार कल्याणपुरा जयपुर जयपुर राजस्थान - 302020 - विष्णु दत्त शर्मा -128 बी सचिवालय विहार कल्याणपुरा जयपुर जयपुर राजस्थान- 302020: ऋण खाता संख्याः 12068312: ऋण राशिः रु. 2000000 (रुपये बीस लाख मात्र): मांग सूचना दिनांकः 13.01.2023; दावा की गई राशिः रु. 19,53,495/- (रुपये उन्नीस लाख तिरपन हजार चार सौ पंचानवे मात्र) 12.01.2023 तक और आकस्मिक व्यय, लागत और शुल्क आदि के साथ वास्तविक वसूली तक भावी संविदात्मक ब्याज; एनपीए दिनांकः 02.09.2022; प्रतिभूति का विवरणः प्लॉट नंबर-128-बी, सचिवालय विहार (स्कीम नंबर-27-ए), कल्याणपुरा, सांगनेर, जयपुर, राजस्थान-302029 का सम्पूर्ण भाग, माप- 77.77 वर्ग गज, उत्तर-प्लॉट नंबर 128-सी, दक्षिण-प्लॉट नंबर 128-ए, पूर्व-प्लॉट नंबर 128, पश्चिम-सड़क 30 फीट

4. कर्जदार और सह-कर्जदार का नामः मैसर्स सोलंकी इंटरनेशनल - पी नंबर 4142 जगन्नाथ शाह का रास्ता - रामगंज रामगंज बाजार रामगंज बाजार - जयपुर - 302002 - इसके अलावाः - प्लॉट नंबर 81 बी जगन्नाथ शाह का मोहल्ला संखला नाहरवाड़ा चोकरी राम चंद्र जी जयपुर जयपुर-302015 - इसके अलावाः दक्षिण भाग भाग पी संख्या 30 नाहर बाड़ा - कच्ची बस्ती चोकरी राम चंद्र जी - जयपुर - 302001 - इसके अलावाः - उत्तर भाग भाग प्लॉट संख्या -30 - नाहर बाड़ा कच्ची बस्ती चोकरी राम चंद्र जी - जयपुर - 302001 - इसके अलावाः - उत्तर भाग प्लॉट नंबर -30 - नाहर बाड़ा कच्ची बस्ती चोकरी राम चंद्र जी - जयपुर - 302001 - इसके अलावाः - प्लॉट नंबर 4316 फडलेयन मस्जिद के पास - टाकिया मलंगश चोकड़ी रामचंद जी - जयपुर - 302001 - गुलशन बेगम - पी नंबर 4142 जगन्नाथ शाह का रास्ता - रामगंज रामगंज बाजार रामगंज बाजार - जयपुर जयपुर - 302001 - इसके अलावाः - 4142 जगन्नाथ शाह का रास्ता रामगंज बाजार जयपुर -302001 - मोहम्मद हुसैन - पी नं 4142 जगन्नाथ शाह का रास्ता - रामगंज रामगंज बाजार रामगंज बाजार - जयपुर जयपुर -302002.: ऋण खाता संख्या : 1603446/1821821 : ऋण राशि : रु. 2250000 (रुपये बाईस लाख पचास हजार मात्र) ऋण खाता संख्या 1603446 द्वारा और रुपये 1000000 (रुपये दस लाख मात्र) ऋण खाता संख्या 1821821 द्वारा : मांग सूचना दिनांकः 13.01.2023; दावा की गई राशिः रुपये 2108034.64 (रुपए इक्कीस लाख आठ हजार चौंतीस और चौंसठ पैसे मात्र) 12-01-2023 तक और वास्तविक प्राप्ति तक भावी संविदात्मक ब्याज के साथ-साथ आकस्मिक व्यय, लागत और शुल्क आदि; एनपीए दिनांकः 03.12.2022; प्रतिभूति का विवरणः : प्रतिभूतियों की अनुसूची क- संपत्ति मकान नंबर 81-बी, जगन्नाथ शाह का मोहल्ला सांखला नाहरवाड़ा चोकरी राम चंद्र जी जयपुर जयपुर -302015 का समस्त भाग, माप क्षेत्र 83.48 वर्ग गज, संपत्ति की सीमाएंः उत्तरः गली, दक्षिणः अन्य घर, पूर्वः अन्य घर, पश्चिमः रास्ता। प्रतिभूतियों की अनुसूची - क्क- संपत्ति दक्षिण भाग भाग पी नं 30 नाहर बड़ा कच्ची बस्ती चोकरी राम चंद्र जी जयपुर -302001 का समस्त भाग, संपत्ति की सीमाएँ: उत्तर : गली, दक्षिणः अन्य घर, पूर्वः अन्य घर, पश्चिमः रास्ता

5. कर्जदार और सह-कर्जदार का नामः विजय अटोलिया - फ्लैट नंबर 101 ब्लॉक अनुकम्पा रेजीडेंसी शांति नगर जयपुर - 302018 राजस्थान - और साथ ही - दुकान नंबर सी/vii 5 स्कीम ऑटो मोबाइल नगर जयपुर - 302004 - वैदेही अटोलिया - फ्लैट नंबर 101 ब्लॉक ए अनुकम्पा रेजीडेंसी शांति नगर जयपुर-302020 राजस्थानः ऋण खाता संख्याः 3772609/13658161: ऋण राशि रु. 35,00,000/- (रुपये पैंतीस लाख मात्र) ऋण खाता संख्या 3772609 द्वारा तथा रु. 6,22,000/- (रुपये छः लाख बाईस हजार मात्र) ऋण खाता संख्या 13658161 द्वाराः मांग सूचना दिनांकः 13.01.2023; दावा की गई राशिः रुपये 3502015.49/- (रुपये पैंतीस लाख दो हजार पंद्रह और उनचास पैसे मात्र) 12.1.2023 तक और आकस्मिक व्यय, लागत और शुल्क आदि के साथ वास्तविक प्राप्ति तक भावी संविदात्मक ब्याज; एनपीए दिनांकः 02.11.2022; प्रतिभूति का विवरणः दुकान संख्या - सी/vll/5, ऑटोमोबाइल नगर, जयपुर- 302003 का समस्त भाग, माप-599.94 वर्ग फीट, उत्तरः-दुकान-12, दक्षिणः सड़क, पूर्व-दुकान नं-सी/५/6 , पश्चिम-दुकान नं-सी/vii/4

6. कर्जदार और सह-कर्जदारों का नामः मैसर्स हनीज गिरी गैलरीः अण्डरग्राउण्ड बी -19 कवात्रा कॉम्प्लेक्स तोलियासर भैरू जी की गली बीकानेर बीकानेर बीकानेर बीकानेर एचओ -334001 राजस्थानः और प्लॉट नंबर 4-डी-99 जय नारायण व्यास नगर बीकानेर बीकानेर एचओ-334001 - सुमन सिदाना 5-डी-99 हुडको आउटर जय नारायण व्यास कॉलोनी बीकानेर एचओ 334001 राजस्थान - शगन लाल सिदाना (मृतक होने से कानूनी उत्तराधिकारी के माध्यम से) - नीरज सिदाना (कानूनी उत्तराधिकारी) - एम-वी-डी-99 हुडको क्वाटर जय नारायण व्यास कॉलोनी बीकानेर बीकानेर एचओ-334001 राजस्थान - सुमन सिदाना (कानूनी वारिस) - एम-वी-डी-99 हुडको क्वाटर जय नारायण व्यास कॉलोनी बीकानेर बीकानेर एचओ-334001 राजस्थान - धीरज सिदाना (कानूनी वारिस) - एम-वी-डी-99 हुडको क्वार्टर जय नारायण व्यास कॉलोनी बीकानेर बीकानेर एचओ- 334001 राजस्थान - गुंजन सिदाना (कानूनी वारिस) - एम-वी-डी-99 हुडको क्वाटर जय नारायण व्यास कॉलोनी बीकानेर बीकानेर एचओ-334001 राजस्थान - नीरज सिदाना - 5-डी-99 हुडको क्वार्टर जेएनवी कॉलोनी बीकानेर एचओ-334001 राजस्थानः ऋण खाता संख्या : 16056662/9954885/5257685: ऋण राशिः रुपये 1612000/- (रुपये सोलह लाख बारह हजार मात्र) ऋण खाता संख्या 16056662 द्वारा और रु. 709951/- (रुपये सात लाख नौ हजार नौ सौ इक्यावन मात्र) ऋण खाता संख्या 9954885 द्वारा और रुपये 7586000/- (रुपये पचहत्तर लाख छियासी हजार मात्र) ऋण खाता संख्या 5257685 द्वाराः मांग सूचना दिनांकः 13.01.2023; दावा की गई राशिः रुपये 1,02,92,877.31/- (रुपये एक करोड़ दो लाख बानबे हजार आठ सौ सतहत्तर और इकतीस पैसे मात्र) 13.01.2023 तक और आकस्मिक व्यय, लागत और शुल्क आदि के साथ वास्तविक प्राप्ति तक भावी संविदात्मक ब्याज; एनपीए दिनांकः 03.12.2022; प्रतिभूति का विवरणः प्लॉट संख्या वी-डी-99, हुडको क्वार्टर्स, जय नारायण व्यास नगर, बीकानेर का समस्त भाग, सुगम लाल के पक्ष में पंजीकृत, सब रजिस्ट्रार ऑफ एश्योरेंस के साथ बंजीकृत कन्वीएंस डीड के अनुसार, दस्तावेज सं. 2361, पुस्तक संख्या 1 खंड संख्या 591 पृष्ठ संख्या 178 में 20.03.1997 को पंजीकृत, सम्पत्ति की सीमाएं- उत्तर-रोड, दक्षिण- प्लॉट नंबर वी-डी-100, पूर्व- रोड, पश्चिम- प्लॉट नंबर वी-डी-98

अतः आप कर्जदार/सह-कर्जदारों तथा जमानतियों को ऊपर उल्लिखित के अनुसार भावी ब्याज सहित ऊपर उल्लिखित माँग राशि का इस सूचना की तिथि से 60 दिनों के भीतर पूर्ण रूप से भुगतान करने के लिए कहा जाता है जिसमें असफल होने पर अधोहस्ताक्षरी ऊपर उल्लिखित प्रतिभूतियों के प्रवर्तन हेतु अधिनियम के तहत कार्यवाही करने के लिए बाध्य होगा। (प्रतिभूत आस्तियों को छुड़ाने के के लिए उपलब्ध समय-सीमा के परिप्रेक्ष्य में कर्जदार का ध्यान अधिनियम की धारा 13 की उपधारा (8) के प्रावधानों की ओर आकृष्ट किया जाता है)

कृपया ध्यान दें कि कथित अधिनियम की धारा 13(13) के अनुसार इस बीच आपको उपर्युक्त सम्पत्ति का हमारी सहमति के बिना विक्रय, पट्टे अथवा अन्य रूप में उपर्युक्त सन्दर्भित प्रतिभूतियों को हस्तान्तरित करने से निषिद्ध किया जाता है और अधिनियम की धारा 13(13) का कोई अननुपालन कथित अधिनियम की धारा 29 के तहत दण्डनीय है।

किसी पूछताछ के लिए कृपया सम्पर्क करें : भूपेन्दर, दूरभाष : 08360772826 तथा विकास आनन्द दूरभाष : 9711010384

तिथि : 22.01.2023 स्थान : जयपुर **ह./- अधिकृत प्राधिकारी, कृते एचडीबी फाइनेंशियल सर्विसेज लिमिटेड**