AARTI PHARMALABS

February 13, 2023

To,
Listing/ Compliance Department
National Stock Exchange of India Limited
"Exchange Plaza", Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

NSE SYMBOL: AARTIPHARM

Dear Sir/Madam(s),

Sub: Audited Financial Statements for the nine months ended December 31, 2022

The Board of Directors at their meeting held on Tuesday, January 17, 2023 inter alia considered and approved Audited Financial Statements of the Company (Standalone and Consolidated) for the nine months ended December 31, 2022. Further, we hereby submit that the Company's shares were listed on the Exchanges w.e.f. Monday, January 30, 2023.

In this regard, pursuant to the requirement specified in your Notice no. NSE/LIST/89 dated January 25, 2023 and as per our discussion on the subject with your official from the Listing Compliance department, we enclose the Audited Financial Statements of the Company (Standalone and Consolidated) for the nine months ended December 31, 2022, which were approved at the Board Meeting held on January 17, 2023. We trust that the said submission would be sufficient compliance in the present instance. Further, we shall ensure submission of financial results in accordance with Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 starting from quarter ending March 31, 2023 onwards.

Besides, the said Financials Statements are made available on the Company's website under the link - https://www.aartipharmalabs.com/quarterly-results

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **AARTI PHARMALABS LIMITED**
(Formerly known as Aarti Organics Limited)

NIKHIL PANDURANG NATU
Digitally signed by NIKHIL PANDURANG NATU
Date: 2023.02.13 17:41:52 +05'30'

NIKHIL NATU
COMPANY SECRETARY
ICSI M. NO. A27738

gokhale & sathe
(regd.)
chartered accountants
304/308/309, udyog mandir no 1,
7-c, bhagoji keer marg,
mahim, mumbai 400 016.

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

GOKHALE & SATHE * CHARTERED ACCOUNTANTS * MUMBAI FIRM No. 103264W

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

GOKHALE & SATHE * MUMBAI * CHARTERED ACCOUNTANTS FIRM No. 103264W

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

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
Standalone Balance Sheet as at 31st December, 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	-
	(b) Capital Work-in-Progress	1	7,702.33	16,522.59	-
	(c) Intangible Assets	1	19.18	22.52	-
	(d) Intangible Assets Under Developments	1	3,762.04	2,214.02	-
	(e) Financial Assets				
	(i) Investment in Subsidiary	2	90.76	90.76	-
	(ii) Other Investments	2	4,176.53	3,896.04	-
	(iii) Other Financial Assets	3	866.93	820.58	-
	(f) Other Non-Current Assets	4	429.10	-	-
	Total Non-Current Assets		**98,675.16**	**93,655.76**	**-**
2	**Current Assets**				
	(a) Inventories	5	52,719.91	44,437.53	-
	(b) Financial Assets				
	(i) Trade Receivables	6	33,225.96	30,421.97	-
	(ii) Cash and Cash Equivalents	7	5,079.25	5,649.99	25.00
	(iii) Loans	8	585.23	477.97	-
	(iv) Other Financial Assets	9	4,061.01	7,000.39	-
	(c) Other Current Assets	10	1,152.66	1,039.57	-
	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	-
	(c) Other Equity	12	1,37,062.28	1,23,871.30	-2.19
	Total Equity		**1,41,593.58**	**1,28,427.60**	**22.81**
2	**LIABILITIES**				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	Borrowings	13	NIL	NIL	-
	Other Non Current Financial Liability	14	151.23	153.23	-
	(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 Entereprises	17	3,848.84	2,114.38	0.26
	- Other Than Micro and Small Entereprises	17	11,905.52	11,046.92	-
	(iii) Others				
	(b) Other Current Liabilities	18	126.44	124.44	0.20
	(c) Provisions	19	1,455.21	1,669.17	-
	(d) Current Tax Liabilities (Net)	20	121.79	750.00	-
	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				
	Accompanying Notes to the Financial Statements	**1-33**			

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

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

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

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

Aarti PharmaLabs Limited

Hetal Gogri Gala
Vice Chairperson &
Managing Director
DIN: 00005499

Piyush Lakhani
Chief Financial Officer

Narendra Salvi
Managing Director
DIN: 00299202

Nikhil Natu
Company Secretary
ICSI M.No : A27738

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
Standalone Statement of Profit and Loss for the Period Ended 31st December, 2022, 31st March, 2022 & 31st March, 2021

(Rs. in Lakhs)

	Particulars	Note No.	~~As at~~ 31st Dec,2022 For the period ended	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	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				
	- Fair Value Change of Equity Instruments through Other		-7.21	706.86	-0.00
	- Remeasurement of defined employee benefit plans (net of		-		
	b. Items that will be reclassified to Statement of Profit and		-		
	Other Comprehensive Income (Net of Tax)		**-7.21**	**706.86**	**-0.00**
IX	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET**		**13,166.00**	**11,379.47**	**-0.46**
X	**Earnings Per Equity Share of Face Value of Rs 10 Each (EPS)**	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			

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

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

GOKHALE & SATHE MUMBAI FRN No. 103264W CHARTERED ACCOUNTANTS

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

Aarti PharmaLabs Limited

Hetal Gogri Gala
Vice Chairperson &
Managing Director
DIN: 00005499

Piyush Lakhani
Chief Financial Officer

Narendra Salvi

Managing Director
DIN: 00299202

Nikhil Natu
Company Secretary
ICSI M.No : A27738

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
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	963.17	-3,579.85	0.46
	Cash Generated from Operations	**15,274.36**	**-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	-8,415.40	-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	**-7,787.27**	**-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.
3 **Cash and Cash Equivalents comprises of:**

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

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

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

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

For and on behalf of the Board
For Aarti Pharmalabs Limited

Hetal Gogri Gala
Vice Chairperson &
Managing Director
DIN: 00005499

Piyush Lakhani
Chief Financial Officer

Narendra Salvi
Managing Director
DIN: 00299202

Nikhil Natu
Company Secretary
ICSI M.No : A27738

Standalone Result 2022-23

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		-
As at 31st March, 2022		25.00
Share capital cancelled pursuant to scheme of Demerger		-25.00
Issue of Shares Pursuant to Scheme of Demerger		4,531.30
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 Arrangment	64,455.64	8,187.56	44,032.54		349.58	1,17,025.31
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 Arrangment	-	-	-		-	-
Share capital Cancellaiton on account of Scheme of Arrangment	-	-	-	25.00	-	25.00
Effect of Gratuity Provison to be maintained as per NCLT	-	-	-		-	-
Total Comprehensive Income for the year	-	-	-		-7.21	-7.21
Profit for the year	13,173.21				-	13,173.21
Dividend Paid						-
Remeasurement of defined employee benefit plans (net of tax)						-
Balance as at 31st Dec 2022	83,767.97	8,187.56	44,032.54	25.00	1,049.23	1,37,062.28

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

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

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

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

For and on behalf of the Board
For Aarti Pharmalabs Limited

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Nikhil Natu
Company Secretary
ICSI M.No : A27738

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
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; and

b. 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.

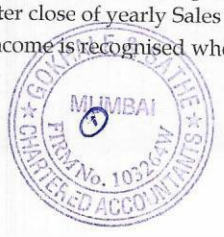
(e) Cash and Cash Equivalents

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.

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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.

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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.



AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
Note 1 - Property, Plant and Equipment (FY 2022- 23)

(Rs. in Lakhs)

	Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
		Balance as at 1st April, 2022	Addition on Account of	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st Dec, 2022	Balance as at 1st April, 2022	Addition on Account of	Depreciation charge for the	Deduction/ Adjustments	Balance as at 31st Dec, 2022	Balance as at 31st Dec, 2022	Balance as at 31st March,
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	**106,268.81**	**-**	**15,687.66**	**-**	**121,956.47**	**36,179.56**	**-**	**4,148.62**	**-**	**40,328.18**	**81,628.29**	**70,089.25**
II	**InTangible Assets**												
	IT software & Other Intangible Ass	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**	**110,071.13**	**-**	**15,687.66**	**-**	**125,758.79**	**39,959.37**	**-**	**4,151.95**	**-**	**44,111.32**	**81,647.47**	**70,111.77**
III	**CWIP - Tangible**	-	-	-	-	-	-	-	-	-	-	**7,702.33**	**16,522.59**
IV	**CWIP - Intangible**	-	-	-	-	-	-	-	-	-	-	**3,762.04**	**2,214.02**

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
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
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
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	
Projects in progress	3,210.65	4,491.68	0.00	0.00	7,702.33
Projects temporarily suspended	0	0	0	0	0
	3,210.65	**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	
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**

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

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

(Rs. in Lakhs)

	Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
		Balance as at 1st April, 2021	Addition on Account of Scheme of	Additions/ Adjustments	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 1st April, 2021	Addition on Account of Scheme of	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 Ass	-	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	**CWIP - Tangible Assets**	**-**	**15,448.62**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16,522.59**	**-**
III	**CWIP - InTangible Assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,214.02**	**-**

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	
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**

Intangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,214.02	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

(Rs. in Lakhs)

	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
	Total A						**90.76**	**90.76**	**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						**2349.48**	**2267.85**	**0.00**
	Aarti Udyog Limited Liability Partnership	0	N.A.	0	0	N.A.	566.19	367.33	0.00
	Total B						**566.19**	**367.33**	**0.00**
	Total A + B	-	-		-	-	**4176.53**	**3896.04**	**0.00**
							4267.29	**3986.80**	**0.00**

- 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	% of equity interest	
			As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
Aarti USA Inc	Trading of Pharmaceutical API & API Intermediates,	USA	100%	100%	-
Aarti Pharmachem Limited	Pharmaceutical API & API Intermediates, Chemical	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	866.93	820.58	-
	Total	**866.93**	**820.58**	**-**

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

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	-
	Work-in-progress	14,298.56	8,150.40	-
	Finished Goods (incl of In-transit stock)	21,984.09	17,251.57	-
	Stores and spares	295.84	223.12	
	Fuel	43.81	22.32	-
	Packing Materials	141.72	98.72	-
	Total	**52,719.91**	**44,437.54**	**-**

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	-
	-Unsecured Doubtful Debts	-	-	-
	-Provision for Doubtful Debts	100.00	100.00	-
	Total	**33,225.96**	**30,421.97**	**-**

*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	-
	Cash Equivalants investment in highly Liquid Funds	5,046.52	5,630.62	-
	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	
	Total	**585.23**	**477.97**	**-**

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	-
	Other Receivable	101.14	112.98	-
	Total	**4,061.01**	**7,000.40**	**-**

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



11 SHARE CAPITAL:

Particulars	No. of Shares	As at 31st Dec 2022	No. of Shares	As at 31st March, 2022	No. of Shares	As at 31st March, 2021
Authorised Share Capital						
Equity Shares of Rs 5/- each	10,00,00,000	5,000.00				
Equity Shares of Rs 10/- each			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				
b Equity Shares of ` 10/- each Pending Cancellations			2,50,000	25.00	2,50,000	25.00
c Equity Shares of ` 5/- each pending Allotment upon Scheme of Arrangment			9,06,26,008	4,531.30		-
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 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

- 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 31st March 2022, 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:**

Particulars	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	No' Of Shares	No' Of Shares	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.



(Rs. in Lakhs)

	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	70,594.76	(2.19)	(1.73)
	Add: Balance transferred on account of scheme of arrangment	-	64,455.64	-
	Less : Toward Issue of Shares capital	-	(4,531.30)	-
	Add: Cancellation of Share Capital on Issuance of Fresh Share Capital as per the Scheme of	-	-	-
	Profit / Loss for the year	13,173.21	10,672.61	(0.46)
	Dividend Paid	-	-	-
	Share Capital Canacellation Purs	-		-
	Remeasurement of defined employee benefit plans (net of tax)	-	-	-
	Closing Balance	**83,767.97**	**70,594.76**	**(2.19)**
	Securities Premium Account			
	As per last Balance Sheet	44,032.54	-	-
	Add: Balance transferred on account of scheme of arrangment	-	44,032.54	-
	Add: During the Years	-	-	-
	Less: During the year	-	-	-
	Closing Balance	**44,032.54**	**44,032.54**	**-**
	Capital Redemption Reserve			
	As per last Balance Sheet	-		-
	Add: Share capital Cancelled pursuant to scheme	25.00	-	-
	Add: During the Years	-	-	-
	Less: During the year	-	-	-
	Closing Balance	25.00	-	-
	General Reserve			
	As per last Balance Sheet	8,187.56	-	-
	Add: Balance transferred on account of scheme of arrangment	-	8,187.56	-
	Add: During the Years	-	-	-
	Less: During the year	-	-	-
	Closing Balance	**8,187.56**	**8,187.56**	**-**
	Other Comprehensive Income			
	As per last Balance Sheet	1,056.44	-	-
	Add: Balance transferred on account of scheme of arrangment	-	349.58	-
	Add: Movement in OCI (Net) During the Year	(7.21)	706.86	-
	Closing Balance	1,049.23	**1,056.44**	-
	Total	137,062.28	**123,871.30**	**(2.19)**



(Rs. in Lakhs)

Particulars	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2022
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		-	-
Other	151.23	153.23	
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	0.26
- Other Than Micro and Small Entereprises	11,905.52	11,046.92	-
Total	15,754.36	13,161.30	-

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	-

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	-

GOKHALE & SATHE MUMBAI

(Rs. in Lakhs)

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**



27	Depreciaion	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 (C)	**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**



(Rs. in Lakhs)

	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.)	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)	90,626,007.75	90,626,007.75	250,000.00
	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)	90,626,007.75	90,626,007.75	250,000.00

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

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 **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.



gokhale & sathe
(regd.)
chartered accountants
304/308/309, udyog mandir no 1,
7-c, bhagoji keer marg,
mahim, mumbai 400 016.

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.

GOKHALE & SATHE ★ MUMBAI ★ FIRM No. 103264W ★ CHARTERED ACCOUNTANTS

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.

GOKHALE & SATHE * MUMBAI * FIRM No. 103264W * CHARTERED ACCOUNTANTS

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

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

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

GOKHALE & SATHE * MUMBAI * CHARTERED ACCOUNTANTS FIRM No. 103264W

Tejas Parikh
Partner
Membership No.: 123215
UDIN: - 23123215BGQKZS5643
Date: 17 January 2023
Place: Mumbai

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
Consolidated Balance Sheet as at 31st December, 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	89,275.80	78,008.80	-
	(b) Capital Work-in-Progress	1	7,702.33	16,522.59	-
	(c) Goodwill	1	178.06	178.06	-
	(d) Intangible Assets	1	19.18	22.52	-
	(e) Intangible Assets Under Developments	1	3,762.04	2,214.02	-
	(f) Financial Assets		0.00	0.00	-
	(i) Investments	2	3,556.83	3,222.55	-
	(ii) Other Financial Assets	3	905.05	858.42	-
	(g) Other Non-Current Assets	4	429.10	148.27	-
	Total Non-Current Assets		**1,05,828.39**	**1,01,175.23**	**-**
2	**Current Assets**				
	(a) Inventories	5	59,129.46	47,545.37	-
	(b) Financial Assets				
	(i) Investments		2,330.07		
	(ii) Trade Receivables	6	42,896.49	37,665.71	-
	(iii) Cash and Cash Equivalents	7	8,218.05	8,327.34	25.00
	(iv) Loans	8	741.79	613.81	-
	(v) Other Financial Assets	9	4,459.41	7,701.89	-
	(c) Other Current Assets	10	1,089.50	960.77	-
	Total Current Assets		**1,18,864.77**	**1,02,814.89**	**25.00**
	TOTAL ASSETS		**2,24,693.15**	**2,03,990.12**	**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	-	4,531.30	-
	(c) Other Equity	12	1,49,300.05	1,34,091.65	-2.19
	Total Equity		**1,53,831.35**	**1,38,647.95**	**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	7,710.22	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	-
	(d) Current Tax Liabilities (Net)	20	121.79	750.00	-
	Total Current Liabilities		**62,700.04**	**58,066.49**	**2.19**
	Total Liabilities		**70,861.80**	**65,342.16**	**2.19**
	TOTAL EQUITY AND LIBILITIES		**2,24,693.15**	**2,03,990.12**	**25.00**
	Significant Accounting Policies				
	Accompanying Notes to the Financial Statements	**1-32**			

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

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

Tejas Parikh
Partner
Membership No. : 123215
UDIN : 23123215BGQKZS5643
Place: Mumbai
Date: 17th January,2023

GOKHALE & SATHE CHARTERED ACCOUNTANTS MUMBAI FIRM No. 103264W

For Aarti PharmaLabs Limited

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Piyush Lakhani
Chief Financial Officer

Narendra Salvi
Managing Director
DIN: 00299202

Nikhil Natu
Company Secretary
ICSI M.No : A27738

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)

Consolidated Statement of Profit and Loss for the Period Ended 31st December, 2022. 31st March, 2022 & 31st March, 2021

(Rs. in Lakhs Except EPS)

	Particulars	Note No.	For the Nine Ended 31st Dec 2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
I	Revenue from Operations	21	146,017.09	119,994.31	-
II	Other Income	22	157.33	251.33	-
III	**Total Income (I+II)**		146,174.42	120,245.63	-
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	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)		125,981.09	104,707.44	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		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		15,221.32	12,932.12	(0.46)
X	**Earnings Per Equity Share of Face Value of Rs 10 Each (EPS) (in**	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			

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

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

GOKHALE & SATHE * MUMBAI * FRN No. 103264W * CHARTERED ACCOUNTANTS

Tejas Parikh
Partner
Membership No. : 123215
UDIN : 23123215BGQKZS5643
Place: Mumbai
Date: 17th January,2023

Aarti PharmaLabs Limited

Hetal Gogri Gala
Vice Chairperson &
Managing Director
DIN: 00005499

Piyush Lakhani
Chief Financial Officer

Narendra Salvi

Managing Director
DIN: 00299202

Nikhil Natu
Company Secretary
ICSI M.No : A27738

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
Consolidated Cash Flow Statement for the Period Ended 31st December, 2022, Year ended 31st March, 2022 & 31st March 2021

(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	15,538.19	-0.46
	Adjusted for:			
	- Finance Costs	1,511.25	1,195.88	-
	- Depreciation/Amortisation	4,659.16	4,211.86	-
	Consolidated Adjustments	0.00	85.72	-
	- Dividend Income	-128.13	-247.86	-
	- Interest Income	-29.20	-0.76	-
	- Profit on sales	0.00	-4.01	-
	Operating Profit before Working Capital Changes	**26,206.41**	**20,779.02**	**-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	-
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	7,759.87	-7,186.20	-
	Cash Generated from Operations	**20,417.51**	**-2,257.30**	-
	Taxes Paid (Net)	-4,456.73	-2,112.93	-
	Net Cash Flow from Operating Activities	**15,960.78**	**-4,370.23**	-
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Acquisition of Property, Plant and Equipment and Capital Work In Progress	-8,650.58	-14,115.20	-
	Other Investments	-2,330.07	-11.32	-
	Dividend Income	128.13	247.86	-
	Interest Income	29.20	0.76	-
	Proceeds from Sale of Investments	500.00	4.01	-
	Net Cash Flow used in Investing Activities	**-10,323.32**	**-13,873.89**	-
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds/(Repayment) from Current Borrowing (Net)	-4,111.56	27,234.22	-
	Finance Costs	-1,511.25	-1,195.88	-
	Dividends Paid	-123.93	0.00	-
	Net Cash Flow from/(used in) Financing Activities	**-5,746.74**	**26,038.34**	-
	Net Increase/(Decrease) in Cash and Cash Equivalents	-109.28	7,794.22	-
	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, 2022
	a. Cash on Hand	8,218.05	8,327.34	25.00
	b. Balances with Banks	0.00	0.00	0.00
	Total	8,218.05	8,327.34	25.00

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

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

Tejas Parikh
Partner
Membership No. : 123215
UDIN : 23123215BGQKZS5643
Place: Mumbai
Date: 17th January,2023

For and on behalf of the Board
For Aarti Pharmalabs Limited

Hetal Gogri Gala
Vice Chairperson &
Managing Director
DIN: 00005499

Piyush Lakhani
Chief Financial Officer

Narendra Salvi
Managing Director
DIN: 00299202

Nikhil Natu
Company Secretary
ICSI M.No : A27738

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
Consolidated Statement of Changes in Equity for the Period Ended 31st December, 2022, 31st March, 2022, 31st March 2021

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
Share capital cancelled pursuant to scheme of Demerger		-25.00
Issue of Shares Pursuant to Scheme of Demerger		4,531.30
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						-0.46
Balance as at 31st Mar, 2021	-2.19	-	-			-	-2.19
Transferred On Account of Scheme of Arrangment							-
Share Issue	-4,531.30		-			-	-4,531.30
Transferred On Account of Scheme of Arrangment	64,455.64	8,335.04	44,033	8,943.81	-	349.58	1,26,116.61
Total Comprehensive Income for the year						706.86	706.86
Profit for the year	12,225.26					-	12,225.26
Dividend Paid	247.86						247.86
Foreign Exchange Differnce on Translation	28.27						28.27
Transferred to Reserves	147.48						147.48
Remeasurement of defined employee benefit plans (net of tax)							-
Balance as at 31st Mar, 2022	71,723.80	8,335.04	44,032.54	8,943.81	-	1,056.44	1,34,091.65
Transferred On Account of Scheme of Arrangment	-	-	-			-	-
Share capital Cancellaiton on account of Scheme of Arrangment	-	-	-	-	25.00	-	25.00
Transfer to General reserve	-159.86	159.86	-			-	-
Total Comprehensive Income for the year	-	-	-			-	-
Profit for the year	15,061.74					-	15,061.74
Dividend Paid	-123.93						-123.93
Foreign Exchange Differnce on Translation	86.01					159.58	245.59
Balance as at 31st Dec 2022	86,587.76	8,494.90	44,032.54	8,943.81	25.00	1,216.02	1,49,300.05

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

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

Tejas Parikh
Partner
Membership No. : 123215
UDIN : 23123215BGQKZS5643
Place: Mumbai
Date: 17th January,2023

For and on behalf of the Board
For Aarti Pharmalabs Limited

Hetal Gogri Gala
Chairperson &
DIN: 00005499

Narendra Salvi
Managing Director
DIN: 00299202

Piyush Lakhani
Chief Financial Officer

Nikhil Natu
Company Secretary
ICSI M.No : A27738

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
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. Significant Accounting Policies

B.0 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,

(i) 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%

(ii) 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

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; and
b. 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

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B.2 Critical Accounting Estimates,

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

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

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

(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.

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.	Leaschold 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.

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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

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.

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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*

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*

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*

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.



AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(Rs. in Lakhs)

	Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
		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	2,639.80	-	-	-	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	97,310.81	-	12,283.84	-	1,09,594.64	34,631.58	-	3,862.66	-	38,494.24	71,100.40	62,679.23
	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	326.64	326.98
	Total	**1,18,519.54**	**-**	**15,922.83**	**-**	**1,34,442.37**	**40,510.74**	**-**	**4,655.83**	**-**	**45,166.56**	**89,275.80**	**78,008.80**
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**	**1,22,499.92**	**-**	**15,922.83**	**-**	**1,38,422.75**	**44,290.54**	**-**	**4,659.16**	**-**	**48,949.70**	**89,473.04**	**78,209.38**
III	**CWIP - Tangible Assets**	**144.13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,702.33**	**16,522.59**
IV	**CWIP - InTangible Assets**	**33.93**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,762.04**	**2,214.02**

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	3,210.65	4,491.68	0.00	0.00	7,702.33
Projects temporarily suspended	0	0	0	0	0
	3,210.65	**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	
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)

(Rs. in Lakhs)

	Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
		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	-	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	-	88,296.50	9,014.31	-	97,310.81	-	30,863.63	3,767.95	-	34,631.58	62,679.23	-
	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	-	1,07,422.30	11,149.69	52.45	1,18,519.54	-	36,042.62	4,511.44	43.33	40,510.74	78,008.80	-
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	-	1,11,384.12	11,168.25	52.45	1,22,499.92	-	39,816.03	4,517.84	43.33	44,290.54	78,209.38	-
III	CWIP - Tangible Assets	-	-	-	-	-	-	-	-	-	-	16,522.59	-
IV	CWIP - InTangible Assets	-	-	-	-	-	-	-	-	-	-	2,214.02	-

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 securily - 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	
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

Intangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,214.02	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

(Rs. in Lakhs)

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 recognised 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 As at 31st Dec,2022	% of equity As at 31st March, 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%

GOKHALE & SATHE ★ MUMBAI ★ FIRM No. 103264W ★ CHARTERED ACCOUNTANTS

(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, 2021
	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, 2021
	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, 2021
	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**

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	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, 2021
	(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**

9	Current 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	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, 2021
	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:

(Rs. in Lakhs)

Particulars	No. of Shares	As at 31st Dec 2022	No. of Shares	As at 31st March, 2022	No. of Shares	As at 31st March, 2021
Authorised Share Capital						
Equity Shares of Rs 10/- each			5,00,000	50.00	5,00,000	50.00
Equity Shares of Rs 5/- each	10,00,00,000	5,000.00				
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 Arrangement	-	-	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

- 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 the Scheme of Arrangment, 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

- 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 was 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 31st March 2022, 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'.

11.1 Reconciliation of number of Equity Shares outstanding:

Particulars		As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
		No' Of Shares	No' Of Shares	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

11.2 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 Arrangment 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.



(Rs. in Lakhs)

	Particulars	As at 31st Dec, 2022	As at 31st Mar, 2022	As at 31st Mar, 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 arrangment	0.00	64455.78	0.00
	Add: Cancellation of Share Capital on Issuance of Fresh Share Capital as per		0.00	0.00
	Profit / Loss for the year	15061.74	12225.29	-0.46
	Dividend Payout / Received	123.93	247.86	0.00
	Foreign Exchange Differnce on Translation	-86.01	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	**86587.79**	**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 arrangment		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 arrangment	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 arrangment		0.00	0.00
	Add: Movement in OCI (Net) During the Year	159.58	706.86	0.00
	Closing Balance	1216.02	1056.44	0.00
	Total	**149300.05**	**134091.65**	**-2.19**

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(Rs. in Lakhs)

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		-	-
	Inter Corporate Deposit	38.88	55.45	-
	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, 2021**
	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, 2021**
	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, 2021**
	At the start of the year	7,066.99	-	-
	Transfered Pursuant to the Scheme of Arrangment	-	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, 2021**
	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**

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	0.26
	- Other Than Micro and Small Entereprises	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, 2022**
	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, 2022**
	Provision for Employee Benefits	1,263.68	1,774.04	-
	Other Provisions	473.50	121.51	-
	Total	**1737.18**	**1895.55**	**0.00**
20	**Current Tax Liabilities (Net)**	**As at 31st Dec,2022**	**As at 31st March, 2022**	**As at 31st March, 2022**
	Current Tax Liabilities (Net)	121.79	750.00	-
	Total	**121.79**	**750.00**	**0.00**



(Rs. in Lakhs)

21	Revenue from Operations	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
	Sale of Products	145,232.50	119,203.36	-
	Sale of Services			
	Other Operating Revenues (Refer Note No. 22.1)	784.59	790.95	-
	Total	146,017.09	119,994.31	-

21	Other Operating Revenues			
	Export Benefits/Incentives Received	645.35	642.78	-
	Scrap Sales	179.75	148.17	-
	Other Operating Revenues	(40.51)	-	-
	Total	784.59	790.95	-

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

23	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	-
	Consumption of Packing Material	1,521.32	1,336.61	-
	Consumption of Fuel	6,524.51	4,585.85	-
	Consumption of Stores & Spares	3,252.09	2,821.04	-
	Total	78,731.03	61,124.15	-

24	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	-
	Work-in-Progress	9,035.98	7,100.83	-
		27,848.41	22,943.54	-
	Inventories (at Close)			
	Finished Goods	24,757.31	18,812.43	-
	Work-in-Progress	14,960.53	9,035.98	-
		39,717.84	27,848.41	-
	Increase in Inventory	(11,869.43)	(4,904.87)	-

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

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



27	Depreciaion	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	-
	Total Depreciation and Amortisation Expenses	4,659.16	4,211.86	-
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	-
	Power consumption	5,270.48	4,165.01	-
	Water Charges	330.02	249.11	-
	Processing Charges	580.86	604.20	-
	Other Manufacturing Expenses	4,738.84	4,368.00	-
	Repairs & Maintenance	2,528.77	2,192.15	-
	Insurance Charges	714.09	650.39	-
	Research & Development Expenses	942.77	581.55	-
	Factory Administrative Expenses	1,042.92	780.62	-
	Sub-Total (A)	17,563.82	15,459.00	-
	Office Administrative Expenses			
	Rent, Rates and Taxes	78.41	11.51	-
	Travelling and Conveyance	127.45	95.43	-
	Auditor's Remuneration	11.58	1.54	0.42
	Legal & Professional Charges	91.44	39.28	-
	Postage, Telegraph & Telephone	14.48	10.44	-
	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)	-
	Export Freight Expenses, Outward Freights	2,082.86	2,101.13	-
	Commission on Sales	1,846.71	596.48	-
	Export Insurance Charges	-	-	-
	Sales Tax & Other Dues Paid	0.23	-	-
	Sample Testing & Analysis Charges	38.40	42.99	-
	Sundry Balance Written Off/(Back)	(0.06)	0.70	-
	Other Expenses	67.82	40.62	-
	Other Selling Expenses	-	-	-
	Sub-Total (C)	4,451.18	2,614.34	-
	Non-Operating Expenses			
	Donations and CSR Expenses	118.22	32.95	-
	Sub-Total (D)	118.22	32.95	-
	Total (A+B+C+D)	22,688.80	18,268.64	0.46



(Rs. in Lakhs)

	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)	15,061.74	12,225.26	-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)	15,061.74	12,225.26	-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 90626008 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.

30	**Payment to Auditors**	**As at 31st Dec 2022**	**As at 31st March, 2022**	**As at 31st March, 2022**
a.	Statutory Audit Fees	10.80	2.72	2.72
b.	Certification Fees	1.25	0.10	0.10
c.	Reimbursement of Expenses	-	-	-
	Total	**12.05**	**2.82**	**2.82**
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.

