



Aarey

DRUGS & PHARMACEUTICALS.LTD.

**MANUFACTURERS OF BULK DRUGS &
DEALERS OF CHEMICALS & SOLVENTS**

CIN No.: L99999MH1990PLC056538

H. O. : 107,204, SAHAKAR BHAVAN, 340 / 48, N. N. STREET, MASJID BUNDER, MUMBAI - 400 009. ☎ : (022) 66312997 / 98 / 99 Fax : 66313166 E-mail : info@aareydrugs.com
REGD. OFFICE & FACTORY : E - 34, M.I.D.C., TARAPUR, BOISAR, DIST.: PALGHAR - 401 506. ☎ : (02525) 652165 E-mail : works@aareydrugs.com Web : www.aareydrugs.com

09th September, 2019

To,
The Corporate Services Dept.
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400001.

Security Code: 524412
ISIN: INE198H01019

Symbol: AREYDRG

Sub: Submission of the 29th Annual Report of Aarey Drugs And Pharmaceuticals Limited for the financial year 2018-2019

Dear Sir/Ma'am,

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith copy of 29th Annual Report of the Company' for the financial year 2018-2019. This is to inform you that 29th Annual General Meeting of the Company is scheduled to be held on Monday, 30th September, 2019 at 9:15 am. at E-34, MIDC, Tarapur, Boisar, Dist. Thane Mumbai - 401506.

Request you to take the above on record.

Thanking you,

For Aarey Drugs And Pharmaceuticals Limited,


Mihir R. Ghatalia
Chairman & Managing Director



Place: Mumbai
End: As above

29th ANNUAL REPORT 2018-19



**AAREY DRUGS
& PHARMACEUTICALS LIMITED**



BOARD OF DIRECTORS

Mihir R.Ghatalia	Chairman & Managing Director
Chetan K.Mehta	Independent Director
Anil Mandal	Independent Director
Damyanti P.Ghatalia	Woman Director

KEY MANAGERIAL PERSONNEL

Rajesh P.Ghatalia	Chief Financial Officer
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REGISTERED OFFICE

E-34, M.I.D.C.,
Tarapur, Boisar,
Dist.Thane.
Pincode - 401506

HEAD OFFICE

107, Sahakar Bhavan,
340/348, Narshi Natha Street,
Narshi Natha Street,
Masjid, Mumbai - 400 009.

WORKS

E-34, M.I.D.C.,
Tarapur, Boisar,
Dist. Plaghar.
Pincode - 401506

BANKER

DENA BANK
Andheri (West), Mumbai

AUDITORS

DMKH & Co.
803-804, Ashok Heights, Opp. Saraswati
Apt., Niklaswadi Road, Near Bhuta School,
Old Nagardas X Road, Gundavali, Andheri E,
Mumbai-400069.

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF AAREY DRUGS & PHARMACEUTICALS LIMITED WILL BE HELD ON MONDAY 30TH SEPTEMBER, 2019 AT E-34, MIDC, TARAPUR, BOISAR, DIST. THANE AT 9.15 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2019, the Balance sheet as on that date and the reports of Directors and Auditors thereon.

"RESOLVED THAT the Audited Profit & Loss Account for the year ended 31st March, 2019, the Balance sheet as on that date and the reports of Directors and Auditors thereon be and hereby approved."

2. To appoint a Director in place of Mrs. Damyanti P Ghatalia, who retires by rotation and, being eligible, offers herself for reappointment.

"RESOLVED THAT Mrs. Damyanti P Ghatalia who retires by rotation at this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation."

3. To re-appoint M/s DMKH and company, as auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the 31st Annual General Meeting and authorise the Board of Directors to fix their remuneration.

"RESOLVED THAT that pursuant to the provisions of section 139 and any other applicable provisions of the Companies Act, 2013 M/S. DMKH and Company, Chartered Accountants, Mumbai be and are hereby appointed as Auditors of the Company to hold office from conclusion of this meeting until the conclusion of the 31st Annual General Meeting to be held in the calendar year 2021 subject to ratification by the members at every Annual General Meeting and that the Board of Directors are be and hereby authorized to fix their remuneration."

SPECIAL BUSINESS

4. Re-Appointment of Mr. Mihir R. Ghatalia as Managing Director.

To consider and, if thought fit, to pass with or without modification, the following resolution as an Special Resolution:-

"RESOLVED THAT pursuant to recommendation and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Article 191 of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Mihir R. Ghatalia, as the Managing Director of the Company with effect from December 31, 2018 to December 30, 2023, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Mihir R. Ghatalia.

RESOLVED FURTHER THAT the remuneration payable to Mr. Mihir R. Ghatalia, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

5. Appointment of Mr. Anil Mandal as Independent Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that Mr. Anil Mandal (DIN: 05288741), who was appointed an Additional Director of the Company with effect from 14th November, 2018 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company



under pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, of the Companies Act, 2013 ("Act"), and under clause 49 of the Listing Agreement, Mr. Anil Mandal in respect of whom the Company has, as required by Section 149(6) of the Companies Act 2013, received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the Office of Director be and is hereby appointed as an Independent Director of the Company to hold office for 5(Five) consecutive years for a term upto the conclusion of the 34th Annual General Meeting of the Company to be held in the calendar year 2034 and is not subject to retire by rotation."

By order of the Board of Directors
For **AAREY DRUGS AND PHARMACEUTICALS LIMITED**

REGISTERED OFFICE

E-34, MIDC, BOISAR,
TARAPUR, DIST. THANE

Date: 14th August, 2019
Place: Mumbai

Mihir R. Ghatalia
Chairman and Managing Director

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

A proxy form duly completed and stamped, must reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

- The register of members and the share transfer books of the company will remain closed from 25th September'2019 to 30th September'2019 (both days inclusive) in connection with the Annual General Meeting.
- Members are requested to send all transfer deeds, share certificates and other correspondence relating to registration of transfers, transmission endorsement of payment of allotment moneys, change in their address etc to the Registrar & Share Transfer Agents i.e

LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai 400 078.

- As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed and reappointed is furnished below:

1.	Name Of Director	Mrs. Damiyanti P Ghatalia
2.	Age	89yrs
3.	Date of Appointment	14.02.2015
4.	Qualification	B.Com
5.	Directorship held in other Limited Companies (Excluding Foreign Companies)	NIL
6.	Committee position held in other companies	NIL
7.	Number of Shares held	NIL

- The Annual Report and Notice for the 29th AGM alongwith Attendance slip and Proxy form, is being send by electronic mode to all the shareholders whose email address are registered with the Company/ Depository Participant unless a member has requested for a hard copy of the same. For members who have not registered their email address, physicals copies have been send through permitted mode. Members are requested to bring their copy of the Annual Report at the meeting.
- Voting through electronic means:**

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules the company is pleased to offer evoting facility to its members to cast their vote electronically for the 29th Annual General Meeting of the Company on 30th September, 2019. The Company has engaged the services of Central Depository Services (India) Ltd. ("CDSL") for providing e-voting facilities to the Members enabling them to cast their vote in a secure manner.



The instructions for members for voting electronically are as under:-
In case of members receiving e-mail:

Log on to the e-voting website www.evotingindia.com

- (i) Click on "Shareholders" tab.
- (ii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iii) Next enter the Image Verification as displayed and Click on Login.
- (iv) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (v) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. Members who have not updated their DOB with the Company/ Depository Participant are requested to use 30.09.2019 in the DOB field
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field .

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for Aarey Drugs & Pharmaceuticals Limited<Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



- (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xvi) In case of members receiving the physical copy: Please follow all steps from sl. no. (i) to sl. no. (xv) above to cast vote.
- (xvi) The e-voting period shall commence on September 27, 2019 (9:00 a.m. onwards) and ends on September 29, 2019 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xvii) Mr. Virendra Bhatt, Whole time Practicing Company Secretary, Mumbai has been appointed Scrutinizer to scrutinize the evoting process in a fair and transparent manner.
- (xviii) The Scrutinizer shall within a period not exceeding two days from the conclusion of evoting period unblock the votes in the presence of two witnesses not in employment of the Company and make scrutinizer's Report of the votes cast in favour or against, forthwith to the Chairman of the Company.
- (xx) The Results shall be declared on or after the AGM of the Company. The Result declared alongwith the Scrutinizer's Report shall be placed on the Company website at www.aareydrugs.com within two days of passing of the resolutions of the AGM and communicated to BSE Limited.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

By order of the Board of Directors
For **AAREY DRUGS AND PHARMACEUTICALS LIMITED**

REGISTERED OFFICE
E-34, MIDC, BOISAR,
TARAPUR, DIST. THANE

Date: 14th August, 2019
Place: Mumbai

Mihir R. Ghatalia
Chairman and Managing Director



**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT U/S 102(1) OF COMPANIES ACT 2013**

Item No. 4.

The Board of Directors of your Company has re-appointed Mr. Mihir R Ghatalia as the Managing Director for a period of five years with effect from December 31, 2018, subject to the approval of the Members of the Company at the 26th Annual General Meeting.

Mr. Mihir R Ghatalia is 35 years of age and is a B.S in Chemical Engineering, from Virginia Polytechnic Institute & State University (Virginia Tech), Blacksburg, Virginia, USA. He is the Managing Director of our Company. After his studies, he has worked with Renoir Consulting Limited, U.K. As a Consultant he has experience in analyzing problems & identifying possible solutions for improving a manufacturing plant's performance and carried out mini implementation at one of India's leading detergent manufacturing company that resulted in production enhancement. He has also carried out successful projects at India's leading cable producer & one of world's top agro chemical manufacturing companies. He was a team member of a group assigned for designing, costing and building the effluent treatment plant. He has operated and serviced a number of process equipment's like reactors, boilers and water coolers. Mr. Mihir R Ghatalia worked closely on several analytical lab equipments while working in the quality department and worked closely with the maintenance and safety departments of the plant. Mr. Mihir R. Ghatalia took over the management of our company after the erstwhile Chairman & Managing Director Mr. Rajesh P. Ghatalia, resigned on the grounds of ill health in year 2009. He started looking after the day-to-day operations of the company. Mr. Mihir R. Ghatalia is leading a team of highly qualified professionals, having rich & varied experience in multifarious fields like Finance, Risk Management, Forex management etc. He is also a member of American Institute of Chemicals Engineers.

The Board of Directors at their Meeting held on December 30, 2015 had approved (subject to the approval of the Members of the Company) the following terms and conditions of remuneration payable to Mr. Mihir R Ghatalia for a period of three years w.e.f. December 31, 2018

Name	Designation	Salary	Perquisites	Total
Mr. Mihir R. Ghatalia	Chairman cum Managing Director	Rs.6,00,000/annum	Rs.9,00,000/annum	Rs.15,00,000/-

Mr. Mihir R Ghatalia Chairman cum Managing Director of the Company, shall not be liable to retire by rotation. The Board recommends the resolution for your approval.

None of the Directors except Mr. Mihir R Ghatalia is concerned or interested in the said resolution.

Item No.5:

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which provides that the Independent Directors shall be appointed for not more than two terms of up to five years each and shall not be liable to retire by rotation at every AGM. In accordance with the provisions of the revised Clause 49 of the Listing Agreement, those Independent Directors who have already served for five or more years will serve for a maximum period of one term of five years. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amendment made to Clause 49 of the Listing Agreement. All the above Directors are not disqualified from being re-appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Anil Mandal for the office of Directors of the Company. All the abovesaid Independent Directors of the Company, have furnished declarations to the Company under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 as well as Clause 49 of the amended Listing Agreement. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management. The Board accordingly recommends the resolution at items No.5 of this Notice for approval of the Members. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

None of the Directors or Key Managerial Personnel of the Company other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolution at items No.5 of this Notice.

By order of the Board of Directors
For **AAREY DRUGS AND PHARMACEUTICALS LIMITED**

REGISTERED OFFICE
E-34, MIDC, BOISAR,
TARAPUR, DIST. THANE

Date: 14th August, 2019
Place: Mumbai

Mihir R. Ghatalia
Managing Director



DIRECTORS REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with Audited Accounts for the year-ended 31st March, 2019.

FINANCIAL RESULTS:

(In Rs.)

Particular	31st March 2019	31st March 2018
Income	3590797677.00	3525311967.00
Expenditure	3500937618.00	3443395958.00
(Loss)/ Profit Before Exceptional Item & Tax	89860059.00	81916009.00
Profit Before Tax	89860059.00	81916009.00
(Less)/ Add: Tax Expenses	(24442450.00)	(20140115.00)
Balance Carried To Balance Sheet	65417609.00	61775894.00

REVIEW OF OPERATIONS & FUTURE OUTLOOK

CREATING NEW CAPACITIES: Our Company has commenced manufacturing of products i.e. Mono Methyl Urea, Di-Methyl Urea, Ortho Para Nitro Anisole, 2-Bromomethyl-1,3 dioxolane, and Mefenamic Acid. Company has also commenced manufacturing products i.e. Metformin & Urasil in year 2018. Company further plans to start manufacturing of new products like Doxaphylline & Theophylline. Necessary steps has already taken by the management.

DIVIDEND

Your directors do not recommend any dividend for the year ended 31st March, 2019.

The board of directors of the company had declared an interim dividend of 1% per equity shares of Rs.10/- each (10 paise per equity share) at its meeting held on 30th November, 2018

DEPOSITS

The Company has not accepted the deposits from the public as per the Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a good way of conducting business by which corporate entities visibly contribute to the society. The essence of CSR is to integrate the economic, environment and social objectives of the company's operations and growth. CSR is the process by which the organization thinks about and evolves its relationship with the society and demonstrates its commitment by giving back to the society for the resources it used.

DIRECTOR

Mrs. Damiyanti P Ghatalia, Director of the company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

Mr. Anil Mandal was appointed as an Independent Director as on 14th November, 2018.

Mr. Satish M Sheth resigned as an Independent Director of the company as on 14th November, 2018.

DIRECTORS RESPONSIBILITY STATEMENT

As referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors hereby confirm:



- i) that in preparation of the Annual Accounts for the year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of financial year ended 31st March, 2019 and the profit/(Loss) of the Company for the year under review;
- iii) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the annual accounts for the year ended 31st March, 2019 have been prepared on a "going concern basis"
- v) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

ANNUAL RETURN

As per section 92(3) of the Companies Act, 2013, the extract of the Annual Return is annexed hereto as Annexure A. The extract of the Annual Return shall be prescribed and it is the part of Director Report

AUDITORS

M/s. DMKH & Company, who were re-appointed as Auditors to hold office until the conclusion of the 31st Annual General Meeting to be held in the calendar year 2021 are eligible for re-appointment. The Company has received the Certificate from them to this effect.

SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Companies Act, 2013, the Board of Directors had appointed M/s. Virendra Bhatt & Associates, Practising Company Secretaries as the Secretarial Auditors of the Company for the financial year 2018-19.

Accordingly, the Secretarial Auditors have given their report, which is annexed hereto as Annexure B. The comments of the Board on the observations of the Secretarial Auditors are given after Annexure A above.

The Board has re-appointed M/s. Virendra Bhatt & Associates, Practising Company Secretaries as the Secretarial Auditors of the Company for the financial year 2019-20.

BOARD MEETINGS

The details pertaining to the composition, terms of reference, etc. of the Board of Directors of the Company and the meetings thereof held during the financial year are given in the Report on Corporate Governance section forming part of this Annual Report.

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTOR

The Board confirms that all Independent Directors of the Company have given a declaration to the Board that they meet the criterion of independence as prescribed under Section 149 of the Companies Act, 2013.

COMMITTEES OF THE BOARD

The details of the powers, functions, composition and meetings of the Committees of the Board held during the year are given in the Report on Corporate Governance section forming part of this Annual Report.

AUDIT COMMITTEE

The details pertaining to the composition, terms of reference, etc. of the Audit Committee of the Board of Directors of the Company and the meetings thereof held during the financial year are given in the Report on Corporate Governance section forming part of this Annual Report. The recommendations of the Audit Committee were accepted by the Board of Directors of the Company from time to time.



CORPORATE GOVERNANCE

A separate report on Corporate Governance is produced as a part of the Annual Report along with the Auditors statement on its compliance.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company has made the necessary disclosures in this Report in terms of Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in Annexure C and forms part of this report.

EMPLOYEES:

There were no employees coming under the purview of Section 197(12) of the Act read with Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the rules frame there under.

REMUNERATION:

As per Section 197 of the Companies Act, 2013, the ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year:

Name of the Director	Ratio to Median employees
Mihir R Ghatalia, Managing Director	5:4

DISCLOSURE UNDER SECTION 164

None of the Directors of the company are disqualified for being appointed as Directors as specified under section 164 of the Companies Act, 2013.

ACKNOWLEDGEMENTS

Your Directors wish to place on record, the appreciation for the continued support of the customers, Bankers and Suppliers. Your Directors acknowledge and thank the employees for their valuable contribution and involvement.

For and on behalf of the Board of Directors

Mihir R. Ghatalia
Chairman and Managing Director

Place: Mumbai
Date: 30th May, 2019



ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE - A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L99999MH1990PLC056538
2	Registration Date	15/05/1990
3	Name of the Company	AAREY DRUGS & PHAMACEUTICALS LIMITED
4	Category/Sub-category of the Company	Company limited by shares
5	Address of the Registered office & contact details	E-34, MIDC, Tarapur, Boisar, Dist. Thane- 401506 Ph: 022-23455543
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt Ltd.C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai-400083 Ph.022-25946970

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	trading in Petro chemicals and drugs intermediate	46102	100
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S N	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	"Applicable Section
1	NIL				

IV. SHARE HOLDING PATTERN

(i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	7738552	0	7738552	'33.0924	7876366	0	7876366	'33.6817	'0.5893
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Bodies Corporate	3920000	0	3920000	'16.7631	3920000	0	3920000	'16.7631	'0.0000
	Sub Total (A)(1)	11658552	0	11658552	'49.8555	11796366	0	11796366	'50.4448	'0.5893



Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	11658552	0	11658552	'49.8555	11796366	0	11796366	'50.4448	'0.5893
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Alternate Investment Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	63000	0	63000	'0.2694	3516735	0	3516735	'15.0386	'14.7692
(f)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(g)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	63000	0	63000	'0.2694	3516735	0	3516735	'15.0386	'14.7692
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2610258	543299	3153557	'13.4856	2760802	525699	3286501	'14.0541	'0.5685
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2425782	87460	2513242	'10.7474	2709448	63460	2772908	'11.8578	'1.1104
(b)	NBFCs registered with RBI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Hindu Undivided Family	161575	0	161575	'0.6909	199477	0	199477	'0.8530	'0.1621
	Non Resident Indians (Non Repat)	62203	0	62203	'0.2660	98146	0	98146	'0.4197	'0.1537
	Non Resident Indians (Repat)	127589	0	127589	'0.5456	117087	0	117087	'0.5007	'-0.0449
	Foreign Portfolio Investor (Individual)	3325000	0	3325000	'14.2187	0	0	0	'0.0000	'-14.2187
	Clearing Member	1181278	0	1181278	'5.0515	574260	0	574260	'2.4557	'-2.5958
	Bodies Corporate	1117208	21480	1138688	'4.8694	1001724	21480	1023204	'4.3755	'-0.4939
	Sub Total (B)(3)	11010893	652239	11663132	'49.8751	7460944	610639	8071583	'34.5165	'-15.3586
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	11073893	652239	11726132	'50.1445	10977679	610639	11588318	'49.5552	'-0.5893
	Total (A)+(B)	22732445	652239	23384684	'100.0000	22774045	610639	23384684	'100.0000	'0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	22732445	652239	23384684	'100.0000	22774045	610639	23384684	'100.0000	



(ii) Shareholding of Promoter

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	MIHIR RAJESH GHATALIA	2820888	'12.0630	'0.0000	2820888	'12.0630	'0.0000	NIL
2	BINA RAJESH GHATALIA	1805736	'7.7219	'0.0000	1943550	8.3112	'0.0000	0.5893
3	NIMIT IMPEX PRIVATE LIMITED	1960000	'8.3816	'0.0000	1960000	'8.3816	'0.0000	NIL
4	SURAJ TRADELINKS PRIVATE LIMITED	1960000	'8.3816	'0.0000	1960000	'8.3816	'0.0000	NIL
5	DAMAYANTI PRANLAL GHATALIA	1292337	'5.5264	'0.0000	1292337	'5.5264	'0.0000	NIL
6	RAJESH PRANLAL GHATALIA	379591	'1.6232	'0.0000	379591	'1.6232	'0.0000	NIL
7	MIRA MIHIR GHATALIA	440000	'1.8816	'0.0000	440000	'1.8816	'0.0000	NIL
8	NIMIT RAJESH GHATALIA	1000000	'4.2763	'0.0000	1000000	'4.2763	'0.0000	NIL
	Total	11658552	'49.8555	'0.0000	11796366	'50.4448	'0.0000	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	No. of Shares		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	MIHIR RAJESH GHATALIA	2820888	12.0630			2820888	12.0630
	AT THE END OF THE YEAR					2820888	12.0630
2	SURAJ TRADELINKS PRIVATE LIMITED	1960000	8.3816			1960000	8.3816
	AT THE END OF THE YEAR					1960000	8.3816
3	NIMIT IMPEX PRIVATE LIMITED	1960000	8.3816			1560000	8.3816
	AT THE END OF THE YEAR					1960000	8.3816
4	BINA RAJESH GHATALIA	1805736	7.7219			1805736	7.7219
	Transfer			31 Aug 2018	(2000)	1803736	7.7133
	Transfer			07 Sep 2018	1000	1804736	7.7176
	Transfer			29 Sep 2018	(1000)	1803736	7.7133
	Transfer			02 Nov 2018	23000	1826736	7.8117
	Transfer			30 Nov 2018	(1000)	1825736	7.8074
	Transfer			07 Dec 2018	60814	1886550	8.0675
	Transfer			28 Dec 2018	57000	1943550	8.3112
	AT THE END OF THE YEAR					1943550	8.3112
5	DAMAYANTI PRANLAL GHATALIA	1292337	5.5264			1292337	5.5264
	AT THE END OF THE YEAR					1292337	5.5264
6	NIMIT RAJESH GHATALIA	1000000	4.2763			1000000	4.2763
	AT THE END OF THE YEAR					1000207	4.2772
7	MIRA MIHIR GHATALIA	440000	1.8816			440000	1.8816
	AT THE END OF THE YEAR					440000	1.8816
8	RAJESH PRANLAL GHATALIA	379591	1.6232			379591	1.6232
	AT THE END OF THE YEAR					379591	1.6232

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 23384684 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.



(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	INDIA OPPORTUNITIES GROWTH FUND LTD - PINWOOD STRATEGY	1125000	4.8108			1125000	4.8108
	Transfer			08 Jun 2018	20000	1145000	4.8964
	AT THE END OF THE YEAR					1145000	4.8964
2	NIMIT RAJESH GHATALIA	1000000	4.2763			1000000	4.2763
	Transfer			04 May 2018	(1000000)	0	0.0000
	Transfer			08 Jun 2018	1000000	1000000	4.2763
	AT THE END OF THE YEAR					1000207	4.2772
3	NOMURA SINGAPORE LIMITED	1100000	4.7039			1100000	4.7039
	Transfer			13 Apr 2018	(100000)	1000000	4.2763
	AT THE END OF THE YEAR					1000000	4.2763
4	LTS INVESTMENT FUND LTD	1100000	4.7039			1100000	4.7039
	Transfer			13 Apr 2018	(560000)	540000	2.3092
	Transfer			04 May 2018	150000	690000	2.9506
	Transfer			11 May 2018	275000	965000	4.1266
	AT THE END OF THE YEAR					965000	4.1266
5	URMILA RAMESHCHANDRA MEHTA	63903	0.2733			63903	0.2733
	Transfer			27 Apr 2018	(280)	63623	0.2721
	Transfer			04 May 2018	(62303)	1320	0.0056
	Transfer			08 Jun 2018	62823	64143	0.2743
	Transfer			15 Jun 2018	3091	67234	0.2875
	Transfer			22 Jun 2018	1100	68334	0.2922
	Transfer			27 Jul 2018	942	69276	0.2962
	Transfer			03 Aug 2018	(2779)	66497	0.2844
	Transfer			10 Aug 2018	89166	155663	0.6657
	Transfer			17 Aug 2018	1000	156663	0.6699
	Transfer			24 Aug 2018	3500	160163	0.6849
	Transfer			31 Aug 2018	133	160296	0.6855
	Transfer			07 Sep 2018	1000	161296	0.6898
	Transfer			14 Sep 2018	(42)	161254	0.6896
	Transfer			29 Sep 2018	17849	179103	0.7659
	Transfer			05 Oct 2018	18000	197103	0.8429
	Transfer			12 Oct 2018	6000	203103	0.8685
	Transfer			26 Oct 2018	16000	219103	0.9370
	Transfer			02 Nov 2018	10500	229603	0.9819
	Transfer			16 Nov 2018	(119)	229484	0.9813
	Transfer			23 Nov 2018	100	229584	0.9818
	Transfer			30 Nov 2018	169443	399027	1.7064
	Transfer			07 Dec 2018	5915	404942	1.7317
	Transfer			14 Dec 2018	1001	405943	1.7359
	Transfer			21 Dec 2018	(1000)	404943	1.7317
	Transfer			31 Dec 2018	371	405314	1.7332



Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			18 Jan 2019	(403994)	1320	0.0056
	Transfer			08 Feb 2019	402914	404234	1.7286
	Transfer			15 Feb 2019	1803	406037	1.7363
	Transfer			22 Feb 2019	19050	425087	1.8178
	Transfer			01 Mar 2019	3200	428287	1.8315
	Transfer			08 Mar 2019	850	429137	1.8351
	Transfer			15 Mar 2019	16520	445657	1.9058
	AT THE END OF THE YEAR					445657	1.9058
6	ANKUR MODI	140000	0.5987			140000	0.5987
	Transfer			06 Apr 2018	5000	145000	0.6201
	Transfer			04 May 2018	(145000)	0	0.0000
	Transfer			08 Jun 2018	240623	240623	1.0290
	Transfer			15 Jun 2018	377	241000	1.0306
	Transfer			22 Jun 2018	4000	245000	1.0477
	Transfer			30 Jun 2018	13498	258498	1.1054
	Transfer			29 Sep 2018	10000	268498	1.1482
	Transfer			12 Oct 2018	8959	277457	1.1865
	Transfer			19 Oct 2018	7543	285000	1.2187
	Transfer			26 Oct 2018	3000	288000	1.2316
	Transfer			02 Nov 2018	12000	300000	1.2829
	Transfer			09 Nov 2018	12105	312105	1.3347
	Transfer			16 Nov 2018	4895	317000	1.3556
	Transfer			23 Nov 2018	6398	323398	1.3829
	Transfer			30 Nov 2018	7500	330898	1.4150
	Transfer			21 Dec 2018	12603	343501	1.4689
	Transfer			28 Dec 2018	14920	358421	1.5327
	Transfer			08 Feb 2019	9079	367500	1.5715
	Transfer			15 Feb 2019	500	368000	1.5737
	Transfer			22 Feb 2019	4000	372000	1.5908
	Transfer			01 Mar 2019	620	372620	1.5934
	Transfer			08 Mar 2019	2500	375120	1.6041
	Transfer			15 Mar 2019	(1184)	373936	1.5991
	AT THE END OF THE YEAR					373936	1.5991
7	ELARA INDIA OPPORTUNITIES FUND LIMITED	13000	0.0556			13000	0.0556
	Transfer			08 Jun 2018	240000	253000	1.0819
	Transfer			15 Feb 2019	47000	300000	1.2829
	Transfer			22 Feb 2019	22500	322500	1.3791
	Transfer			01 Mar 2019	15500	338000	1.4454
	Transfer			08 Mar 2019	2500	340500	1.4561
	Transfer			15 Mar 2019	12500	353000	1.5095
	AT THE END OF THE YEAR					353000	1.5095



Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
8	SHRIRAM INSIGHT SHARE BROKERS LTD	445758	1.9062			445758	1.9062
	Transfer			06 Apr 2018	(7000)	438758	1.8763
	Transfer			13 Apr 2018	91050	529808	2.2656
	Transfer			20 Apr 2018	535	530343	2.2679
	Transfer			27 Apr 2018	(26065)	504278	2.1564
	Transfer			04 May 2018	(504278)	0	0.0000
	Transfer			08 Jun 2018	163619	163619	0.6997
	Transfer			01 Mar 2019	(25000)	138619	0.5928
	Transfer			22 Mar 2019	(4981)	133638	0.5715
	Transfer			29 Mar 2019	76000	209638	0.8965
	AT THE END OF THE YEAR					209638	0.8965
9	LIMPET INFRASTRUCTURE PRIVATE LIMITED	225000	0.9622			225000	0.9622
	Transfer			29 Sep 2018	(3424)	221576	0.9475
	Transfer			15 Feb 2019	(9776)	211800	0.9057
	Transfer			22 Feb 2019	(13190)	198610	0.8493
	Transfer			08 Mar 2019	(8610)	190000	0.8125
	AT THE END OF THE YEAR					190000	0.8125
10	MANDIRA RAI	150000	0.6414			150000	0.6414
	Transfer			04 May 2018	(150000)	0	0.0000
	Transfer			08 Jun 2018	150000	150000	0.6414
	AT THE END OF THE YEAR					150000	0.6414
11	ARCADIA SHARE & STOCK BROKERS PVT LTD	238270	1.0189			238270	1.0189
	Transfer			06 Apr 2018	5965	244235	1.0444
	Transfer			13 Apr 2018	186500	430735	1.8420
	Transfer			20 Apr 2018	(4330)	426405	1.8234
	Transfer			27 Apr 2018	55681	482086	2.0615
	Transfer			04 May 2018	(482086)	0	0.0000
	Transfer			08 Jun 2018	419365	419365	1.7933
	Transfer			30 Jun 2018	(41900)	377465	1.6142
	Transfer			06 Jul 2018	(37028)	340437	1.4558
	Transfer			20 Jul 2018	5000	345437	1.4772
	Transfer			27 Jul 2018	2554	347991	1.4881
	Transfer			10 Aug 2018	(7554)	340437	1.4558
	Transfer			31 Aug 2018	100	340537	1.4562
	Transfer			21 Sep 2018	(16020)	324517	1.3877
	Transfer			29 Sep 2018	250	324767	1.3888
	Transfer			05 Oct 2018	(395)	324372	1.3871
	Transfer			07 Dec 2018	(200)	324172	1.3863
	Transfer			28 Dec 2018	(81500)	242672	1.0377
	Transfer			04 Jan 2019	(3000)	239672	1.0249
	Transfer			11 Jan 2019	(1360)	238312	1.0191
	Transfer			22 Feb 2019	(8500)	229812	0.9827



Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			01 Mar 2019	(23101)	206711	0.8840
	Transfer			15 Mar 2019	(67017)	139694	0.5974
	AT THE END OF THE YEAR					139694	0.5974
12	SMC GLOBAL SECURITIES LTD	203216	0.8690			203216	0.8690
	Transfer			06 Apr 2018	(5122)	198094	0.8471
	Transfer			13 Apr 2018	(5000)	193094	0.8257
	Transfer			20 Apr 2018	(3190)	189904	0.8121
	Transfer			27 Apr 2018	2800	192704	0.8241
	Transfer			04 May 2018	12025	204729	0.8755
	Transfer			11 May 2018	2115	206844	0.8845
	Transfer			18 May 2018	2250	209094	0.8941
	Transfer			25 May 2018	(42015)	167079	0.7145
	Transfer			01 Jun 2018	(2000)	165079	0.7059
	Transfer			08 Jun 2018	(53250)	111829	0.4782
	Transfer			15 Jun 2018	17025	128854	0.5510
	Transfer			22 Jun 2018	(2000)	126854	0.5425
	Transfer			30 Jun 2018	4000	130854	0.5596
	Transfer			06 Jul 2018	(3000)	127854	0.5467
	Transfer			13 Jul 2018	4050	131904	0.5641
	Transfer			10 Aug 2018	50	131954	0.5643
	Transfer			17 Aug 2018	4220	136174	0.5823
	Transfer			24 Aug 2018	(64704)	71470	0.3056
	Transfer			31 Aug 2018	(250)	71220	0.3046
	Transfer			07 Sep 2018	(5268)	65952	0.2820
	Transfer			14 Sep 2018	(132)	65820	0.2815
	Transfer			21 Sep 2018	2000	67820	0.2900
	Transfer			29 Sep 2018	7450	75270	0.3219
	Transfer			05 Oct 2018	(4450)	70820	0.3028
	Transfer			12 Oct 2018	3643	74463	0.3184
	Transfer			19 Oct 2018	(3543)	70920	0.3033
	Transfer			26 Oct 2018	(2750)	68170	0.2915
	Transfer			02 Nov 2018	(910)	67260	0.2876
	Transfer			09 Nov 2018	(24675)	42585	0.1821
	Transfer			16 Nov 2018	(1320)	41265	0.1765
	Transfer			23 Nov 2018	55	41320	0.1767
	Transfer			30 Nov 2018	(62)	41258	0.1764
	Transfer			07 Dec 2018	3390	44648	0.1909
	Transfer			14 Dec 2018	7500	52148	0.2230
	Transfer			21 Dec 2018	(15103)	37045	0.1584
	Transfer			28 Dec 2018	60850	97895	0.4186
	Transfer			04 Jan 2019	(4250)	93645	0.4005
	Transfer			11 Jan 2019	(4000)	89645	0.3833
	Transfer			18 Jan 2019	(50)	89595	0.3831
	Transfer			25 Jan 2019	(250)	89345	0.3821



Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			01 Feb 2019	(950)	88395	0.3780
	Transfer			08 Feb 2019	(10843)	77552	0.3316
	Transfer			15 Feb 2019	10314	87866	0.3757
	Transfer			22 Feb 2019	(1215)	86651	0.3705
	Transfer			01 Mar 2019	575	87226	0.3730
	Transfer			08 Mar 2019	(825)	86401	0.3695
	Transfer			15 Mar 2019	(26)	86375	0.3694
	Transfer			22 Mar 2019	(880)	85495	0.3656
	Transfer			29 Mar 2019	(2420)	83075	0.3553
	Transfer			30 Mar 2019	(500)	82575	0.3531
	AT THE END OF THE YEAR					82575	0.3531
13	GAURANG SUBODHCHANDRA DESAI	200000	0.8553			200000	0.8553
	Transfer			13 Apr 2018	(65550)	134450	0.5749
	Transfer			04 May 2018	(134450)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 23384684 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

SR NO	SHAREHOLDER NAME	DPID/Folio	PAN	SHARES	BENPOS_DATE
1	ARCADIA SHARE & STOCK BROKERS PVT LTD	1100001000014751	AAACA4562G	1000	31/03/2018
2	ARCADIA SHARE & STOCK BROKERS PVT LTD	1203440000005939	AAACA4562G	237100	31/03/2018
3	ARCADIA SHARE & STOCK BROKERS PVT LTD	1203440000005939	AAACA4562G	139694	31/03/2019
4	ARCADIA SHARE AND STOCK BROKERS PVT. LTD.	1203440000068717	AAACA4562G	170	31/03/2018
5	SHRIRAM INSIGHT SHARE BROKERS LTD	1203840000000033	AAACI2727H	5500	31/03/2018
6	SHRIRAM INSIGHT SHARE BROKERS LTD	1203840000000086	AAACI2727H	440258	31/03/2018
7	SHRIRAM INSIGHT SHARE BROKERS LTD	1203840000000086	AAACI2727H	209638	31/03/2019
8	SMC GLOBAL SECURITIES LTD.	1201910100000391	AAACS0581R	100	31/03/2019
9	SMC GLOBAL SECURITIES LIMITED	1201910100055137	AAACS0581R	33000	31/03/2018
10	SMC GLOBAL SECURITIES LTD	IN30134820072267	AAACS0581R	170216	31/03/2018
11	SMC GLOBAL SECURITIES LTD	IN30134820072267	AAACS0581R	82475	31/03/2019
12	ELARA INDIA OPPORTUNITIES FUND LIMITED	IN30134820011233	AABCE6307N	13000	31/03/2018
13	ELARA INDIA OPPORTUNITIES FUND LIMITED	IN30134820011233	AABCE6307N	353000	31/03/2019
14	INDIA OPPORTUNITIES GROWTH FUND LTD - PINWOOD STRATEGY	IN30152430029831	AACCI5037L	1125000	31/03/2018
15	INDIA OPPORTUNITIES GROWTH FUND LTD - PINWOOD STRATEGY	IN30152430029831	AACCI5037L	1145000	31/03/2019
16	LTS INVESTMENT FUND LTD	IN30152430030153	AACCL0500F	1100000	31/03/2018
17	LTS INVESTMENT FUND LTD	IN30152430030153	AACCL0500F	965000	31/03/2019
18	LIMPET INFRASTRUCTURE PRIVATE LIMITED	IN30072410161942	AACCL3709L	225000	31/03/2018



19	LIMPET INFRASTRUCTURE PRIVATE LIMITED	IN30072410161942	AACCL3709L	190000	31/03/2019
20	NOMURA SINGAPORE LIMITED	IN30014210716356	AADCN2750N	1100000	31/03/2018
21	NOMURA SINGAPORE LIMITED	IN30014210716356	AADCN2750N	1000000	31/03/2019
22	ANKUR MODI	1201910101833557	AAIPM8759N	140000	31/03/2018
23	ANKUR MODI	1201910101833557	AAIPM8759N	373936	31/03/2019
24	GAURANG SUBODHCHANDRA DESAI	1203840001665641	AARPD1410E	200000	31/03/2018
25	MANDIRA RAI	1201910100244566	AITPR4974K	150000	31/03/2018
26	MANDIRA RAI	1201910100244566	AITPR4974K	150000	31/03/2019
27	URMILA RAMESHCHANDRA MEHTA	050551	ALWPM2314E	1320	31/03/2019
28	URMILA RAMESHCHANDRA MEHTA	1204000000029262	ALWPM2314E	63903	31/03/2018
29	URMILA RAMESHCHANDRA MEHTA	1204000000029262	ALWPM2314E	444337	31/03/2019
30	NIMIT RAJESH GHATALIA	1204000000265647	BBCPG4901J	1000000	31/03/2018
31	NIMIT RAJESH GHATALIA	1204000000265647	BBCPG4901J	1000000	31/03/2019
32	NIMIT RAJESH GHATALIA	1208160014607576	BBCPG4901J	207	31/03/2019

(v) Shareholding of Directors and Key Managerial Personnel:

S N	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mihir R Ghatlia						
	At the beginning of the year			28,20,888	0.00%	28,20,888	16.15%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			28,20,888	15.60%	28,20,888	15.60%
2	Chetan K Mehta						
	At the beginning of the year			NIL	0.00%	NIL	0.00%
	Changes during the year			NIL	0.00%	NIL	0.00%
	At the end of the year			NIL	0.00%	NIL	0.00%
3	Satish M Sheth						
	At the beginning of the year			NIL	0.00%	NIL	0.00%
	Changes during the year			NIL	0.00%	NIL	0.00%
	At the end of the year			NIL	0.00%	NIL	0.00%
4	Damiyanti P Ghatalia						
	At the beginning of the year			12,92,337	5.53%	12,92,337	5.53%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			12,92,337	5.53%	12,92,337	5.53%
5	Sweta Podar (company Secretary)]						
	At the beginning of the year			NIL	0.00%	NIL	0.00%
	Changes during the year			NIL	0.00%	NIL	0.00%
	At the end of the year			NIL	0.00%	NIL	0.00%



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,11,05,412.00	12,53,937.00	NIL	3,11,05,412.00
ii) Interest due but not paid	NIL	NIL	NIL	-
iii) Interest accrued but not due	NIL	NIL	NIL	-
Total (i+ii+iii)	3,11,05,412.00	12,53,937.00	-	3,11,05,412.00
Change in Indebtedness during the financial year				
* Addition	13,04,44,666.00	NIL	NIL	13,04,44,666.00
* Reduction	NIL	12,53,937.00	NIL	12,53,937.00
Net Change	13,04,44,666.00	12,53,937.00	-	13,16,98,603.00
Indebtedness at the end of the financial year				
i) Principal Amount	16,15,50,078.00	NIL	NIL	16,15,50,078.00
ii) Interest due but not paid	NIL	NIL	NIL	-
iii) Interest accrued but not due	NIL	NIL	NIL	-
Total (i+ii+iii)	16,15,50,078.00	-	-	16,15,50,078.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S N.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount (Rs)
	Name	Mihir R Ghatalia	
	Designation	MD	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000.00	6,00,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9,00,000.00	9,00,000.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	-
2	Stock Option	NIL	-
3	Sweat Equity	NIL	-
4	Commission		-
	- as % of profit	NIL	-
	- others, specify	NIL	-
5	Others, please specify	NIL	-
	Total (A)	15,00,000.00	15,00,000.00
	Ceiling as per the Act		



B. Remuneration to other Directors

S N.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
1	Independent Directors				
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				15,00,000.00
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S N.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs)
	Name	Rajesh P Ghatalia	Sweta Poddar	
	Designation	CEO/CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,40,000.00	2,40,000.00	4,80,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	-
2	Stock Option	NIL	NIL	-
3	Sweat Equity	NIL	NIL	-
4	Commission	NIL	NIL	
	- as % of profit	NIL	NIL	-
	- others, specify	NIL	NIL	-
5	Others, please specify	NIL	NIL	-
	Total	2,40,000.00	2,40,000.00	4,80,000.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			
B. DIRECTORS					
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			
C. OTHER OFFICERS IN DEFAULT					
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			



ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE - B

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to Section 204(1) of the companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Aarey Drugs & Pharmaceuticals Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aarey Drugs & Pharmaceuticals Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the Company's registers, minute books, forms and returns filed with the Registrar of Companies and other relevant records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company during the audit period covering the financial year ended on 31st March, 2019 prima facie complied with the statutory provisions listed hereunder:

I have examined registers, minute books, forms and returns filed with the Registrar of Companies and other relevant records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under - Not Applicable to the Company during the Audit period;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings as applicable to the Company from time to time;
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March, 2019:-

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I have also examined compliance with applicable provisions of the following and I am of the opinion that the Company has prima facie complied with the applicable provisions:

- a) Secretarial Standards 1 & 2 Issued by the Institute of Company Secretaries of India.
- b) The Listing agreements entered into by the Company with Stock Exchange read with Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, I am of opinion that the Company has prima facie complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except:

- a) Un-audited results for the Quarter ended 30th June, 2018 was approved on 14th August, 2018 and same were published in Newspapers on 17th August, 2018 by one day delay.
- b) The Company has not closed its trading window for designated persons at the time of Board Meeting held on 14th November, 2018 to consider Un-audited Financial Results for the quarter ended 30th September, 2018.
- c) The Board Meeting held on 30th November, 2018 and 14th February, 2019 for considering matter of Interim Dividend and to consider Un-audited Financial Results for the quarter ended 31st December, 2018 as per regulation 9 read with Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015 the trading window for designed persons shall not re-open earlier than forty-eight hours after the information becomes generally available but window were re-open on next day of Board Meeting.



- d) The Company has intimated regarding matter to be considered at Board Meeting regarding appointment of Mr. Anil Mandal as the Director of the Company but not intimated to Stock Exchange in outcome of Board Meeting.
- e) The Company has filed Voting Results in PDF along with Scrutinizer's Report of Annual General Meeting held on 29th September, 2018 within time and but in XBRL mode filed on 10th October, 2018.
- f) The Company shall maintain a functional website containing the basic information and other information as prescribed but the Company failed to provide all the information as required to be disclosed on website.
- g) The relative of Promoter has transacted in the securities of the Company and triggered Regulation 29(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 TWO times but not disclosed the same.
- h) The Company has delayed in filing Compliance Certificate as per Regulation 7(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31st March, 2019 and same was submitted on 6th May, 2019.

I further report that:

1. The Company has not constituted Corporate Social Responsibility committee, not formulated Corporate Social Responsibility Policy and not spend any amounts required to be spend under Section 135 of the Companies Act, 2013.
2. I have not examined books of accounts and I rely on statutory auditor's reports in relation to Financial Statements and accuracy of financial figures for Sales Tax, Value Added tax, Goods and Service Tax Act, ESIC, Provident fund, Professional Tax, Related Party Transactions etc. as disclosed under financial statements and Accounting Standards during my audit period and I have not verified the correctness and appropriateness of the books of accounts of the Company.
3. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.
4. As per the information provided, prima facie adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.
5. As per the information provided and as per minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found as part of the minutes.
6. There are prima facie systems in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines subject to observations and qualifications, if any made by the Statutory Auditors in their report.
7. The management is responsible for compliances of all business laws along with maintenance of statutory registers / records required by the concerned authorities and internal control of the concerned department.
8. During the period under review, as per the information provided by the Company, the Compliance Officer has not granted any pre-clearance approval to any of the Designated Persons during the closure of trading window period.

I further report that during the audit period, there were no instances of:

- i. Public / Right / Sweat Equity etc.;
- ii. Issue of equity shares under Employee Stock Option Scheme;
- iii. Buy-back of securities;
- iv. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013 which would have major bearing on the Company's affairs;
- v. Foreign Technical Collaborations.
- vi. Change of Name pursuant to the Scheme of De-Merger;

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai
Date: 3rd September, 2019

Parbat V. Chaudhari
ACS No.: 57826
COP No.: 22429



ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE - C

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY :

a) Energy conservation measures taken :

- i) The company has been strictly observing and monitoring the power consumption.
- ii) The grinding operation with keeping the automatic regular of feeds has been maintained to minimize power consumption.
- iii) Dual Fuel Burner was installed.

b) Impact of above measures:

High power factor above 0.9 and optimization of the grind ability has been maintained.

B. POWER AND FUEL CONSUMPTION :

Particulars	2018-2019	2017-2018
(i) Electricity Purchased:		
Units (KWH)	4,02,783 KWH	4,46,331,KWH
Total Amount (Rs.)	42,91,900/-	41,60,310/-
Rate / Unit (Rs.)	10.65/-	9.32/-
(ii) Own generation		
a) Through diesel generator	3840 KWH	1920 KWH
Units per ltr. Of diesel oil	3.2 KWH	3.2 KWH
Cost / Unit	19.20/-	18.87/-
b) Through steam turbine/generator		
Unit	NIL	9129.00
Units per ltr. Of fuel oil / gas	NIL	6.65
Cost / Unit	NIL	4.47
(iii) Coal		
Quantity (tones)	---	---
Total Cost		
Average rate		
(iv) Furnance Oil / Diesel		
Quantity (m.t.)	143.530	175.40
Total Amount (Rs.)	60,86,432	4853982.00
Average rate (Rs.)	42.40	27.70
(v) Others/internal generation		
Quantity	---	---
Total cost		
Rate / unit		



C. ACTUAL PRODUCTION :

	Quantity	Quantity
	(in MTS)	(in MTS)
	189.214 MT	152.609 MT
RESEARCH & DEVELOPMENT (R & D):		
i) Specific areas in which R & D is conducted By the company :		
ii) Benefits derived as a result of above R & D :		
iii) Further Plan of Action :		
iv) Management Review :		
v) Expenditure on R&D :	2018-2019	2017-2018
	(Rs.)	(Rs.)
a) Capital	---	---
b) Recurring	---	---
Total		
c) Total R&D Expenditure as a Percentage of total turnover		

D. TECHNOLOGY, ABSORPTION, ADAPTION AND INNOVATION :

	2018-2019	2017-2018
	(Rs.)	(Rs.)
a) Efforts, in brief, made towards technology Absorption, adaption and innovation		
b) Benefits derived as a result of the above	---	---
	2018-2019	2017-2018
	(Rs.)	(Rs.)
c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year)	---	---
1. Technology import		
2. Year of import		
3. Has technology ben fully absorbed		
4. If not fully absorbed, areas where this has not Taken place, Reasoms there for and future Plans of action		

E. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2018-2019	2017-2018
	(Rs.)	(Rs.)
Activities relating to exports ; initiative taken	---	---
To increase exports ;development of new		
Exports markets for products and services;and export plans;		
Total Foreign Exchange used		
Total Foreign Exchange earned (F.O.B.)		

For and on behalf of the Board of Directors

Mihir R Ghatalia
Chairman and Managing Director

Place: Mumbai
Date: 30th May, 2019



MANAGEMENT DISCUSSION AND ANALYSIS

This report contains statements, which may constitute “forward looking statements” within the meaning of the applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of the future events. Actual results could differ materially from those expressed or implied. Important factors that could impact the Company’s performance include, among others, economic conditions affecting the demand / supply and price conditions in the markets in which the company operates, changes in the Government policies, regulations, tax laws, other statutes and incidental factors.

The Company undertakes no obligations to update or revise forward-looking statements on the basis of any subsequent developments, information or events.

GENERAL REVIEW

The Company is in the API / Bulk Drugs manufacturing and offers a range of products for diverse industrial applications. The Company maintains its head office in Masjid, Mumbai and the plant in Tarapur, Maharashtra.

SIGNIFICANT FINANCIAL EVENTS OF THE YEAR

The Company’s Sales from trading activities is Rs.35474.14 lacs. This has been mainly possible due to the efforts put in to achieve growth. The increased sales also reflect the improved performances of the company.

The paid-up equity share capital stood at Rs. 233.85 lacs. The Earnings per Share were Rs.2.80. As the company is going for expansion hence dividend not recommended.

RESOURCES AND LIQUIDITY

Primary liquidity needs have been to finance working capital needs. To fund these, the company relied on internal accruals and borrowings.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains effective internal controls, systems and procedures for management of its business. As a part of this process, system and procedures are regularly reviewed and strengthened. The internal controls systems cover the accounting, production and administration functions. The Company has appointed an outside internal audit agency to further assess the systems and provide valuable feedback on the systems and areas of improvement of the same. The Company has a proper and adequate system to ensure that all assets are safeguard and protected against loss, theft, unauthorized use and damage from improper use.

HUMAN RESOURCES / DEVELOPMENT

The Company has a large pool of talented and knowledgeable personnel. The Company offers several in-house training programs to its personnel. This is aimed at continuous development and improvement of the company’s talent pool. Over 15 in-house training Programs were conducted during the year. Industrial relations at the plant remained cordial throughout the year.

OUTLOOK

The industry sector under which the company operates has been posting healthy growth rates over the years. The market for the product mix is expanding at above 6% per annum. These factors provide opportunities for the company to continue to return impressive growth and returns for all stakeholders.



CORPORATE GOVERNANCE

PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is concerned with creation of long term value of shareholders while also balancing interest of other stakeholders viz. Employees, Creditors, Government and the Society at large. Corporate Governance is crucial as it builds confidence and trust, which eventually leads to a more stable and sustained resources flow and long term partnership with its investors and other stakeholders.

The Corporate Governance framework will encourage efficient use of resources and ensuring accountability for these resources. Its importance lays in the contribution it makes to the overall growth and direction of the business, management accountability and transparency and above all, equitable treatment for its stakeholders.

In sum, Corporate Governance reinforces the concept of "Your Company" and emphasis that the Chairman and the Board of Directors are your fiduciaries and trustee's engaged in pushing the business forward and maximizing the value for you, the shareholders.

CORPORATE GOVERNANCE

Your Company believes in adopting the best corporate governance practices and protecting rights and interests of stakeholders. We further believe that the shareholders have the right to know the complete information on the Board of Directors and the management, their interest in the organization as well as governance practice to be followed by them.

The report on Corporate Governance is divided in to five parts

1. Board of Directors
2. Committees of the Board
3. Disclosure
4. Means of Communication
5. Shareholder Information

I BOARD OF DIRECTORS

A. The details of the Board of Directors of the Company. Meeting held and attendance of the Directors are given below:

Name of Directors	Designation	Directorship in other public Limited Companies	Other Companies Committee	
			Membership	Chairperson
Mr. Mihir R. Ghatalia	Chairman and Managing Director	2	Nil	Nil
Mr. Chetan K.Mehta	Director, Non Executive Independent	1	Nil	Nil
Mr. Anil Mandal	Director Non Executive Independent	1	Nil	Nil
Smt. Damiyanti P Ghatalia	Woman Director	2	Nil	Nil

AS required by the Companies Act, 1956 & Clause 49 of the Listing Agreement, none of the Directors hold Directorship in more than 15 public Companies, Membership of Board Committees (Audit/ Remuneration/Investor Grievance Committees) in excess of 5

B. REVIEW OF THE BOARD

The Board of Director's review in their Board Meeting matters relating to:

- ❖ Strategy and Business Plans
- ❖ Annual Operating and Capital Expenditure Budgets/
- ❖ Investments and Exposures limits
- ❖ Business risk analysis and control
- ❖ Senior Executive appointment
- ❖ Compliance with statutory/ regulatory requirements and review of major legal issues



- ❖ Adoption of quarterly results/ annual results
- ❖ Transactions pertaining to purchase, disposal of property, major provisions and write offs.

C. BOARD MEETINGS

The meetings of the Board of Directors are scheduled well in advance and the folder containing agenda for the meeting with detailed review of all aspects of the Company business, including Performance of the Company, Employee relations, details of Investments, Capital Expenditure, etc. is circulated to all the Directors before 7 days of the date of Board Meeting. It also highlights important matters discussed at the Audit Committee, Share Transfer Committee & Investor Grievance Committee of the Board. Four Board Meetings were held during the year on 30/05/2018, 14/08/2018, 14/11/2018, 30/11/2018 31/12/2018 and 14/02/2019.

Name of Directors	No. of Board Meeting Held	No. of Board Meeting attended	Attendance at last AGM
Mr. Mihir R. Ghatalia	6	6	Yes
Mr. Chetan K.Mehta	6	6	Yes
Mr. Anil Mandal (Appointed on 14th November, 2018)	6	3	No
Smt. Damiyanti P Ghatalia	6	6	Yes

D. CODE OF CONDUCT

The Board of Directors has adopted the code of conduct & responsibilities of the Board towards the Company in the Board Meeting.

II COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Composition of Audit Committee and attendance of members of the meetings are as under:

Name of Members	Category	Designation	No. of Meetings Attended
Mr. Mihir Rajesh Ghatalia	Managing Director	Member	6
Mr. Chetan K. Mehta	Non-Executive- Independent	Chairman	3
Mr. Anil Mandal	Non-Executive- Independent	Member	6

Audit Committee reviews in their meetings & recommends to the Board matters relating to the following terms of reference

- To Oversee the Company's Financial reporting process and disclosure of its financial information.
- To recommend the appointment of Statutory Auditors and fixation of the Audit fee.
- To review and discuss with the Auditors about internal control system, the scope of audit including observations of the Auditors, adequacy of internal audit function, major accounting policies, practices and entries, compliance with accounting Standards with The Stock Exchanges and legal requirements concerning financial statements and related party transactions, if any.
- To review the Company's Financial and Risk Management Policies and discuss with the Internal Auditors.
- To follow- up significant finding thereon.
- To review the quarterly and annual financial statements before submission to the Board of Directors.

During the financial year the Audit Committee met 29/05/2018, 11/08/2018, 12/11/2018, 28/11/2018, 28/12/2018, 14/02/2019.



B REMUNERATION COMMITTEE

Remuneration Committee reviews and approves the annual salaries, performance commission, service agreements and other employment conditions for Executive Directors. During the financial year the Audit Committee met 28/12/2018 & 28/03/2019. The Composition of the Remuneration Committee is as under:

Name of Members	Category	Designation
Mr. Chetan K. Mehta	Non-Executive- Independent	Member
Mr. Mihir R. Ghatalia	Managing Director	Member
Mr. Anil Mandal	Non-Executive- Independent	Chairman

Remuneration to Managing Director:

Name of Directors	Designation	Salary	Perquisite	Total (Rs.)	Service Contract
Mr. Mihir R. Ghatalia	Managing Director	600000.00	900000.00	1500000.00	Re-appointed as Managing Director by the Board on 31st December, 2018 for a period of 5 years w.e.f 31/12/2018 to 30/12/2023 subject to shareholders' approval

C. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

a. The Committee comprises of the following members

Name of the Director	Category	Designation
Mr. Mihir R. Ghatalia	Managing Director	Member
Mr. Lalit R. Tulsiani	Whole time Director	Member
Mr. Chetan K. Mehta	Non-Executive- Independent	Member
Mr. Jagdish K. Shah	Non-Executive- Independent	Chairman

- b. **Name & Designation of Compliance Officer:** **Mrs. Sweta Poddar**
Bhakti Residency, Flat 803,
Plot No.6, Sector-11, Sanpada
Navi Mumbai-400705
Tel/ Fax No: 022-23455543(Resigned w.e.f. 3rd September, 2019)

- c. **Number of Shareholder Complaints received during the year 2017-18:** 02

- d. **Number of Complaints not solved to satisfaction:** Nil

- e. **Number of pending complaints:** NIL

GENERAL BODY MEETINGS

Location and time of General Meetings held in last three years.

Year	AGM/EGM	Date	Time	Venue	Special Resolution
2018-19	AGM	29/09/2018	9.15 A.M	E-34, MIDC, Tarapur, Boisar, Thana - 401506	NO
2017-18	Postal Ballot	01/02/2018	9.00A.M	E-34, MIDC, Tarapur, Boisar, Thana - 401506	YES
2017-18	AGM	29/09/2017	9.15A.M	E-34, MIDC, Tarapur, Boisar, Thana - 401506	YES
2016-17	EGM	20/02/2017	10.00A.M	E-34, MIDC, Tarapur, Boisar, Thana - 401506	YES
2016-17	AGM	30/09/2016	9.15A.M	E-34, MIDC, Tarapur, Boisar, Thana - 401506	YES
2016-17	EGM	08/06/2016	9.30A.M	E-34, MIDC, Tarapur, Boisar, Thana - 401506	YES
2015-16	AGM	25/09/2015	9.30A.M	E-34, MIDC, Tarapur, Boisar, Thana - 401506	YES

At the ensuing AGM there are no resolution proposed to be passed through postal ballot.



III DISCLOSURE

- a. There were no materially significant related party transactions with the promoters, Directors etc that may have potential conflicts with the interest of the company at large.
- b. There were no pecuniary relationships or transactions of Non Executive Directors vis- a- vis the Company.

IV MEANS OF COMMUNICATION

The Annual and Quarterly results are submitted to the Stock Exchanges in accordance with the Listing Agreement.

V SHAREHOLDERS INFORMATION

1. Annual General Meeting

- Date & Time : 30th September, 2019 at 9.15 a.m
- Venue : E-34, MIDC, Tarapur, Boisar, Thane - 401506

2. **Book Closure Date** : 25th September, 2019 to 30th September, 2019 (both days inclusive)

3. **Registered Office** : E-34, MIDC, Tarapur, Boisar, Thane - 401506

4. **Equity Shares Listed** : The Bombay Stock Exchange Limited

5. **Stock Price Data & ISIN No** :
The monthly high and low shares prices during the year at BSE are as under
(ISIN NO: INE198401019)

MONTH	HIGH	LOW
April -2018	63.80	52.00
May -2018	58.60	45.00
June -2018	48.00	35.00
July-2018	45.85	35.10
August-2018	50.60	37.10
September-2018	44.00	29.55
October-2018	35.75	28.25
November-2018	37.90	29.35
December-2018	40.00	30.00
January-2019	37.00	27.55
February-2019	33.70	26.30
March-2019	36.00	28.00

6. **Registrar & Transfer Agents: LINK INTIME INDIA PVT LTD.**
C-101, 247 Park, LBS Marg,
Vikhroli(W), Mumbai-400083



7. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2019

SHAREHOLDING OF NOMINAL SHARES	Shareholders		Share Amount (Rs)	
	Nos.	%	Rs.	%
1-5000	6514	79.9264	10344620	4.4237
5001-10000	788	9.6687	6206980	2.6543
10001-20000	380	4.6626	5698870	2.4370
20001-30000	133	1.6319	3432690	1.4679
30001-40000	72	0.8834	2610190	1.1162
40001-50000	59	0.7239	2809420	1.2014
50001-100000	85	1.0429	6732600	2.8791
100001 & above	119	1.4601	196011470	83.8204
Total	8150	100.00	233846840	100.00

8. CATEGORY OF SHAREHOLDINGS AS ON 31.03.2019

Sr. No	CATEGORY	DEMATED		PHYSICAL		TOTAL
		SHARES	HOLDERS	SHARES	HOLDERS	
1	Corporate Bodies (Promoter Co)	3920000	2	0	0	3920000
2	Clearing Members	398203	55	0	0	398203
3	Other Bodies Corporate	889986	86	21480	18	911466
4	Hindu Undivided Family	202655	153	0	0	202655
5	Non Resident Indians	135778	65	0	0	135778
6	Non Resident (Non Repatriable)	98296	22	0	0	98296
7	Public	5741766	5652	583419	2084	6325185
8	Promoters	7876366	8	0	0	7876366
9	Foreign Portfolio Investors (Corporate)	3516735	5	0	0	3516735
	TOTAL :	22779785	6048	604899	2102	23384684

9. FINANCIAL RELEASE DATES FOR THE YEAR 2019-20

QUARTER RELEASE DATE	TENTATIVE AND SUBJECT TO CHANGE
1ST Quarter ending 30th June	End of July, 2019
2nd Quarter ending 30th September	End of October, 2019
3rd Quarter ending 31st December	End of January, 2020
4th Quarter ending 31st March	End on April, 2020

10. DEMAT POSITION AS ON 31.03.19

Total No. of Fully paid up shares	Shares in demat form	Percentage (%)	Shares in physical form	Percentage (%)
23384684	22779785	97.41%	604899	2.59%

11. The Company has 10,00,000 outstanding Convertible Warrants.



Auditors' Certificate on Compliance of the conditions of Clause 49 of the Listing Agreement (Corporate Governance) for the year ended 31st March, 2019

To
The Member's of **M/S AAREY DRUGS & PHARMACEUTICALS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Aarey Drugs & Pharmaceuticals Limited for the year ended 31.03.2019, as stipulated in Clause 49 of the listing agreement of the said company with stock exchanges.

The Compliance condition of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For DMKH & Co.
Chartered Accountants,
FRN. No. 116886W

CA. Manish Kankani
Partner
M.No. 158020
Place: Mumbai
Date: 14/08/2019



CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

To, The Board of Directors

AAREY DRUGS & PHARMACEUTICALS LTD

I, Rajesh P Ghatalia, the undersigned, in our respective capacities as Chief Executive Officer of Aarey Drugs & Pharmaceuticals Limited ("the Company"), to the best of my knowledge and belief certify that:

- (a) I have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2019 and based on our knowledge and belief, I state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) Significant changes, if any, in the internal control over financial reporting during the year; (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Rajesh P Ghatalia
Chief Executive Officer

Place : Mumbai

Date : May 30, 2019



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
AAREY DRUGS AND PHARMACEUTICALS LIMITED
E-34, M.I.D.C., Tarapur, Boisar, Thane, Maharashtra- 401506

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Aarey Drugs and Pharmaceuticals Limited having CIN L99999MH1990PLC056538 and having registered office at E-34, M.I.D.C., Tarapur, Boisar, Thane, Maharashtra- 401506 (Hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr. No.	Name of Director	DIN	Date of Appointment at current Designation	Original Date of Appointment
1.	Mihir Rajesh Ghatalia	00581005	09/02/2018	02/08/2004
2.	Chetan Kiritbhai Mehta	01639366	02/06/2008	02/06/2008
3.	Damayantiben Pranlal Ghatalia	05288741	14/02/2015	14/02/2015
4.	Anil Mandal	08291619	14/11/2018	14/11/2018

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

Virendra G. Bhatt
ACS No.: 1157
C P No.: 124

Place: Mumbai
Date: 31st May, 2019



DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors **M/S Aarey Drugs & Pharmaceuticals Limited**

Dear Sir,

I undertake to comply with the conditions laid down in sub-clause of clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the company, its promoter, its directors, senior management or its holding company, its subsidiary and associates as named in the annexure thereto which may affect my independence as director on the board of the company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the board level or at one level below the board and also have not been executive of the company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the company i.e., owning two percent or more of the block of voting shares.

Thanking You,
Yours Faithfully,

- 1) Chetan K Mehta
- 2) Anil Mandal

Date: 30.05.2019
Place: Mumbai



INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
AAREY DRUGS AND PHARMACEUTICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **AAREY DRUGS AND PHARMACEUTICALS Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit and total comprehensive income (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matter to be communicated in our report.

Sr. No	Key Audit Matter	Auditors Response
1.	Authenticity of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.	We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and testing as follows: <ul style="list-style-type: none">Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, performance and inspection of evidence in respect of operation of these controls.



2	<p>Valuation accuracy completeness and disclosures pertaining to inventories with reference to IND AS 2.</p> <ul style="list-style-type: none"> • Inventories constitutes material component of Financial Statement. Correctness, completeness and valuation are critical for reflecting true and fair financial results of operations. 	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows</p> <ul style="list-style-type: none"> • We assessed the company's process regarding maintenance of records valuation and accounting of transactions relating to inventory as per the Ind AS 2 • We have evaluated the design of internal controls relating to recording and valuation of inventory • We have carried out substantive audit procedures at financial and assertion level to verify the allocation of overheads to inventory.
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Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatement in the standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 misstatement in the 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 and significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we may 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For DMKH & Co.
Chartered Accountants
Firm's Registration No. : 116886W

Manish Kankani
Partner
Membership No. 158020
Place: Mumbai
Date: 30/05/2019



ANNEXURE “A” TO INDEPENDENT AUDITORS’ REPORT

Referred to in Paragraph 2 under the heading of “Report on other Legal and Regulatory Requirements” of our report to the members of AAREY DRUGS AND PHARMACEUTICALS Limited of even date On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we report that: -

- i. In respect of companies fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over regular interval. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- ii.
 - a) As explained to us, management has conducted physical verification of inventory at regular intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clauses 3(iii) (a), (b) and (c) of the order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investment and providing guarantees and securities, as applicable.
- v. In The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provision of Section 73 to 76 of the Act, any other relevant provision of the Act and the relevant rules framed thereunder.
- vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the companies Act, 2013 for the business activities carried out by the company, thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii.
 - a) According to information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess, Professional Tax and other material statutory dues applicable to it with the appropriate authorities.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess, Professional Tax and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except



Name of statute	Nature of dues	Amount(Rs)	Period to which amount is related	Forum where dispute is pending
Income Tax Act,1961	Income Tax	67,41,220/-	A.Y 2007-08	CIT(A)MUMBAI
Income Tax Act,1961	Income Tax	25,55,440/-	A.Y 2011-12	CIT(A)MUMBAI
Income Tax Act,1961	Income Tax	9,38,010/-	A.Y 2012-13	CIT(A)MUMBAI
Income Tax Act,1961	Income Tax	2,02,798/-	A.Y 2013-14	CIT(A)MUMBAI
Income Tax Act,1961	Income Tax	51,32,990/-	A.Y 2015-16	CIT(A)MUMBAI
Income Tax Act,1961	Income Tax	1,02,760/-	A.Y 2016-17	CIT(A)MUMBAI
Income Tax Act,1961	Income Tax	60,61,340/-	A.Y 2017-18	CIT(A)MUMBAI

- viii. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings from banks and debenture holders. The Company has not taken any loans from Government or any Financial Institution.
- ix. Based on audit procedure and on the basis of information and explanation given by the management, we are of the opinion that money raised by Company by way of term loan has been applied for the purpose for which they were raised. The Company did not raise any money by way of Initial Public offer or further public offer.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, paragraph 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv. During the Year, the company has not made any preferential allotment or private placement of shares fully or partly paid convertible debentures and hence, reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In Our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DMKH & Co.
Chartered Accountants
Firm's Registration No. : 116886W

Manish Kankani
Partner
Membership No. 158020
Place: Mumbai
Date: 30/05/2019



Annexure “B” to the Auditors’ Report

Referred to in Paragraph 1(g) under the heading of “Report on other Legal and Regulatory Requirements” of our report to the members of AAREY DRUGS AND PHARMACEUTICALS Limited of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **AAREY DRUGS AND PHARMACEUTICALS Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DMKH & Co.

Chartered Accountants

Firm's Registration No. : 116886W

Manish Kankani

Partner

Membership No. 158020

Place: Mumbai

Date: 30/05/2019



Balance Sheet as on 31st March, 2019

Particulars	Notes	As at 31st March, 2019 Rs.	As at 31st March, 2018 Rs.
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	3	12,27,45,600	11,71,29,243
(b) Capital Work in Progress		-	34,18,461
(c) Financial Assets			
(i) Investments	4	44,00,000	44,00,000
(ii) Trade receivables		-	-
(iii) Loans			
(iv) Others Financial Assets	5	84,343	84,343
(e) Deferred Tax Assets (net)		-	-
(f) Other Non Current Assets		-	-
(g) Income Tax Asset (net)		-	-
TOTAL EQUITY AND LIABILITIES		12,72,29,943	12,50,32,047
Current Assets			
(a) Inventories		21,25,03,545	14,77,49,673
(b) Financial Assets			
(i) Investments			-
(i) Trade Receivables	6	1,05,74,47,964	95,29,72,329
(ii) Cash and Cash Equivalents		34,54,702	52,36,734
(iii) Other Balances with Banks		2,32,722	2,86,59,904
(iv) Loans and Advances	7	2,00,000	2,34,000
(iv) Others	8	4,51,90,343	2,62,30,850
(c) Current Tax Assets (net)		-	-
(d) Other Current Assets	9	1,08,94,904	41,18,02,166
TOTAL EQUITY AND LIABILITIES		1,32,99,24,180	1,57,28,85,656
TOTAL ASSETS		1,45,71,54,123	1,69,79,17,703
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	23,38,46,840	23,38,46,840
(b) Other Equity	11	63,16,79,279	56,86,00,145
Total Equity		86,55,26,119	80,24,46,985
LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	3,86,383	5,63,947
(ii) Trade Payable		-	-
(iii) Other financial Liabilities		-	-
(b) Provisions		-	-
(c) Other Non-Current Liabilities		-	-
(d) Deferred Tax Liabilities (net)	13	1,49,17,505	1,29,75,055
Total Non-Current Liabilities		1,53,03,888	1,35,39,002
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	16,11,63,695	3,17,95,402
(ii) Trade Payables	15	37,27,85,443	77,57,92,691
(iii) Other Financial Liabilities	16	33,24,746	17,44,225
(b) Provisions	17	3,86,25,711	3,17,65,991
(c) Other Current Liabilities	18	4,24,521	4,08,33,407
(d) Deferred Tax Liabilities (net)		-	-
Total Current Liabilities		57,63,24,116	88,19,31,716
TOTAL EQUITY AND LIABILITIES		1,45,71,54,123	1,69,79,17,703

The accompanying notes form 1 to 25 an integral part of the Financial Statements
In terms of our report attached.

For DMKH & Co.
Chartered Accountants
FRN:- 116886W

For and on behalf of the Board

Manish Kankani
Partner
M.No.- 158020
Place : MUMBAI
Date : 30/05/2019

Mihir Ghatalia
Chairman & Managing Director

Rajesh P. Ghatalia
CFO

Chetan Mehta
Director

Sweta Poddar
Company Secretary



Statement of Profit & Loss for the year ended 31st March 2019

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
Revenue from Operations	19	3,54,74,14,480	3,49,34,79,306
Other Income	20	4,33,83,197	3,18,32,661
TOTAL INCOME		3,59,07,97,677	3,52,53,11,967
EXPENSES			
Cost of Materials Consumed	21	3,47,44,81,923	3,46,92,86,627
Changes in inventories	22	-6,47,53,872	-9,56,47,868
Employee Benefits Expense	23	47,45,958	38,44,034
Finance costs	24	2,22,99,301	1,91,96,819
Depreciation and Amortization Expense	3	1,00,83,271	71,15,504
Other Expenses	25	5,40,81,037	3,96,00,841
TOTAL EXPENSES		3,50,09,37,618	3,44,33,95,958
Profit Before Exceptional Items and Tax		8,98,60,059	8,19,16,009
Exceptional Items			
Profit Before Tax			
Tax Expenses			
Current Tax		2,25,00,000	2,25,01,000
MAT Credit Entitlement/Reversal			
Deferred Tax		19,42,450	23,60,885
Profit for the year		6,54,17,609	6,17,75,894
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss		-	-
Actuarial Gain on Defined Plan Liability		-	-
Income tax on Actuarial Loss		-	-
Actuarial Loss on Defined Plan Liability		-	-
Income tax on Actuarial Loss		-	-
		-	0
Total Comprehensive Income for the year		6,54,17,609	6,17,75,894
Earnings per shareq - Face Value '10.00 per share			
(1) Basic (in')		2.80	2.64
(2) Diluted (in')		2.80	2.64
The accompanying notes form 1 to 26 an integral part of the Financial Statements			

The accompanying notes form 1 to 25 an integral part of the Financial Statements
In terms of our report attached.

For DMKH & Co.
Chartered Accountants
FRN:- 116886W

For and on behalf of the Board

Mihir Ghatalia
Chairman & Managing Director

Chetan Mehta
Director

Manish Kankani
Partner
M.No.- 158020
Place : MUMBAI
Date : 30/05/2019

Rajesh P. Ghatalia
CFO

Sweta Poddar
Company Secretary



Accounting Policies and Notes forming part of the Accounts

1. Company Overview

Aarey Drugs & Pharmaceuticals Ltd("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956. The registered office of the Company is located at 107, Sahakar Bhavan, 340/348, NarshiNatha Street,Masjid, Mumbai 400 009.Maharashtra. The Company is listed on the Bombay Stock Exchange (BSE).

The financial statements are approved for issue by the Company's board of directors on May 30, 2019.

2. Significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

2.1. Compliance with Indian Accounting Standards

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 ("the Act"). The policies set out below have been consistently applied during the year presented.

For all periods up to and including the year ended 31 March 2019, the Company's prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("Previous GAAP").

2.2. Basis of Preparation and Presentation

Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the following:

- i. Certain financial assets and financial liabilities are valued at fair value;

Functional and Presentation Currency

The financial statements are presented in INR, which is also the Company's functional currency and all amounts are rounded to the nearest thousand, unless otherwise stated.

Classification of Assets and Liabilities into Current/Non-Current

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:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. 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 current when:

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading



Notes forming part of Financial Statements

- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

2.3. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.4. Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized.

2.5. Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets acquired in a business combination is recorded at fair value on the date of acquisition. Intangible assets are amortised on straight line basis over their estimated useful economic life not exceeding ten years. An item of Intangible Asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized. The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.6. Impairment of Assets

i. Financial Assets

The Company recognizes loss allowances using the expected credit losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in such case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

ii. Non-Financial Assets

Intangible Assets and Property, Plant and Equipment



Notes forming part of Financial Statements

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

iii. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

2.7. Financial Instruments

i. Investments and other financial assets

Initial recognition and measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. 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 added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

For purposes of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Equity investments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses for an equity investments, that is not held for trading, in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.



Notes forming part of Financial Statements

Derecognition

A financial asset is derecognised only when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

ii. Financial Liabilities

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings: Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates. They are subject to confirmation and reconciliation and consequential adjustments, if any.

Trade and other payable: These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are subject to confirmation and reconciliation and consequential adjustments, if any.



Notes forming part of Financial Statements

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.8. Fair Value Measurement

The Company discloses fair values of financial instruments measured at amortised cost in the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability Or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The Company must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole:

- i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Valuation process and assumption used to measure the fair value of Assets and Liabilities is disclosed.

2.9. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are inclusive of duty and net of discounts, returns and value added taxes and amount collected on behalf of third party. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met, as described below.



Notes forming part of Financial Statements

Revenue from sales of goods

Revenue from sale of goods is recognized when all the following conditions have been satisfied:

- i. The company has transferred to the buyer the significant risks and rewards of the ownership of the goods;
- ii. The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. The amount of revenue can be measured reliably;
- iv. It is probable that the economic benefits associated with the transaction will flow to the company; and
- v. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from Contract Income

Revenue from construction contracts is recognized by reference to the stage of completion of the construction activity as on Balance Sheet date, as measured by the proportion that contract cost incurred for work performed to date bear to the estimated total contract cost.

Where the outcome of the construction cannot be estimated reliably, revenue is recognized to the extent of the construction cost incurred if it is probable that they will be recoverable. In the case of the contract defined with mile stones and assigned price for each mile stone, it recognize the revenue on transfer of significant risks and rewards which coincides with achievement of mile stone and its acceptance by the customers.

Provision is made for all losses incurred to the balance sheet date. Any further losses which are foreseen in bringing contracts to completion are also recognized.

Contract Revenue earned in excess of billing has been reflected in other current Assets and Billing in excess of contract revenue has been reflected under Current Liabilities in the Balance Sheet.

Other Revenue is recognized as follow:

i. Finance Income:

Finance income is recognised as it accrues using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payment or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Finance income is included in other income in the profit & Loss Account.

ii. Dividend

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.10. Inventories

Traded Goods have been valued at lower of cost and net realisable value. The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

NRV is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

2.11. Cash and Cash equivalents

Cash and cash equivalents include cash at bank and in hand and deposits held at call with banks. For the purpose of the cash flows statements, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



Notes forming part of Financial Statements

2.12. Income Tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized 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 utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.13. Employee Benefit Expense

Short-term / long term obligations

All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

Defined contribution plan

Contributions to defined contribution schemes such as provident fund, Employees State Insurance and Pension Plans are charged off to the Statement of Profit and Loss/ Capital Work-in-Progress, as applicable, during the year in which the employee renders the related service.

2.14. Provisions, contingent liabilities and contingent assets

Provision

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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 recognized as a finance cost.

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. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

Contingent Assets

Contingent assets is disclosed where an inflow of economic benefit is probable.



Notes forming part of Financial Statements

2.15.Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.16.Cash Flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.17.Foreign Currency Transactions

Functional Currency

Financial statements of the Company's are presented in Indian Rupees (₹), which is also the functional currency.

Transactions and Translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

2.18.Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as Operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

FY 2018-19

Sr. No	Particulars	Useful life (Month)	Gross Block			Depreciaton			Net Block		
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2019
	Tangible Assets										
1	Land	96	22,43,546	-	-	22,43,546	2,26,620	-	2,26,620	20,16,926	20,16,926
2	Factory Building	36	2,97,55,744	-	-	2,97,55,744	2,17,18,403	9,75,374	2,26,93,777	70,61,967	80,37,341
3	Plant & Machinery	36	20,86,75,822	48,65,567	-	21,35,41,389	10,31,24,379	43,11,256	10,74,35,635	10,61,05,752	10,55,51,443
4	Electronic Equipments		7,31,665	33881	-	7,65,546	5,22,410	66,974	5,89,384	1,76,162	2,09,255
5	Furniture		6,92,562	187,6702	-	25,69,264	3,83,150	5,45,645	9,28,795	16,40,469	3,09,412
6	Computer		7,43,960	425155	-	11,69,115	6,15,500	83,425	6,98,925	4,70,191	1,28,460
7	Motor Car		22,45,607	-	-	22,45,607	15,10,624	1,52,159	16,62,783	5,82,824	7,34,983
8	Laboratory Equipment		1,39,056	-	-	1,39,056	1,32,103	-	1,32,103	6,953	6,953
9	Air Condition		3,85,713	8498324	-	88,84,037	2,51,243	39,48,438	41,99,681	46,84,356	1,34,470
	TOTAL		24,56,13,675	1,56,99,629	-	26,13,13,304	12,84,84,432	1,00,83,271	13,85,67,703	12,27,45,600	11,71,29,243



Notes forming part of Financial Statements

Note: 4 Investments in Equity

Particulars	As at 31st March 19	As at 31st March 18
Investment in equity		
(i) Shares of Transmedia Software Ltd	40,00,000	40,00,000
Other Investments		
(ii) Advance Paid for Plot At Kankavali	4,00,000	4,00,000
TOTAL	44,00,000	44,00,000

Note: 5 Other Current Financial Assets

Particulars	As at 31st March 19	As at 31st March 18
Fixed Deposit with Dena Bank	3,565	3,565
Margin Money -kalupur bank	80,778	80,778
TOTAL	84,343	84,343

Note: 6 Trade Recievables

Particulars	As at 31st March 19	As at 31st March 18
Trade receivables outstanding for a period exceeding six months from the date they were due from 31.03.2019"		
Secured, considered good		
Unsecured, considered good, Doubtful	8,88,20,128	3,61,92,366
Other Trade receivables		
Secured, considered good		
Unsecured, considered good, Doubtful*	96,86,27,836	91,67,79,963
TOTAL	1,05,74,47,964	95,29,72,329

Note: 7 Short term Loans and advances

Particulars	As at 31st March 19	As at 31st March 18
Advance to Employees	-	34,000
Advance to others	2,00,000	2,00,000
TOTAL	2,00,000	2,34,000

Note: 8 Other Financial Assets

Particulars	As at 31st March 19	As at 31st March 18
Short Term Loans & Advances	2,27,57,500	-
Statutory Deposits	31,86,838	2,31,44,012
Other Deposits	1,92,46,005	30,86,838
TOTAL	4,51,90,343	2,62,30,850



Notes forming part of Financial Statements

Note: 9 Other Current Assets

Particulars	As at 31st March 19	As at 31st March 18
Advance to suppliers for Goods	-	38,88,48,798
Advance towards Expenses	4,75,852	2,18,97,368
Misc Expenditure not yet written off	7,92,000	10,56,000
GST Receivables	96,27,051	-
TOTAL	1,08,94,903	41,18,02,166.31

NOTE 10: SHARE CAPITAL

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
(a) Authorised:				
25,000,000 Equity Shares of Rs. 10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
(Previous year 25,000,000 Equity Shares of Rs 10/- each)				
(b) Issued, subscribed and fully paid-up shares:				
2,33,84,684 Equity Shares of Rs. 10/- each fully paid up	2,33,84,684	23,38,46,840	2,33,84,684	23,38,46,840
(Previous Year 18,084,684 Equity Shares of Rs. 10/- each)				
Total Issued, subscribed and fully paid-up shares	2,33,84,684	23,38,46,840	2,33,84,684	23,38,46,840

(a) Reconciliation of the shares outstanding at the beginning and end of the reporting year

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
Equity Shares				
At the beginning of the year	2,33,84,684	23,38,46,840	1,80,84,684	18,08,46,840
Preferential Issue during the year *	-	-	53,00,000	5,30,00,000
Outstanding at the end of the year	2,33,84,684	23,38,46,840	2,33,84,684	23,38,46,840

Note- During the previous year company has issued shares as a preferential issue.

Note-During the previous year the company had converted pending share application money into share warrants.

(b) Shares held by each shareholder holding more than 5% of equity share capital:

Name of the shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	% Shareholding	Number of shares	% Shareholding
MIHIR RAJESH GAHTALIA	28,20,888	12.01	28,20,888	12.01
SURAJ TRADELINKS PRIVATE LIMITED	19,60,000	8.38	19,60,000	8.38
NIMIT IMPEX PRIVATE LIMITED	19,60,000	8.38	19,60,000	8.38
BINA RAJESH GHATALIA	19,43,550	8.31	18,05,736	7.72
TOTAL [5% & above]	86,84,438	37.08	85,46,624	36.49



Notes forming part of Financial Statements

(c) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting. In event of liquidation of the Company the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The Distribution will be in proportion to the number of equity shares held by the shareholders.

Note: 11 Other Equity

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Reserve	2,000,000	2,000,000
Securities premium	348,522,053	348,522,053
Share Warrant	23,150,000	23,150,000
Pending Share Application Money		-
Profit & loss balance	194,928,092	133,152,199
Adj: Transition Adj		
Net Profit for the Period	65,417,609	61,775,893
less: Dividend Paid	(2,338,468)	-
Closing Balance of Profit and Loss Account	258,007,233	194,928,092
TOTAL	631,679,279	568,600,145

Note: 12 Long term Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured Vehicle Loan	386,383	563,947
TOTAL	386,383	563,947

As it is a Vehicle Loan, Primarily secured by hypothetical of vehicles itself only.

Note: 13 Deferred Taxes

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liability	14,917,505	12,975,055
TOTAL	14,917,505	12,975,055

Note: 14 Financial liabilities - Borrowings

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured Portion		
Dena Bank*	161,163,695	30,541,465
Unsecured Portion		
a) From Directors		-
b) From Others	-	1,253,937
TOTAL	161,163,695	31,795,402

*Cash Credit Facility taken from bank which is secured by way of hypothecation of stock, book debts, and further secured by mortgage of factory land and building



Notes forming part of Financial Statements

Note: 15 Trade Payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
For Goods	372,785,443	759,372,860
For Expenses	-	16,419,832
TOTAL	372,785,443	775,792,691

Note: 16 Other Financial Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Employees Profession Tax Payable	4,125	6,025
(b) T.D.S. Payable	406,061	240,187
(c) Service Tax Payable	537,441	537,441
(d) Provision for Expenses	1,034,534	921,801
(e) GST Receivable	-	-
(f) Provision for FBT	-	38,770
(g) Interest on TDS	306	-
(h) Dividend Payable	112,471	-
(i) GST Payable - Mumbai	1,229,808	-
TOTAL	3,324,746	1,744,225

Note: 17 Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
Income tax (AY 2018-19)	-	31,765,991
Income tax (AY 2019-20)	38,625,711	-
TOTAL	38,625,711	31,765,991

Note: 18 Other Current Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance from Customers	-	40,183,407
Deposit received	150,000	650,000
Margin Money Saraswat bank	274,521	-
TOTAL	424,521	40,833,407

Note : 19 Revenue from Operations

Sr. No	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Sale of Traded Goods	3,547,414,480	3,493,479,306
	TOTAL	3,547,414,480	3,493,479,306



Notes forming part of Financial Statements

Note: 20 Other Income

Sr. No	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Interest Income against Trade Advances	20,184,573	25,415,335
2	Interest on late payment	633,469	417,192
3	Commission Received	6,320,623	337,950
4	Storage Income	1,118,416	568,042
5	MVAT Recievable	-	2,129,078
6	Misc. Income	5,983	9,973
7	Gst Rec	209,114	955,091
8	Discount Income	15,518	2,000,000
9	Cancellation Order	49,296	-
10	Detention Chrages	66,326	-
11	Labour & Job Work	14,779,880	-
	TOTAL	43,383,197	31,832,661

Note: 21 Cost of Purchase

Sr. No	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Purchases	3,449,856,899	3,448,252,926
	Add: Direct Expense	24,625,024	21,033,701
	TOTAL	3,474,481,923	3,469,286,627

Note: 22 Changes in Inventory

Sr. No	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Opening Stock	147,749,673	52,101,805
	Less: Closing Stock	-212,503,545	-147,749,673
	TOTAL	-64,753,872.00	-95,647,868

Note : 23 Employment Benefit Expenses

Sr. No	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Salaries	1,932,277	2,901,196
2	Staff Welfare Exp	127,190	113,184
3	Director Remuneration	300,000	300,000
4	Bonus	95,097	212,755
5	Gratuity Exp	27,000	290,000
6	Medical Exp	3,199	26,899
7	Director Perquisites	761,195	-
8	House Rent Allowance	1,500,000	-
	TOTAL	4,745,958	3,844,034



Notes forming part of Financial Statements

Note: 24 Finance Cost

Sr. No	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Bank Charges	-	114,227
2	Interest Exp (bank Interest)	13,999,725	17,575,746
3	Other Interest (LC Discounting charges)	7,280,473	320,369
4	Bank and other processing charges	889,260	1,186,477
5	Other Interest	129,843	-
	TOTAL	22,299,301.00	19,196,819

Note: 25 Other Expenses

Sr. No	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Conveyance	82,851	105,226
2	Electricity Charges	400,871	363,946
3	Custodial Fees	120,000	110,000
4	Rent Rate & Taxes	-	2,677,389
5	Brokerage and Commission Expenses	7,453,675	4,824,624
6	Legal & Professional Charges	1,224,084	2,460,184
7	Motar Car Expenses	489,882	421,960
8	Printing & Stationary Exps.	137,044	162,174
9	Audit Fees	108,000	113,500
10	Communication Expenses	275,061	203,803
11	Repairs & Maintenance	284,428	246,964
12	Insurance Exps.	247,136	600,922
13	Donation Expenses	20,000	151,000
14	RTA Expenses	178,000	119,991
15	Sales promotion Expense	1,909,749	2,732,503
16	Advertisement Expenses	25,039	57,829
17	Carriage Outward Expenses	228,740	149,217
18	Miscellaneous Expenses	28,799	756,707
19	Office expenses	304,557	131,132
20	Witten Off	12,951	473,098
21	Travelling Exp	450,286	9,223,031
22	Membership and Subscription Exp	8,939	24,406
23	Prefrential and QIP Issue Exp	264,000	285,000
24	VAT Exp	-	194,760
25	Storage Exp	1,341,339	665,195
26	Excise and Custom Duty	362,923	7,140,302
27	Loading and Unloading Exp	65,914	208,616
28	Clearing and Forwarding Charges	288,156	2,634,354
29	Taxes	9,599,614	2,338,008
30	Discount Exp	-	25,000
31	Telephone Expenses	-	-
32	Computer Expenses	77,171	-
33	Air Conditioner Expenses	26,800	-



Notes forming part of Financial Statements

Sr. No	Particulars	As at 31st March, 2019	As at 31st March, 2018
34	Listing Fees	250,000	-
35	Office Rent	5,889,120	-
36	Wharehouse Charges	1,041,735	-
37	Postage & Courier	154,407	-
38	Sales Tax Paid	2,701,325	-
39	Transportation Charges	15,515,016	-
40	Detention Chrges	12,000	-
41	Notary/ Franking & Stamp Paper Charges	7,500	-
42	Import Expenses	2,493,925	-
	TOTAL	54,081,037.00	39,600,841

Note 26: Auditor Remuneration

Sr. No	Particulars	As at 31st March, 2018	As at 31st March, 2018
1	Statutory Audit Fees	88,000	93,500
2	Internal Audit Fees	20,000	20,000
	TOTAL	108,000	113,500

Note 27: Related Parties and Nature of Relationship:

Related Party	Nature of Relationship
Mihir R. Ghatalia	Managing Director
Anil Mandal	Chairman
Chetan K. Mehta	Director
Satish M. Mehta	Director
Damyanti P Ghatalia	Relative of Managing Director& Woman Director
Bina R Ghatalia	Relative of Managing Director
Mira M Ghatalia	Relative of Managing Director
Rajesh P. Ghatalia	Relative of Managing Director
NimitImpexPvt Ltd	Concern in which relatives of MD are substantially interested.
SurajTradelinksPvtLtd	Concern in which relatives of MD are substantially interested
Enam Organic India Ltd	Company in which director are substantially interested

Note 28: Related Party Transaction

Particulars	Key Management Personnel	Relative of Key Management Personnel& Others
Remuneration	300,000	-
Rent Paid	5,889,120	-
Loan Transactions		
Opening Balance as on 01.04.2018	-	-
Loan amount taken	8,360,705	69,082,678
Loan amount given	8,360,705	69,082,678
Credit Balance as on 31.03.2019	-	-

Note - During the year loan was taken by the Directors which was repaid in the same year.



Notes forming part of Financial Statements

Note 29:- Earning Per Share

Earning per share (EPS) - The numerators and denominators used to calculate basic and diluted EPS:

Particulars		2018-19	2017-18
Profit for the year attributable to the Equity Shareholders	Rs.	65,417,609	61,775,894
Basic Weighted average number of Equity shares outstanding during the year	Number	23,384,684	23,384,684
Nominal value of Equity share	Rs.	10.00	10.00
Basic and diluted Earning per Equity share	Rs.	2.80	2.64

Note 30:CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Income tax expense

Particulars	As at 31st March, 2019	As at 31st March, 2018
i) Current tax		
Current tax on profits for the year	22,500,000	22,501,000
Adjustments for current tax of prior period	-	-
Total current tax expense	22,500,000	22,501,000
ii) Deferred tax		
(Decrease) Increase in deferred tax liabilities	(1,942,450)	(2,360,885)
Trfd to OCI on actuarial gain or loss	-	-
Total deferred tax expense (benefit)	(1,942,450)	(2,360,885)
Income tax expense	20,557,550	20,140,115

The reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Statutory income tax rate	31.20%	30.90%
b) Differences due to:		
i) Expenses not deductible for tax purposes	-	-
ii) Income exempt from income tax	-	-
iii) Income tax incentives	-	-
iv) Others	-	-
Effective income tax rate	31.20%	30.90%

No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or other comprehensive income.



Notes forming part of Financial Statements

Deferred tax liabilities (net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

Particulars	"As at 31-03-2018"	(charged) Credited to profit or loss OCI	"As at 31-03-2017"	(charged) Credited to profit or loss OCI	"As at 01-04-2016"
Property, plant and equipment	12,975,055	882,184	15,335,940	614,180	11,256,735
Total deferred tax liabilities	12,975,055	(2,360,885)	15,335,940	4,079,205	11,256,735

"Unrecognised temporary differences"

The Company has not recognised deferred tax liability associated with fair value gains on equity share measured at OCI as based on Management projection of future taxable income and existing plan it is not probable that such difference will reverse in the foreseeable future.

Previous Year's figures have been Rearranged wherever Necessary

Note 31:- Disclosure Requirement Under MSMED Act, 2006

The Company has no dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

Note 32: Segment Information

Company has only one segment of activity namely "Trading and Manufacturing Activities". Since there is No export turnover, there are no reportable geographical segments.

In terms of our report attached.

For DMKH & Co.

Chartered Accountants

FRN:- 116886W

Manish Kankani

Partner

M.No.- 158020

Place : MUMBAI

Date : 30/05/2019

For and on behalf of the Board

Mihir Ghatalia

Chairman & Managing Director

Chetan Mehta

Director

Rajesh P. Ghatalia

CFO

Sweta Poddar

Company Secretary

STATEMENT SHOWING CHANGES IN EQUITY FOR THE PERIOD ENDED ON 31.03.2019

A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2019		For the year ended 31st March, 2018	
Balance as on 1st April 2018	changes in equity during the year	Balance as on 1st April 2019	Balance as on 31st March 2018
2,33,84,684	-	2,33,84,684	23384684

B) OTHER EQUITY

Particulars	Reserve & Surplus					Other Comprehensive Income				Total
	CAPITAL RESERVE	Securities Premium Reserve	Retained Earning	Share Warrant	Pending Share Application Money	Equity Component through Financial Instrument	Effective portion of Cash Flow Hedges	Exchange differences of foreign operation	Other items of other Comprehensive Income	
Balance as on 1st April 2018	20,00,000	34,85,22,053	19,49,28,092	2,31,50,000	-	-	-	-	-	56,86,00,145
Premium on Equity shares issued during the year	-	-	-	-	-	-	-	-	-	-
Pending Share Application Money	-	-	-	-	-	-	-	-	-	-
Share Warrants	-	-	-	-	-	-	-	-	-	-
Remeasurement of defined employee benefit plans transferred to statement of profit and loss (Net of Taxes)	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	6,54,17,609	-	-	-	-	-	-	6,54,17,609
Dividends including distribution tax	-	-	23,38,468	-	-	-	-	-	-	23,38,468
Transfer to retained earning/General Reserve	-	-	-	-	-	-	-	-	-	-
Any other changes	-	-	-	-	-	-	-	-	-	-
Balance as on 31st March 2019	20,00,000	34,85,22,053	25,80,07,233	2,31,50,000	-	-	-	-	-	63,16,79,279



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2019

	Particulars	Year ended 31st MARCH,2019	Year ended 31st MARCH,2018
A.	Cash Flow from Operating Activities		
	Net profit before Tax as per Profit & Loss Account	8,98,60,059.00	8,19,16,009
	Adjusted for:		
	Depreciation	1,00,83,271.00	71,15,504
	Risght Issue Expense	-	-
	Finance Cost	2,22,99,301.00	1,91,96,819
	Operating Profit before Working Capital Changes	12,22,42,631.00	10,82,28,333
	Adjusted for:		
	(Increase)/ Decrease in Inventories	-6,47,53,872.00	-9,56,47,868
	(Increase)/ Decrease in Trade receivables	-10,44,75,635.14	-13,44,06,208
	(Increase)/ Decrease in Short Term Loans & Advances	34,000.00	-11,000
	(Increase)/ Decrease in Other Current Assets	38,19,47,769.08	-2,04,70,448
	Increase/ (Decrease) in Provision	68,59,720.28	72,73,028
	Increase/ (Decrease) in Trade Payables	-40,30,07,248.84	3,03,19,821
	Increase/ (Decrease) in Short Term Borrowings	12,93,68,292.56	-7,14,02,302
	Increase/ (Decrease) in Other Current Liabilities	-3,88,28,364.66	-12,50,816
		2,93,87,292.28	-28,55,95,791
	Less: Taxes Paid	2,25,00,007.36	2,61,41,000
	Cash Flow from Operating Activities (A)	68,87,284.92	-20,35,08,459
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	-1,22,81,167.46	-62,08,356
	FD with Banks	-	1,84,130
	Sale/(Purchase) of F.A.	-	-
	Interest Received/Recievable	-	-
	Net Cash used in Investing Activities (B)	-1,22,81,167.46	-60,24,226
C.	Cash Flow from Financing Activities		
	Issue of Equity share Capital	-	5,30,00,000
	Repayment/Received of long term loans & advances	-1,77,563.80	-1,61,517
	Dividend Paid	-23,38,468.00	-
	Share Warrants	-	1,64,83,330
	Finance Cost	-2,22,99,301.00	-1,91,96,819
	Right Issue Expense	-	-
	Premium on Issue of Shares	-	18,29,25,170
	Net Cash used in Financing Activities (C)	-2,48,15,332.80	23,30,50,163
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	-3,02,09,215.34	2,35,17,479
	Opening Balance of Cash and Cash Equivalents	3,38,96,639	1,03,79,160
	Closing Balance of Cash and Cash Equivalents	36,87,423.87	3,38,96,639



Notes:

- 1 The above Cash flow Statement has been prepared under the "Indirect Method" set out in Ind AS-7 on Statement of Cash flow.
- 2 Previous year figures have been reclassified to confirm with current Year's presentation, wherever applicable.
- 3 This is the cashflows Statement referred to in our report of even date.

The accompanying notes form 1 to 25 an integral part of the Financial Statements

In terms of our report attached.

For DMKH & Co.

Chartered Accountants

FRN:- 116886W

Manish Kankani

Partner

M.No.- 158020

Place : MUMBAI

Date : 30/05/2019

For and on behalf of the Board

Mihir Ghatalia

Chairman & Managing Director

Chetan Mehta

Director

Rajesh P. Ghatalia

CFO

Sweta Poddar

Company Secretary



AAREY DRUGS & PHARMACEUTICALS LTD.

Registered Office : E-34, MIDC, TARAPUR, BOISAR, DIST. PALGHAR.

ATTENDANCE SLIP

(To be handed at the Entrance of the Meeting Hall)

I hereby record my presence at the Twenty Ninth Annual General Meeting of the Company at E-34, MIDC, Tarapur, Boisar, Dist. Palghar. On September 30, 2019 At 09.15 A.M.

DP ID No.*

Client ID No.*

Folio No _____

Full Name of the Shareholder _____ Signature (in block letters) _____

Full Name of the Proxy _____ Signature _____

* Applicable for Investors holding shares in Electronic Forms.

----- Tear Here -----



AAREY DRUGS & PHARMACEUTICALS LTD.

Registered Office : E-34, MIDC, TARAPUR, BOISAR, DIST. PALGHAR.

PROXY FORM

DP ID No.*

Client ID No.*

I _____
of _____ in the district of _____ Member(s) of the above
named Company hereby appoint _____ of _____
in the district of _____ or failing him _____ of _____ in the
district of _____ as my / our Proxy to attend and vote for me/us and my/our behalf at the Twenty Ninth Annual
General Meeting of the Company to be held on September 30, 2019 at 09.15 A.M. at E-34 , MIDC , Tarapur , Boisar , Dist. Palghar on and
at any adjournment thereof.

Signed this _____ day of _____ 2019.

Reference Folio No. _____

No. of Shares held _____

Affix
Re 1/-
Revenue
Stamp

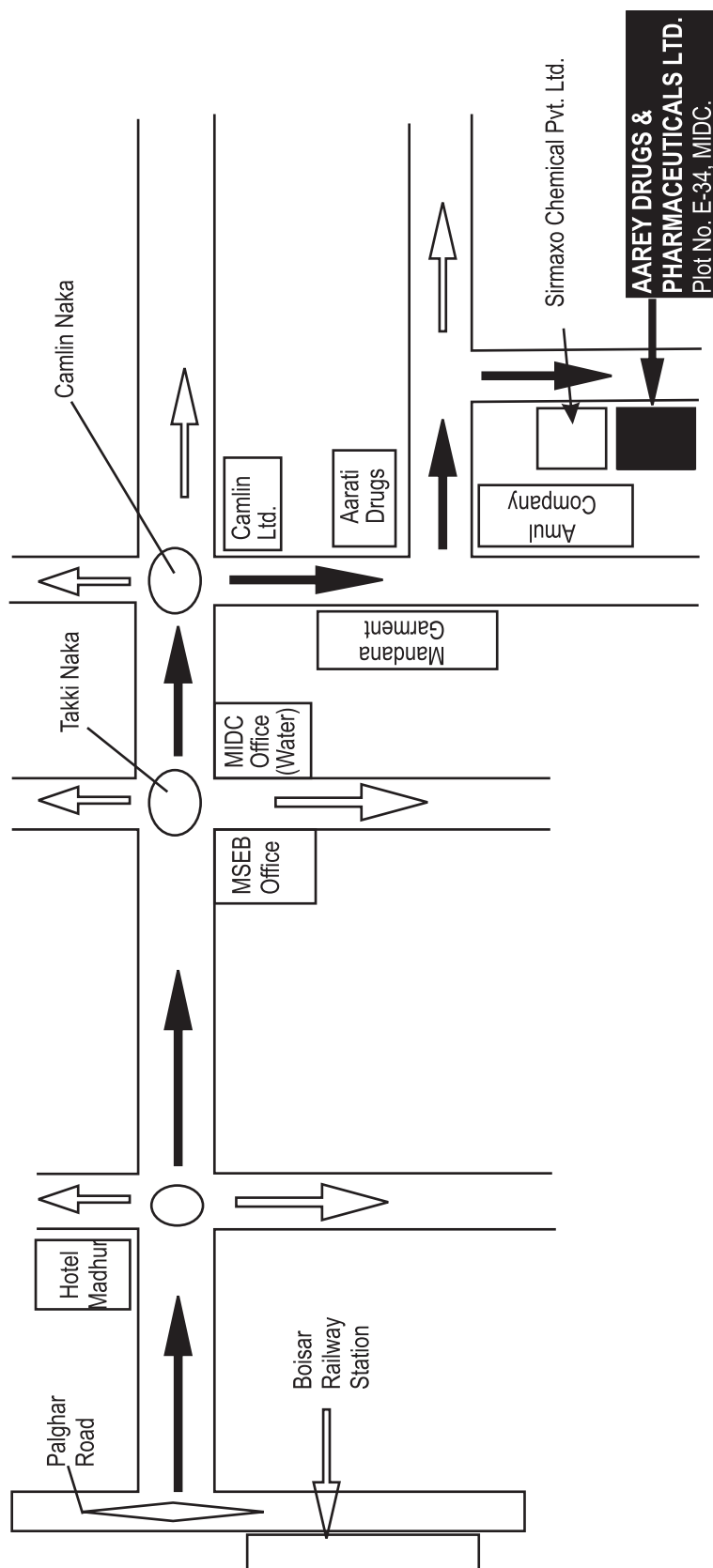
*Applicable for Investors holding shares in Electronic Forms.

Note : The Proxy duly executed should reach the Registered Office of the Company at least 48 hrs. before the time of Meeting.

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**Road Map to
AAREY DRUGS & PHARMACEUTICALS LTD.**



BOOK - POST

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If undelivered please, return to :

AAREY DRUGS & PHARMACEUTICALS LIMITED

Registered Office :

E-34, MIDC, Tarapur,

Boisar, Dist. Palghar