



Information Memorandum

January 21, 2023

**Aarti Pharmalabs Limited (Formerly known as Aarti Organics Limited)**

Our Company was incorporated on November 22, 2019 as a public limited company under the Companies Act, 2013 with the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company is U24100GJ2019PLC110964. The name of our Company changed to "Aarti Pharmalabs Limited" pursuant to certificate of incorporation consequent upon change of name dated August 18, 2021 received from the ROC. For other details of the Company, please refer to *"History and certain Corporate Matters"* beginning on page 83.

Registered Office: Plot No 22/C/1 & 22/C/2, 1st Phase, GIDC Vapi 396195, Valsad, Gujarat

Corporate Office: 204, Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund West, Mumbai 400080, Maharashtra

Tel.: +91-22-6797 6666, **Fax:** +91-22-2565 3234

Contact Person: Shri Nikhil Natu, Company Secretary and Compliance Officer

Website: www.aartipharmlabs.com; **Email:** co.apl@aartipharmlabs.com

OUR PROMOTERS : Chandrakant Vallabhaji Gogri, Rajendra Vallabhaji Gogri, Parimal Hasmukhlal Desai, Sarla Shantilal Shah, Bhavna Shah Lalka, Mananjay Singh Garewal, Monisha Bhatia, Shreya Suneja, Jayesh Shah, Orchid Family Trust and Bhavna Family Private Trust

INFORMATION MEMORANDUM FOR LISTING OF 9,06,26,008 EQUITY SHARES OF Rs. 5/- EACH ISSUED BY AARTI PHARMALABS LIMITED ("COMPANY"/ "OUR COMPANY" / "APL") PURSUANT TO THE SCHEME OF ARRANGEMENT ("SCHEME")

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Equity Shares of the Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Equity Shares of the Company. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") or National Stock Exchange of India Limited ("NSE") and collectively with BSE, "Stock Exchange") neither does SEBI nor either of the Stock Exchanges guarantee the accuracy or adequacy of the contents of this Information Memorandum. **Specific attention of investors is invited to the section titled "Risk Factors" beginning on page 17**

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Information Memorandum contains all information with regard to the Company, which is material, and that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omissions of which makes the Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of the Company are proposed to be listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). For the purposes of listing of our Equity Shares pursuant to the Scheme, BSE is the Designated Stock Exchange. The Company has submitted the Information Memorandum with BSE and NSE and the same has been made available on the Company's website viz. www.aartipharmlabs.com. The Company has received in-principle approval for listing from BSE and NSE on **December 23, 2022** and **December 28, 2022** respectively. The Information Memorandum would also be made available on the website of Stock Exchanges at www.bseindia.com and www.nseindia.com.



REGISTRAR AND SHARE TRANSFER AGENT	
The logo for LINK Intime, with 'LINK' in blue and 'Intime' in orange.	<p>LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India Tel: +91 22 4918 6000 Email: ganesh.jadhav@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shri Ganesh Jadhav SEBI Registration No.: INR000004058</p>

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SECTION I — GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time.

Company and Scheme Related Terms:

Term	Description
"Resulting Company" or "Aarti Pharmed Labs Limited" or "APL" or "the Company" or "our Company" or "we" or "us" or "our"	Unless the context otherwise requires, refers to Aarti Pharmed Labs Limited (formerly known as Aarti Organics Limited), a Company incorporated under the Companies Act, 2013 vide Corporate Identification Number U24100GJ2019PLC110964.
Appointed Date	July 1, 2021
Articles / Articles of Association / AOA	The Articles of Association of our Company, as amended from time to time.
Audit Committee	The Audit Committee of our Company, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in <i>"Our Management"</i> on page 89.
Auditor or Statutory Auditor	The Statutory Auditor of our Company, Gokhale & Sathe (Firm Registration No. 103264W), Chartered Accountants, 304/ 308/ 309, Udyog Mandir No. 1, 7-C, Bhagoji Keer Marg, Mahim, Mumbai-400016
Board of Directors / the Board /our Board	The Board of Directors of Aarti Pharmed Labs Limited and includes its committees.
Demerged Company	Aarti Industries Limited
Demerged Undertaking	means the Pharma business or Pharma Division which is divided into three verticals i.e. a) manufacture of Active Pharmaceutical Ingredients ("API"); b) manufacture of intermediates; and c) manufacture of xanthine derivatives. For complete definition, please refer to the section titled "Scheme of Arrangement" on Page 85 of this Information Memorandum.
Director/ Our Directors	The director(s) of Aarti Pharmed Labs Limited, unless otherwise specified.
Eligible Shareholders	Shall mean eligible holder(s) of the equity shares of Aarti Industries Limited as on the Record Date.
Equity Shares	The equity shares of our Company of face value of INR 5 each
Effective Date	October 17, 2022
Financial information / financial statement	Audited financial statements for the year ended March 31, 2021 & March 31, 2022 and the audited results for nine months ended December 31, 2022



Information memorandum	The information memorandum dated January 18, 2023 to be filed with the Stock Exchanges
Memorandum /Memorandum of Association /MOA	The Memorandum of Association of our Company, as amended from time to time.
Promoter(s)	Chandrakant Vallabhaji Gogri, Rajendra Vallabhaji Gogri, Parimal Hasmukhlal Desai, Sarla Shantilal Shah, Bhavna Shah Lalka, Mananjay Singh Garewal, Monisha Bhatia, Shreya Suneja, Jayesh Shah, Orchid Family Trust and Bhavna Family Private Trust
Record Date	October 20, 2022
Registrar and Share Transfer Agent / RTA	Link Intime India Private Limited
Remaining Business /Remaining Undertaking	Means all business undertakings of the Demerged Company other than the Demerged Undertaking. For more information, please refer to the section titled "Scheme of Arrangement" on page 85 of this Information Memorandum.
Scheme / Scheme of Arrangement	Scheme of Arrangement between Aarti Industries Limited (Demerged Company) and Aarti Pharmed Labs Limited (Resulting Company) and their respective shareholders in respect of Demerger of Pharma Division of Aarti Industries Limited into Aarti Pharmed Labs Limited under Sections 230 to 232 and other related provisions of the Companies Act, 2013.
For definitions of the terms used herein, if not defined please refer to the Scheme / section titled "Scheme of Arrangement on page 85	
Conventional and General Terms / Abbreviations:	
Term	Description
Act/ Companies Act/ Companies Act, 2013	The Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
Applicable Laws	Any statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any appropriate authority, including any modification or re-enactment thereof for the time being in force
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository / Depositories	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018, as amended from time to time, in this case being NSDL and CDSL
Depository Participant / DP	Depository Participant as defined under the Depositories Act, 1996



DIN	Director Identification Number
EGM	Extraordinary General Meeting
EPS	Earnings per Equity Share
Equity Shares	Equity Shares of our Company of face value Re. 5/- each, unless otherwise specified in the context thereof
Financial Year / Fiscal Year/ Fiscal / FY	Twelve months Period ending on March 31st of a particular year
GST	Goods and Services Tax
HUF	Hindu Undivided Family
Ind AS	Indian Accounting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
Information Memorandum	This document dated January 18, 2023 filed with BSE and NSE and referred to as the Information Memorandum
MOU	Memorandum of Understanding
NCLT	The National Company Law Tribunal (in this case NCLT, Ahmedabad)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulations) Rules, 1957 as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
SEBI (ICDR) Regulation	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
Stock Exchange	Shall refer to the BSE and the NSE where the Equity Shares of Aarti Pharmed Labs Limited are proposed to be listed

Industry /Business Related Terms:

Terms	Description
BFSI	Banking, Financial Services and Insurance
BPO	Business Process Outsourcing
CAGR	Compounded Annual Growth Rate
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GOI	The Government of India
IT/ITES	Information Technology / Information Technology Enabled Services
MNCs	Multinational Corporations
NBFCs	Non-Banking Financial Companies
SEZ	Special Economic Zone
NCE	New Chemical Entity
cGMP	Current Good Manufacturing Practices
USFDA	U.S. Food and Drug Administration
EUGMP	EU Good Manufacturing Practices
EDQM	European Directorate for Quality of Medicines & Healthcare
KFDA	Korea Food and Drug Administration
COFEPRIS	Federal Commission for Protection against Sanitary Risks



CURRENCY OF FINANCIAL PRESENTATION AND USE OF MARKET DATA

Currency of Financial Presentation

In the Information Memorandum, the terms "we", "us", "our", the "Company", "our Company", "APL", unless the context otherwise indicates or implies, refers to Aarti Pharmalabs Limited. In the Information Memorandum, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lakh/Lac" means one hundred thousand", the word "million (mn)" means "ten lakh", the word "Crore" means "ten million" and the word "billion (bn)" means "one hundred crore".

Throughout the Information Memorandum, unless otherwise stated, all figures have been expressed in Lakhs/Lacs. Unless indicated otherwise, the financial data in the Information Memorandum is derived from our financial statements prepared in accordance with Ind AS and included in the Information Memorandum.

There may be some differences between Ind AS and IFRS and/or US GAAP; accordingly, the degree to which the Ind AS financial statements included in the Information Memorandum will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices and Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Information Memorandum should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions used in the Information Memorandum, please see the section titled *"Definitions and Abbreviations"* on page 5 of the Information Memorandum. In the section titled *"Main Provisions of the Articles of Association"* on page 186, defined terms have the meaning given to such terms in the Articles of Association of our Company.

Financial Data

Use of Market Data

Unless stated otherwise, market data used in this Information Memorandum has been obtained from internal Company reports, data, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe market data used in this Information Memorandum is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.



FORWARD LOOKING STATEMENTS

This Information Memorandum includes statements which contain words or phrases such as "will", "would", "aim", "aimed", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", "anticipate", "estimate", "estimating", "intend", "plan", "contemplate", "seek to", "seeking to", "trying to", "target", "propose to", "future", "objective", "goal", "project", "should", "can", "could", "may", "will pursue", or other words or phrases of similar expressions or variations of such expressions, that are "forward-looking statements". Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

Our forward- looking statements contain information regarding, among other things, our financial condition, future plans and business strategy. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- The impact of an outbreak of any contagious diseases (including the prolonged outbreak of COVID-19);
- The proposed pharmaceutical business is subject to extensive regulation. If the company fails to comply with the applicable regulations prescribed by governments and regulatory agencies or our customers, our business, financial condition and results of operations could be adversely affected;
- Our dependence on manufacturing facilities and inherent risks during the manufacturing process viz. slowdown/ shutdown/ under-utilization of manufacturing process, strikes/ work stoppages/ increased wage demands;
- Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations may adversely affect business, financial condition and results of operations;
- Our ability to successfully implement our strategy, our growth and expansion strategy, and respond to technological changes;
- Our ability to respond to competitive pressures (domestic or international level);
- Fluctuation of the operating cost;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- General political, social and economic conditions in India and other countries;
- Accidents and natural disasters;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally; and
- Regulatory changes and the Company's ability to respond to them;

Future-looking statements speak only as of the date of this Information Memorandum. We undertake no obligation to publicly update or revise any forward- looking statements, whether as a result of new information, future events or otherwise. In light of the foregoing, and the risks, uncertainties and assumptions discussed in the section titled "*Risk Factors*" beginning on page 17 and elsewhere in this Information Memorandum, any forward- looking statement discussed in this Information Memorandum may change or may not occur, and our actual results could differ materially from those anticipated in such forward-looking statements. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not regard such statements to be a guarantee of our future performance.



SECTION II —INFORMATION MEMORANDUM SUMMARY

This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. For additional information and further details with respect to any of the information summarized below, please refer to time relevant sections of this Information Memorandum.

Summary of the Industry

The details giving an overview of the Pharma Industry have been separately disclosed in ‘Section V - About Us’ of this Information Memorandum at Page No. 70. Aarti Pharmalabs Limited is a leading Indian manufacturer of Pharmaceuticals and Nutraceuticals with a global footprint. The Company specializes in the clinical phase and commercial production of APIs and NCEs, Intermediates, Regulatory Starting materials, key building blocks and Xanthine derivatives. The Company’s offerings include process R&D, analytical method development and validations, stability studies, scale-up and process optimization, process validations and commercial production. APL’s operations include two R&D centers and six manufacturing facilities. The Company’s three cGMP pharmaceutical products manufacturing plants have been successfully audited by the USFDA, EUGMP, EDQM, KFDA and COFEPRIS etc.

Summary of our Business

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

Pursuant to the vesting of aforesaid business of Aarti Industries Limited in our Company, our Company will engage in the business of Pharmaceuticals. (For further details, please see the section titled "Our Business" given on page 73 of the Information Memorandum).

Our Promoters

The Promoter of our Company are Chandrakant Vallabhaji Gogri, Rajendra Vallabhaji Gogri, Parimal Hasmukhlal Desai, Sarla Shantilal Shah, Bhavna Shah Lalka, Mananjay Singh Garewal, Monisha Bhatia, Shreya Suneja, Jayesh Shah, Orchid Family Trust and Bhavna Family Private Trust.

For further details, see the chapter titled “Our Promoters and Promoter Group” on page 109.

Size of Issue: No Equity Shares are sold or offered pursuant to this Information Memorandum.

Objects of Issue: There are no objects of Issue except listing of 9,06,26,008 Equity Shares allotted pursuant to Scheme.

Shareholding of our Promoters and Members of our Promoter Group

As on the date of this Information Memorandum, the shareholding of the Promoters and the members of our Promoter Group are detailed below:

Sr. No.	Shareholder's Name	Category	No. of shares	% Of total shares
1	Sarla Shantilal Shah	Promoter	2,435,830	2.69
2	Rajendra Vallabhaji Gogri	Promoter	1,425,900	1.57
3	Bhavna Shah Lalka	Promoter	513,941	0.57
4	Parimal Hasmukhlal Desai	Promoter	399,571	0.44
5	Mananjay Singh Garewal	Promoter	162,510	0.18

6	Chandrakant Vallabhaji Gogri	Promoter	155,500	0.17
7	Monisha Bhatia	Promoter	121,121	0.13
8	Shreya Suneja	Promoter	112,500	0.12
9	Jayesh Shah	Promoter	16,416	0.02
10	Orchid Family Trust (Relacion Trusteeship Services Private Limited)	Promoter	1,649,000	1.82
11	Bhavna Family Private Trust (Barclays Wealth Trustees India Private Limited)	Promoter	804,101	0.89
12	Rashesh Chandrakant Gogri	Promoter Group	3,834,404	4.23
13	Mirik Rajendra Gogri	Promoter Group	2,793,094	3.08
14	Renil Rajendra Gogri	Promoter Group	2,792,750	3.08
15	Hetal Gogri Gala	Promoter Group	2,615,548	2.89
16	Jaya Chandrakant Gogri	Promoter Group	2,474,637	2.73
17	Nehal Garewal	Promoter Group	1,122,487	1.24
18	Nikhil Parimal Desai	Promoter Group	768,754	0.85
19	Aarnav Rashesh Gogri	Promoter Group	550,000	0.61
20	Aashay Rashesh Gogri	Promoter Group	550,000	0.61
21	Manisha Rashesh Gogri	Promoter Group	550,000	0.61
22	Arti Rajendra Gogri	Promoter Group	475,256	0.52
23	Ratanben Premji Gogri	Promoter Group	337,807	0.37
24	Heena Bhatia	Promoter Group	322,588	0.36
25	Rajendra Vallabhaji Gogri (HUF) (Karta - Rajendra Vallabhaji Gogri)	Promoter Group	308,274	0.34
26	Shantilal Tejshi Shah (HUF) (Karta - Nehal Garewal)	Promoter Group	278,881	0.31
27	Indira Madan Dedhia	Promoter Group	182,250	0.20
28	Gunavanti Navin Shah	Promoter Group	86,644	0.09
29	Prasadi Yogesh Banatwala	Promoter Group	4,245	0.0
30	Pooja Renil Gogri	Promoter Group	382	0.0
31	Bhanu Pradip Savla	Promoter Group	130,737	0.14
32	Labdhi Business Trust (Saswat Trusteeship Private Limited)	Promoter Group	2,300,000	2.54
33	Tulip Family Trust (Gloire Trusteeship Services Private Limited)	Promoter Group	1,649,000	1.82
34	Heena Family Private Trust (Barclays Wealth Trustees India Private Limited)	Promoter Group	833,859	0.92



35	Jasmine Family Trust (Relacion Trusteeship Services Private Limited)	Promoter Group	687,500	0.76
36	Lotus Family Trust (Gloire Trusteeship Services Private Limited)	Promoter Group	624,500	0.69
37	Manomaya Business Trust (Alabhya Trusteeship Private Limited)	Promoter Group	600,000	0.66
38	Anushakti Enterprise Private Limited	Promoter Group	2,492,500	2.75
39	Safechem Enterprises Private Limited	Promoter Group	1,463,000	1.61
40	Alchemie Financial Services Limited	Promoter Group	673,006	0.74
41	Alchemie Finserv Private Limited	Promoter Group	264,105	0.29
42	Gogri Finserv Private Limited	Promoter Group	264,105	0.29
43	Nikhil Holdings Private Limited	Promoter Group	180,891	0.20
44	Dilesh Roadlines Private Limited	Promoter Group	8,318	0.01
45	Valiant Organics Limited	Promoter Group	7,500	0.01
Total			40,023,412	44.16

Financial Information

Following are details as per the audited financial results of the Company for nine months ended December 31, 2022 and the year ended March 31, 2022:

Particulars	December 31, 2022*	March 31, 2022*
Equity Share Capital	45,31,30,040	45,56,30,040**
Net Worth	1415,93,77,191	1284,27,59,696
Total Income	1136,98,03,601	941,02,09,552
Profit after Tax	131,73,19,560	106,72,61,105
Earnings per Share (basic and diluted) (in Rs.)	14.54	11.78

* The amounts are restated after giving effect to the demerger of pharma undertaking of Aarti Industries Limited

** The amount includes the pre-scheme equity share capital of Rs. 25,00,000, which has been canceled on October 17, 2022 pursuant to the provisions of the Scheme of Arrangement

For further details, please see the section titled "Financial Statements" given on page 112 of the Information Memorandum.

Auditors Qualification

There have been no qualifications or adverse remarks by our Auditors in the Financial Statements.

Outstanding Litigations

The summary of outstanding or pending litigations involving our Company, our Directors, our Promoters and subsidiaries, as applicable, on the date of this Information Memorandum is set out below:

Nature of Cases	Number of Cases	Amount (₹ lakhs)
<i>Litigations against our Company</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Company</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations against our Promoters</i>		
Criminal proceedings	Nil	Nil
Others	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Promoters</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations against our Directors</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Directors</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil



Litigations against our Subsidiaries

Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Subsidiaries</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil

For further details, please see the section titled "Outstanding Litigations and Material Developments" given on page 178 of the Information Memorandum.

Risk Factors

For details of the risks applicable to our Company, please see the section titled "Risk Factors" given on page 17 of the Information Memorandum.

Contingent Liabilities

There are no contingent liabilities as at December 31, 2022.

Related Party Transactions

The Related Party Transactions during FY 2022-23 and FY2021-23 are as follows:

SN	Name	Relationship of the counterparty	Type of related party transaction	(Rs Lakhs)	
				Value of transaction during 22-23	Value of transaction during 21-22
1	Hetal Gogri Gala	Promoter/CMD	Remuneration	66.00	0
2	Chandrakant V Gogri	Other related party	Rent	8.01	10.68
3	Aarti Industries Limited	Other related party	Sale of Goods	5319.70	6,817.96
	Aarti Industries Limited	Other related party	Purchase of Goods	3165.98	6,863.13
4	Aarti Drugs Limited	Other related party	Sale of Goods	217.48	2,158.41
5	Alchemie Gases & Chemicals Private Limited	Other related party	Purchase of Goods	22.95	38.73
6	Aarti USA Inc	Subsidiary Company	Sale of Goods	244.10	2,428.60
7	Ganesh Polychem Limited	Entities with joint control or significant influence over entity	Sale of Goods	440.22	369.56
8	Ganesh Polychem Limited	Entities with joint control or significant influence over entity	Purchase of Goods	7.08	2.47
9	Narendra Salvi	Director	Remuneration	66.00	0.00
10	Piyush Lakhani	KMP	Remuneration	31.24	0.0
11	Valiant Organics Limited	Other related party	Sale of Goods	489.64	0.30
	Valiant Organics Limited	Other related party	Purchase of Goods	146.35	37.70
12	Aarti Ventures limited	Other related party		107.25	0.0
13	Nikhil Natu	KMP		17.17	16.66

Financing Arrangements

There are/have been no financing arrangements whereby the Promoter, member of Promoter Group, the Directors/partners of our Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of this Information Memorandum.

**Weighted average price of Equity Share by our Promoters in last 1 year**

Except pursuant to the Scheme, our Promoters have not acquired any Equity Shares of the Company during the last 1 (one) year preceding the date of this Information Memorandum.

Average cost of acquisition of Equity Shares

Not applicable

Issue of Equity Share for consideration other than cash

Other than pursuant to the Scheme, our Company has not issued any Equity Shares during the last 1 (one) year preceding the date of this Information Memorandum for consideration other than cash.

Split or consolidation of Equity Shares

Our Company has not undertaken a split or consolidation of the Equity Shares during the last 1 (one) year preceding the date of Information Memorandum.



SECTION III - RISK FACTORS

RISK FACTORS

An investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares.

Any of the following risks could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of the Equity Shares to decline, which could result in the loss of all or part of your investment. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in the Equity Shares unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

INTERNAL RISK FACTORS

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

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

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

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



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

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

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

Our strategy may not succeed due to various factors, including our inability to reduce our debt and our operating costs, our failure to develop new products and services with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our technology and strategic partners, our failure to effectively market these new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. Any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, financial condition and results of operations. For further details of our strategies, see “*Our Business*” on page 73.

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

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

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

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

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

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

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

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

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

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



found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production.

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

We are dependent on our R&D activities and scientists at our R&D centres for our future success. Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. In addition, we intend to



expand our Pharmaceuticals Segment in order to take advantage of the growth opportunities in the sector, by expanding our capacities in existing products as well as expanding and strengthening our research capabilities in order to ensure rapid product innovation. Innovation continues to be the key determinant for our success. The development and commercialisation of new products are complex, time-consuming, costly and involves a high degree of business risk. We may encounter unexpected delays in the launch of these products or these products, and even if launched as planned, such products may not perform as we expect.

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

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

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

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

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

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

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



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

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

There is significant competition for management and other skilled personnel in the pharmaceuticals industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Information Memorandum Document, we do not have key man insurance policies and in the event that we are not able to attract and retain talented employees, as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected. For further information, see “*Board of Directors and Senior Management*” on page 89.

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

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

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

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



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

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

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

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

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

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

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

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

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

We have implemented various information technology (“IT”) and/or enterprise resource planning (“ERP”) solutions to cover key areas of our operations, procurement, dispatch and accounting. These systems are



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

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

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

27. We cannot assure you that our Company will declare dividends to its shareholders in the future. The declaration and payment of dividends, if any, in the future will be recommended by our Board of Directors, at their discretion and will depend on a number of factors, including our earnings and profitability, cash generated from operations, capital requirements and overall financial conditions. Consequently, we may be unable to pay dividends in the near- or medium-term. In the event we do not declare dividends going forward, our reputation and the price of the Equity Shares shall be adversely affected. There can be no assurance that we shall, or shall be able to, declare dividends in future. For further information, see "*Dividends*" on page 110 of this Placement Document.

EXTERNAL RISK FACTORS

1. The continuing COVID-19 pandemic has impacted our business, financial condition and results of operations and the extent to which it will continue to do so will depend on future developments, which are difficult to predict

The pandemic continues to have an impact on the overall situation, and is likely to continue to have bearings on most countries, including India. Resultant, there has arisen substantial volatility in global financial markets, increased unemployment and operational challenges. The Indian economy has shown signs of recovery, however, any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.



The impact of the pandemic on our business, financial condition, results of operations and future financial performance include or may include (but are not limited to) the following:

- Current and future restrictions on our workforce's access to any of our manufacturing facilities and the health and availability of our workforce could limit our ability to meet customer orders and have a material adverse effect on our business, financial condition and results of operations. The restrictions also have adversely affected, and adversely affect, the project work underway at various project sites. This may result in completion delays of the projects which may have adverse impact on the commitments given to customers and adversely affect our business, financial condition, results of operations and prospects.
- We may experience delays and defaults associated with collection of payments from customers, due to the economic slowdown caused by the COVID-19 pandemic, which may adversely affect our cash flows and results of operations. This may be further aggravated by our customers' difficulty in accessing sources of financing as a consequence of volatility in domestic and international markets and/or a domestic and global economic slowdown.
- Restrictions in response to COVID-19 placed by the GoI and state governments have been changing based on the dynamic situation. The extent and/or duration of ongoing or new workforce restrictions and limitations could impact our ability to manufacture and deliver our products, carry out work on projects, conduct R&D activities, and manage our business. Further, governmental lockdowns, restrictions or new regulations could significantly impact our operations.
- Our business may be affected by a variety of external factors that may affect the price or marketability of our products and services, including disruptions in the capital markets, changes in interest rates that may increase our funding costs and reduced demand for our products due to economic conditions. The COVID-19 pandemic has significantly increased economic and demand uncertainty and has led to disruption and volatility in the global and domestic capital markets, which could increase the cost of capital and adversely impact access to capital. A period of extremely volatile and unstable market conditions would likely increase our funding costs and negatively affect market risk mitigation strategies. Furthermore, the volatility in global and domestic capital markets may cause increased volatility in currency exchange rates reducing our ability or increase the costs to mitigate these risks. Any depreciation of the Indian rupee could result in higher hedging cost and increased costs of our imports of raw materials.

Any resulting adverse financial impact due to the above cannot be reasonably estimated at this time. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. Further, we generate a significant amount of our revenue in India. As India is a developing country with limited medical resources and certain places with dense populations, the effects of COVID-19 in India may be of a greater magnitude, scope and duration than those experienced to date in other countries.

As of the date of this Information Memorandum, there is significant uncertainty relating to the severity of long-term adverse impact of the ongoing COVID-19 pandemic on the domestic and global economy, domestic and global financial markets and the Indian chemicals industry, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our business. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this section.



2. **Our manufacturing plants are located in Gujarat and Maharashtra exposing us to regulatory and other geography specific risks such as labour unrests, terrorist attacks, other acts of violence and occurrence of natural and man-made disasters in Gujarat and Maharashtra.**

The concentration of our operations in Gujarat and Maharashtra heightens our exposure to adverse developments related to regulation, as well as economic, demographic and other changes in Gujarat and Maharashtra, which may adversely affect business, financial condition and results of operations. Our manufacturing operations require significant labour and are also reliant on government policies in terms of taxes, duties and incentives made applicable by the state government. As a result, any unfavourable policies in Gujarat or and Maharashtra, could adversely affect our business, financial condition and results of operations.

Furthermore, Gujarat and Maharashtra have experienced social and civil unrest in the past within the state and such tensions could lead to political or economic instability in Gujarat or Maharashtra and a possible adverse effect on our business, financial condition and results of operations. There can be no assurance that such situations will not recur or be more intense than in the past.

3. **We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, results of operations and financial condition.**

Pursuant to certain of our arrangements with our customers, based on customer preferences, we are required to pay the freight costs for the products we sell. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities. We do not own any vehicles for the transportation of our products and/or raw materials, we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. However, we do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, financial condition and results of operations.

A significant portion of our expenses is due to freight carriage and transport and freight and forwarding expense and export freight charges. We are subject to the risk of increases in freight costs. If we cannot fully-offset any increases in freight costs, through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs also will increase expenses which in turn may adversely affect our business, financial condition and results of operations.

While we believe we have adequately insured ourselves against the risk involved in maritime transport, we may be responsible for the transport of our products and accordingly be exposed to the risk of theft, accidents and/or loss of our products in transit. While there have been no material instances of theft, accident or loss in the past five years, we cannot assure you that such incidents will not occur in future. Any such acts could result in serious liability claims (for which we may not be adequately insured) which could have an adverse effect on our business, financial condition and results of operations.

4. **We are dependent on third parties for the supply of utilities, such as water, gas and electricity, at our manufacturing facilities and any disruption in the supply of such utilities could adversely affect our manufacturing operations**

We procure utilities such as water, coal, natural gas and electricity from third parties for use at our manufacturing units. Reliance on third parties for such utilities exposes us to risks such as shortage or break down in supply, the correction of which is in the hands of such third parties. Any breakdown of our relationship with any of our utility providers could adversely affect our operations. As part of our manufacturing process, we use natural gas supplied by a state-owned gas company. In case of a break- down of our relationship with



the utility providers, we are unable to assure you that we shall be able to source such utilities from alternate sources in a timely manner, which could adversely affect our business, financial condition and results of operations.

5. We are subject to certain legal proceedings and we cannot assure you that we will be successful in all of these actions. In the event we are unsuccessful in litigating any or all of the disputes, our business, financial condition and results of operations may be adversely affected.

We are contesting certain legal proceedings in various courts and tribunals, including certain civil, criminal, labour and tax cases before various forums and cannot assure you that the outcome of these legal proceedings will be favourable. We have also been issued legal notices by parties that could potentially result in legal proceedings. Any adverse decision in any of these cases may adversely affect our reputation and financial condition. Such litigation could divert management time and attention and consume financial resources in their defence or prosecution. In addition, should any new developments arise, such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, financial condition and results of operations could be adversely affected. For further details of the material legal proceedings that we are subject to, see the chapter titled “*Legal Proceedings*” on page 178.

6. Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations.

Operating and managing a business involves many risks that may adversely affect our operations, and the availability of insurance is therefore important to our operations. We believe that the insurance coverage we maintain would reasonably be adequate to cover most normal risks associated with the operation of our business. However, to the extent that any uninsured risks materialise or if we fail to effectively cover ourselves against any risks, we could be exposed to substantial costs and losses that would adversely affect our business, financial condition and results of operations. In addition, we cannot be certain that the coverage will be available in sufficient amounts to cover one or more large claims, or that our insurers will not disclaim coverage as to any claims. To the extent that we suffer loss or damage that is uninsured or underinsured, such loss would have to be borne by us and it could have a material adverse effect on our business, financial condition and results of operations. For further details of insurance, see “*Our Business*” on page 73.

7. We might infringe upon the intellectual property rights of others and any misappropriation of our intellectual property could harm our competitive position.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights, which may require us to alter our technologies, obtain licenses or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could: (a) adversely affect our relationships with current or future customers; (b) result in costly litigation; (c) cause product shipment delays or stoppages; (d) divert management's attention and resources; (e) subject us to significant liabilities; (f) require us to enter into potentially expensive royalty or licensing agreements and (g) require us to cease certain activities. In the case of an infringement claim made by a third party, we may be required to defend such claims at our own cost and liability and may need to indemnify and hold harmless our customers. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement that we are not aware of. Any of the foregoing could adversely affect our business, financial condition and results of operations.



In addition, in certain cases, our customers share their intellectual property rights in the course of the product development process that we carry out for them. If our customer's intellectual property rights are misappropriated by our employees in violation of any applicable confidentiality agreements, our customers may seek damages and compensation from us. This could have an adverse effect on our business, financial condition and results of operations and damage our reputation and relationships with our customers.

8. Failure to maintain confidential information of our customers could adversely affect our results of operations or damage our reputation.

We enter into confidentiality agreements and non-disclosure agreements with our customers and other third parties. Our agreements with the customers also contain confidentiality and non-disclosure clauses. As per these agreements, we are required to keep confidential, the know-how and technical specifications, if any, provided to us by these customers. In the event of any breach or alleged breach of our confidentiality agreements with our customers, these customers may terminate their engagements with us or initiate litigation for breach of contract. Moreover, most of these contracts do not contain provisions limiting our liability with respect to breaches of our obligation to keep the information we receive from them confidential. As a result, if our customers' confidential information is misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us, in addition, to seeking termination of the contract. Assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

9. We are yet to receive certain registrations in connection with the protection of our intellectual property rights, especially patents relating to our products. Such failure to protect our intellectual property rights could adversely affect our business, financial condition and results of operations.

We depend heavily on our intellectual property. We have applied for certain registrations in connection with the protection of our intellectual property relating to patents of our products. Certain of our patents, including those for products which we currently sell, are unregistered, and our patents may in the future be opposed, withdrawn, objected or are otherwise under dispute. If any of our unregistered patents are registered in favour of a third party, we may not be able to claim registered ownership of such patents, and consequently, we may be unable to seek remedies for infringement of those patents by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our business, financial condition and results of operations.

10. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects. India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.



The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

11. Our business is affected by global economic conditions, especially in the geographies we cater to, which may have an adverse effect on our business, financial condition, results of operations and prospects.

Our business depends substantially on global economic conditions. A significant majority of the end users of our products are located and primarily operating in North and South America, Europe, China, Japan and India and some of them were adversely impacted by the economic downturn in these economies, disruption in banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power and customer confidence, and political uncertainty.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the trading price of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

Trade tensions between the U.S. and major trading partners, most notably China, continue to escalate following the introduction of a series of tariff measures in both countries. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. China's policy response to these trade measures also presents a degree of uncertainty. There is some evidence of China's monetary policy easing and the potential for greater fiscal spending, which could worsen existing imbalances in its economy. This could undermine efforts to address already high debt levels and increase medium-term risks. These and other related factors such as concerns over recession, inflation or deflation, energy costs, geopolitical issues, slowdown in economic growth in China and Renminbi devaluation, commodity prices and the availability and cost of credit have had a significant impact on the



global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the United States, Europe and the global credit and financial markets. This and any prolonged financial crisis may have an adverse impact on the Indian economy, and in turn on our business, financial condition, results of operations and prospects.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

If we are unable to successfully anticipate and respond to changing economic and credit market conditions, our business, financial condition, results of operations and prospects may be adversely affected.

12. Political instability or changes in the economic policies by the GoI could impact our business, financial condition and results of operations.

We are incorporated in India and derive a substantial majority of our revenues from operations in India. Consequently, our performance and the market price and liquidity of our Equity Shares may be affected by exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise significant influence over many aspects of the Indian economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by changes in the GoI's policies, including taxation.

Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. However, there can be no assurance that such policies will be continued and any significant change in the GoI's policies in the future could affect our business and economic conditions in India in general. As economic liberalisation policies have been a major force in encouraging private funding in the Indian economy, any change in these policies could have a significant impact on business and economic conditions in India, which could adversely affect our business, financial condition and results of operations. In addition, any geopolitical stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which could affect the price of our Equity Shares.

13. Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, financial condition and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.

India has experienced natural calamities, such as earthquakes, floods and drought in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our facilities or other assets. Similarly, global or regional climate change or natural calamities in other countries where we operate could affect the economies of those countries. Any of these natural calamities could adversely affect our business, financial condition and results of operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business. See *“The COVID-19 pandemic and resulting deterioration of general economic conditions has adversely impacted our business, financial condition and results of operations and the extent to which it will continue to do so will depend on future developments, which are difficult to predict”*.

Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. In April 2019, skirmishes along India’s border with Pakistan and the downing of an Indian military jet fighter plane significantly escalated tensions between the two countries. India has also experienced terrorist attacks in some parts of the country. In November 2008, several coordinated shooting and bombing attacks occurred across Mumbai, India’s financial capital. These attacks resulted in loss of life, property and business. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

14. Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business.

Any adverse revision to the rating of India's domestic or international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

15. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business, financial condition and results of operations.

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. For example, the Government of India implemented a comprehensive national goods and services tax regime with effect from July 1, 2017, that combines multiple taxes and levies by the federal and state governments into a unified tax structure. In addition, the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.



The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties.

16. Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares to decline.

The Indian economy, its securities markets and the trading price of our Equity Shares are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies situated in other countries, including India. For instance, the financial crisis in 2007 and 2008 in the United States and European countries led to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

17. The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, financial condition and results of operations.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, financial condition and results of operations.

18. Significant increases in the price of or shortages in the supply of crude oil could adversely affect the Indian economy in general, which could have an adverse effect on our business, financial condition and results of operations.

India relies significantly on imports to meet its requirements of crude oil. Crude oil prices are volatile and are subject to several factors, including the level of global production and political factors, such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil reserves are located.

Any significant increase in the price of or shortages in the supply of crude oil could adversely affect the Indian economy in general and consequently an adverse effect on our business, financial condition and results of operations.

19. Our businesses and activities may be regulated under competition laws in India, and any adverse application or interpretation of such laws could adversely affect our business, financial condition, results of operations and prospects.

The Competition Act, 2002 (the "**Competition Act**") regulates practices that could have an appreciable adverse effect on competition in the relevant market in India. Any adverse application or interpretation of the Competition Act could adversely affect our business, financial condition, results of operations and prospects. Under the Competition Act, any arrangement, understanding or action in concert, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial monetary penalties and compensation to be paid to persons shown to have suffered losses. Any agreement among competitors, which, directly or indirectly, determines purchase or sale prices, results in bid



rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition.

Further, the Competition Act prohibits abuse of a dominant position by any enterprise, directly or indirectly, including by way of unfair or discriminatory pricing or conditions in sale of goods or services, limiting production of goods, provision of services, or technical or scientific developments relating to goods or services to the prejudice of consumers, using a dominant position in one relevant market to enter into, or protect, another relevant market, denial of market access, or making the conclusion of contracts subject to acceptance of unrelated supplementary obligations. Such practices are subject to substantial monetary penalties and may also be subject to compensation for losses and orders to divide the enterprise.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, proceedings initiated by the CCI, any claim by any party under the Competition Act, or any adverse publicity due to scrutiny or prosecution under the Competition Act, including financial penalties, our business, financial condition, results of operations and prospects may be adversely affected.

Acquisitions, mergers and amalgamations that exceed certain revenue and asset thresholds require prior approval by the CCI. Any acquisitions, mergers or amalgamations that have an appreciable adverse effect on competition in India may be subject to remedial measures proposed by the CCI. We cannot assure you that we will be able to obtain approval for any such future transactions on satisfactory terms, or at all.

20. There may be difficulty in enforcing a judgment obtained outside India against our Company.

Our Company is a public limited company incorporated under the laws of India. Our Board of Directors comprises 10 (Ten) Directors, all of whom are Indian citizens. All of our Key Managerial Personnel are residents of India and majority of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Code of Civil Procedure, 1908 (the “**Civil Code**”).

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except:

- where it has not been pronounced by a court of competent jurisdiction;
- where it has not been given on the merits of the case;
- where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable;
- where the proceedings in which the judgment was obtained were opposed to natural justice;
- where it has been obtained by fraud; or
- where it sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by the relevant court in India. Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, section



44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of section 44A of the Civil Code but the United States has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit based upon the foreign judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of the judgment and not on the date of the payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

For details in relation to enforceability of judgments obtained outside India, see “*Enforcement of Civil Liabilities*” on page 178.

21. Any future issuance of the Equity Shares or sales of the Equity Shares by any of our Company’s significant shareholders may adversely affect the trading price of the Equity Shares.

A future issuance of Equity Shares by us may dilute your shareholding in the Company. There are no restrictions on our ability to issue further Equity Shares, including allotment of any securities to the Promoters, other than as stipulated under applicable laws. The issue and allotment of Equity Shares by us to third parties would result in a dilution of your shareholding and rights in the Company.

Moreover, any significant disposal of Equity Shares by any of our significant shareholders, or the perception that such sales will occur, may affect the trading price of our Equity Shares. There is no restriction on our shareholders to dispose of a part or the entirety of their shareholding in the Company, which could lead to a negative sentiment in the market regarding the Company that could in turn impact the value of the Equity Shares.

22. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may discourage a third party from attempting to take control of our Company, even if a change in control would result in the purchase of the Equity Shares at a premium to the market price or would otherwise be beneficial to investors. The Takeover Code requires that if an acquirer (together with any persons acting in concert with him): (a) acquires shares or voting rights entitling them to exercise 25% or more of the voting rights in a listed company; or (b) already holds shares or voting rights entitling them to exercise 25% or more of the voting rights in a listed company, and acquires shares or voting rights entitling them to exercise more than 5% of the voting rights in the listed company during any financial year; or (c) acquires control directly or indirectly over a listed company, such acquirer will have to make an open offer for at least 26% of the total shares of the listed company. These provisions may discourage or



prevent certain types of transactions involving an actual or threatened change in control of our Company. See “*The Securities Market of India*” on page 9.

23. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, regulations of our Board of Directors and Indian law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholders of a corporation in another jurisdiction.

24. Investors may be restricted in their ability to exercise preemptive rights under Indian law and may be adversely affected by future dilution of their ownership position.

Pursuant to the Companies Act, 2013, a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution when the votes cast in favour of the resolution by the holders who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. However, if the law of the jurisdiction the Investor is in does not permit them to exercise their pre-emptive rights without us filing a Placement Document or registration statement with the applicable authority in the jurisdiction they are in, they will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, you may not be able to exercise your pre-emptive rights in relation to such an offering. To the extent that Investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

25. The price of the Equity Shares may be volatile.

The trading price of our Equity Shares may fluctuate due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our equity shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our equity shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our equity shares.

26. Investors will be subject to market risks until the Equity Shares credited to the investor’s demat account are listed and permitted to trade

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor’s demat account, are listed and permitted to trade. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor’s demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

SECTION IV- INTRODUCTION

SUMMARY OF FINANCIAL INFORMATION

Standalone Balance Sheet of the Company for the nine months ended December 31, 2022 and financial year ended March 31, 2022.

(Rs. lakhs)

Particulars	Notes	As at 31 Dec 2022	As at 31 March 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	1	81,628.29	70,089.25
(b) Capital Work-in-Progress	1	7,702.33	16,522.59
(c) Intangible Assets	1	19.18	22.52
(d) Intangible Assets under developments	1	3,762.04	2,214.02
(e) Financial Assets			
(i) Investments	2.1	90.76	90.76
(ii) Other Investments	2.2	4,176.53	3,896.04
(iii) Other financial assets	3	866.93	820.58
(f) Other non-current assets	4	429.10	Nil
Total Non-current assets		98,675.16	93,655.76
Current assets			
(a) Inventories	5	52,719.91	44,437.53
(b) Financial assets			
(i) Trade receivables	6	33,225.96	30,421.97
(ii) Cash and cash equivalents	7	5,079.25	5,649.99
(iii) Loans	8	585.23	477.97
(iv) Other financial assets	9	4,061.01	7,000.39
(c) Other Current Assets	10	1,152.66	1,039.57
Total current assets		96,824.02	89,027.42
Total Assets		195,499.17	182,683.19
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	4,531.30	25.00
(b) Equity Share Capital pending allotment upon scheme of Arrangement	11	-	4,531.30
(c) Other equity	12	137,062.28	123,871.30
Total Equity		141,593.58	128,427.60
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	-	-
(ii) Other Non-Current Financial liabilities	13A	151.23	153.23
(b) Deferred Tax Liability (Net)	14	6,610.00	5,935.00
Total non-current liabilities		6,761.23	6,088.23
Current liabilities			

(a) Financial Liabilities			
(i) Borrowings	15	29,686.56	32,462.44
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		3,848.84	2,114.38
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	11,905.52	11,046.92
(b) Other current liabilities	17	126.44	124.44
(c) Provisions	18	1,455.21	1,669.17
(d) Current Tax Liabilities (Net)	19	121.79	750.00
Total current liabilities		47,144.37	48,167.35
Total liabilities		53,905.60	54,255.58
Total Equity and Liabilities		195,499.17	182,683.19

Standalone Statement of Profit and Loss of the Company for the nine months ended December 31, 2022 and financial year ended March 31, 2022

(In Rs. lakhs except EPS)

Particulars		Notes	For the nine months ended 31 Dec 2022	For the year ended 31 March 2022
I.	Revenue from operations	20	113,698.04	94,102.10
II.	Other income	21	128.13	251.24
	Total Income (I+II)		113,826.17	94,353.34
III	Expenses:			
	(a) Cost of Material consumed	22	68,933.39	55,018.79
	(b) Purchase of Stock-in-Trade		969.69	45.57
	(c) Changes in Inventories of Finished Goods, Stock-in-Trade	23	(8,252.82)	(3,254.26)
	(d) Employee Benefit Expenses	24	9,121.61	7,998.43
	(e) Finance Cost	25	1,469.09	1,133.91
	(f) Depreciation/ Amortization Expenses	26	4,151.95	3,723.30
	(g) Other Expenses	27	19,772.19	16,314.98
IV	Total Expenses		96,165.10	80,980.72
V	Profit before Tax		17,661.07	13,372.61

VI	Tax Expenses:			
	(1) Current Tax		3,500.00	2,250.00
	(2) Earlier year Tax		312.86	-
	(3) Deferred Tax		675.00	450.00
VII	Profit / (Loss) for the period		13,173.21	10,672.61
VIII	Other Comprehensive Income			
	Items that will not be reclassified to statement of Profit or Loss			
	(i) Fair Value change of equity instruments through Other Comprehensive Income		(7.21)	706.86
	(ii) Re-measurement gain (loss) of post employment benefit obligations (net of taxes)		-	-
	Other Comprehensive Income for the year, net of taxes		(7.21)	706.86
IX	Total Comprehensive income for the year		13,166.00	11,379.47
X	Earnings per equity share of Rs. 5/- each			
	(1) Basic	28	14.54	11.78
	(2) Diluted	28	14.54	11.78

Standalone Cash Flow Statement of the Company for the nine months ended December 31, 2022 and financial year ended March 31, 2022

(In Lacs)

Particulars	For the nine months ended 31 Dec 2022	For the year ended 31 March 2022
A. Cash flows from operating activities		
Profit before Tax	17,661.07	13,372.61
<u>Adjustment for</u>		
Depreciation and amortization expense	4,151.95	3,723.30
Finance Costs	1,469.09	1,133.91
Dividend Income	(128.13)	(247.86)
Interest income	-	-

Operating cash flows before working capital changes	23,153.98	17,981.96
<u>Working capital adjustments</u>		
(Increase)/decrease in trade and other receivables	(560.41)	(8,570.97)
(Increase)/decrease in inventories	(8,282.38)	(10,814.41)
Increase/(decrease) in trade and other payables	963.32	(3,579.84)
Cash generated from operating activities	15,274.51	(4,983.26)
Income tax paid (net)	(3,812.86)	(1,500.00)
Net cash from operating activities	11,461.50	(6,483.26)
B. Cash flows from investing activities		
Acquisition of Property, Plant & Equipment	(8,415.41)	(13,602.57)
Acquisition of investments	-	-
Interest received	-	-
Dividend Income	128.13	247.86
Proceeds from Sale of Investments	500.00	-
Net cash used in investing activities	(7,787.28)	(13,354.71)
C. Cash flows from financing activities		
Proceeds from long term borrowings	-	-
Proceeds from short term borrowings (net)	(2,775.89)	26,596.87
Finance Cost	(1,469.09)	(1,133.91)
Dividend Paid	-	-
Net cash flow from financing activities	(4,244.97)	25,462.95
Net (decrease)/increase in cash and cash equivalents	(570.75)	5,624.99
Opening: Cash and cash equivalents	5,649.99	25.00
Closing: Cash and cash equivalents	5,079.25	5,649.99

Consolidated Balance Sheet of the Company for the nine months ended December 31, 2022 and financial year ended March 31, 2022.

(Rs. lakhs)

Particulars	Notes	As at 31 Dec 2022	As at 31 March 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	1	89,275.80	78,008.80
(b) Capital Work-in-Progress	1	7,702.33	16,522.59
(c) Goodwill	1	178.06	178.06
(d) Intangible Assets	1	19.18	22.52
(e) Intangible Assets under developments	1	3,762.04	2,214.02
(f) Financial Assets			
(i) Investments	2	3,556.83	3,222.55
(ii) Other Financial Assets	3	905.05	858.42
(g) Other non-current assets	4	429.10	148.27
Total Non-current assets		105,828.39	101,175.23
Current assets			
(a) Inventories	5	59,129.46	47,545.37
(b) Financial assets			
(i) Trade receivables	6	42,896.49	37,665.71
(ii) Cash and cash equivalents	7	8,218.05	8,327.34
(i) Investments		2,330.07	-
(iv) Loans	8	741.79	613.81
(v) Other financial assets	9	4,459.41	7,701.89
(c) Other Current Assets	10	1,089.50	960.77
Total current assets		118,864.77	102,814.89
Total Assets		224,693.13	203,990.12
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	4,531.30	25.00
(b) Equity Share Capital pending allotment upon scheme of Arrangement	11	-	4,531.30
(c) Other equity	12	149,300.05	134,091.65
Total Equity		153,831.34	138,647.95
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	38.88	55.45
(ii) Other Non Current Financial Liability	14	151.23	153.23
(iii) Provisions		261.43	0.00
(b) Deferred Tax Liability (Net)	15	7,710.22	7,066.99

Total non-current liabilities		8,161.76	7,257.67
Current liabilities			
(a) Financial Liabilities			
(ii) Borrowings	16	29,686.56	33,772.75
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	17	3,848.84	2,114.38
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	27,153.75	19,344.39
(b) Other current liabilities	18	151.92	189.42
(c) Provisions	19	1,737.18	1,895.55
(d) Current Tax Liabilities (Net)	20	121.79	750.00
Total current liabilities		62,700.04	58,066.49
Total liabilities		70,861.80	65,342.16
Total Equity and Liabilities		224,693.13	203,990.12

Consolidated Statement of Profit and Loss of the Company for the nine months ended December 31, 2022 and financial year ended March 31, 2022

(In Rs. lakhs except EPS)

Particulars		Notes	For the nine months ended 31 Dec 2022	For the year ended 31 March 2022
I.	Revenue from operations	21	146,017.09	119,994.31
II.	Other income	22	157.33	251.33
	Total Income (I+II)		1,46,174.42	1,20,245.65
III	Expenses:			
	(a) Cost of Material consumed	23	78,731.02	61,124.15
	(b) Purchase of Stock-in-Trade		20,613.99	16,291.50
	(c) Changes in Inventories of Finished Goods, Stock-in-Trade	24	(11,869.43)	(4,904.87)
	(d) Employee Benefit Expenses	25	9,646.31	8,520.30
	(e) Finance Cost	26	1,511.25	1,195.88
	(f) Depreciation/ Amortization Expenses	27	4,659.16	4,211.86
	(g) Other Expenses	28	22,688.79	18,268.62
IV	Total Expenses		1,25,981.09	1,04,707.44
V	Profit before Tax		20,193.33	15,538.19

VI	Tax Expenses:		-	-
	(1) Current Tax		4,175.50	2,732.50
	(2) Earlier year Tax		312.86	-
	(3) MAT credit entitlement		-	112.50
	(4) Deferred Tax		643.23	467.93
	Total Tax Expenses		5,131.59	3,312.93
VII	Profit / (Loss) for the period		15,061.74	12,225.26
VIII	Other Comprehensive Income			
	Items that will not be reclassified to statement of Profit or Loss			
	(i) Fair Value change of equity instruments through Other Comprehensive Income		159.58	706.86
	(ii) Re-measurement gain (loss) of post employment benefit obligations (net of taxes)		-	-
	Other Comprehensive Income for the year, net of taxes		159.58	706.86
IX	Total Comprehensive income for the year		15,221.32	12,932.12
X	Earnings per equity share of Rs. 5/- each	29		
	(1) Basic		16.62	13.49
	(2) Diluted		16.62	13.49

Consolidated Cash Flow Statement of the Company for the nine months ended December 31, 2022 and financial year ended March 31, 2022

(In Lacs)

Particulars	For the nine months ended 31 Dec 2022	For the year ended 31 March 2022
A. Cash flows from operating activities	20,193.33	15,538.19
Profit before Tax		
<u>Adjustment for</u>		
Depreciation and amortization expense	4,659.16	4,211.86
Finance Costs	1,511.25	1,195.88
Consolidation/ Adjustment	Nil	85.72

Dividend Income	(128.13)	(247.86)
Interest income	(29.20)	(0.76)
Profit/ loss on sale of assets	Nil	(4.01)
Operating cash flows before working capital changes	26,206.41	20,779.02
<u>Working capital adjustments</u>		
(Increase)/decrease in trade and other receivables	(2,009.89)	(10,250.92)
(Increase)/decrease in inventories	(11,538.88)	(5,599.20)
Increase/(decrease) in trade and other payables	7,759.87	(7,186.09)
Cash generated from operating activities	20,417.51	(2,257.29)
Income tax paid (net)	(4,456.73)	(2,112.93)
Net cash from operating activities	15,960.78	(4,370.22)
B. Cash flows from investing activities		
Acquisition of Property, Plant & Equipment	(8,650.58)	(14,115.20)
(Increase)/Decrease in Other Investments	(2,330.07)	(11.32)
Interest received	29.20	0.76
Dividend Income from Other Investments	128.13	247.86
Proceeds from Sale of Investments	500.00	4.01
Net cash used in investing activities	(10,323.32)	(13,873.89)
C. Cash flows from financing activities		
Proceeds from long term borrowings		
Long term Borrowing repayment Net of Fund Scheme Funds	(4,111.56)	27,234.22
Finance Cost	(1,511.25)	(1,195.88)
Dividend Paid	(123.93)	-
Net cash flow from financing activities	(5,746.74)	26,038.34
Net (decrease)/increase in cash and cash equivalents	(109.28)	7,794.23
Opening: Cash and cash equivalents	8,327.34	533.11
Closing: Cash and cash equivalents	8,218.06	8,327.34



GENERAL INFORMATION

Aarti Pharmalabs Limited was incorporated on November 22, 2019, under the Companies Act, 2013, in the State of Gujarat. The CIN of the Company is U24100GJ2019PLC110964. The name of our Company changed to “Aarti Pharmalabs *Limited*” pursuant to certificate of incorporation consequent upon change of name dated August 18, 2021 received from the RoC. For further details, please refer to the section titled "History and Certain Corporate Matters" on page 83 of this Information Memorandum.

Registered Office

Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi 396195, Valsad, Gujarat, India

Corporate Office

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

Registrar of Companies

Registrar of Companies, Ahmedabad, Gujarat

Ministry of Corporate Affairs

RoC Bhavan, Opp. Rupal Park Society,

Behind Ankur Bus Stop, Naranpura

Ahmedabad - 380013

Phone: 079-27438531

Email: roc.ahmedabad@mca.gov.in

Board of Directors of our Company

Sr. No.	Name	Address	DIN	Designation
1	Shri Rashesh C. Gogri	1802 Richmond, Cliff Avenue, Near Hiranandani School, Hiranandani Gardens, Powai IIT, Powai, Mumbai – 400 076.	00066291	Chairman and Non-Executive Director
2	Smt. Hetal Gogri Gala	1502, Richmond, Cliff Avenue, Near Hiranandani School, Hiranandani Gardens, Powai IIT, Powai, Mumbai – 400 076.	00005499	Vice Chairperson and Managing Director
3	Shri Rajendra V. Gogri	2402 Richmond, Cliff Avenue, Near Forest Club, Hiranandani Gardens, Powai, Mumbai – 400 076.	00061003	Non-Executive Director
4	Shri Narendra J. Salvi	901, Kona Seema Chs, Plot No.8, Palm View, S.T. Road, Opp. K Star Mall, B/H Pmc Bank Chembur Mumbai Maharashtra India 400071	00299202	Managing Director



5	Shri Parimal H.Desai	A – 1403 , Runwal Heights, L.B.S Road, Opp Nirmal Lifestyle, Mulund West, Mumbai, Maharashtra – 400 080	00009272	Non-Executive Director
6	Shri Vinay G. Nayak	601, Royal Grace CHS, Lokmanya Tilak Vashat Road-2, Behind Swami Narayan Temple, Dadar East, Mumbai – 400014	02577389	Independent Director
7	Shri Bhavesh R. Vora	B 702, Kailashjyot No 2, Derasar Lane, Ghatkopar (E) Mumbai 400077	00267604	Independent Director
8	Smt. Jeenal K.Savla	402, My Residency, TPS-11, Dixit Road, Nr. Ashish Nursing Home, Vile Parle(E), Mumbai- 400057	07545244	Independent Director
9	Smt. Rupal A. Vora	806 Cumballa Crest 42, G Deshmukh Marg, HSBC Bank Lane, Peddar Road, Cumballa Hill, Mumbai -400026	07096253	Independent Director
10	Shri Vilas Gajanan Gaikar	703-A 7th Floor, Dhananjay Apt., Off Veera Desai Road, Andheri (West), Mumbai-400053	00033383	Independent Director

For details of our Directors, please refer to the section titled "Our Management" on page 89 of this Information Memorandum.

Chief Financial Officer

Shri Piyush Lakhani

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

Tel.: +91 2267976666

Email: piyush.lakhani@aartipharmlabs.com

Company Secretary and Compliance Officer

Shri Nikhil Natu

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

Tel.: +91-22-67976666

Email: co.apl@aartipharmlabs.com

Registrar and Share Transfer Agent

Link Intime India Private Limited

C-101, 247 Embassy Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India

Tel: +91 22 4918 6000

Email: ganesh.jadhav@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Shri Ganesh Jadhav

SEBI Registration No.: INR000004058



Bankers to our Company

Name of the Bank	Address	Telephone	Email ID
Citi Bank N.A.	Office at First International Financial Centre (FIFC), Plot Nos.C-54 & C-55, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 098	9819138345	abhishek.golchha@citi.com
KOTAK MAHINDRA BANK LTD	27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	07498886177	Niharika.Mehta@kotak.com
State Bank of India	Commercial Branch Mumbai, 2nd Floor, N.G.N. Vaidya Marg, Horniman Circle, Fort, Mumbai. PIN: 400 001	7738353359	amt7.cbmun@sbi.co.in
Standard Chartered Bank	Crescenzo 6/F, Plot No. C-38 and 39, 'G' Block, Bandra Kurla Complex, Mumbai 400 051	9930047735	Nimisha.Srivastava@sc.com
Axis Bank Limited	Axis House, 7th floor, C-2 Wadia International Centre, P.B. Marg, Worli Mumbai- 400025	9867754284	Kavitha.Jayesh@axisbank.com

Statutory Auditors to our Company

Gokhale & Sathe, Chartered Accountants,
 304/ 308/ 309, Udyog Mandir No. 1, 7-C,
 Bhagoji Keer Marg, Mahim, Mumbai-400016
 Tel: 022 – 43484242
 Email: office@gokhalesathe.in Firm Reg. No.: 103264W
 Contact Person: Shri Tejas Parikh

Change in Statutory Auditors

Jatin Vora & Associates (Firm Reg. No.: 118024W) resigned as the Statutory Auditor of the Company with effect from November 29, 2022 due to pre-occupation. Accordingly, the Board of Directors, upon recommendation by the Audit Committee, approved the appointment of Gokhale & Sathe, Chartered Accountants as the Statutory Auditors of the Company in casual vacancy, subject to the approval of the Shareholders. Except the aforementioned change in Auditor, there has been no change in the Auditors of our Company since its incorporation.

Authority of Listing

The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated September 21, 2022 had approved the Scheme of Arrangement between Aarti Industries Limited and Aarti Pharmalabs Limited and their respective shareholders for Demerger of the Pharma Business (Demerged Undertaking) of Aarti Industries Limited ("Demerged Company") and transfer and vesting of it, as a going concern, to Aarti Pharmalabs Limited ("Resulting Company") under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. For more details relating to the Scheme, please refer to the section titled "Scheme of Arrangement" on page 85.

In accordance with the said Scheme, the Equity Shares of our Company shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to relaxation under Rule 19(2)(b) of the SCRR being granted by SEBI and compliance with the requirements of SEBI Circular and fulfillment of listing criteria by our Company as specified by BSE and NSE for such listing and also subject to such other terms and conditions as may be prescribed



by BSE and NSE at the time of the application for listing by our Company. Observations letters from BSE and NSE in relation to the Scheme were granted vide their letters each dated November 9, 2021.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapter 11 and III of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable; however, SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time, if any, has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19 (2) (b) of SCRR, as amended. Our Company has submitted this Information Memorandum along with application for relaxation from the strict enforcement of Rule 19 (2) (b) of SCRR, containing information about itself, making disclosure in line with the disclosure requirement for public issues as applicable to BSE and NSE for making the said Information Memorandum available to public through websites viz. www.bseindia.com and www.nseindia.com. Our Company has made the said Information Memorandum available on its website www.aartipharmalabs.com. Our Company will publish an advertisement in the newspapers containing details as per the above-mentioned circular. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

Prohibition by SEBI

The Company, its directors, its promoter and promoter group, other companies promoted by the promoter and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

Listing

The Company has nominated BSE as Designated Stock Exchange for the aforesaid listing of the Equity Shares. The Company has received in-principle approvals from NSE on **December 28, 2022** and BSE on **December 23, 2022** and has received approval from SEBI under Rule 19(2)(b) of the SCRR on **January 9, 2023**.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of SEBI circular no. CED/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time, if any, or any other material issued by or at the instance of the Company. Anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

CAPITAL STRUCTURE

1. The details of the capital structure of our Company is as follows:

A. Pre-Scheme capital structure of our Company:

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

B. Post-Scheme capital structure of our Company:

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

Pre-Scheme Authorised Share Capital of the Company was Rs.50,00,000/- (Rupees Fifty Lakhs only) consisting of 5,00,000 equity shares of Rs.10/- each. Pursuant to the Scheme becoming effective, the Authorised Share Capital of the Company has been increased to Rs. 50,00,00,000/- (Rupees Fifty Crores only) consisting of 10,00,00,000 equity shares of Rs. 5/- each.

Pre-Scheme Issued, Subscribed & Paid up Share Capital of the Company was Rs. 25,00,000/- (Rupees Twenty-Five Lakhs only) consisting of 2,50,000 equity shares of Rs. 10/- each, which stands cancelled with issuance of new shares by our Company to the shareholders of Aarti Industries Limited, pursuant to the Scheme.

NOTES TO THE CAPITAL STRUCTURE:

1. Equity Share Capital History of our Company

Date of Allotment	Name of the allottee	No. of Equity Shares	Face Value (in Rs.)	Premium (in Rs.)	Cumulative No. of Equity Shares	Cumulative Equity Paid-up Capital (in Rs.)	Nature of Allotment	Nature of Consideration
November 22, 2019 [#]	Refer note 1	2,50,000	10	-	2,50,000	25,00,000	Subscription to the Memorandum of Association	Cash



October 17, 2022*	Refer note 2	(2,50,000)	10	-	-	-	Cancellation of initial share capital, pursuant to the Scheme sanctioned vide NCLT order dated September 21, 2022 (certified true copy of the order was received on September 22, 2022)	Pursuant to the Scheme
October 21, 2022**	Refer note 3	9,06,26,008	5	-	9,06,26,008	45,31,30,040	Allotment pursuant to the Scheme sanctioned vide NCLT order dated September 21, 2022 (certified true copy of the order was received on September 22, 2022)	Pursuant to the Scheme

Note 1 – Allotment of 2,50,000 Equity Shares to Aarti Industries Limited and its Nominees for ensuring minimum 7 shareholders.

*Note 2 – Upon the Scheme becoming effective from the Appointed Date, the issued, subscribed and paid-up Equity Share Capital of our Company constituting 2,50,000 Equity Shares of Rs. 10/- each aggregating to Rs. 25,00,000 was cancelled. For further details of the Scheme refer Scheme of Arrangement on page 85

** Note 3 – Allotment to the Eligible Shareholders of the Demerged Company. For further details of the Scheme, see Scheme of Arrangement on page 85

2. Other than allotment of 9,06,26,008 Equity Shares to the Eligible Shareholders of the Demerged Company as on the Record date of October 20, 2022 as disclosed below, the Company has not allotted any Equity Shares for consideration other than cash.

3. Shareholding pattern of the Company prior and post Scheme:

3.1 Shareholding Pattern Prior Scheme

SHAREHOLDING PATTERN UNDER REGULATION 31 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015									
1.	Name of Entity: Aarti Pharamlabs Limited								
2.	Scrip Code/Name of Scrip/Class of Security: Equity								
3.	Share Holding Pattern Filed under: PRE-Demerger								
4.	Declaration: The entity is required to submit the following declaration to the extent of submission of information:-								
	Particulars	Yes*	No*						
1	Whether the Entity has issued any partly paid up shares?		No						
2	Whether the Entity has issued any Convertible Securities or Warrants?		No						
3	Whether the Entity has any shares against which depository receipts are issued?		No						
4	Whether the Entity has any shares in locked-in?		No						
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No						

Aarti Pharamlabs Limited (Formerly Known as Aarti Oronics Limited)																		
Table I - Summary Statement holding of specified securities																		
Category	Category of shareholder	No. of disclosed share	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerial and form	
								No of Voting Rights					Total as a % of (a+b+c)	No. (a)	As a % of total Shares held(b)	No. (a)		As a % of total Shares held(b)
								Class eq: 1	Class eq: 2	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (a+b+c)	(IX)			(X)	(XI) = (IX)/(X) As a % of (a+b+c)	(XII)		(XIII)		(XIV)	
(A)	Promoter & Promoter Group	7	200000	0	0	200000	100	200000	0	200000	100	0	100	0	0	0	0	
(B)	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(C)	Non Promoter - Non Public				0	0	0	0	0	0	0	0	0	0	0	0	0	
(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(C2)	Shares Held By Employee Trust	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total	7	200000	0	0	200000	100	200000	0	200000	100	0	100	0	0	0	0	

Aarti Pharamlabs Limited (Formerly Known as Aarti Oronics Limited)																	
Table II - Statement showing shareholding pattern of the Promoter and Promoter Group																	
Category & Name of shareholder	PAN	No. of shares held	No. of fully paid up equity shares held	Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A)+(C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights					No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eq: 1	Class eq: 2	Total							
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (VII)+(C2)	(IX)			(X)	(XI) = (IX)/(X) As a % of (VII)+(C2)	(XII)	(XIII)	(XIV)	(XV)	
1	Individual																
(a)	Individual / Minor / Unincorporated Firm																
	Narain Chandra Prasad Singh	ANP2227MA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Manish Rajendra Singh	ANP2222MA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Arvind Rajendra Singh	ANP2222MA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Neel Singh Saini	ANP2222MA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Rajendra Vatslav Singh	ANP2222MA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Chandrasekhar Singh	ANP2222MA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(B)	Central Government / State Government																
(C)	Financial Institutions / Banks																
(D)	Any Other (Specify)																
	Bank of India		1	200000	0	200000	100	200000	0	200000	100	0	0	0	0	0	0
	Axis Finance Ltd.	AAAC2279M	0	200000	0	200000	100	200000	0	200000	100	0	0	0	0	0	0
	Sub Total (A+B+C)		7	200000	0	200000	100	200000	0	200000	100	0	0	0	0	0	0
2	Foreign																
(a)	Individual (Non Resident / Foreign Individual)																
(b)	Government																
(c)	Financials																
(d)	Foreign Institutional Investor																
(e)	Any Other (Specify)																
	Sub Total (A+B+C)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total (Domestic + Foreign)		7	200000	0	200000	100	200000	0	200000	100	0	0	0	0	0	0

Details of Shares which remain unissued may be given here along with details such as number of shareholders, outstanding shares held in demat, locked in suspense account, voting rights which are forfeited etc.

Note:

(i) The term "Shareholder" has the same meaning as assigned under regulation 31(1) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

Table III - Statement showing assets held in trust of the Public trusts held

Details of the simulations are given in appendix in the report including their Derivations/No. and No.

No. of shareholders	10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100
101	102

1

No. of employees	No. of firms
67	7048

(2) The above former needs to discontinue if all bullet falling more than 1% of total number of the one

(2) If, in the information pertaining to Depository Receipts, the name may be disclosed in the respective columns to the extent information is available and the balance to be disclosed as held by a custodian.

Table IV : Statement showing shareholding pattern of the Non Promoter, Non Public shareholder

(1) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(2) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian.

Aarti Pharmalabs Ltd.									
Table V- Statement showing details of significant beneficial owners									
Sr. No	Details of the significant beneficial owner (I)			Details of the registered owner (II)			Particulars of the shares in which significant beneficial interest is		Date of creation / acquisition of significant beneficial interest (IV)
	Name	PAN	Nationality	Name	PAN	Nationality	Number of shares	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Note :									
(1) PAN would not be displayed on website of Stock Exchange(s).									
(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares									
(3) Where the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available									

3.2 Shareholding Pattern post Scheme

Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1.	Name of Listed Entity: Aarti Pharmalabs Limited
2.	Scrip Code/Name of Scrip/Class of Security:
3.	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)
	a. If under 31(1)(b) then indicate the report as on 13/01/2023
	b. If under 31(1)(c) then indicate date of allotment/extinguishment
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-

Particulars	Yes*	No*
1 Whether the Listed Entity has issued any partly paid up shares?		No
2 Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3 Whether the Listed Entity has any shares against which depository receipts are issued?		No
4 Whether the Listed Entity has any shares in locked-in?		No
5 Whether any shares held by promoters are pledge or otherwise encumbered?		No

* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

Aarti Pharmalabs Limited																
Table I- Summary Statement holding of specified securities																
					</											

Aarti Pharmalabs Limited

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the shareholders	Entity Type	PAN	Nos. of shares held	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 as % of Paid-Up Capital	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding Full Convertible Securities	Shareholding, as a % assuming conversion of convertible securities	Number of Locked in shares	As a % of total Shares held	Number of Shares pledged or otherwise encumbered	As a % of total Shares held	Number of equity shares held in dematerialised form
									Class	Class eg.	Total							
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)	(XV)	(XVI)	(XVII)	(XVIII)	(XIX)
1. Indian																		
(a) Individuals / Hindu Undivided Family			26,253,912,900	0	0	0	26,253,912,900	26.0177	253912900	0	253912900	26.0177	0	0	0	0	0	253912900
Rajesh Chandra Lal Gogri	Promoter	AACRG078M	1,383,440,404	0	0	0	1,383,440,404	4.251	383440404	0	383440404	4.251	0	0	0	0	0	383440404
Mirak Rajendra Gogri	Promoter	AJZG256M	1,29,939,404	0	0	0	1,29,939,404	3.082	29939404	0	29939404	3.082	0	0	0	0	0	29939404
Rajni Rajendra Gogri	Promoter	AIGPK055D	1,29,939,404	0	0	0	1,29,939,404	3.0816	29939404	0	29939404	3.0816	0	0	0	0	0	29939404
Heta Gogri Gila	Promoter	AAERG158G	1,26,155,480	0	0	0	1,26,155,480	2.891	26155480	0	26155480	2.891	0	0	0	0	0	26155480
Jaya Chandra Lal Gogri	Promoter	AACRG222N	1,26,149,372	0	0	0	1,26,149,372	2.887	26149372	0	26149372	2.887	0	0	0	0	0	26149372
Saib Shambhu Shah	Promoter	AAIP54251N	1,26,088,336	0	0	0	1,26,088,336	2.875	26088336	0	26088336	2.875	0	0	0	0	0	26088336
Rajendra Vallabhai Gogri	Promoter	AACRG2278E	1,14,299,000	0	0	0	1,14,299,000	1.5734	14299000	0	14299000	1.5734	0	0	0	0	0	14299000
Nehal Ganesai	Promoter	AAEP9548D	1,11,228,872	0	0	0	1,11,228,872	1.2886	11228872	0	11228872	1.2886	0	0	0	0	0	11228872
Nikhil Rajendra Desai	Promoter	AAGP01564Q	1,76,875,400	0	0	0	1,76,875,400	0.8433	76875400	0	76875400	0.8433	0	0	0	0	0	76875400
Arunay Ramesh Gogri	Promoter	AJZG5226P	1,55,000,000	0	0	0	1,55,000,000	0.6099	55000000	0	55000000	0.6099	0	0	0	0	0	55000000
Arunay Ramesh Gogri	Promoter	AJZG5250G	1,55,000,000	0	0	0	1,55,000,000	0.6099	55000000	0	55000000	0.6099	0	0	0	0	0	55000000
Mahesh Rajesh Gogri	Promoter	ACHRG203Q	1,55,000,000	0	0	0	1,55,000,000	0.6099	55000000	0	55000000	0.6099	0	0	0	0	0	55000000
Bhavana Shah Lalia	Promoter	ADPFG203Q	1,51,394,400	0	0	0	1,51,394,400	0.5671	51394400	0	51394400	0.5671	0	0	0	0	0	51394400
Aarti Rajendra Gogri	Promoter	AACRG1553E	1,475,256,000	0	0	0	1,475,256,000	0.5244	475256000	0	475256000	0.5244	0	0	0	0	0	475256000
Rajini Rajendra Desai	Promoter	AAEP9410D	1,39,667,100	0	0	0	1,39,667,100	0.4439	39667100	0	39667100	0.4439	0	0	0	0	0	39667100
Rajni Rajendra Gogri	Promoter	AAERG324L	1,37,807,000	0	0	0	1,37,807,000	0.3727	37807000	0	37807000	0.3727	0	0	0	0	0	37807000
Hema, Elita	Promoter	AAEP1045M	1,32,288,356	0	0	0	1,32,288,356	0.356	32288356	0	32288356	0.356	0	0	0	0	0	32288356
Rajendra Vallabhai Gogri (HUF)	Promoter	AAAH1106M	1,30,872,400	0	0	0	1,30,872,400	0.3402	30872400	0	30872400	0.3402	0	0	0	0	0	30872400
Shubhi Tejesh Shah HUF	Promoter	AAAH3960H	1,27,888,100	0	0	0	1,27,888,100	0.3077	27888100	0	27888100	0.3077	0	0	0	0	0	27888100
Indira Madan Desai	Promoter	AAAP0958L	1,18,225,000	0	0	0	1,18,225,000	0.2011	18225000	0	18225000	0.2011	0	0	0	0	0	18225000
Mahesh Singh Ganesai	Promoter	BMVFG425H	1,16,250,000	0	0	0	1,16,250,000	0.1793	16250000	0	16250000	0.1793	0	0	0	0	0	16250000
Chandra Lal Vallabhai Gogri	Promoter	AAAPG847C	1,15,550,000	0	0	0	1,15,550,000	0.1716	15550000	0	15550000	0.1716	0	0	0	0	0	15550000
Mahesh, Bhata	Promoter	CHLPG036E	1,121,121,000	0	0	0	1,121,121,000	0.1356	121121000	0	121121000	0.1356	0	0	0	0	0	121121000
Shreya Suresh	Promoter	ANZPG427C	1,11,200,000	0	0	0	1,11,200,000	0.1261	11200000	0	11200000	0.1261	0	0	0	0	0	11200000
Ganapati Rajesh Shah	Promoter	AMPFG883M	1,896,444,000	0	0	0	1,896,444,000	0.0666	896444000	0	896444000	0.0666	0	0	0	0	0	896444000
Jayesh Shah	Promoter	AAFP1147D	1,164,616,000	0	0	0	1,164,616,000	0.0381	164616000	0	164616000	0.0381	0	0	0	0	0	164616000
Prasad Vijayesh Rajendra	Promoter	AKPFG582A	1,42,850,000	0	0	0	1,42,850,000	0.0067	42850000	0	42850000	0.0067	0	0	0	0	0	42850000
Rajni Rajendra Gogri	Promoter	AJFG2075H	1,38,200,000	0	0	0	1,38,200,000	0.0004	38200000	0	38200000	0.0004	0	0	0	0	0	38200000
(b) Central Government / State Government(s)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c) Financial Institutions / Banks			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d) Any Other (Specify)			99,145,013,865	0	0	0	99,145,013,865	16.0014	145013865	0	145013865	16.0014	0	0	0	0	0	145013865
Promoter Trust			8,914,766,000	0	0	0	8,914,766,000	0.0942	914766000	0	914766000	0.0942	0	0	0	0	0	914766000
Sevanti Trust Services Private Limited	Promoter Group	AAATU5139H	1,20,000,000	0	0	0	1,20,000,000	0.0000	20000000	0	20000000	0.0000	0	0	0	0	0	20000000
Global Trust Services Private Limited	Promoter Group	AAATU5140E	1,18,400,000	0	0	0	1,18,400,000	0.0000	18400000	0	18400000	0.0000	0	0	0	0	0	18400000
Reliance Trust Services Private Limited	Promoter Group	AAATU7555H	1,18,400,000	0	0	0	1,18,400,000	0.0000	18400000	0	18400000	0.0000	0	0	0	0	0	18400000
Bhaskar Vishal Trust Services Private Limited	Promoter Group	AAETH7999A	1,83,389,000	0	0	0	1,83,389,000	0.0021	83389000	0	83389000	0.0021	0	0	0	0	0	83389000
Bhaskar Vishal Trust Services Pvt Ltd	Promoter Group	AAATU5139H	1,80,401,000	0	0	0	1,80,401,000	0.0000	80401000	0	80401000	0.0000	0	0	0	0	0	80401000
Reliance Trust Services Private Limited	Promoter Group	AAATU5139H	1,68,750,000	0	0	0	1,68,750,000	0.0000	68750000	0	68750000	0.0000	0	0	0	0	0	68750000
Global Trust Services Private Limited	Promoter Group	AAATU5139H	1,62,800,000	0	0	0	1,62,800,000	0.0000	62800000	0	62800000	0.0000	0	0	0	0	0	62800000
Alakshya Trust Services Private Limited	Promoter Group	AAATU5139H	1,60,000,000	0	0	0	1,60,000,000	0.0000	60000000	0	60000000	0.0000	0	0	0	0	0	60000000
Budini Corporation	Promoter Group	AAATU5139H	1,53,534,250	0	0	0	1,53,534,250	0.0000	53534250	0	53534250	0.0000	0	0	0	0	0	53534250
Anusha Int'l Enterprises Private Limited	Promoter Group	AAATU5139H	1,26,200,000	0	0	0	1,26,200,000	0.0000	26200000	0	26200000	0.0000	0	0	0	0	0	26200000
Saicheer Enterprises Private Limited	Promoter Group	AAATU5139H	1,163,000,000	0	0	0	1,163,000,000	0.0000	163000000	0	163000000	0.0000	0	0	0	0	0	163000000
Alchemie Financial Services Limited	Promoter Group	AAATU5139H	1,67,300,000	0	0	0	1,67,300,000	0.0000	67300000	0	67300000	0.0000	0	0	0	0	0	67300000
Alchemie Financial Pvt. Ltd.	Promoter Group	AAATU5139H	1,26,400,000	0	0	0	1,26,400,000	0.0000	26400000	0	26400000	0.0000	0	0	0	0	0	26400000
Gogri Financial Pvt. Ltd.	Promoter Group	AAATU5139H	1,26,400,000	0	0	0	1,26,400,000	0.0000	26400000	0	26400000	0.0000	0	0	0	0	0	26400000
Nikhil Holdings Private Limited	Promoter Group	AAATU5139H	1,18,089,000	0	0	0	1,18,089,000	0.0000	18089000	0	18089000	0.0000	0	0	0	0	0	18089000
Dinesh Roadlines Pvt Ltd	Promoter Group	AAATU5139H	1,89,180,000	0	0	0	1,89,180,000	0.0000	89180000	0	89180000	0.0000	0	0	0	0	0	89180000
Nature's Own Pvt. Ltd.	Promoter Group	AAATU5139H	1,75,000,000	0	0	0	1,75,000,000	0.0000	75000000	0	75000000	0.0000	0	0	0	0	0	75000000
Sub Total (All I)			44,386,926,750	0	0	0	44,386,926,750	0.0000	386926750	0	386926750	0.0000	0	0	0	0	0	386926750
2. Foreign																		
(a) Individuals (Non Resident Individuals / Foreign Individuals)			1,13,07,370	0	0	0	1,13,07,370	0.1443	1307370	0	1307370	0.1443	0	0	0	0	0	1307370
Bhaskar Pradip Singh	Promoter	BILP5772J	1,13,07,370	0	0	0	1,13,07,370	0.1443	1307370	0	1307370	0.1443	0	0	0	0	0	1307370
(b) Government			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c) Institutions			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d) Foreign Portfolio Investor			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e) Any Other (Specify)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub Total (All 2)			1,13,07,370	0	0	0	1,13,07,370	0.1443	1307370	0	1307370	0.1443	0	0	0	0	0	1307370
Total Shareholding of Promoter and Promoter Group (All I & All 2)			45,400,294,120	0	0	0	45,400,294,120	0.0000	400294120	0	400294120	0.0000	0	0	0	0	0	400294120

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note :

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The term 'Encumbrance' has the same meaning as assigned under regulation 26(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Table 18: Sample results showing shortfalling patterns of the Public Shareholder.

[illegible]

Details of the situation and relevant concerns in Canada including their Street bylined No. and No.

№. 217	№. 217	№. 217
2	2	2

Details of Shares which remain unclaimed may be given here long with details such as: number of shares held, a statement of the stock held in trust/ unclaimed's expense account, and a

No. of shareholders	No. of Shares
1	5,000

Figure 1

- [illegible]


Aarti Pharmalabs Limited
Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the shareholder	PAN	No. of shares held	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares deposited in Depository Receipts	Total no. shares held	Shareholding calculated as per SCRR, 1957 As a % of (A+C2)	Number of Voting Rights held in each class of securities			No. of shares underlying Outstanding convertible securities as of the reporting date	Shareholding as a % including convertible securities	Number of locked in shares	Number of Shares pledged or otherwise encumbered		Number of equity shares held in demat form
								No. of Voting Rights						As a % of total Shares held (i)	As a % of total Shares held (ii)	
								Class ag: (A)	Class ag: (B)	Total (A+B+C2)						
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)	(xv)	(xvi)	(xvii)
1. Controlling Body Holder Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2005		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0
2. Total Non Promoter- Non Public Shareholding (C2)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0
(B)+(A+C2)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	NA	NA	0

Note :

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to be disclosed along with the names of the shareholders holding 1% or more than 1% of shares of the listed entity. Column no. (B) is not applicable in the above format.

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available.

Aarti Pharmalabs Ltd.
Table V- Statement showing details of significant beneficial owners

Sr. No	Details of the significant beneficial owner (I)			Details of the registered owner (II)			Particulars of the shares in which significant beneficial interest is		Date of creation / acquisition of significant beneficial interest (IV)
	Name	PAN	Nationality	Name	PAN	Nationality	Number of shares	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of [A+B+C2]	
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nmta :									

Note :

(1) PAN would not be displayed on website of Stock Exchange(s).

(2) The above format needs to disclose name of all holders holding more than 1% of total number of shares

(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available

4. Major shareholders of our Company 2 (two) years prior to the date of this Information Memorandum

Details of major shareholders holding more than 1% of our Company 2 (two) years prior to existence as on the date of this Information Memorandum is as below:

Sr. No.	Name of Shareholders	Number of Equity Shares held	% to the total Equity Share Capital
1.	Aarti Industries Limited	2,50,000	100.00

5. Major shareholders of our Company 1 (one) year prior to the date of this Information Memorandum

The details of the major Shareholders holding 1% or more of the paid-up share capital of the Company 1 (one) year prior to the date of this Information Memorandum is as below:

Sr. No.	Name of Shareholders	Number of Equity Shares held	% to the total Equity Share Capital
1.	Aarti Industries Limited	2,50,000	100.00

6. Major shareholders of our Company 10 (ten) days prior to the date of this Information Memorandum

The details of the Shareholders holding 1% or more of the paid-up share capital of the Company as on 10 (ten) days prior to the date of this Information Memorandum is as below:



Sr. No.	Name of Shareholders	Number of Equity Shares held	% to the total Equity Share Capital
1	Life Insurance Corporation Of India	61,64,067	6.80
2	Rashesh Chandrakant Gogri	38,34,404	4.23
3	Mirik Rajendra Gogri	27,93,094	3.08
4	Renil Rajendra Gogri	27,92,750	3.08
5	Hetal Gogri Gala	26,15,548	2.89
6	Anushakti Enterprise Private Limited	24,92,500	2.75
7	Jaya Chandrakant Gogri	24,74,637	2.73
8	Sarla Shantilal Shah	24,35,830	2.69
9	HDFC Trustee Company Limited	24,12,079	2.66
10	Aditya Birla Sun Life Trustee Private Limited	23,60,468	2.60
11	Labdhi Business Trust (Saswat Trusteeship Private Limited)	23,00,000	2.54
12	Orchid Family Trust (Relacion Trusteeship Services Private Limited)	16,49,000	1.82
13	Tulip Family Trust (Gloire Trusteeship Services Private Limited)	16,49,000	1.82
14	Safechem Enterprises Private Limited	14,63,000	1.61
15	Rajendra Vallabhaji Gogri	14,25,900	1.57
16	Nehal Garewal	11,22,487	1.24
17	Baron Emerging Markets Fund	10,23,320	1.13
18	Morgan Stanley Investment Funds	10,10,811	1.12

7. Major shareholders of our Company as on the date of this Information Memorandum

The details of the Shareholders holding 1% or more of the paid-up share capital of the Company, as on the date of this Information Memorandum is as below:

Sr. No.	Name of Shareholders	Number of Equity Shares held	% to the total Equity Share Capital
1	Life Insurance Corporation Of India	61,64,067	6.80
2	Rashesh Chandrakant Gogri	38,34,404	4.23
3	Mirik Rajendra Gogri	27,93,094	3.08

4	Renil Rajendra Gogri	27,92,750	3.08
5	Hetal Gogri Gala	26,15,548	2.89
6	Anushakti Enterprise Private Limited	24,92,500	2.75
7	Jaya Chandrakant Gogri	24,74,637	2.73
8	Sarla Shantilal Shah	24,35,830	2.69
9	HDFC Trustee Company Limited	22,15,745	2.44
10	Aditya Birla Sun Life Trustee Private Limited	23,60,468	2.60
11	Labdhi Business Trust (Saswat Trusteeship Private Limited)	23,00,000	2.54
12	Orchid Family Trust (Relacion Trusteeship Services Private Limited)	16,49,000	1.82
13	Tulip Family Trust (Gloire Trusteeship Services Private Limited)	16,49,000	1.82
14	Safechem Enterprises Private Limited	14,63,000	1.61
15	Rajendra Vallabhaji Gogri	14,25,900	1.57
16	Nehal Garewal	10,83,542	1.20
17	Baron Emerging Markets Fund	10,23,320	1.13
18	Morgan Stanley Investment Funds	10,10,811	1.12

8. Details of Equity Shares held by our Directors. Except as stated below, there are no other Directors who hold Equity Share in our Company as on the date of this Information Memorandum:

Sr. No.	Name of Directors	Number of Equity Shares held	% to the total Equity Share Capital
01	Rashesh C. Gogri	38,34,404	4.23
02	Hetal Gogri Gala	26,15,548	2.89
03	Rajendra V. Gogri	14,25,900	1.57
04	Narendra J. Salvi	18,154	0.02
05	Parimal H. Desai	3,99,571	0.44
06	Vinay G. Nayak	0	0.00
07	Bhavesh R. Vora	0	0.00
08	Jeenal K. Savla	0	0.00



09	Rupal A. Vora	0	0.00
10	Vilas G. Gaikar	0	0.00
Total		82,93,577	9.15

9. Details of Equity Shares held by our Promoter as on the date of this Information Memorandum is set forth below:

Name of the Promoter	Nature of the Issue	Date of allotment / Transfer	No. of Equity Shares	Face value per Equity Share (INR)	Issue Price/ Transfer Price per Equity Share (INR)	Nature of Consideration	Date when the equity shares were made fully paid-up	Percent age of the pre Scheme capital (%)	Percentage of the Post Scheme capital (%)
Chandrakant Vallabhaji Gogri	Scheme of Arrangement	October 21, 2022	1,55,500	5	5	-	-	Nil	0.17
Rajendra Vallabhaji Gogri	Scheme of Arrangement	October 21, 2022	14,25,900	5	5	-	-	Nil	1.57
Parimal Hasmmukhlal Desai	Scheme of Arrangement	October 21, 2022	3,99,571	5	5	-	-	Nil	0.44
Sarla Shantilal Shah	Scheme of Arrangement	October 21, 2022	24,35,830	5	5	-	-	Nil	2.69
Bhavna Shah Lalka	Scheme of Arrangement	October 21, 2022	5,13,941	5	5	-	-	Nil	0.57
Mananjay Singh Garewal	Scheme of Arrangement	October 21, 2022	1,62,510	5	5	-	-	Nil	0.18



Monisha Bhatia	Scheme of Arrangement	October 21, 2022	1,21,121	5	5	-	-	Nil	0.13
Shreya Suneja	Scheme of Arrangement	October 21, 2022	1,12,500	5	5	-	-	Nil	0.12
Jayesh Shah	Scheme of Arrangement	October 21, 2022	16,416	5	5	-	-	Nil	0.02
Orchid Family Trust (Relacion Trusteeship Services Private Limited)	Scheme of Arrangement	October 21, 2022	16,49,000	5	5	-	-	Nil	1.82
Bhavna Family Private Trust (Barclays Wealth Trustees India Private Limited)	Scheme of Arrangement	October 21, 2022	8,04,101	5	5	-	-	Nil	0.89

All of the Equity Shares held by our Promoters are fully paid up and none of such Equity Shares have been pledged in any manner. Further, all Equity shares held by our Promoters are in dematerialized form..

10. Details of Equity Shares held by the members of our Promoter Group (other than Promoters) as on the date of this Information Memorandum is set forth below:

Sr. No.	Name of person/ entity	Number of Equity Shares held	% to the total Equity Share Capital
1	Rashesh Chandrakant Gogri	3,834,404	4.23
2	Mirik Rajendra Gogri	2,793,094	3.08
3	Renil Rajendra Gogri	2,792,750	3.08

4	Hetal Gogri Gala	2,615,548	2.89
5	Jaya Chandrakant Gogri	2,474,637	2.73
6	Nehal Garewal	1,122,487	1.24
7	Nikhil Parimal Desai	768,754	0.85
8	Aarnav Rashesh Gogri	550,000	0.61
9	Aashay Rashesh Gogri	550,000	0.61
10	Manisha Rashesh Gogri	550,000	0.61
11	Arti Rajendra Gogri	475,256	0.52
12	Ratanben Premji Gogri	337,807	0.37
13	Heena Bhatia	322,588	0.36
14	Rajendra Vallabhaji Gogri (HUF) (Karta - Rajendra Vallabhaji Gogri)	308,274	0.34
15	Shantilal Tejshi Shah (HUF) (Karta - Nehal Garewal)	278,881	0.31
16	Indira Madan Dedhia	182,250	0.20
17	Gunavanti Navin Shah	86,644	0.10
18	Prasadi Yogesh Banatwala	4,245	0.00
19	Pooja Renil Gogri	382	0.00
20	Bhanu Pradip Savla	130,737	0.14
21	Labdhi Business Trust (Saswat Trusteeship Private Limited)	2,300,000	2.54
22	Tulip Family Trust (Gloire Trusteeship Services Private Limited)	1,649,000	1.82
23	Heena Family Private Trust (Barclays Wealth Trustees India Private Limited)	833,859	0.92
24	Jasmine Family Trust (Relacion Trusteeship Services Private Limited)	687,500	0.76
25	Lotus Family Trust (Gloire Trusteeship Services Private Limited)	624,500	0.69
26	Manomaya Business Trust (Alabhya Trusteeship Private Limited)	600,000	0.66
27	Anushakti Enterprise Private Limited	2,492,500	2.75



28	Safechem Enterprises Private Limited	1,463,000	1.61
29	Alchemie Financial Services Limited	673,006	0.74
30	Alchemie Finserv Private Limited	264,105	0.29
31	Gogri Finserv Private Limited	264,105	0.29
32	Nikhil Holdings Private Limited	180,891	0.20
33	Dilesh Roadlines Private Limited	8,318	0.01
34	Valiant Organics Limited	7,500	0.01

11. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.
12. Except for the allotment of the Equity Shares pursuant to the Scheme, no Equity Shares have been issued pursuant to a scheme approved under Sections 230 to 232 of the Companies Act, 2013.
13. Our Company has not had an employee stock option scheme since incorporation.
14. Our Company has not issued any Equity Shares out of revaluation reserves.
15. Our Company, our Directors and our promoters have not entered into any buy-back, standby or similar arrangements to purchase equity shares of our Company from any person.
16. There shall be only one denomination of equity shares of our Company, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms, as specified by SEBI from time to time.
17. Other than pursuant to the Scheme, the members of the Promoter Group, the directors of the Company which is a promoter of the Company and/or our Directors and their relatives have not purchased or sold or financed, directly or indirectly, any Equity Shares in the six months immediately preceding the date of filing of this Information Memorandum.
18. There are/have been no financing arrangements whereby any member of our Promoter Group and/or our Directors and their relatives have financed the purchase by any other person of securities of our Company from the date of approval of the Scheme by the NCLT on September 21, 2022 (certified true copy of the order was received on September 22, 2022), till the date of submission of this Information Memorandum.
19. There shall be no further issue of capital by our Company whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme till listing of the Equity Shares allotted as per the Scheme.
20. Our Company has Equity Shareholders as on date of filing of this Information Memorandum.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS OUR BUSINESS

Jatin Vora
B.com , F.C.A

Jatin Vora & Associates
Chartered Accountants
Address :
203, Chheda Bhavan ,98,
Surat Street, Masjid (East),
Mumbai-400 009.
Mobile : 9892236623
E-mail : cajitvora@gmail.com

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

The Board of Directors
Aarti Pharmalabs Limited
Plot Nos 22/C/1 & 22/C/2
GIDC Estate, Phase I
District Valsad, Vapi-396195
Gujarat

Dear Sir / Madam,

Re: Proposed listing of Equity Shares of ₹5 each of Aarti Pharmalabs Limited ("the Company") pursuant to the Composite Scheme of Arrangement being approved by National Company Law Tribunal, Ahmedabad Bench vide its order dated 21 September 2022 ("Scheme") and upon the Scheme becoming effective from Appointed Date i.e. 1 July 2021.

1. We hereby report that the accompanying Statement of Possible Special Tax Benefits (hereinafter referred to as "the Statement") prepared by the Company, states the possible special tax benefits available to the Company, and its shareholders under the Income tax Act, 1961 read with Income tax Rules, circulars, notifications issued thereunder and as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23 (hereinafter referred to as the "Income Tax Regulations"), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Special Economic Zone Act, 2005, including the relevant rules, notifications and circulars issued there under (collectively referred as "Indirect Tax Regulations") in connection with the Proposed Listing of Equity Shares, which we have initialed for identification purposes presently in force in India.

Management's Responsibility

2. The preparation of this Statement as of the date of our report which is to be included in the Draft Information Memorandum / Information Memorandum is the responsibility of the management of the Company.

3. The Management's responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.



Our Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements by the Institute of Chartered Accountants of India.

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the 'ICDR Regulations'), it is our responsibility to report whether the Statement prepared by the Company, upon the Scheme becoming effective, presents, in all material respects, the possible special tax benefits available to the Company and its shareholders, in accordance with the Income Tax Regulations and Indirect Tax Regulations as at the date of our report.

5. It is imperative to note that we have relied upon a representation from the Management of the Company that the Company does have subsidiary with trading activity but do not have material contribution to the profitability of the company.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements.

7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the ICDR Regulations in connection with the Proposed Listing of Equity Shares.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

The Statement is only intended to provide general information to the shareholders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each shareholder is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Scheme.

Further, we give no assurance that the Revenue Authorities / Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

9. We do not express any opinion or provide any assurance whether:
- (i) The Company or the shareholders of the Company will continue to obtain these benefits in future;
 - (ii) The conditions prescribed for availing the benefits have been/would be met;
 - (iii) The revenue authorities/courts will concur with the views expressed herein.



Opinion

10. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available, upon the Scheme becoming effective, to the Company and its shareholders, under the Income Tax Regulations and Indirect Tax Regulations as at the date of our report.

Restriction on Use

11. This report has been issued solely at the request of the Company in connection with the Proposed Listing of Equity Shares by the Company and this report or its content thereof may accordingly be used in the corresponding document for the purpose of submission to the Stock Exchanges or any other regulatory or statutory authority in relation to the Proposed Listing of Equity Shares. This report shall not be used, referred to or distributed for any other purpose or to any other party without our written permission.

Limitation

12. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the tax laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

Yours faithfully,
For Jatin Vora & Associates
Chartered Accountants



(CA Jatin S. Vora)
Proprietor
M. No. 103866
UDIN : 22103866BBUXQF8628



Date : 01/11/2022
Place: Mumbai

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO AARTI PHARMALABS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

Outlined below are the possible special tax benefits available to the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the Income Tax Regulations and Indirect Tax Regulations as on the date of the report. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Income Tax Regulations and Indirect Tax Regulations. Hence, the ability of the Company and the shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Income Tax Regulations and Indirect Tax Regulations. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Shareholders are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which a shareholder can avail.

The tax benefits stated below are as per the Income Tax Regulations and Indirect Tax Regulations.

I. Income Tax Regulations :

A. Possible special tax benefits available to the Company under the Income Tax Regulations

- The Company has opted for the beneficial tax rate of 22% (plus applicable surcharge and cess) as provided under Section 115BAA of the Act, subject to the condition that going forward it shall not claim the deductions as specified in Section 115BAA (2) of the Act and shall compute total income as per the provisions of Section 115BAA (2) of the Act. Proviso to Section 115BAA (5) provides that once the Company opts for paying tax as per Section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other Previous Year.

Further, the provisions of Section 115JB i.e. MAT provisions shall not apply to the Company on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act.

- The Company is engaged in Research and Development ("R&D") activities and has R&D centres in Mumbai and Ennore, which are recognised by the Department of Scientific and Industrial Research (DSIR).

The Company is eligible to claim deduction under section 35(1)(iv) r.w. section 35(2), of a sum equal to 100% of any capital expenditure (except expenditure on acquisition of land) on scientific research related to the business carried on by the Company at the aforesaid centres.

Where a deduction is allowed under section 35(1)(iv) in respect of expenditure represented wholly or partly by an asset, depreciation under section 32(1)(ii) shall not be allowed in respect of that asset.

Subject to the provisions of section 72(2) relating to business loss and section 73(3) relating to speculation loss, the unabsorbed capital expenditure on scientific research (if any) would be deemed to be an expenditure of the following previous year and so on for the succeeding previous years and deduction shall be allowed accordingly.

- As per Section 80M where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the

total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

- As per Section 80JJA, where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, subject to the conditions specified in sub-section (2) of that section, is allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

B. Possible special tax benefits available to the shareholders of the Company under the Income Tax Regulations

- There are no special tax benefits available to the shareholders of the Company under the Income Tax Regulations. However, the non-resident shareholders can offer the dividend income to tax under the beneficial provisions of the Double Taxation Avoidance Agreement, if any. Further, the non-resident shareholders would be eligible to claim the foreign tax credit, based on the local laws of the country of which the shareholder is the resident.

Notes:

1. The Statement sets out only the special tax benefits available to the company and the shareholders under the current Income Tax Act, 1961 read with Income tax Rules, circulars, notifications issued thereunder applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24 (hereinafter referred to as the "Income Tax Regulations").
2. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
3. The Statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
4. The above statement of special tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such nonresident is a tax resident.
6. The Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each shareholder is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

7. The statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
8. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares pursuant to the Scheme.
9. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
 - i. the Company or its shareholders will continue to obtain these benefits in future; ii. the conditions prescribed for availing the benefits have been/ would be met with; and
 - iii. the revenue authorities/courts will concur with the view expressed herein.
10. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

2. Indirect Tax Regulations :

- A. Possible special tax benefits available to the Company under the Indirect Tax Regulations
 - The Company is not entitled to Special Tax benefits under Indirect Tax Regulations.
- B. Possible special tax benefits available to the shareholders of the Company under the Indirect Tax Regulations
 - The shareholders of the Company are not entitled to any special tax benefits under Indirect Tax Regulations.

Notes:

1. The Statement sets out only the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (including the relevant rules, notifications and circulars issued there under applicable for the Financial Year 2022-23 (unless otherwise specified), presently in force in India.
2. The Statement is only intended to provide general information to the shareholders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each shareholder is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Scheme.
3. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time.

We do not assume responsibility to update the views consequent to such changes.

Yours faithfully,

For and on behalf of Aarti Pharmed Limited

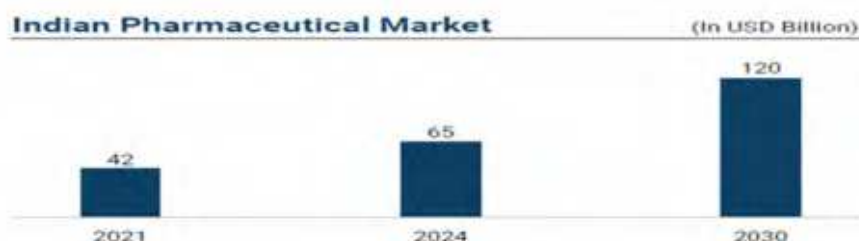

 Chh. Financial Officer
 Place: Mumbai
 Date: 01 November 2022

SECTION V- ABOUT US

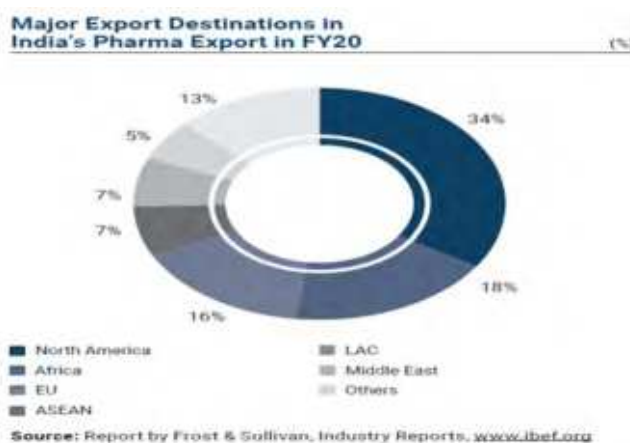
INDUSTRY OVERVIEW

According to IMF forecasts, India is expected to be among the fastest growing economies by the end of the year. To boost India's prospects, the Government of India has pushed for increased capital expenditure to support the medium term revival of the economy, while simultaneously building capacities for long-term growth. Factors that are expected to contribute to this growth are the Government's continued focus on reforms and infrastructure creation, and the Reserve Bank of India's (RBI) calibrated monetary policy.

The Indian Pharmaceutical sector, which is on the verge of innovation, will be shaped by changing healthcare trends. Internationally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units. According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market stood at US\$ 42 billion in 2021 and is likely to reach US\$ 65 billion by 2024. This is expected to further expand to reach ~US\$ 120 billion by 2030. India is also the largest producer of vaccines globally, accounting for ~60% of the total vaccines, as of 2021.



Within the global arena, India is an important and emerging player in the pharmaceuticals sector. It is the world's largest supplier of generic medicines, accounting for 20% of the worldwide supply by volume. Indian drugs are exported to more than 200 countries in the world, with the US being the key market. Exports of Indian pharmaceuticals, including bulk drugs, intermediates, drug formulations, biologicals, AYUSH & herbal products and surgical products, reached US\$ 16.28 billion in FY20.



The key segments in Indian Pharmaceutical sector are given below:

- Active Pharmaceutical Ingredients (APIs)
- Contract Research And Manufacturing Services (CRAMS)
- Biosimilar
- Formulations

Active Pharmaceutical Ingredients (APIs) are substances, or a mixture of substances intended to be used in the manufacture of a drug (medicinal) product and that when used in the production of a drug becomes an active ingredient of the drug/ product. Key



Starting Material (KSM) term is used for intermediates in the pharmaceutical industry. These are also the building blocks of the drug industry.

The increasing incidence of chronic diseases, along with growing importance of generics is the key factor driving the growth of the Indian APIs market. Advancements in API manufacturing and growth of the biopharmaceutical sector is also driving the market growth. By raising production yields, changing production processes, and increasing sales in international markets, API manufacturers in India are making all efforts to improve their marketing ability in the regulated markets. More than 30% of the APIs manufactured in India are exported to countries such as the US, UK, Japan, etc.

The key starting materials/ intermediates form the essential part of the pharmaceutical value chain in India. Intermediates refer to the substances that are semi-finished products and / or material that is essential to make a product. The market for pharmaceutical intermediates in India for the year 2020 was estimated to be around US\$ 4.8 billion, growing at a CAGR of 9.8% over 2015-20.

Growth levers for Indian Pharmaceuticals Market

Policy support

India plans to set up a nearly Rs. 1 lakh crore (USD 1.3 billion) fund to provide boost to companies to manufacture pharmaceutical ingredients domestically by 2023. The Government of India unveiled 'Pharma Vision 2020' to make India a global leader in end-to-end drug manufacturing. The approval time for new facilities has also been reduced to boost investment.

Supply shift to India

With many global end users looking for an alternative to China, India stands as an immediate alternative due to its significant years of experience in handling global regulatory requirements, strong process know-how, strength in R&D and low cost. India has a good number of well-trained chemists and R&D scientists to support the ever-evolving Pharmaceuticals Industry.

Increased consumption of generic drugs

India is a developing country in which a large part of the population lives below the poverty line. The poverty rate in India is 12.4%, according to the World Bank. These people and many others need cost effective treatment. Consequently, the market for generic drugs, which are made with the aid of APIs, has increased. The growth of the Indian API market will be fuelled by a further rise in demand for generic medicines.

Invention of new generation of APIs

There is an urgent need for new research and developments in the pharmaceutical industry in India that will yield groundbreaking and successful drugs and therapies. This need is an important factor driving the growth of the country's API industry, which has led to a new generation of APIs being invented. Ionic liquids are one example of the latest age of APIs. Ionic liquids are organic salts with melting points below 100°C, and composed entirely of ions.

Outsourcing opportunity

Outsourcing plays a major role for India's API industry and the country has the biggest number of USFDA approved plants outside the US and the trend is expected to continue with China facing an environmental and stability crisis. Also, the cost of setting up and running a new manufacturing facility in India is one-fifth of the cost of western countries thereby attracting fresh investments in the space.

Other drivers

- Increasing disposable income and health care awareness is encouraging multinational and domestic Pharma companies to invest in R&D and new facilities in India
- Local companies with indigenous manufacturing capability, 100% FDI in Pharma through automatic route, a front runner in a wide range of specialties involving complex drugs' manufacture, development, and technology





OUR BUSINESS

Aarti Pharmalabs Limited (formerly known as Aarti Organics Limited)(APL) was incorporated on November 22, 2019 as a Wholly Owned Subsidiary of Aarti Industries Limited. Prior to the Scheme of Arrangement between Aarti Industries Limited and Aarti Pharmalabs Limited and their respective shareholders, APL has not commenced any business operations. The Scheme was approved by the Hon'ble NCLT, Ahmedabad Bench vide Order dated September 21, 2022 and is effective from October 17, 2022.

Pursuant to the Scheme becoming effective, the Pharma Business Division of Aarti Industries Limited has been transferred and vested into APL from the Appointed Date of the Scheme i.e. July 1, 2021. Pursuant to the vesting of aforesaid business of Aarti Industries Limited in APL, our Company will engage in the business of manufacture of Pharmaceutical APIs and Xanthine Derivatives.

Business Overview

Aarti Pharmalabs Limited is a leading Indian manufacturer of Pharmaceutical APIs and Nutraceuticals with a global footprint. The Company specializes in the clinical phase and commercial production of APIs and NCEs, Intermediates, Regulatory Starting materials, key building blocks and Xanthine derivatives. The Company's offerings include process R&D, analytical method development and validations, stability studies, scale-up and process optimization, process validations and commercial production. APL's operations include two R&D centres and six manufacturing facilities. The Company's three cGMP pharmaceutical products manufacturing plants have been successfully audited by the USFDA, EUGMP, EDQM, KFDA and COFEPRIS etc.

The Company has four principal Product Groups and Services, namely:

A. Active Pharmaceutical Ingredients (API)

The Company's API manufacturing facility is US FDA and EU GMP accredited with dedicated production blocks for corticosteroids and oncology APIs. The Company sustains its leadership position because of a robust approach of backward integration. APL is the preferred partner in the regulated markets since the Company provides regulatory documentation and IPR support for global markets. The Company has a range of generic API products for every Therapeutic Category i.e. Ramipril, Ticagrelor (Cardiovascular); Budesonide, Ciclesonide (Anti Asthmatic); Mesna, Nilotinib (Anti Cancer); Apixaban, Rivaroxaban (Anti Coagulant); Dapagliflozin, Emapgliflozin (Anti Diabetic); Tofacitinib Citrate, Apremilast (Arthritis); Bupropion HCL, Venlafaxine HCL (CNS Agent); Desonide, Adapalene (Skin Care); Mirabegron (Overactive Bladder); Cinacalcet (Calcimimetic); Phenylephrine (Decongestant); Deferiprone, Deferasirox (Anti Thalassemic); Diflunisal (Analgesic); Loteprednol Etabonate, Olopatadine HCL (Ophthalmologic).

B. Intermediates

The Intermediates division lays emphasis on tailored process development, scale-up and effective manufacturing. The services are provided under strict Intellectual Property Protection guarded by confidentiality agreements with our clients. The goal is to provide a reliable and strong platform to our customers, enabling them to accelerate their API development programs, efficiently and in a cost-effective manner. APL has an assortment of Intermediate Products, which are either in R&D Stage or in the Pilot Stage. Several products are also under commercial production. A few examples of Intermediates are as follows: Abemaciclib Intermediate, Bazedoxifene Intermediate, Canagliflozin Intermediate, Darolutamide Intermediate, Edoxaban Intermediate, Fluxotine Intermediate, Ibrutinib Intermediate, Larotrectinib Intermediate, Miglustat Intermediate, Niraparib Intermediate, Osimertinib Intermediate, Palbociclib/Ribociclib Intermediate, Quinapril Intermediate, Ranolazine Intermediate, Teneligliptin Intermediate, Upadacitinib Intermediate, Venetoclax Intermediate.

C. Xanthine Derivatives

The Company has expertise for manufacturing various xanthine derivatives such as Caffeine, Theophylline anhydrous, Aminophylline and Etophylline, Theophylline, Theobromine. These derivatives are used in beverages, nutraceuticals and pharmaceutical industry. APL has two dedicated manufacturing facilities for xanthine derivatives



and these facilities have obtained star certifications such as Star Kosher, Hazard Analysis Critical Control Point (HACCP), Sedex SMETA-4PillarP, FSSC-22000 (GFSI) and GMP for manufacturing and testing.

D. CDMO Services

The Company is a leader in small molecules CDMO in India, which offers Contract Development and Manufacturing Services for drug substance (NCE, RSM, Intermediates) projects. APL offers these services to global innovator pharmaceutical and biotech companies for their small molecules NCE drug development programs from lab scale to pilot and manufacturing scales focusing on the clinical phases (Ph-I/II/III), launch and commercial phase projects. The Company intends to become “preferred CDMO partner” for its clients and wants to help our clients to bring their molecules to market faster and make them successful.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this section is based on current provisions of Indian laws which are subject to amendments, changes and modifications. The information stated below is based on the information collected from the industry and from the public domain. The list of the laws, rules & regulations stated below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

This chapter has been classified as under:

- A. Core Business Laws
- B. Statutory and other business laws
- C. Labour and employment Laws
- D. Tax Laws
- E. IPR Laws
- F. Environmental Regulations
- G. Foreign investment regulations

A. CORE BUSINESS LAWS

The Factories Act, 1948 (the “Factories Act”)

The Factories Act applies to any ‘factory’ which on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories, registration and licensing. The Occupier of every factory is required to ensure the health, safety and welfare of all the workers at the factory premises. The Occupier is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision safe working conditions in the factory premises.

Industrial Disputes Act, 1947 (the “ID Act”)

The ID Act makes provision for the investigation and settlement of industrial disputes, and for certain other purposes.

Trade Unions Act, 1926 (“Trade Unions Act”)

The Trade Unions Act provides for registration of trade unions and to define the law relating to registered trade unions.

Contract Labour (Regulation and Abolition), 1970 (“CLRAA”)

CLRAA regulates the employment of contract labour in certain establishments and provides for its abolition in certain circumstances and for matters connected therewith. This Act regulates the role of the principal employers and contractors in factories and other places of establishment.

Industrial Employment (Standing Orders) Act, 1946 (“Standing Orders”)

The Standing Orders Act requires employers in industrial establishments to formally define conditions of employment under them and to require employers in industrial establishments to define with sufficient precision the conditions of employment under them and to make the said conditions known to workmen employed by them.

The Food Safety Standards Act, 2006 (“FSS Act”)

The FSS Act was enacted with a view to consolidate the laws relating to food and to establish the food Safety Standards Authority of India (“FSSAI”) for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, and to ensure availability of safe and wholesome food for human consumption. The FSS Act also sets out requirements for licensing and registration of food businesses, general principles of food safety, responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by the Food Safety

Appellate Tribunal. Further, the FSS Rules lays down detailed standards for various food products, which include, among others, specifications for ingredients, limit of quantities of contaminants, tolerance limits of pesticide drugs residue, biological hazards and labels. For being granted with detailed powers of seizure, sampling, taking extracts, and analysis under its Rules. The FSSAI has also framed, among others, the following food safety and standards regulations in relation to various food products and additives.

Drugs and Cosmetics Act, 1940 (“Drugs Act”)

The Drugs Act controls the import, manufacture, distribution and sale of drugs and cosmetics. In view of the provisions of the Drugs Act, no person can import, manufacture, distribute, stock and sell any drug, except under the license granted for respective operations by the authority notified under the Drugs Act.

The Drugs Prices Control Order, 2013 (“DCPO”)

The Central Government in exercise of its powers under the Essential Commodities Act, 1955 enacted the DPCO. The DPCO provides that the government may, in order to achieve adequate availability and to regulate the distribution of drugs, in cases of emergency or in the public interest, direct any manufacturer of any active pharmaceutical ingredient or bulk drug or formulation to increase the production and to sell such active pharmaceutical ingredient or bulk drug to such other manufacturer(s) of formulations and to direct formulators to sell the formulations to institutions, hospitals or any agency as the case may be.

Narcotic Drugs and Psychotropic Substances Act, 1985 (“NDPS Act”)

The NDPS Act contains strict provisions for the regulation of operations relating to narcotic drugs and psychotropic substances, to provide for the forfeiture of property derived from, or used in, illicit traffic of narcotic drugs and psychotropic substances and to implement the provisions of the International Convention on Narcotic Drugs and Psychotropic Substances. The NDPS Act authorizes the Central Government to take all such measures as it deems necessary or expedient for the purpose of preventing and combating abuse of narcotic drugs and psychotropic substances. The NDPS Act prohibits the production, manufacture, possession, sale, purchase, transportation, warehousing, usage, consumption, import or export of any narcotic drug or psychotropic substance.

Poisons Act, 1919 (“Poisons Act”)

The Poisons Act regulates the import, possession and sale of poisons. It empowers the Central Government to prohibit the importation into India across any customs frontier defined by the Central Government of any specified poison and regulates the grant of licenses.

The Petroleum Act, 1934 (“Petroleum Act”)

The Petroleum Act regulates the import, transport, storage, production, refining and blending of petroleum. Under its rules, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a license shall take the approval of the Chief Controller before commencing storage.

The Boilers Act, 1923 (“Boilers Act”)

The Boilers Act seeks to regulate, inter alia, the manufacture, possession and use of boilers. Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by the Inspector appointed by the relevant State Government. In the event of the use of boilers in non-compliance with the Boilers Act, a fine may be imposed on the owner of such boiler. The Boilers Regulations provide for inter alia, standard requirements with respect to material, construction, safety and testing of boilers.

The Explosives Act, 1884 (“Explosives Act”)

The Explosives Act regulates the manufacture, possession, use, sale, transport and importation of explosives and provides for rules to be made thereunder. It requires persons engaged in the business of manufacture, sale, transport, import or export of any explosives to obtain a license for the same from the Central Government. Under the provisions of the Explosives Act, the Central Government has the power to prohibit the manufacture, possession or importation of dangerous explosives.



Legal Metrology Act, 2009 (the “Legal Metrology Act”)

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods, which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

Bureau of Indian Standards Act, 2016 (“BIS Act”)

The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. Further, the BIS Act also provides for repair or recall, including product liability of the products bearing a standard mark but not conforming to the relevant Indian Standard.

B. STATUTORY AND COMMERCIAL LAWS:

The Companies Act, 2013:

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of the President of India on 29th August 2013. At present almost all the provisions of this law have been made effective except a very few. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 1956:

The Companies Act, 1956 dealt with laws relating to companies and certain other associations. It was enacted by the Parliament in 1956. The Act primarily regulated the formation, financing, functioning and winding up of companies. The Act prescribed regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constituted the main focus of the Act. In the functioning of the corporate sector, although freedom of companies was important, protection of the investors and shareholders, on whose funds they flourish, was equally important. The Act played the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Indian Contract Act, 1872 (Contract Act):

The Contract Act codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Consumer Protection Act, 1986 (COPRA):

COPRA aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels.

The Public Liability Insurance Act, 1991(PLI Act):

The PLI Act provides for public liability insurance for the purpose of providing immediate relief to persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. Every owner (in the case of a company, any of its directors, managers, secretaries or other officers who is directly in charge of, and is responsible to the company for the conduct of the business of the company) is obligated to take out, before he starts handling any hazardous substance, one or more insurance policies providing for contracts of insurance whereby he is insured against liability to give relief under the PLI Act. The said insurance policy shall be for a minimum amount of the paid-up capital of the Company and not exceeding fifty crore rupees.

The Negotiable Instruments Act, 1881(NI Act):

In India, the laws governing monetary instruments such as cheques are contained in the NI Act, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid

C. LAWS RELATING TO LABOUR AND EMPLOYMENT

Depending on the nature of work and number of workers employed at any workplace, various labour related legislations may apply. Certain significant provisions of such labour related laws are provided below.

Employees State Insurance Act, 1948, as amended (the “ESIC Act”)

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department.

The Payment of Gratuity Act, 1972

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions. Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service.

Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“Act”)

The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, applies to factories employing more than 20 employees and such other establishments and industrial undertakings as notified by the Government from time to time. It requires all such establishments to be registered with the relevant State Provident Fund Commissioner. Also, such employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance payable to employees. Employees are also required to make equal contribution to the fund. A monthly return is required to be submitted to the relevant State Provident Fund Commissioner in addition to the maintenance of registers by employers.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 (“PoB”) Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

The Equal Remuneration Act, 1976 ("Equal Remuneration Act") and Equal Remuneration Rules, 1976

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotion etc.

The Maternity Benefit Act, 1961("Maternity Act")

The Maternity Benefit Act, 1961 was enacted by Parliament in the Twelfth Year of the Republic of India to regulate the employment of women in certain establishments for certain periods before and after child-birth and to provide for maternity benefit and certain other benefits

Shops & Commercial Establishments Act of the respective States in which the Company has an established place of business/ office ("Shops Act")

The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under the supervision of Labour Commissioner. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

Child Labor (Prohibition and Regulation) Act, 1986:

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

D. TAX LAWS

The Income Tax Act, 1961

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assessee. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

The Goods and Services Tax Act, 2017

Goods and Services Tax (GST) is considered to be the biggest tax reform in India since independence. It will help realise the goal of “One Nation-One Tax-One Market.” GST is expected to benefit all the stakeholders – industry, government and consumer.

Goods and Services Tax (GST) is an indirect tax throughout India and was introduced as The Constitution (One Hundred and Twenty Second Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by GST Council and its Chairman is Union Finance Minister of India – Arun Jaitley. This Act has been made applicable with effect from 1st July 2017. With the introduction of GST all central, state level taxes and levies on all goods and services have been subsumed within an integrated tax having two components – central GST and a state GST. Thus there will be a comprehensive and continuous mechanism of tax credits.

The Central government passed four sets of GST Acts in the Budget session this year. These were Central GST Act, 2017; Integrated GST Act, 2017; Union Territory GST Act, 2017 and GST (Compensation to States) Act, 2017. The Acts were approved by the Parliament after they were introduced as the part of the Money Bill. Following the passage of GST Acts, the GST council has decided 4 tax rate slabs viz., 5%, 12%, 18% and 28% on supply of various goods and services.

India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single State will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that State. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the State where the goods or services are consumed and not the State in which they were produced.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

E. INTELLECTUAL PROPERTY LAWS

Patents Act, 1970 (the “Patents Act”)

The Patents Act governs the patent regime in India and recognises process patents as well as product patents. The Patents Act provides for grant of compulsory license on patents after expiry of three years of its grant in certain circumstances such as reasonable requirements of the public, non-availability of patented invention to public at affordable price or failure to work the patented invention.

Trademarks Act, 1999 (“Trademarks Act”)

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of



the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

Indian Copyright Act, 1957 (Copyright Act):

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

The Designs Act, 2000 (Designs Act):

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright the design during ten years from the date of registration.

Privacy & General Data Protection Regulation (the “GDPR”) of the European Union (the “EU”)

Privacy or Data Protection in India is presently being governed under provisions of Information Technology Act, 2008, and The Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011. The Government of India tabled the Personal Data Protection Bill 2019 (the “PDPB”) in Parliament, and the same has been sent to the joint select committee of Parliament for further deliberations. PDPB is drawn exhaustively considering the present business scenario and stated to be exhaustive, in line with GDPR.

F. ENVIRONMENTAL REGULATIONS

The Environment (Protection) Act, 1986 (‘EP Act’)

The EP Act has been enacted for the protection and improvement of the environment. EP Act empowers the government to take measures to protect and improve the environment such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate. It is in the form of an umbrella legislation designed to provide a framework for the Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations.

Water Prevention and Control of Pollution Act, 1974 (“Water Act”)

The Water Act was enacted to control and prevent pollution and for maintaining or restoring of wholesomeness of water in the country and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board (“SPCB”). The SPCBs are vested with diverse powers to deal with water and air pollution, have been established at the Central level and in each State. The SPCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders (renewed annually) from the SPCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms laid down.

Air Prevention and Control of Pollution Act, 1981 (“Air Act”)

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialized piece of legislation, which was enacted to take appropriate steps for the preservation of natural resources of the earth, which among other things include the preservation of the quality of air and control of air pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant, which emits air pollutants in an air pollution control area, as notified by the state pollution control board.

The Public Liability Insurance Act, 1991 (“PLI Act”)

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the PLI Act the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (“HCR Rules”)

The HCR Rules are formulated under the EP Act, and are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008 (“Hazardous Wastes Rules”)

Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste. The Hazardous Wastes Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste.

The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1966 (“Chemical Accidents Rules”)

The Chemical Accidents Rules, formulated pursuant to the provisions of the EP Act, seek to manage the occurrence of chemical accidents, by inter alia, setting up a central crisis group and a central crisis alert system. The functions of the central crisis group inter alia include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans.

G. FOREIGN INVESTMENT REGULATIONS

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act, 1999 and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the FIPB is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, (“FEMA Regulations”), to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for foreign direct investment, (“FDI”), under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.



HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as a public limited company under the Companies Act, 2013 in Gujarat, India pursuant to a certificate of incorporation dated November 22, 2019 issued by Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number (CIN) of the Company is U24100GJ2019PLC110964.

Registered office of our Company

The registered office of our Company is situated at Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi - 396195, Valsad, Gujarat, India.

Our Main Objects

The main object of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on the business of manufacturers, producers, processors, job worker, buyers, sellers, importers, exporters, stockists, agents, merchants, distributors of and/or otherwise dealers in fine chemicals, industrial and pure chemicals, organic and inorganic chemicals, speciality chemicals, dyes, drugs, pharmaceuticals and allied products including but not limited to perfumes, toilet goods, detergents, flavours, solvents, chemical/ drug / dye intermediates, cosmetics, insecticides, pesticides, fertilizers, heavy chemicals, alkalis, acids, chemical, industrial preparations, synthetics, resins, chemicals for plastic, pigments, varnishes, paints, alcohols, agrochemicals, petrochemicals, makers and dealers in preparatory formulations and articles of the above nature within and / or outside India.

Changes in the activities of our Company:

There have been no changes in the activities of our Company since incorporation, which may have a material adverse effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Amendments to our Memorandum of Association in last 10 years:

Sr. No.	Date of approval by shareholders	Clause Amended	Nature of amendment
1	August 13, 2021	Name clause	Name of the Company changed to Aarti Pharmalabs Limited (formerly known as Aarti Organics Limited)
2	March 10, 2022 (effective from October 17, 2022)	Capital clause	Authorized share capital of the company revised - Rs. 50,00,00,000 (Rupees Fifty crores only) divided into 10,00,00,000 (Ten crores) equity shares of Rs. 5/- (Rupees Five only) each

Major events and milestone of our Company:

Fiscal Year	Events and Milestone
2019	Incorporation of the company. The Company had not commenced any business since its incorporation.
2021	The name of the Company was changed from 'Aarti Organics Limited' to 'Aarti Pharmalabs Limited'
2022	NCLT approved Scheme of Arrangement under the provisions of section 230 to 232 and other applicable provisions of the Companies Act, 2013 between Aarti Industries Limited and Aarti Pharmalabs Limited and their respective shareholders, sanctioned by the NCLT on September 21, 2022 (the certified true copy of the order was received on September 22, 2022). Pursuant to the Scheme, Pharma business of Aarti Industries Limited has been vested into the Company

Awards and Accreditation: None



Shareholder's agreements

As on date of this Information Memorandum, there are no subsisting Shareholders' Agreement in relation to our Company.

Common pursuit of our Subsidiaries

Aarti USA Inc. and Aarti Pharmachem Limited are the subsidiaries of our Company, while Ganesh Polychem Limited is an Associate of our Company

Material Agreements

There are no material agreements entered into by our Company, other than in the ordinary course of business of the Company that are subsisting on the date of this Information Memorandum.

Further, there is no agreement entered into by a Key Managerial Personnel or Director or Promoter or any employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings in the securities of our Company.

Holding Company

Prior to the scheme coming into effect, Aarti Industries Limited was our Holding Company and it held entire shares in our Company with its nominees.

Subsidiary Companies

Aarti USA Inc. and Aarti Pharmachem Limited are the subsidiaries of our Company.

Financial Partners

As on the date of the Information Memorandum, we do not have any financial partners.

Joint Venture

As of the date of the Information Memorandum, we do not have any Joint Ventures.

Other Confirmations

In the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Information Memorandum.

As on the date of the Information Memorandum, other than pursuant to the Scheme, there has been no acquisition of business, undertakings, mergers, amalgamations or revaluation of assets.



SCHEME OF ARRANGEMENT

Following are the salient features of the Scheme of Arrangement between Aarti Industries Limited (AIL/ Demerged Company) and Aarti Pharmalabs Limited (APL/ Resulting Company) and their respective shareholders.

OVERVIEW, OBJECTS AND BENEFITS OF THE SCHEME

The salient features of the said Scheme are set forth hereunder:

Sr. No.	Particulars	Details
1	“Demerged Company” or “Transferor Company”	Aarti Industries Limited
2	“Resulting Company”	Aarti Pharmalabs Limited
3	Appointed Date	July 1, 2021
4	Rationale for the Scheme and Feature of the Scheme	<ol style="list-style-type: none"> 1. The Demerged Undertaking relates to Pharma manufacturing units, allied activities investments and cash balance & cash equivalents for future Capital Expenditures of Demerged Undertaking. In order to create overall value for the shareholders and also to enable management of the Company to focus and adopt the relevant strategies necessary for promoting growth and expansion, it is proposed that the Demerged Undertaking, (as specifically set out in the Scheme), be demerged and transferred to the Resulting Company under the terms and conditions of this Scheme. 2. The shareholders of AIL, pursuant to the demerger, will get Equity Shares of Resulting Company for the values of Business Transferred in the manner set out under this Scheme. 3. The demerger will also result in AIL and APL achieving operational efficiencies by streamlining of the relevant businesses.



		<p>4. By demerger of the Demerged Undertaking into Resulting Company, the financial resources will be conveniently raised in accordance with the requirement of the business.</p> <p>5. The demerger will enable APL to expand its presence in the fast-moving Pharma Business in India and abroad.</p> <p>6. The demerger will result into two dedicated and focused business segments i.e. Speciality Chemical and Pharma without any risk or overlap of one business over the other.</p>
5	Date of Approval of Scheme by NCLT	September 21, 2022
6	Effective Date	October 17, 2022
7	Record Date	October 20, 2022
8	Exchange Ratio	1 (One) Equity Share of Rs 5 each fully paid up of APL for every 4 (Four) Equity shares of Rs. 5 each fully paid up held in AIL.
9	No. of Shares Issued in terms of Scheme by our Company	9,06,26,008

- A. Aarti Industries Limited (hereinafter referred to as the “**Demerged Company**”, or “**AIL**”, as the context may admit) is a listed public limited company incorporated on September 28, 1984 under the Companies Act, 1956 with CIN L24110GJ1984PLC007301 having its registered office at Plot Nos 801, 801/23, GIDC Estate, Phase III, Vapi - 396 195, Gujarat, India. The equity shares of Demerged Company are listed on BSE Limited and NSE. The Demerged Company is a leading Indian manufacturer of specialty chemicals and pharmaceuticals with a global footprint. It manufactures chemicals used in downstream manufacturing of agrochemicals, polymers, additives, surfactants, pigments and dyes, etc. (“**Speciality Chemical Business**” or “**Speciality Chemical Division**”). The Pharma Business is divided into three verticals *i.e.* a) manufacture of active pharmaceuticals ingredients (“**APIs**”) b) manufacture of intermediates and c) manufacture of xanthine derivatives. The Pharma business of the Demerged Company has four APIs manufacturing plants, two of which are approved by the United States Food and Drug Administration (“**USFDA**”) and rest two are WHO/GMP certified. Additionally, it has two dedicated research and development facilities for pharmaceuticals API. (“**Pharma Business**” or “**Pharma Division**”).
- B. Aarti Pharmalabs Limited (hereinafter referred to as the “**Resulting Company**” or “**APL**”, as the context may admit) is an unlisted public limited company incorporated on November 22, 2019 under the Companies Act, 2013 with CIN U24100GJ2019PLC110964 and having its registered office at Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi - 396195, Valsad, Gujarat, India and has not yet commenced any significant business operations but will carry out the business including manufacturing and trading of Pharmaceuticals and allied products.



- C. This Scheme of Arrangement (hereinafter referred to as the “**Scheme**”) provides for a) the transfer by way of demerger of the Demerged Undertaking (as defined hereinafter) of the Demerged Company to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company pursuant to Sections 230 to 232 and other relevant provisions of the Act (as defined hereinafter) in the manner provided for in the Scheme and in compliance with Section 2(19AA) of IT Act and cancellation of existing equity shares of the Resulting Company held by Demerged Company and b) various other matters consequential or otherwise integrally connected therewith.

After the effectiveness of this Scheme, the Share Capital of APL consisting of the fully paid-up new Equity Shares of APL issued as consideration in terms of Section B of this Scheme to the shareholders of AIL shall be listed on the Stock Exchanges in accordance with the provisions of SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020, as amended from time to time. Further, as an integral part of the Scheme, existing Equity Shares of APL (presently 100% held by Demerged Company) shall stand cancelled without any further act and deed, and hence this Scheme contemplates approval of the Tribunal(s) in terms of relevant provisions of the Act, in addition to Sections 230 to 232 of the Act.

D. **RATIONALE AND BENEFITS OF THIS SCHEME**

The demerger of the Business is being undertaken due to the following reasons:

AIL basically has 2 (Two) business verticals i.e., specialty chemicals and pharmaceuticals with divergent business profile, growth potential, risk-rewards, regulatory and capital requirements and are largely independent of each other.

1. The Demerged Undertaking relates to Pharma manufacturing units, allied activities investments and cash balance & cash equivalents for future Capital Expenditures of Demerged Undertaking. In order to create overall value for the shareholders and also to enable management of the Company to focus and adopt the relevant strategies necessary for promoting growth and expansion, it is proposed that the Demerged Undertaking, (as specifically set out in the Scheme), be demerged and transferred to the Resulting Company under the terms and conditions of this Scheme.
 2. The shareholders of AIL, pursuant to the demerger, will get Equity Shares of Resulting Company for the values of Business Transferred in the manner set out under this Scheme.
 3. The demerger will also result in AIL and APL achieving operational efficiencies by streamlining of the relevant businesses.
 4. By demerger of the Demerged Undertaking into Resulting Company, the financial resources will be conveniently raised in accordance with the requirement of the business.
 5. The demerger will enable APL to expand its presence in the fast-moving Pharma Business in India and abroad.
 6. The demerger will result into two dedicated and focused business segments i.e. Speciality Chemical and Pharma without any risk or overlap of one business over the other.
- E. This Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under the tax laws, including section 2(19AA) of the Income Tax Act, 1961, which provides the following conditions:
- a. all the property of the undertaking, being transferred by the Demerged Company, immediately before the demerger, becomes the property of the Resulting Company by virtue of the demerger;
 - b. all the liabilities relating to the undertaking, being transferred by the Demerged Company, immediately before the demerger, become the liabilities of the Resulting Company by virtue of the demerger;
 - c. the property and liabilities of the undertaking being transferred by the Demerged Company are transferred at values appearing in its books of account immediately before the demerger;



- d. the Resulting Company issues, in consideration of the demerger, its shares to the shareholders of the Demerged Company on a proportionate basis;
- e. the shareholders holding not less than three-fourths in value of the shares in the Demerged Company (other than shares already held therein immediately before the demerger, or by a nominee for the Resulting Company or its subsidiary) become shareholders of the Resulting Company by virtue of the demerger, otherwise than as a result of the acquisition of the property or assets of the Demerged Company or any undertaking thereof by the Resulting Company;
- f. the transfer of the undertaking is on a going concern basis; and
- g. the demerger is in accordance with the conditions, if any, notified under sub section (5) of section 72A of the Income Tax Act, 1961 by the Central Government in this behalf and other relevant sections of the Income Tax Act, 1961.

13. ISSUE OF SHARES

- 13.1 Upon the coming into effect of this Scheme and in consideration of the demerger of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot on a proportionate basis to each member of AIL, whose name is recorded in the register of members of AIL as holding shares on the Record Date, in the ratio of 1 (One) Equity Share of Rs 5 each fully paid up of APL for every 4 (Four) Equity shares of Rs. 5 each fully paid up held in AIL.
- 13.2 Cancellation of shares of the Resulting Company:
Simultaneous with the issuance and allotment of the equity shares by the Resulting Company in accordance with the Clause 13.1 above, the initial issued and paid up equity share capital of the Resulting Company, comprising of 2,50,000 shares of Rs. 10/- each, aggregating to Rs. 25,00,000/- shall be cancelled.

NOTE: THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME. THE SHAREHOLDERS ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF AND THE RATIONALE OF THE SCHEME.

Approvals with respect to the Scheme

The Hon'ble NCLT, Ahmedabad vide its Order dated September 21, 2022 has sanctioned the Scheme of Arrangement. In accordance with the said Scheme, the equity shares of our Company shall be listed and admitted to trading on the BSE Limited and NSE subject to applicable regulations. Such listing and admission for trading will be subject to other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company seeking listing. Our Company has filed the NCLT approval with the Registrar of Companies, Ahmedabad on October 17, 2022. Thus, the Effective date is October 17, 2022.



OUR MANAGEMENT

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, the number of Directors on our Board shall not be less than three and not more than fifteen, provided that our Company may appoint more than fifteen Directors after passing a special resolution.

As on the date of this Information Memorandum, our Board comprises ten (10) Directors, out of which Five (5) are independent Directors. The composition of the Board of Directors is in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Board of Directors

The following table sets forth details of our Board as of the date of filing of this Information Memorandum with the Stock Exchanges:

Name, Designation, DIN, Occupation, Term and period of directorship	Date of Birth and Age (years)	Address	Directorship in other Companies
Shri Rashesh Chandrakant Gogri Designation: Chairperson and NED DIN: 00066291 Occupation: Industrialist Term and period of directorship: NA	03/06/1974 48 years	1802 Richmond, Cliff Avenue, Near Hiranandani School, Hiranandani Gardens, Powai IIT, Powai, Mumbai – 400 076	Aarti Industries Limited Aarti Drugs Limited Spark Pharmachem Private Limited Anushakti Enterprise Private Limited Alchemie Dye Chem Private Limited Alchemie Multichem Private Limited Aarti Polychem Private Limited Alchemie Financial Services Limited Gogri Finserv Private Limited Crystal Millennium Realtors Private Limited Alabhya Trusteeship Private Limited Saswat Trusteeship Private Limited Vahal Welfare Foundation
Smt. Hetal Gogri Gala Designation: Vice Chairperson and Managing Director DIN: 00005499 Occupation: Industrialist Term and period of directorship: 5 years	10/07/1975 47 years	1502 Richmond Tower , Cliff Avenue, Forest Club, Hiranandani Gardens, Powai, Mumbai- 400076	Aarti Industries Limited Anushakti Enterprise Private Limited Alchemie Dye Chem Private Limited Alchemie Multichem Private Limited Alchemie Financial Services Ltd Gogri Finserv Private Limited Alabhya Trusteeship Private Limited Saswat Trusteeship Private Limited Aarti Nature Care Private Limited Vahal Welfare Foundation
Shri Narendra Jagannath Salvi Designation: Managing Director DIN: 00299202 Occupation: Service Term and period of directorship: 5 years	16/08/1964 58 years	901, Kona Seema Chs, Plot No.8, Palm View, S.T. Road, Opp. K Star Mall, B/H Pmc Bank Chembur Mumbai Maharashtra India 400071	Aarti Industries Limited Aarti Drugs Limited Aarti Pharmachem Limited
Shri Rajendra Vallabhaji Gogri Designation: Non-Executive Director DIN: 00061003 Occupation: Industrialist Term and period of directorship: NA	15/12/1959 62 years	2402 Richmond, Cliff Avenue, Near Forest Club, Hiranandani Gardens, Powai, Mumbai – 400 076.	Aarti Industries Limited Prince Pipes And Fittings Limited Safechem Enterprises Private Limited Aarti Polychem Private Limited Gala Precision Engineering Private Limited Alchemie Finserv Private Limited Crystal Millennium Realtors Private Limited Kutchi Angel Network Private Limited Gloire Trusteeship Services Private Limited Relacion Trusteeship Services Private Limited



Shri Parimal Desai Designation: Non-Executive Director DIN: 00009272 Occupation: Industrialist Term and period of directorship: NA	29/05/1949 73 years	A – 1403 , Runwal Heights, L.B.S Road, Opp Nirmal Lifestyle, Mulund West, Mumbai, Maharashtra – 400 080	Aarti Industries Limited Aarti HPC Limited Nikhil Holdings Pvt Ltd Aarti Corporate Services Limited Sulochna And Nandini Welfare Foundation
Dr. Vinay Nayak Designation: Independent Director DIN: 02577389 Occupation: Industry Specialist Term and period of directorship: 5 years	12/12/1956 65 years	601, Royal Grace CHS, Lokmanya Tilak Vashat Road-2, Behind Swami Narayan Temple, Dadar East, Mumbai – 400014, MH	Aarti industries Limited
Shri Bhavesh Vora Designation: Independent Director DIN: 00267604 Occupation: Chartered Accountant Term and period of directorship: 5 years	13/09/1967 55 years	B/702, Kailash Jyot-2, Opposite Gayatri Tower, Derasar Lane, Rajawadi, Ghatkopar (East), Mumbai – 400 077, Maharashtra	Aarti Industries Limited Edelweiss Trusteeship Company Limited Basilstone Consulting Private Limited
Shri Vilas Gaikar Designation: Independent Director DIN: 00033383 Occupation: Professor Term and period of directorship: 5 years	28/08/1960 62 years	A-703, Dhananjay Apartments, Veera Desai Road Extension, Near R. G. Hospital, Azad Nagar, Andheri (W), Mumbai 400 053	Nil
Smt. Jeenal Savla Designation: Independent Director DIN: 07545244 Occupation: Chartered Accountant Term and period of directorship: 5 years	09/12/1983 38 years	402, My Residency, TPS- 11, Dixit Road, Near. Ashish Nursing Home, Vile Parle (E), Mumbai- 400057	Ganesh Polychem Limited
Smt. Rupal Vora Designation: Independent Director DIN: 07096253 Occupation: Advocate Term and period of directorship: 3 years	24/06/1963 59 years	Resident of 806 Cumballa Crest 42, G Deshmukh Marg, HSBC Bank Lane, Peddar Road, Cumballa Hill, Mumbai -400026	Geecee Ventures Limited Winro Commercial (India) Limited Saraswati Commercial (India) Limited Walchandnagar Industries Limited Bombay Cycle and Motor Agency Limited Singularity Holdings Limited Four Dimensions Securities (India) Limited Extramarks Education India Private Limited

Brief Profile of the Directors

Shri Rashesh Chandrakant Gogri

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



Smt. Hetal Gogri Gala

Smt. Hetal Gogri Gala is Graduate in Electronics Engineering and has completed MEP from IIM-Ahmedabad and possesses a degree in supply chain management. She has rich experience in the purchase function.

Shri Narendra Jagannath Salvi

Shri Narendra Jagannath Salvi has over three decades of vast experience in the pharmaceuticals and specialty chemical industry.

Shri Rajendra Vallabhaji Gogri

Shri Rajendra Vallabhaji Gogri is a rank holder from the Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)], Mumbai and possesses a master's degree in chemical engineering from USA.

Shri Parimal Hasmukhlal Desai

A chemical engineer from the Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)], Mumbai, He has more than 38 years of experience in development and project implementation in the chemical industry.

Shri Bhavesh Rasiklal Vora

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

Dr. Vinay Gopal Nayak

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

Prof. Vilas Gajanan Gaikar

Prof. Vilas G. Gaikar holds a Ph.D. degree in Chemical Engineering from the Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)], Mumbai. He is presently serving as the Distinguished Professor of Chemical Engineering in ICT. He is a recipient of numerous awards and has published more than 190 publications in International Journals.

Smt. Jeenal Kenil Savla

Smt. Jeenal K. Savla is a Chartered Accountant by qualification and has 14 plus years of experience in the areas of Internal Audit and Risk Management.

Smt. Rupal Anand Vora

Smt. Rupal Anand Vora is a Commerce graduate and Law graduate from Government Law College, Mumbai University. She is Practicing Advocate having more than 30 years of experience and having specialization in Direct Taxation.

Relationship between Directors

Shri Rashesh C. Gogri and Smt. Hetal Gogri Gala are related to each other as brother and sister.. None of the other directors are related to each other.

Details of directorship in companies suspended or delisted:

None of our Directors is or was a director of any listed company, whose shares are or were suspended from being traded on any of the stock exchanges during the last five years prior to the date of this Information Memorandum, during the term of her/his directorship in such company.

None of our Directors is, or was, a director of any listed company, which has been or was delisted in the last five years from any stock exchange, during the term of her/his directorship in such company.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors or members of senior management have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.



Service contracts with Directors

There are no service contracts entered into between any of our Directors and our Company for provision of any benefits upon termination of directorship.

Details of remuneration for our Directors

The Board of Directors of the Company in their meeting held on October 17, 2022, has approved the following remuneration to be paid by our Company to;

EXECUTIVE DIRECTORS

- **Smt. Hetal Gogri Gala – Vice Chairperson & Managing Director**
 - (A) **Salary:**
Subject to approval of the Shareholders, Rs. 88 lakhs p.a. (FY 2022-23) and yearly revisions, within the overall ceiling limit of Rs. 200 lakhs for the remaining period of 4 years (during FY 2023-24 to FY 2026-27), as approved by the Board of Directors on the basis of recommendation of the Nomination and Remuneration Committee of the Board.
 - (B) **Commission:**
Subject to approval of the Shareholders, eligible for share up to 3% of Net Profit in aggregate for all Executive Directors, in accordance with the approval of the Board of Directors on the basis of recommendation of its Nomination and Remuneration Committee.
 - (C) **Perquisites:**
Perquisites shall be provided as per Schedule V of the Companies Act, 2013 and in accordance with the Terms & Conditions as approved by the Shareholders of the Company.
 - (D) **Sitting Fee:** She shall not be eligible for sitting fees for attending the Meetings of the Board of Directors or Committees thereof.
 - (E) **Minimum Remuneration:** In any financial year during the currency of the tenure of Smt. Hetal Gogri Gala as Executive Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification(s) or re-enactment thereof.
- **Shri Narendra J Salvi – Managing Director**
 - (A) **Salary:**
Subject to approval of the Shareholders, Rs. 88 lakhs p.a. (FY 2022-23) and yearly revisions, within the overall ceiling limit of Rs. 200 lakhs for the remaining period of 4 years (during FY 2023-24 to FY 2026-27), as approved by the Board of Directors on the basis of recommendation of the Nomination and Remuneration Committee of the Board.
 - (B) **Commission:**
Subject to approval of the Shareholders, eligible for share up to 3% of Net Profit in aggregate for all Executive Directors, in accordance with the approval of the Board of Directors on the basis of recommendation of its Nomination and Remuneration Committee.
 - (C) **Perquisites:**
Perquisites shall be provided as per Schedule V of the Companies Act, 2013 and in accordance with the Terms & Conditions as approved by the Shareholders of the Company.
 - (D) **Sitting Fee:** He shall not be eligible for sitting fees for attending the Meetings of the Board of Directors or Committees thereof.



- (E) **Minimum Remuneration:** In any financial year during the currency of the tenure of Shri Narendra J Salvi as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification(s) or re-enactment thereof.

NON-EXECUTIVE - INDEPENDENT DIRECTORS [NE-ID]

- (A) **Salary:**
NE-ID shall not be entitled for Salary.
- (B) **Commission:**
Subject to approval of the Shareholders and in accordance with the approval of the Board of Directors on the basis of recommendation of its Nomination and Remuneration Committee.
- (C) **Perquisites:**
Perquisites shall be provided as per Schedule V of the Companies Act, 2013 and in accordance with the Terms & Conditions as approved by the Shareholders of the Company.
- (D) **Sitting Fee:** NE-ID shall be eligible for sitting fees for attending the Meetings of the Board of Directors or Committees thereof.

Since Independent Directors were appointed after March 31, 2022, our Independent Directors were not paid any sitting fees during Financial Year 2021-22.

Bonus or profit sharing plan for our Directors

None of our Directors are party to any bonus or profit sharing plan of our Company.

Payment or benefit to Directors of our Company

No unauthorized or undisclosed amount or benefit has been paid or given since the date of incorporation of the Company to any of our Directors.

Shareholding of our Directors in our Company

Our articles do not require our Directors to hold any qualification shares.

Except as disclosed in the section titled “Capital Structure” on page 49, none of our Directors hold any Equity Shares in our Company.

Borrowing Powers of the Board

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit.

Interest of Directors

All of our directors may be deemed to be interested to the extent of their shareholding, remuneration / fees, if any, payable to them, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration paid in their professional capacity and / or reimbursement of expenses, if any, payable to them and to the extent of related party transactions.

Our Directors may also be regarded as interested in Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to



this Issue. All our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Our Directors may also be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity

Our Directors have no interest in any property acquired by our Company or proposed to be acquired for or by our Company or in any transactions relating to acquisition of land, construction of building and supply of machinery as on the date of this Information Memorandum.

Interest in promotion or formation of our Company

Except for Smt. Hetal Gogri Gala, Shri Rajendra Gogri, Shri Rashesh Gogri and Shri Parimal Desai, none of our directors are interested in the promotion of our Company.

Interest in property

Our Directors do not have any interest in any property acquired or proposed to be acquired by or of our Company.

Interest in the business of our Company

Except as stated in the section titled “Financial Statements – Related Party Transactions” on pages _____ of this Information Memorandum and above, and to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

Other Confirmations

No loans have been availed by our directors or the Key Management Personnel from our Company.

None of our Directors have been or are declared as fugitive economic offenders as on the date of this Information Memorandum

None of our Directors have been or are identified as willful defaulter as on the date of this Information Memorandum

Changes in our Board since incorporation

Name	Designation	Date of Original appointment /cessation	Reason
Shri Rashesh C. Gogri	Chairman & Non-Executive Director	07/08/2021	Appointed as Non-Executive Director on August 7, 2021 (re-designated as Non-executive Chairman w.e.f. October 17, 2022)
Smt. Hetal Gogri Gala	Vice-Chairperson & Managing Director	07/08/2021	Appointed as Non-Executive Director on August 7, 2021 (re-designated as Executive Director w.e.f. October 17, 2022)
Shri Rajendra V. Gogri	Non-Executive Director	07/08/2021	Appointed as Non-Executive Director on August 7, 2021
Shri Narendra J. Salvi	Managing Director	07/08/2021	Appointed as Non-Executive Director on August 7, 2021 (re-designated as Executive Director w.e.f. October 17, 2022)

Shri Parimal Desai	Non-Executive Director	17/10/2022	Appointed as Non-Executive Director on October 17, 2022
Dr. Vinay Nayak	Independent Director	17/10/2022	Appointed as Independent Director on October 17, 2022
Shri Bhavesh Vora	Independent Director	17/10/2022	Appointed as Independent Director on October 17, 2022
Smt. Jeenal Savla	Independent Director	17/10/2022	Appointed as Independent Director on October 17, 2022
Smt. Rupal Vora	Independent Director	17/10/2022	Appointed as Independent Director on October 17, 2022
Shri Vilas Gaikar	Independent Director	17/10/2022	Appointed as Independent Director on October 17, 2022
Shri Chetan B. Gandhi	Director	17/10/2022	Cessation
Shri Ajay Kumar Gupta	Director	07/08/2021	Cessation
Shri Shyam Shankarrao Dhekekar	Director	07/08/2021	Cessation

Management Organization Structure



Key Managerial Personnel

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



Brief profile of the Key Managerial Personnel:

In addition to our executive Directors, whose details have been provided under “Brief profile of our Directors”, the details of our other Key Managerial Personnel are as follows:

Smt. Hetal Gogri Gala: For details, please see “Our Management” on Page 89

Shri Narendra Salvi: For details, please see “Our Management” on Page 89

Shri Piyush Lakhani, 49 years, is a Chartered Accountant and also holds Bachelor’s degree in Chemical Plant Engineering from the University of Mumbai. He has 25 years of total experience including experience in the areas of Finance & Accounts, Budgeting, Direct and Indirect Tax, Internal Control, Business Planning and IT. Prior to joining the Company, he was working with Valiant Organics Limited.

Shri Nikhil Natu, 34 years, is Company Secretary and Law Graduate with experience of 12 years in the areas of corporate law compliances, corporate governance, registration of companies and liaising with regulatory authorities and external agencies like SEBI, RoC, RBI, Stock Exchanges etc. He joined the Company from July 5, 2021 and has worked previously with Reliance Retail Limited, Tata UniStore Limited, HDFC Life Insurance Company Limited and Novartis India Limited.

All our Key Managerial Personnel are permanent employees of the Company.

Relationship of Key Managerial Personnel

None of the Key Managerial Personnel are related to each other.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Shareholding of Key Management Personnel

Details of Shareholding of the Key Management Personnel is as follows:

Name	Designation	No. of Shares held	% to the total equity share capital
Smt. Hetal Gogri Gala	Vice Chairperson & and Managing Director	26,15,548	2.89
Shri Narendra Salvi	Managing Director	18,154	0.02
Shri Piyush Lakhani	Chief Financial Officer	-	-
Shri Nikhil Natu	Company Secretary	-	-

Changes in our Key Managerial Personnel in the last three years

The Board, in its meeting held on August 19, 2021 has appointed Shri Nikhil Natu, Company Secretary of the Company. Further, Smt. Hetal Gogri Gala and Shri Narendra Salvi were appointed as Managing Director of the Company with effect from October 17, 2022. Besides, Shri Piyush Lakhani was appointed as Chief Financial Officer of the Company with effect from October 17, 2022.

Service contracts with Key Managerial Personnel

There are no service contracts entered into between any of our Key Management Personnel and our Company for provision of any benefits upon termination of employment.

Bonus or profit sharing plan for our Key Management Personnel

Except as stated above, none of our Key Management Personnel are party to any bonus or profit sharing plan of our Company.



Payment or benefit to Key Management Personnel of our Company

No amount or benefit has been paid or given since incorporation of the Company or is intended to be paid or given to any of our Key Management Personnel except the normal remuneration for services rendered in the capacity of being an employee.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the rules framed thereunder, in respect of corporate governance including constitution of the Board and committees thereof.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

Audit Committee

Our Audit Committee was constituted by a Board of Directors. The current constitution of the Audit Committee is as follows:

Name of the Director	Position on the Committee	Designation
Shri Bhavesh Vora	Chairman	Independent Director
Dr. Vinay Nayak	Member	Independent Director
Prof. Vilas Gaikar	Member	Independent Director
Smt. Jeenal Savla	Member	Independent Director
Smt. Hetal Gogri Gala	Member	Managing Director
Shri Narendra Salvi	Member	Managing Director

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, and its terms of reference are as follows:

Powers of Audit Committee:

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - ✓ matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ✓ changes, if any, in accounting policies and practices and reasons for the same;
 - ✓ major accounting entries involving estimates based on the exercise of judgement by management;
 - ✓ significant adjustments made in the financial statements arising out of audit findings;
 - ✓ compliance with listing and other legal requirements relating to financial statements;

- ✓ disclosure of any related party transactions;
- ✓ modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.
reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Further, The audit committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
 - ✓ quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ✓ annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was constituted by the Board of Directors. The current constitution of the Nomination and Remuneration Committee is as follows:

Name of the Director	Position on the Committee	Designation
Smt. Jeenal Savla	Chairperson	Independent Director
Dr. Vinay Nayak	Member	Independent Director
Shri Rashesh Gogri	Member	Non-Executive Director



The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination, Remuneration and Compensation Committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and
- recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of independent Directors and the Board;
- Devising a policy on diversity of the Board;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent Directors;
- Recommend to the board, all remuneration, in whatever form, payable to senior management;
- To specify the manner for effective evaluation of performance of Board, its committees and Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- To determine the tenure of key managerial personnel to be posted to a regulatory department;
- Develop and approve key policies in respect of human resources, organisational matters etc.;
- Identifying Key Managerial Personnel;
- Laying down the policy for compensation of Key Managerial Personnel in terms of the compensation norms prescribed by SEBI;
- Determining the compensation of Key Managerial Personnel in terms of the compensation policy;
- Framing and reviewing the performance review policy to carry out evaluation of every Director's performance, including that of the independent Directors;
- Recommending whether to extend the term of appointment of a independent Directors;
- Recommending to the Board, all remuneration, in whatever form, payable to senior management; and
- Such other functions as may be specified under the Companies Act, by SEBI or any other statutory or regulatory authority.

Stakeholders Relationship Committee

Our Stakeholders' Relationship Committee was constituted by the Board of Directors. The current constitution of the Stakeholders' Relationship Committee is as follows:

Name of the Director	Position on the Committee	Designation
Shri Rajendra Gogri	Chairman	Non-Executive Director
Shri Narendra Salvi	Member	Managing Director
Shri Bhavesh Vora	Member	Independent Director
Smt. Rupal Vora	Member	Independent Director

The scope and functions of the Stakeholders Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders Relationship Committee are as follows:


- Resolving grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Review of measures taken for effective exercise of voting rights by the shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- To discharge any other duties or responsibilities as may be prescribed by the law or as may be delegated to the Committee by the Board, from time to time.

OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES


As on the date of this Information Memorandum, our Promoter holds 2,13,63,404 Equity Shares of the issued, subscribed and paid-up Equity Share capital of our Company.

Details of our Promoter are as follows:


1. Chandrakant Vallabhaji Gogri

	Date of Birth: August 16, 1946
	PAN:AAFPG8847C
	Address: 1801, Richmond Tower, Cliff Avenue, Hiranandani Gardens, Near Hiranandani School, Powai, Mumbai – 400 076.
	Profile: He is the founder of Aarti group of industries. He started the company from a small unit and took it to the path breaking enterprise it is today. He holds a Chemical Engineering degree from UDCT. His experience in the areas of projects, operations, process development and local & international marketing in the Chemical Industry is remarkable. Further, his business acumen and flair for finance has stood the test of time during the growth of Aarti Group. He is one of the main Promoters of the Company.


2. Rajendra Vallabhaji Gogri

	Date of Birth: December 15, 1959
	PAN: AACPG2278E
	Address: 2402 Richmond, Cliff Avenue, Near Forest Club, Hiranandani Gardens, Powai, Mumbai – 400 076.
	Profile: Shri Rajendra Vallabhaji Gogri is a rank holder from the Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)], Mumbai and possesses a master's degree in chemical engineering from USA.


3. Parimal Hasmukhlal Desai

	Date of Birth: May 29, 1949
	PAN: AABPD4102D
	Address: A-1403, Runwal Heights, LBS Marg Opp. Nirmal Lifestyle, Mulund West, Mumbai – 400 080.
	Profile: A chemical engineer from the Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology (UDCT)], Mumbai, Shri Parimal H. Desai has more than 38 years of experience in development and project implementation in the chemical industry.


4. Sarla Shantilal Shah

	Date of Birth: October 24, 1940
	PAN: AADPS4231N
	Address: Flat No 404, 4th Floor, Raheja Havenprananajali Prananjali, JVPD Scheme, Plot No 21 22, Mumbai – 400 049.
	Profile: Homemaker


5. Bhavna Shah Lalka

	Date of Birth: January 6, 1962
	PAN: AOBPS2060R
	Address: 404, Raheja Haven, Prananjali, 21 22 Ashok Nagar Society, NS Road No 10, JVPD Scheme, Mumbai – 400 049.
	Profile: Homoeopathic Doctor


6. Mananjay Singh Garewal

	Date of Birth: September 23, 1995
	PAN: BMYPG4323H
	Address: C-16, FF Etanjali Enclave, Delhi – 110 017.
	Profile: Industrial Designer


7. Monisha Bhatia

	Date of Birth: August 15, 1997
	PAN: CKLPB0016J
	Address: House No 1079, Sector 15, Escorts Nagar, Faridabad – 121 007.
	Profile: Professional Trainer

8. Shreya Suneja

	Date of Birth: January 11, 1989
	PAN: ANZPB4077C
	Address: House No 114, Sector 14, Faridabad – 121 007.
	Profile: Homemaker

9. Jayesh Shah

	Date of Birth: December 22, 1968
	PAN: AAJPS1143D
	Address: Gunjan Bhokare Colony, Sangli Miraj Road, Miraj Sangli, India – 416 410.
	Profile: Business

10. Orchid Family Trust (Relacion Trusteeship Services Private Limited)

NA	Date of Incorporation: March 15, 2019
	PAN: AAATO7555N
	Address: 127, 1st Floor, Udyog Kshetra Mulund Goregaon Link Road Near D Mart, Mulund (West), Mumbai – 400 080.
	Profile: Business

11. Bhavna Family Private Trust (Barclays Wealth Trustees India Private Limited)

NA	Date of Incorporation: August 31, 2018
	PAN: AADTB5396B
	Address: 208 Ceejay House, Dr Annie Besant Road, Shivsagar Estate - Worli, Mumbai – 400 018.
	Profile: Business

Interest of Promoters

Interest in promotion of our Company

Our Promoters may be regarded as interested in our Company to the extent they or any of them have promoted our Company.

Interest in the property acquired by our Company

Our company has not acquired any interest whether direct or indirect in any property within three years preceding the date of this Information Memorandum or our Promoters do not have any interest whether direct or indirect in any property proposed to



be acquired by our Company as on the date of this Information Memorandum or in any transaction for acquisition of land, construction of buildings and supply of machinery, etc.

Interest of Promoters in our Company other than as Promoter

Our Promoter may be deemed to be interested in our Company to the extent of compensation paid or payable to them in their capacity as director for attending meetings of the Board or a committee thereof as well as to the extent of remuneration, commission and reimbursement of expenses payable to them as per the terms of appointment and relevant provisions of Companies Act. Further, our Promoters may be deemed to be interested in our Company to the extent of their shareholding and the dividend and other benefits paid or payable by our Company. For details, see the chapters titled “*Our Management*” and “*Capital Structure*” beginning on pages 89 and 49 respectively.

Except as mentioned in this chapter and the chapters titled “*Capital Structure*”, “*Our Business*” and “*Related Party Transactions*” on pages 49, 73, and 177, respectively, our Promoters do not have any interest in our Company other than as a promoter.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce the such person to become, or qualify him as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Further, some of our Promoters are also directors on the boards of certain Group Companies and may be deemed to be interested to the extent of the payments made by our Company, if any, to/from these Group Companies. For the payments that are made by our Company to certain Group Companies, see “*Financial Statements- Related Party Transaction*” on page 177.

Our Promoters shall be deemed as interested to the extent of equity shares held by them or by the companies / firms / ventures promoted by them, if any, and dividend or other distributions payable to them in respect of the said equity shares.

Except as stated above and in the section titled “*Financial Statements*” on page 112 of the Information Memorandum, and to the extent of shareholding in our Company, our Promoters do not have any other interest in our business.

Our Promoters, Directors and Group Companies have no interest, whether direct or indirect, in any property acquired by our Company within the preceding two years from the date of this Information Memorandum or proposed to be acquired by it as on the date of this Information Memorandum, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Payment or benefit to Promoters of our Company

Except as stated in the section titled “*Financial Statements - Related Party Transactions*” on pages 181 to 185 and 226 to 229 of the Information Memorandum, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of filing of the Information Memorandum.

Related party transactions

For details of related party transactions, please refer to section titled “*Financial Statements*” on page 177 of the Information Memorandum.

Our Promoter Group

Our Promoter Group as defined under Regulations 2(1)(pp)(ii) & (iv) of the SEBI ICDR Regulations includes the following individuals, HUFs, LLPs and body corporates:

Sr. No.	Name of Promoter/Promoter Group	Category
1	Rashesh Chandrakant Gogri	Promoter Group
2	Mirik Rajendra Gogri	Promoter Group

3	Renil Rajendra Gogri	Promoter Group
4	Hetal Gogri Gala	Promoter Group
5	Jaya Chandrakant Gogri	Promoter Group
6	Nehal Garewal	Promoter Group
7	Nikhil Parimal Desai	Promoter Group
8	Aarnav Rashesh Gogri	Promoter Group
9	Aashay Rashesh Gogri	Promoter Group
10	Manisha Rashesh Gogri	Promoter Group
11	Arti Rajendra Gogri	Promoter Group
12	Ratanben Premji Gogri	Promoter Group
13	Heena Bhatia	Promoter Group
14	Rajendra Vallabhaji Gogri (HUF) (Karta - Rajendra Vallabhaji Gogri)	Promoter Group
15	Shantilal Tejshi Shah (HUF) (Karta - Nehal Garewal)	Promoter Group
16	Indira Madan Dedhia	Promoter Group
17	Gunavanti Navin Shah	Promoter Group
18	Prasadi Yogesh Banatwala	Promoter Group
19	Pooja Renil Gogri	Promoter Group
20	Bhanu Pradip Savla	Promoter Group
21	Labdhi Business Trust	Promoter Group
22	Tulip Family Trust	Promoter Group
23	Heena Family Private Trust	Promoter Group
24	Jasmine Family Trust	Promoter Group
25	Lotus Family Trust	Promoter Group
26	Manomaya Business Trust	Promoter Group
27	Anushakti Enterprise Private Limited	Promoter Group
28	Safechem Enterprises Private Limited	Promoter Group
29	Alchemie Financial Services Limited	Promoter Group
30	Alchemie Finserv Pvt. Ltd.	Promoter Group
31	Gogri Finserv Pvt. Ltd.	Promoter Group
32	Nikhil Holdings Private Limited	Promoter Group
33	Dilesh Roadlines Pvt Ltd	Promoter Group
34	Valiant Organics Limited	Promoter Group

i) Natural Persons, being immediate relative(s) of our Promoters:

Sr. No.	Name of Promoter	Immediate Relative
1	Chandrakant Vallabhaji Gogri	Details already provided in the aforesaid table
2	Rajendra Vallabhaji Gogri	Details already provided in the aforesaid table
3	Parimal Hasmukhlal Desai	1. Tarla Parimal Desai 2. Rinku Javeri
4	Sarla Shantilal Shah	Details already provided in the aforesaid table
5	Bhavna Shah Lalka	Details already provided in the aforesaid table
6	Mananjay Singh Garewal	Mandeep Singh Garewal
7	Monisha Bhatia	Mukesh Bhatia
8	Shreya Suneja	
9	Jayesh Shah	1. Navin Chandra Shah 2. Sima Jayesh Shah 3. Kushal Jayesh Shah 4. Manan Jayesh Shah
10	Orchid Family Trust (Relacion Trusteeship Services Private Limited)	-
11	Bhavna Family Private Trust (Barclays Wealth Trustees India Private Limited)	-

Note: In addition to the relatives mentioned in this table, the names of other relatives are already covered in the list of 'Promoter'/'Promoter Group'

HUFs, LLPs and Body Corporates, being in relationship with our Promoters in terms of regulation 2(1)(pp)(iv) of SEBI ICDR Regulations:

1. Please refer Page No. 109 titled 'Our Promoter Group'

Our Promoter Group (excluding our Promoters) hold in aggregate 1,86,60,008 Equity Shares constituting 20.59% of paid-up equity share capital of our Company. For details of shareholding of members of our Promoter Group, see the chapter titled "Capital Structure" beginning on page 49

Other confirmation

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

Our Promoters have not disassociated themselves from any Company or firm during the three years preceding the date of filing of this Information Memorandum.

Our Promoters have not been declared as willful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Our Promoters and Promoter Group entities have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters are not and have never been a promoter, director or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

For details on litigations and disputes pending against the Promoters, please refer to the section titled 'Outstanding Litigations and Material Development' on page 178 of the Information Memorandum.



GROUP COMPANIES

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

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

AARTI INDUSTRIES LIMITED (AIL)

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

The Authorised Share Capital of the Company is Rs. 3,00,00,00,000 comprising of 60,00,00,000 Equity shares of Rs. 5/- each. The Issued and paid-up share capital of the Company is Rs. 181,25,20,175 comprising of 3,62,504,035 Equity shares of Rs. 5/- each.

Board of Directors:

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

Shareholding Patterns as on December 31, 2022

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
						No. (a)	As a % of total Shares held(b)	
(A)	Promoter & Promoter Group	45	16,00,74,378	16,00,74,378	44.16	0	0	16,00,74,378
(B)	Public	3,76,503	20,24,29,657	20,24,29,657	55.84	NA	NA	20,05,41,134
(C)	Non-Promoter - Non Public	0	0	0	0	NA	NA	0
(C1)	Shares Underlying DRs	0	0	0	0	NA	NA	0
(C2)	Shares Held By Employee Trust	0	0	0	0	NA	NA	0
	Total	3,76,548	36,25,04,035	36,25,04,035	100	0	0	36,06,15,512

Share price information

The equity shares of Aarti Industries Limited are listed on BSE and NSE. The following table provides details of the highest and lowest price on BSE and NSE during the six months preceding the date of issue of Information Memorandum:

Month	BSE		NSE	
	High (Rs)	Low (Rs)	High (Rs)	Low (Rs)
April 2022	989.95	869.75	949.71	928.67
May 2022	881.90	717.80	793.60	764.45
June 2022	769.00	669.00	718.91	699.73
July 2022	783.00	678.95	744.10	723.80
August 2022	840.50	775.30	820.55	799.77
September 2022	924.00	725.60	862.50	836.66
October 2022	807.55	642.10	748.12	726.52



November 2022	744.30	647.00	744.70	646.85
December 2022	682.25	587.05	678.20	587.00

Financial Performance

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

(Rs. in lakhs, except per share data)

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

Significant notes of auditors

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

Other Disclosures

Group Companies which are sick industrial companies

Our Group Company has not become sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, as amended.

Group Companies under winding up / insolvency proceedings

Our Group Company is not under winding up/insolvency proceedings.

Defunct Group Company

As on date of this Information Memorandum, our Group Company is neither defunct company nor has made any application to the relevant registrar of companies for striking off the name.

Nature and extent of interest of our Promoters in AIL

Our Promoters are part of the promoter and promoter group of AIL. Further, some of our Promoters are also on the board of AIL. Accordingly, our Promoters may be deemed to be interested in AIL to the extent of their shareholding in AIL, dividend and other entitlements thereon and the remuneration paid or payable to any of them in their capacity as director(s) of AIL.

Common Pursuits

Some of our Promoters and members of Promoter Group are also members and promoters in our Group Company AIL. Some of our Directors hold directorships in our Group Company. Except as disclosed herein, there are no other common pursuits or conflict of interest situations between our Group Company and our Company.

Our Company will adopt the necessary procedures and practices as permitted or required by law to address any conflict of interest situation as and when it arises.

**Litigation involving our Group Companies which has a material impact on the company**

There are no litigations involving our Group Company, which has a material impact on our Company.



DIVIDEND POLICY

As on the date of this Information Memorandum, our Company has adopted a formal dividend policy, which is made available on our website. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable laws, including the Companies Act.

The dividend, if any, will depend on a number of factors, including but not limited to our results of operations, earnings, capital requirements and surplus, financial conditions, contractual obligations, business prospects, applicable legal restrictions and other factors considered relevant by the Board. Our Board may also declare an interim dividend in accordance with the provisions of the Companies Act.

The Board of Directors in their meeting held on Tuesday, January 17, 2023, has declared an Interim dividend @ 40% for the Financial Year 2022-23 i.e. Rs. 2 (Two) for equity share of Rs. 5 (Five) each held by the Shareholders whose names are recorded as Shareholder in the Register of Members as on January 18, 2023.



SECTION VI- FINANCIAL INFORMATION

FINANCIAL

Sr. No.	Particulars	Page
1	Auditor's report alongwith audited financial statement of the Company for the nine months ended December 31, 2022 and financial year ended March 31, 2022.	112-175



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

To Board of Directors of
Aarti Pharmalabs Limited

Report on the Audit of the Standalone Financial Results

Opinion

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

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

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

Basis for Opinion

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



Management's Responsibilities for the Standalone Financial Results

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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



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

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

Materiality is the magnitude of misstatements in the interim standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim condensed standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the interim condensed standalone financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other Matters

I. Comparative Audited Standalone Financial Results

- a) The comparative audited standalone annual financial results for the period 1 July 2021 (Appointed date) to 31 March 2022 of pharma business undertaking were audited by erstwhile statutory auditors, Kirtane & Pandit, LLP (FRN: 105215W/W100057), Chartered Accountants of Aarti Industries Limited (demerged company) whose annual auditors report dated 27 May 2022 had expressed an unmodified opinion on financial statements.
- b) The comparative audited annual financial results of the Company for the year ended 31 March 2022 (prior to giving effect to scheme of arrangement) were audited by erstwhile statutory auditors of the Company, Jatin Vora & Associates, LLP (FRN: 118024W), Chartered Accountants of Aarti Pharmalabs whose annual auditors report dated 20 May 2022 had expressed an unmodified opinion on financial statements.
- c) The comparative audited annual financial results of the Company for the year ended 31 March 2021 (prior to giving effect to scheme of arrangement) were audited by erstwhile statutory auditors of the Company, Jatin Vora & Associates, LLP (FRN: 118024W), Chartered Accountants of Aarti Pharmalabs whose annual auditors report dated 15 May 2021 had expressed an unmodified opinion on financial statements.

Our opinion is not modified in respect of above matters.

II. Effect of Scheme of Arrangement

- a) The Scheme of Arrangement for the demerger of Pharma Business Undertaking from Aarti Industries Limited ("the demerged company") to its wholly owned subsidiary Aarti Pharmalabs Limited ("the resulting company" or "the Company") between the two companies and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 ('Act') and all other applicable provisions of the Companies Act, 2013 ("the Scheme") was approved by Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench on 21 September 2022. Accordingly, all the assets and liabilities pertaining to the Pharma Business Undertaking, including supporting manufacturing units, employees, cash and cash equivalents and investments (including investments in subsidiaries and joint ventures), as defined in the Scheme, stand transferred and vested into the resulting company from its Appointed Date i.e., from 1 July 2021.
- b) Pending receipt of the NCLT Order approving scheme of arrangement, financial statements of the Demerged Company (before giving effect to scheme of arrangement) for the year ended 31 March 2022 were approved by the Board of Directors of Demerged Company in their meeting held on 27 May 2022 and audited by erstwhile statutory auditors (refer para I (a) above). Subsequently, the same were approved by their shareholders in the general meeting held on 26 September 2022





- c) We, Gokhale & Sathe, Chartered Accountants (FRN: 103264W) were appointed as statutory auditors of the Company to fill casual vacancy caused due to resignation of Jatin Vora & Associates, Chartered Accountants, through resolution passed by shareholders of the Company through postal ballot on 10 January 2023.
- d) The management approached us to perform agreed upon procedures on standalone financial results prepared to give effect to scheme of arrangement. Accordingly, we have performed agreed upon procedures as per Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India and we report that as follows:
- standalone financial results of pharma business undertaking prepared by the management of the Company for period from 1 July 2021 to 31 March 2022 is as per accounting treatment and information mentioned in the scheme.
 - It is drawn from standalone financial statements prepared and audited by erstwhile statutory auditors of Demerged Company as mentioned in I (a) above.
 - It is extracted from the books of accounts maintained by the Company having records/information maintained for pharma business and speciality chemical business.

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

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



AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
Standalone Balance Sheet as at 31st December, 2022

		(Rs. in Lakhs)		
Particulars	Note No.	As at 31st Dec, 2022	As at 31st March 2022	As at 31st March 2021
A ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	1	81,628.29	70,089.25	-
(b) Capital Work-in-Progress	1	7,702.33	16,522.59	-
(c) Intangible Assets	1	19.18	22.52	-
(d) Intangible Assets Under Developments	1	3,762.04	2,214.02	-
(e) Financial Assets				
(i) Investment in Subsidiary	2	90.76	90.76	-
(ii) Other Investments	2	4,176.53	3,896.04	-
(iii) Other Financial Assets	3	866.93	1,020.38	-
(f) Other Non-Current Assets	4	429.10	-	-
Total Non-Current Assets		98,675.16	93,655.76	-
2 Current Assets				
(a) Inventories	5	52,719.91	44,437.53	-
(b) Financial Assets				
(i) Trade Receivables	6	33,225.96	30,421.97	-
(ii) Cash and Cash Equivalents	7	5,079.23	5,619.99	25.00
(iii) Loans	8	585.23	477.97	-
(iv) Other Financial Assets	9	4,061.01	7,000.39	-
(c) Other Current Assets	10	1,152.06	1,039.57	-
Total Current Assets		96,824.02	89,027.42	25.00
TOTAL ASSETS		1,95,499.17	1,82,683.19	25.00
B EQUITY AND LIABILITIES				
1 EQUITY				
(a) Equity Share Capital	11	4,531.30	25.00	25.00
(b) Equity Share Capital pending allotment upon scheme of arrangement	11	-	-	-
(c) Other Equity	12	1,37,062.28	1,23,871.30	-2.19
Total Equity		1,41,593.58	1,28,427.60	22.81
2 LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	13	Nil	Nil	-
Other Non-Current Financial Liability	14	151.23	153.23	-
(b) Deferred Tax Liabilities (Net)	15	6,610.00	5,935.00	-
Total Non-Current Liabilities		6,761.23	6,088.23	-
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	29,686.56	32,462.41	1.73
(ii) Trade Payables Due to				
- Micro and Small Enterprises	17	3,848.84	2,114.38	0.26
- Other Than Micro and Small Enterprises	17	11,905.52	11,046.92	-
(iii) Others				
(b) Other Current Liabilities	18	126.44	124.41	0.20
(c) Provisions	19	1,455.21	1,669.17	-
(d) Current Tax Liabilities (Net)	20	121.79	750.00	-
Total Current Liabilities		47,144.36	48,167.35	2.19
Total Liabilities		53,905.59	54,255.58	2.19
TOTAL EQUITY AND LIABILITIES		1,95,499.17	1,82,683.19	25.00
Significant Accounting Policies				
Accompanying Notes to the Financial Statements				
		1-33		

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

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

Tejas Parikh

Tejas Parikh
Partner
Membership No.: 123215
UDIN: 23123215RCQKZK9410
Place: Mumbai
Date: 17th January, 2023



Aarti Pharmalabs Limited

Hetal Gokhale
Hetal Gokhale

Vice Chairperson &
Managing Director
DIN: 00005499

Piyush Lakhani
Piyush Lakhani
Chief Financial Officer

Narendra Soley
Narendra Soley

Managing Director
DIN: 00299202

Mukul Natu
Mukul Natu
Company Secretary
ICSI M.No.: A27738

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

(Rs. in Lakhs)

Particulars	Note No.	As at 31st Dec, 2022 For the period ended	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
I Revenue from Operations	21	1,13,698.04	94,102.10	-
II Other Income	22	128.13	251.23	-
III Total Income (I+II)		1,13,826.17	94,353.33	-
IV EXPENSES				
(a) Cost of Materials Consumed	23	68,933.39	55,018.79	-
(b) Purchase of Stock In trade		969.69	45.57	-
(c) Changes in Inventories of finished goods, Stock-in-Trade	24	-8,252.82	-3,254.36	-
(d) Employee Benefits Expense	25	9,121.61	7,998.43	-
(e) Finance Costs	26	1,469.09	1,133.91	-
(f) Depreciation / Amortisation Expenses	27	4,151.95	3,723.30	-
(g) Other Expenses	28	19,772.19	16,314.98	0.46
Total Expenses (IV)		96,165.10	80,980.72	0.46
V Profit before Exceptional Items and Tax (III-IV)		17,661.07	13,372.61	-0.46
VI Exceptional Items		-	-	-
V Profit before Tax (III-IV)		17,661.07	13,372.61	-0.46
VI TAX EXPENSE				
Current Tax		3,500.00	2,250.00	-
Earlier Year Tax		312.86	NIL	-
Deferred Tax		675.00	450.00	-
Total Tax Expenses		4,487.86	2,700.00	-
VII Profit for the year (V-VI)		13,173.21	10,672.61	-0.46
VIII OTHER COMPREHENSIVE INCOME				
a. Items that will not be reclassified to Statement of Profit				
- Fair Value Change of Equity Instruments through Other		-7.21	706.86	-0.00
- Remeasurement of defined employee benefit plans (net of		-		
b. Items that will be reclassified to Statement of Profit and				
Other Comprehensive Income (Net of Tax)		-7.21	706.86	-0.00
IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET		13,166.00	11,379.47	-0.46
X Earnings Per Equity Share of Face Value of Rs 10 Each (EPS)	29			
Basic		14.54	11.78	-0.18
Diluted		14.54	11.78	-0.18
Significant Accounting Policies				
Accompanying Notes to the Financial Statements	1-33			

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

As per our report of even date
For Gokhale and Sathe
Chartered Accountants
FRN No. : 100264W



Tejas Parikh
Partner
Membership No. : 123215
UDIN : 23123215BQJQZIR9410
Place: Mumbai
Date: 17th January, 2023


Aarti Pharmslabs Limited



Hetal Gogri Gola
Vice Chairperson &
Managing Director
DIN: 00005499


Piyush Lakhani
Chief Financial Officer



Narendra Solvi
Managing Director
DIN: 00299202


Nikhil Natu
Company Secretary
ICSI M.No : A27738

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
Standalone Cash Flow Statement for the Period Ended 31st December, 2022

(Rs. in Lakhs)

Sr. No.	Particulars	For the Period Ended 31st Dec, 2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before Tax	17,661.07	13,372.61	-0.46
	Adjusted for:			
	- Finance Costs	1,469.09	1,133.91	0.00
	- Depreciation / Amortisation	4,151.95	3,723.30	0.00
	- Dividend Income	-128.13	-247.86	0.00
	- Interest Income	NIL	NIL	NIL
	Operating Profit before Working Capital Changes	23,153.98	17,981.96	-0.46
	Adjusted for:			
	- (Increase)/Decrease in Trade and Other Receivables	-560.11	-8,570.97	0.00
	- (Increase)/Decrease in Inventories	-8,282.38	-10,814.41	0.00
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	963.17	-3,579.85	0.46
	Cash Generated from Operations	15,274.56	-4,983.27	0.00
	Taxes Paid (Net)	-3,812.86	-1,500.00	0.00
	Net Cash Flow from Operating Activities	11,461.50	-6,483.27	0.00
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Acquisition of Property, Plant and Equipment and Capital Work in Progress	-8,415.40	-13,602.57	0.00
	Other Investments	NIL	NIL	NIL
	Dividend Income	128.13	247.86	0.00
	Interest Income	NIL	NIL	NIL
	Proceeds from Sale of Investments	500.00	NIL	NIL
	Net Cash Flow used in Investing Activities	-7,787.27	-13,354.71	0.00
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds/(Repayment) from Current Borrowing (Net)	-2,775.88	26,596.86	0.00
	Finance Costs	-1,469.09	-1,133.91	0.00
	Dividends Paid	0.00	0.00	0.00
	Net Cash Flow from/(used in) Financing Activities	-4,244.97	25,462.95	0.00
	Net Increase/(Decrease) in Cash and Cash Equivalents	-570.74	5,624.99	0.00
	Opening Balance of Cash and Cash Equivalents	5,649.99	25.00	25.00
	Closing Balance of Cash and Cash Equivalents	5,079.25	5,649.99	25.00

Notes:

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

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

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

Tejas Parikh

Tejas Parikh
 Partner
 Membership No. : 123215
 UDIN : 231232150002709410
 Place: Mumbai
 Date: 17th January, 2023



For and on behalf of the Board
 For Aarti Pharmalabs Limited

Hetal Gargi
 Hetal Gargi Gola

Vice Chairperson &
 Managing Director
 DIN: 00005499

Piyush Lakhan
 Piyush Lakhan
 Chief Financial Officer

Narendra Salvi
 Narendra Salvi

Managing Director
 DIN: 01292012

Nikhil Natu
 Nikhil Natu
 Company Secretary
 ICSI M.No : A27738

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

A. Equity Share Capital

	(Rs. in Lakhs)
As at 31st March, 2020	25.00
Changes in equity share capital during the year 2020-21	-
As at 31st March, 2021	25.00
Changes in equity share capital during the year 2021-22	-
As at 31st March, 2022	25.00
Share capital cancelled pursuant to scheme of Demerger	-25.00
Issue of Shares Pursuant to Scheme of Demerger	4,531.30
As at 31st December, 2022	4,531.30

B. Other Equity

Particulars	Retained Earnings	General Reserve	Securities premium	Capital Redemption Reserve	Other Comprehensive Income	Total
Balance as at 31st Mar, 2020	-1.73	-	-	-	-	-1.73
Profit / loss for the year	-0.46	-	-	-	-	-0.46
Balance as at 31st Mar, 2021	-2.19	-	-	-	-	-2.19
Transferred On Account of Scheme of Arrangement	64,455.64	8,187.36	44,032.54	-	349.58	1,17,025.31
Share Issue	-4,531.30	-	-	-	-	-4,531.30
Total Comprehensive Income for the year	-	-	-	-	706.86	706.86
Profit for the year	10,672.61	-	-	-	-	10,672.61
Dividend Paid	-	-	-	-	-	-
Remeasurement of defined employee benefit plans (net of tax)	-	-	-	-	-	-
Balance as at 31st Mar, 2022	70,594.76	8,187.36	44,032.54	-	1,056.44	1,23,871.30
Transferred On Account of Scheme of Arrangement	-	-	-	-	-	-
Share capital Cancellation on account of Scheme of Arrangement	-	-	-	25.00	-	25.00
Effect of Gratuity Provision to be maintained as per NCLT	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-7.21	-7.21
Profit for the year	13,173.21	-	-	-	-	13,173.21
Dividend Paid	-	-	-	-	-	-
Remeasurement of defined employee benefit plans (net of tax)	-	-	-	-	-	-
Balance as at 31st Dec 2022	83,767.97	8,187.36	44,032.54	25.00	1,049.23	1,37,062.28

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

As per our report of even date
For Goldhale and Sathe
Chartered Accountants
FIRN No. : 102364W

Tejas Parikh
Partner
Membership No. : 123215
UDIN : 231232151GQKZR9411
Place: Mumbai
Date: 17th January, 2023



For and on behalf of the Board
For Aarti Pharamlabs Limited

Hetal Gogri Gala
Vice Chairperson & Managing Director
DIN: 00005499

Piyush Lakham
Chief Financial Officer

Narendra Salvi
Managing Director
DIN: 01299202

Nilhil Natu
Company Secretary
ICSI M.No : A27738

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)**Corporate Information and Significant Accounting Policies:****A. Corporate Information**

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

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

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

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

B. Explanatory Note on the Composite Scheme of Arrangement

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

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

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

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

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

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

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



B. Significant Accounting Policies

B.1 Basis of Preparation and Presentation

The financial statements of the Company have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- a. Certain financial assets and liabilities that are measured at fair value; and
- b. Defined benefit plans - Plan assets measured at fair value.

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

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

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

B.2 Critical Accounting Estimates, Assumptions and Judgments:

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

(a) Useful Lives of Property, Plant and Equipment ("PPE")

Property, plant and equipment represents a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(b) Defined Benefit Plans (Gratuity)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Provisions and Contingent Liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

(d) Provision for Income Tax and Deferred Tax Assets

The Company uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

B.3 Summary of Significant Accounting Policies

(a) Current and Non-Current Classification

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



An asset is treated as Current when it is -

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as Current, when -

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

(b) Property, Plant and Equipment (PPE)

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

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

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

(c) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of intangible assets.

(d) Valuation of Inventories

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

Inventories have been valued on the following basis:

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

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

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

(e) Cash and Cash Equivalents

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

(f) Revenue Recognition

- (i) Revenue from Sale of Goods to customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration entitled in exchange for these goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Sale of Scrap and obsolete stores is accounted for at the time of disposal.
- (ii) Export entitlements are recognized on realization.
- (iii) Revenue in respect of Interest is recognized on the time proportion method.
- (iv) Industrial Promotion Incentive granted by State Government is recognised when claim in respect of Entitlement is made & admitted after close of yearly Sales Tax Assessment.
- (v) Dividend Income is recognised when the Company's right to receive the amount has been established.



(g) Government Grants

- (i) Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.
- (ii) Government grants are recognised in Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Profit and Loss on a systematic and rational basis over the useful lives of the related assets.
- (iii) In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(h) Depreciation/Amortization

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

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

(i) Impairment of Assets

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

(j) Foreign Currency Transactions

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

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

(k) Operating Leases**As a lessee:**

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

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

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

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



As a lessor:

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

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

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

(l) Finance Costs

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

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

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

(m) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

(n) Employee Benefits**Short-term Benefits**

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

Post-retirement Benefits**Defined Contribution Plans**

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

Defined Benefit Plans

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

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

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



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

(o) Taxes on Income

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity, in which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

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

Deferred Tax

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

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

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

Minimum Alternate Tax (MAT)

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

p. Financial Instruments

☒ Financial Assets

I Initial recognition and measurement

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

II Subsequent Measurement

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

A financial asset is measured at Amortised Cost, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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



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

III *Equity Investments*

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

IV *Impairment of Financial Assets*

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

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

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

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

Øe *Financial Liabilities*

I *Initial Recognition and Measurement*

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

II *Subsequent Measurement*

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

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

Øe *Derecognition of Financial Instruments*

The Company derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet, when the obligation specified in the contract is discharged or cancelled or expires.

Øe *Offsetting*

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

q. *Earnings Per Shares*

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

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



AARTI PHARMALABS LIMITED (Formerly known as Aarti Circulabs Limited)
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
 Note 3 - Property, Plant and Equipment (FY 2022-23)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Balance as at 1st April, 2022	Addition on Account of	Deduction/ Adjustments	Balance as at 31st Dec, 2022	Addition on Account of	Depreciation charge for the	Balance as at 31st Dec, 2022	Balance as at 31st March,
I Property, Plant and Equipment								
I.1 Tangible Assets								
Land	3,428.72	-	-	3,428.72	-	-	3,428.72	3,830.72
Leasehold Land	2,173.95	-	-	2,173.95	-	10.36	1,984.42	2,000.77
Buildings	11,601.95	-	3,333.86	15,135.81	3,977.00	514.36	10,644.59	7,634.80
Buildings	588.05	-	-	588.05	341.89	97.50	146.25	233.73
Plant and Machinery	86,383.28	-	12,895.51	99,278.79	30,392.48	3,994.57	64,489.75	55,163.30
Furniture and fixtures	645.38	-	-	645.38	316.08	30.73	292.38	329.70
Office Equipments	214.53	-	6.72	221.25	1,305.59	17.37	72.86	83.96
Computers, Peripherals	539.19	-	41.43	580.62	441.50	41.89	499.30	113.60
Vehicles	31,121	-	10,393	20,728	191.51	39.03	1,796.61	1,18.67
Total	106,269.81	-	15,687.66	121,857.47	38,179.96	4,316.62	81,628.29	70,809.95
II. Intangible Assets								
II.1 Software & Other Intangible Assets	3,002.32	-	-	3,002.32	3,729.81	3.33	19.18	23.52
Total	3,002.32	-	-	3,002.32	3,729.81	3.33	19.18	23.52
III. Gross Total	110,071.13	-	15,687.66	124,759.79	39,599.37	4,151.95	81,647.47	70,111.77
III. CWIP - Tangible	-	-	-	-	-	-	2,703.33	16,522.59
IV. CWIP - Intangible	-	-	-	-	-	-	3,762.04	2,214.02

NOTES -

- a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmaceuticals Limited with effect from 1st April 2023. Business Combination requires that acquirer shall record all assets and liabilities acquired under business combinations at Fair Value. Aarti Industries Limited is not a compliant and hence assets and liabilities were valued at Fair Value in the year ended 31st March 2023.
- b. In the year ended 31st March 2023, the Company has applied for working capital limit of Rs. 373 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citibank, N.A., Kotak Mahindra Bank Limited, Companies fixed assets are offered as security - Second part-paya.
- c. Company has not capitalised any borrowing costs to the Fixed Assets.

Capital Work-in-Progress, Aerial

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

	(Rs. in Lakhs)			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3
Capital Work-in-Progress				Total
Projects in progress	3,213.65	4,491.65	0.00	7,705.33
Projects immediately suspended	0.00	0.00	0.00	0.00
Total	3,213.65	4,491.65	0.00	7,705.33
Intangible Assets				Total
Projects in progress	1,518.02	2,214.02	0.00	3,732.04
Projects immediately suspended	0.00	0.00	0.00	0.00
Total	1,518.02	2,214.02	0.00	3,732.04



(Res. in Lit.)

Capital Work-in-Progress	Amount in capital work-in-progress for the period of				Total
	Less than 1 year		2 - 3 years		
	1 - 2 years		More than 3 years		
Projects in progress	10,603.13	4,956.16	663.26	0.00	16,522.55
Projects temporarily suspended	0	0	0	0	0
	10,603.13	4,956.16	663.26	0.00	16,522.55

Intangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year		2 - 3 years		
	1 - 2 years		More than 3 years		
Projects in progress	2,214.02	0.00	0.00	0.00	2,214.02
Projects temporarily suspended	0	0	0	0	0
	2,214.02	0.00	0.00	0.00	2,214.02

(Rs. in lakhs)

Capital Work-In-Progress Accounting

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

(1995, in *Tables*)

1. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmaceuticals Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmaceuticals Limited with effect from 1st of July 2021. Being the Appointed Date, Property, Plant and Equipment transferred to Company are shown as addition during the year on account of scheme of Arrangement.
2. Ind. AS 103 - Business Combination requires that acquirer shall record all assets and liabilities acquired under business combinations at Fair Value. Aarti Industries Limited is find As compliant and hence assets and liabilities were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangement approved by NCLT.
3. Company has applied for working capital limit of Rs 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citibank N.A., Sankat Mahindra Bank Limited. Companies fixed assets are offered as security - Secured participation in liquidation charge on all existing and future movable fixed assets of the Borrower, to be shared with all banks.
4. Company has not capitalised any borrowing costs to the Fixed Assets

Scheme of Arrangement approved by NCLT.

Note 2 - Non Current Financial Assets - Investments

Particulars		Number of Units/Shares (all fully paid up)				(Rs. in Lakhs)		
		Opening Balance	Transfer Pursuant to Scheme	Acquisition	Disposal	Closing Balance	As at 31st Dec, 2022	As at 31st March, 2022
2.1	Investments - (Unquoted) in Equity Shares of Subsidiary Companies							
	Aarti USA Inc.	0	10000000	0	0	10000000	65.76	65.76
	Aarti Pharmachem Limited	0	50000	0	0	50000	25.00	25.00
	Total A						90.76	90.76
2.2	Investments - (Unquoted) in Equity Shares of Joint Control/Associates Companies							
	Ganesh Polychem Limited *	0	3098257			3098257	1260.86	1260.86
	Investments - (Unquoted) in Equity Shares of Other Companies							
	Dilesh Roadlines Private Limited	0	464550	0	0	464550	1123.34	1011.31
	Aarti Ventures Limited	0	451361	0	0	451361	738.75	739.02
	Lazipur Environment Protection Society	0	21251	0	0	21251	61.97	61.97
	Derma Touch Inc.	0	125000	0	0	125000	425.52	425.52
							2349.68	2267.85
	Investments - (Unquoted) in Limited Liability Partnership							
	Aarti Ldyon Limited Liability Partnership	0	N.A.	0	0	N.A.	366.19	367.33
							566.19	367.33
	Total B						4176.53	3996.04
	Total A + B	-	-	-	-	-	4267.29	3986.80

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

Disclosure pursuant to Ind AS 27 - Separate Financial Statements
Investments in the following subsidiary is accounted at cost

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



(Rs. in Lakhs)

3	Other Financial Assets	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Deposits	866.93	820.58	-
	Total	866.93	820.58	-
4	Other Non-Current Assets	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Capital Advance	429.10	-	-
	Total	429.10	-	-
5	Current Assets - Inventories	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Raw Materials and Components (incl of In-transit stock)	15,955.89	18,691.41	-
	Work-in-progress	14,298.56	8,150.40	-
	Finished Goods (incl of In-transit stock)	21,984.09	17,251.57	-
	Stores and spares	295.81	223.12	-
	Fuel	43.81	22.32	-
	Packing Materials	141.72	98.72	-
	Total	52,719.91	44,437.54	-
6	Current Financial Assets - Trade Receivables	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Unsecured and considered good	33,125.96	30,321.97	-
	-Unsecured Doubtful Debts	-	-	-
	-Provision for Doubtful Debts	100.00	100.00	-
	Total	33,225.96	30,421.97	-
*The Company has availed credit facilities from banks which are secured inter-alia by hypothecation of Trade Receivables.				
7	Current Financial Assets - Cash and Cash Equivalents	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Cash on Hand	5.79	4.69	-
	Cash Equivalents investment in highly Liquid Funds	5,046.52	5,630.62	-
	Balances with Banks	26.93	14.68	25.00
	Total	5,079.24	5,649.99	25.00
8	Loans	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	(i) Loan to Related Party (Refer Note No.36)	585.23	477.97	-
	Total	585.23	477.97	-
9	Other Financial Assets	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Balance with Customs, Central Excise, GST and State Authorities	3,959.87	6,887.42	-
	Other Receivable	101.14	112.98	-
	Total	4,061.01	7,000.40	-
10	Other Current Assets	As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
	Prepaid Expenses	491.76	392.99	-
	Others Receivable	660.90	646.58	-
	Total	1,152.66	1,039.57	-



11 SHARE CAPITAL:

Particulars	No. of Shares	As at 31st Dec 2022	No. of Shares	As at 31st March, 2022	No. of Shares	As at 31st March, 2021
Authorised Share Capital						
Equity Shares of Rs 5/- each	10,00,00,000	5,00,00,000				
Equity Shares of Rs 10/- each			5,00,00,000	50,00,000	5,00,00,000	50,00,000
Issued, Subscribed & Paid up						
a. Equity Shares of 5/- each	9,00,26,000	4,50,13,000				
b. Equity Shares of 10/- each Pending Cancellations			2,50,000	25,000	2,50,000	25,000
c. Equity Shares of 5/- each pending Allotment upon Scheme of Arrangement			9,00,74,000	4,50,37,000		-
TOTAL						
	9,00,26,000	4,50,13,000	9,00,74,000	4,50,37,000	2,50,000	25,000

11.1 Pursuant to the Scheme of Arrangement, Aarti Pharmaceuticals Limited has issued to the Equity Shareholders of Aarti Industries Limited -For every 1 equity shares of 10/- in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company.

Pursuant to Scheme of Arrangement Authorised share capital is increased to 100000000 Shares of Rs 5 Each for Issue of Shares to the Shareholders of Demerged Company Aarti Industries limited

11.2 Share Capital Pending Cancellation

Aarti Pharmaceuticals limited is 100% Subsidiary of Aarti Industries limited. As per the order of HCLT, upon scheme becoming effective, original share capital of Rs 25 Lakhs stands automatically cancelled and reinstated to Rs 4234.30 lakhs by payment of applicable stamp duty and compliance of ROC formalities. As at Balance Sheet date 31st March 2022, ROC formalities with respect to increase in authorised share capital, allotment of share capital and cancellation of existing share capital were pending and hence, the share capital of Rs. 25 Lakhs, existing on the balance sheet date is shown as 'Share Capital Pending Cancellation'.

11.3 Reconciliation of number of Equity Shares outstanding:

Particulars	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
	No' Of Shares	No' Of Shares	No' Of Shares
Equity Shares at the beginning of the year	2,50,000	2,50,000	2,50,000
Add: Shares issued during the year Pursuant to the Scheme of Arrangement	9,00,26,000	-	-
Less: Shares Cancelled Pursuant to the Scheme of Arrangement	-2,50,000	-	-
Equity Shares at the end of the year	9,00,26,000	2,50,000	2,50,000

11.4 Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of " 5 each post Scheme of Arrangement is Effective and the holder of the equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.



		(Rs. in Lakhs)		
Particulars		As at 31st Dec, 2022	As at 31st March, 2022	As at 31st March, 2021
12	Other Equity			
	Retained Earnings / Profit & Loss Account			
	As per last Balance Sheet	70,594.76	(2.19)	(1.73)
	Add: Balance transferred on account of scheme of arrangement	-	64,455.64	-
	Less: Toward Issue of Shares capital	-	(4,531.30)	-
	Add: Cancellation of Share Capital on Issuance of Fresh Share Capital as per the Scheme of Profit / Loss for the year	-	-	-
	Profit / Loss for the year	13,173.21	10,672.61	(0.46)
	Dividend Paid	-	-	-
	Share Capital Cancellation Purs	-	-	-
	Remeasurement of defined employee benefit plans (net of tax)	-	-	-
	Closing Balance	63,767.97	70,594.76	(2.19)
	Securities Premium Account			
	As per last Balance Sheet	44,032.54	-	-
	Add: Balance transferred on account of scheme of arrangement	-	44,032.54	-
	Add: During the Years	-	-	-
	Less: During the year	-	-	-
	Closing Balance	44,032.54	44,032.54	-
	Capital Redemption Reserve			
	As per last Balance Sheet	-	-	-
	Add: Share capital Cancelled pursuant to scheme	25.00	-	-
	Add: During the Years	-	-	-
	Less: During the year	-	-	-
	Closing Balance	25.00	-	-
	General Reserve			
	As per last Balance Sheet	8,187.56	-	-
	Add: Balance transferred on account of scheme of arrangement	-	8,187.56	-
	Add: During the Years	-	-	-
	Less: During the year	-	-	-
	Closing Balance	8,187.56	8,187.56	-
	Other Comprehensive Income			
	As per last Balance Sheet	1,056.44	-	-
	Add: Balance transferred on account of scheme of arrangement	-	349.58	-
	Add: Movement in OCI (Net) During the Year	(7.21)	706.86	-
	Closing Balance	1,049.23	1,056.44	-
	Total	137,062.28	123,871.30	(2.19)



(Rs. in Lakhs)			
Particulars	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
13 Non Current Financial Liabilities - Borrowings			
Secured - At Amortised Cost		-	-
Total	-	-	-
14 Other Non Current Financial Liabilities - Borrowings			
Secured - At Amortised Cost		-	-
Lease Liability	151.23	153.23	-
Other	-	-	-
Total	151.23	153.23	-
15 Deferred Tax Liability (Net)			
At the start of the year	5,935.00	-	-
Transferred Pursuant to the Scheme of Arrangement	-	5,485.00	-
Charge/(credit) to the Statement of Profit and Loss	675.00	450.00	-
MTL Credit Entitlement	-	-	-
At the end of the year	6,610.00	5,935.00	-
16 Current Financial Liabilities - Borrowings			
At Amortised Cost			
Secured - Working capital Loan From Banks	17,989.94	-	-
Secured - Working capital Loan to be repaid to Aarti Industries limited under schem of Demerger	11,696.62	32,462.44	-
From Related Parties	-	-	1.73
Total	29,686.56	32,462.44	1.73

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

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

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

16.4 The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

17 Current Liabilities - Trade Payables	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
Due to			
- Micro and Small Enterprises	3,648.84	2,114.38	0.20
- Other Than Micro and Small Enterprises	11,905.52	11,016.92	-
Total	15,554.36	13,131.30	-

18 Other Current Liabilities	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
Lease Liability Current	126.44	124.44	-
Other Current Liabilities	-	NIL	0.20
Total	126.44	124.44	0.20
19 Current Provisions			
Provision for Employee Benefits	1,224.41	1,638.57	-
Other Provisions	230.80	30.59	-
Total	1,455.20	1,669.16	-
20 Current Tax Liabilities (Net)			
Current Tax Liabilities (Net)	121.79	750.00	-
Total	121.79	750.00	-



(Rs. in Lakhs)

21	Revenue from Operations	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
	Local Sales	63,453.98	53,073.46	
	Export Sales	49,594.43	40,390.78	
	Sales of Products (Net of GST)	1,13,050.41	93,466.24	0.00
	Other Operating Revenues (Refer Note No. 20.1)	647.63	635.85	
	Total Revenue	1,13,698.04	94,102.10	0.00
21.1	Other Operating Revenues			
	Export Benefits/Incentives Received	506.35	501.62	
	Scrap Sales	141.28	134.23	
	Other Operating Revenues	NIL	NIL	
	Total	647.63	635.85	0.00
22	Other Income	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
	Dividend Received	123.93	247.86	
	Profit on Sale of Assets/Investment	NIL	3.22	
	Other Income	4.20	0.16	0.00
	Total	128.13	251.24	0.00
23	Cost of Material Consumed	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
	Consumption of Raw Material	60,443.63	48,374.37	
	Consumption of Packing Material	1,427.33	1,234.35	
	Consumption of Fuel	4,106.06	2,629.62	
	Consumption of Stores & Spares	2,956.37	2,780.43	
	Total	68,933.39	55,018.79	0.00
24	Change in Inventory	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
	Inventories (at commencement)			
	Finished Goods	17,251.57	15,429.71	
	Work-in-Progress	8,150.40	6,717.99	
		25,401.97	22,147.70	0.00
	Inventories (at Close)			
	Finished Goods	19,356.23	17,251.57	
	Work-in-Progress	14,298.56	8,150.40	
		33,654.79	25,401.97	0.00
	Increase in Inventory	-8,252.82	-3,254.26	0.00
25	Employee Benefits	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
	Directors' Remuneration	610.37	545.88	
	Salaries and Wages	7,576.38	6,768.13	
	Contribution to Provident and other Funds	576.49	379.29	
	Staff Welfare Expenses	358.37	305.13	
	Total	9,121.61	7,998.43	0.00
26	Interest	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
	Interest	1,405.02	1,133.89	
	Other Borrowing Costs	64.07	0.02	0.00
	Sub Total	1,469.09	1,133.89	
	Less: Amount capitalised in the cost of PPE	0.00	0.00	0.00
	Total	1,469.09	1,133.91	0.00



27	Depreciation	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
	Depreciation of Property, Plant and Equipment (Refer Note No.1)	4,151.95	3,723.30	0.00
	Total Depreciation and Amortisation Expenses	4,151.95	3,723.30	0.00
28	Other Expense	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
	Manufacturing Expenses			
	Freight, Cartage & Transport	1,398.45	1,543.43	
	Power consumption	5,270.48	4,165.01	
	Water Charges	259.02	178.42	
	Processing Charges	580.86	604.20	
	Other Manufacturing Expenses	4,225.90	3,590.22	
	Repairs & Maintenance	2,343.25	1,992.78	
	Insurance Charges	660.73	619.89	
	Research & Development Expenses	942.77	716.36	
	Factory Administrative Expenses	1,002.77	757.24	
	Sub-Total (A)	16,684.23	14,167.55	0.00
	Office Administrative Expenses			
	Rent, Rates and Taxes	75.71	15.91	
	Travelling and Conveyance	94.89	42.15	
	Auditor's Remuneration	10.25	0.42	0.42
	Legal & Professional Charges	67.10	8.87	
	Postage, Telegraph & Telephone	0.49	0.21	
	Printing & Stationery Expenses	8.55	2.74	0.00
	ROC & Other Filing Fees	0.72	0.00	
	Directors Sitting Fees	2.60	0.00	
	Loss by Fire	0.00	0.00	
	Other Administrative Expenses	226.81	4.36	0.04
	Sub-Total (B)	487.12	74.66	0.46
	Selling and Distribution Expenses			
	Advertisement & Sales Promotion	415.22	31.47	
	Export Freight Expenses, Outward Freights	1,552.19	1,519.39	
	Commission on Sales	453.23	470.03	
	Export Insurance Charges	0.00	3.63	
	Sample Testing & Analysis Charges	38.40	42.99	
	Other Selling Expenses	36.08	4.23	
	Sub-Total (C)	2,495.12	2,071.74	0.00
	Non-Operating Expenses			
	Donations and CSR Expenses	105.72	1.00	
	Sub-Total (D)	105.72	1.00	
	Total (A+B+C+D)	19,772.19	16,314.98	0.46



		(Rs. in Lakhs)		
Particulars		As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
29	Earning Per Share (EPS)			
	Face Value Per Equity Share (in Rs.)	5.00	5.00	10.00
	Basic Earnings Per Share (in Rs.)	14.54	11.78	(0.18)
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	13,173.21	10,672.61	(0.46)
	Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Nos)	90,626,007.75	90,626,007.75	250,000.00
	Diluted Earnings Per Share (in Rs.)	14.54	11.78	(0.18)
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	13,173.21	10,672.61	(0.46)
	Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Nos)	90,626,007.75	90,626,007.75	250,000.00

29.1

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

30	Payment to Auditors	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
a.	Statutory Audit Fees	9.00	0.32	0.32
b.	Certification Fees	1.25	0.10	0.10
c.	Reimbursement of Expenses	-	-	-
	Total	10.25	0.42	0.42
31	Contingent Liabilities and Commitments	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
(i)	Contingent Liabilities			
	(a) Claims against the company not acknowledged as Debt - Unpaid	-	-	-
	(b) Claims against the company not acknowledged as Debt - Paid (under dispute)	-	-	-
	(c) Letter of Credit, Bank Guarantees	-	-	-
(ii)	Commitments			
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	39,747.76	37,000.00	0.40
	Total	39,747.76	37,000.00	0.40

32 Segment Information

There is only one operating segment of the company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.





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

To Board of Directors of Aarti Pharmalabs Limited

Report on the audit of the Consolidated Financial Results

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements/ financial information of subsidiaries (refer other matter paras), the Statement:

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



Basis for Opinion

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

Management's Responsibilities for the Consolidated Financial Results.

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

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulatory requirements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.



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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



Materiality is the magnitude of misstatements in the interim consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim consolidated financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the interim consolidated financial results.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

I. Comparative Audited Consolidated Financial Results

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

Our opinion is not modified in respect of above matter.

II. Effect of Scheme of Arrangement

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



investment in joint controlled entity namely, Ganesh Polychem Limited was transferred to the Holding Company. Further investment of Demerged Company in Aarti Pharmalabs Limited (earlier known as Aarti Organics Limited) is cancelled and as a result no longer remains subsidiary of the demerged company.

- b) Pending receipt of the NCLT Order approving scheme of arrangement, consolidated financial statements of the demerged company (before giving effect to scheme of arrangement) for the year ended 31 March 2022 were approved by the Board of Directors of demerged company in their meeting held on 27 May 2022 and audited by erstwhile statutory auditors (refer para I above). Subsequently, the same were approved by their shareholders in the general meeting held on 26 September 2022.
- c) We, Gokhale & Sathe, Chartered Accountants (FRN: 103264W) were appointed as statutory auditors of the Company to fill casual vacancy caused due to resignation of Jatin Vora & Associates, Chartered Accountants, through resolution passed by shareholders of the Company through postal ballot on 10 January 2023.
- d) The management of the Company approached us to perform agreed upon procedures on consolidated financial results prepared to give effect to scheme of arrangement. Accordingly, we have performed agreed upon procedures as per Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India and we report that as follows.
- consolidated financial results prepared by the management of the Holding Company (comprising of pharma business undertaking along with investment in subsidiaries and joint controlled entity received as part of scheme of arrangement) for period 1 July 2021 to year ended 31 March 2022 is as per accounting treatment and information mentioned in the scheme.
 - It is drawn from consolidated financial statements prepared and audited by erstwhile statutory auditors of Demerged Company as mentioned in I above.
 - It is extracted from the books of accounts maintained by the Demerged Company having records/information maintained for pharma business undertaking and speciality chemical business.





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

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

Our opinion is not modified in respect of above matters.

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

Tejas Parikh
Partner

Membership No.: 123215

UDIN: - 23123215BGQKZS5643

Date: 17 January 2023

Place: Mumbai



AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
Consolidated Balance Sheet as at 31st December, 2022

		(Rs. in Lakhs)			
	Particulars	Note No.	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
A	ASSETS				
1	Non-Current Assets				
	(a) Property, Plant and Equipment	1	89,275.80	79,008.80	-
	(b) Capital Work-in-Progress	1	7,702.33	16,522.59	-
	(c) Goodwill	1	178.06	178.06	-
	(d) Intangible Assets	1	19.18	22.52	-
	(e) Intangible Assets Under Developments	1	3,762.04	2,214.02	-
	(f) Financial Assets		0.00	0.00	-
	(i) Investments	2	3,556.83	3,222.55	-
	(ii) Other Financial Assets	3	905.05	858.42	-
	(g) Other Non-Current Assets	4	429.10	148.27	-
	Total Non-Current Assets		1,05,828.39	1,01,175.23	-
2	Current Assets				
	(a) Inventories	5	59,129.46	47,545.37	-
	(b) Financial Assets				
	(i) Investments		2,130.07		-
	(ii) Trade Receivables	6	42,896.49	37,665.71	-
	(iii) Cash and Cash Equivalents	7	8,218.05	8,327.34	25.00
	(iv) Loans	8	741.79	613.81	-
	(v) Other Financial Assets	9	4,459.41	7,701.89	-
	(c) Other Current Assets	10	1,089.50	960.77	-
	Total Current Assets		1,18,664.77	1,02,814.89	25.00
	TOTAL ASSETS		2,24,493.15	2,03,990.12	25.00
B	EQUITY AND LIABILITIES				
1	EQUITY				
	(a) Equity Share Capital	11	4,531.30	25.00	25.00
	(b) Equity Share Capital pending allotment upon scheme of arrangement	11	-	4,531.30	-
	(c) Other Equity	12	1,49,300.05	1,31,091.63	-2.19
	Total Equity		1,53,831.35	1,38,647.95	22.81
2	LIABILITIES				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	13	38.88	35.45	-
	Other Non-Current Financial Liability	14	151.23	153.23	-
	Provisions		261.43		-
	(b) Deferred Tax Liabilities (Net)	15	7,710.22	7,066.99	-
	Total Non-Current Liabilities		8,161.76	7,275.67	-
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	16	29,686.56	33,772.75	1.73
	(ii) Trade Payables Due to				
	- Micro and Small Enterprises	17	3,848.84	2,114.38	0.26
	- Other Than Micro and Small Enterprises	17	27,133.75	19,344.39	-
	(iii) Others				
	(b) Other Current Liabilities	18	151.92	189.42	0.20
	(c) Provisions	19	1,737.18	1,895.55	-
	(d) Current Tax Liabilities (Net)	20	121.79	750.00	-
	Total Current Liabilities		62,700.04	58,066.49	2.19
	Total Liabilities		70,861.80	65,342.16	2.19
	TOTAL EQUITY AND LIABILITIES		2,24,493.15	2,03,990.12	25.00

Significant Accounting Policies

Accompanying Notes to the Financial Statements

1-32

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

As per our report of even date

For Gokhale and Sathe

Chartered Accountants

FRN No. : 103264W

Tejas Parikh

Partner

Membership No. : 123215

UDIN : 23123215BGQKZ55643

Place: Mumbai

Date: 17th January, 2023



For Aarti Pharmalabs Limited

Hetal Gogri Gada

Vice Chairperson & Managing Director

DIN: 00005499

Piyush Lalwani

Chief Financial Officer

Narendra Salvi

Managing Director

DIN: 00299202

Nikhil Natu

Company Secretary

ICSI M.No : A27738

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)

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

(Rs. in Lakhs Except EPS)

Particulars	Note No.	For the Nine Ended 31st Dec 2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
I Revenue from Operations	21	146,017.09	119,994.31	-
II Other Income	22	157.33	251.33	-
III Total Income (I+II)		146,174.42	120,245.63	-
IV EXPENSES				
(a) Cost of Materials Consumed	23	78,731.02	61,124.15	-
(b) Purchase of Stock In trade		20,613.99	16,291.50	-
(c) Changes in inventories of finished goods, Stock-in-Trade	24	(11,869.43)	(4,904.87)	-
(d) Employee Benefits Expense	25	9,646.31	8,520.30	-
(e) Finance Costs	26	1,511.25	1,195.88	-
(f) Depreciation / Amortisation Expenses	27	4,659.16	4,211.86	-
(g) Other Expenses	28	22,688.79	18,268.62	0.46
Total Expenses (IV)		125,981.09	104,707.44	0.46
V Profit before Exceptional Items and Tax (III-IV)		20,193.33	15,538.19	(0.46)
VI Exceptional Items		-	-	-
V Profit before Tax (III-IV)		20,193.33	15,538.19	(0.46)
VI TAX EXPENSE				
Current Tax		4,175.50	2,732.50	-
Earlier Year Tax		312.86	-	-
MAT Credit Entitlement		-	112.50	-
Deferred Tax		643.23	467.93	-
Total Tax Expenses		5,131.59	3,312.93	-
VII Profit for the year (V-VI)		15,061.74	12,225.26	(0.46)
VIII OTHER COMPREHENSIVE INCOME				
a. Items that will not be reclassified to Statement of Profit and Loss				
- Fair Value Change of Equity Instruments through Other		159.58	706.86	(0.00)
- Remeasurement of defined employee benefit plans (net of tax)		-	-	-
b. Items that will be reclassified to Statement of Profit and Loss		-	-	-
Other Comprehensive Income (Net of Tax)		159.58	706.86	(0.00)
IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF		15,221.32	12,932.12	(0.46)
X Earnings Per Equity Share of Face Value of Rs 10 Each (EPS) (in	29			
Basic		16.62	13.49	(0.18)
Diluted		16.62	13.49	(0.18)
Significant Accounting Policies				
Accompanying Notes to the Financial Statements	1-32			

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

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



Tejas Parikh
Partner
Membership No. : 123215
UDIN : 231232158GQKZ55643
Place: Mumbai
Date: 17th January, 2023



Aarti PharmaLabs Limited


Hetal Gogri Gala
Vice Chairperson &
Managing Director
DIN: 00005499


Piyush Lakhani
Chief Financial Officer


Narendra Salvi

Managing Director
DIN: 00299202


Nikhil Natu
Company Secretary
ICSI M.No : A27738

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)

Consolidated Cash Flow Statement for the Period Ended 31st December, 2022, Year ended 31st March, 2022 & 31st March 2021

(Rs. in Lakhs)

Sr. No.	Particulars	For the Period Ended 31st Dec, 2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before Tax	20,103.33	15,530.19	-0.16
	Adjusted for:			
	- Finance Costs	1,511.25	1,195.88	-
	- Depreciation / Amortisation	4,659.16	4,211.86	-
	Consolidated Adjustments	0.00	85.72	-
	- Dividend Income	-128.13	-247.86	-
	- Interest Income	-29.20	-0.76	-
	- Profit on sales	0.00	-4.01	-
	Operating Profit before Working Capital Changes	26,206.41	20,779.02	-0.46
	Adjusted for:			
	- (Increase)/Decrease in Trade and Other Receivables	-2,009.89	-10,230.92	0.16
	- (Increase)/Decrease in Inventories	-11,538.08	-5,590.50	-
	- Increase/(Decrease) in Trade Payables and Other Current Liabilities	7,759.87	-7,186.20	-
	Cash Generated from Operations	20,417.51	-2,257.30	-
	Taxes Paid (Net)	-1,456.73	-2,112.93	-
	Net Cash Flow from Operating Activities	15,960.78	-4,370.23	-
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Acquisition of Property, Plant and Equipment and Capital Work In Progress	-8,650.58	-15,115.20	-
	Other Investments	-2,330.67	-11.72	-
	Dividend Income	128.13	247.86	-
	Interest Income	29.20	0.76	-
	Proceeds from Sale of Investments	500.00	4.01	-
	Net Cash Flow used in Investing Activities	-10,423.92	-15,073.89	-
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds/(Repayment) from Current Borrowing (Net)	-1,111.56	27,214.22	-
	Finance Costs	-1,511.25	-1,195.88	-
	Dividends Paid	-123.93	0.00	-
	Net Cash Flow from/(used in) Financing Activities	-5,746.74	26,018.34	-
	Net Increase/(Decrease) in Cash and Cash Equivalents	-109.28	7,594.22	-
	Opening Balance of Cash and Cash Equivalents	8,327.34	533.11	25.00
	Closing Balance of Cash and Cash Equivalents	8,218.06	8,327.34	25.00

Notes:

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

Particulars	For the Period Ended 31st Dec, 2022	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
a. Cash on Hand	8,218.05	8,327.34	25.00
b. Balances with Banks	0.00	0.00	0.00
Total	8,218.05	8,327.34	25.00

As per our report of even date

For Gokhale and Sathe
Chartered Accountants
FRN No. : 103264W

For and on behalf of the Board
For Aarti Pharmed Labs Limited

Tejas Parikh
Partner
Membership No. : 123215
UDIN : 231232158GQKZ55643
Place: Mumbai
Date: 17th January, 2023



Hetal Gogri Gole
Vice Chairperson &
Managing Director
DIN: 00005499

Piyush Lakhan
Chief Financial Officer

Narendra Salvi
Managing Director
DIN: 00299202

Nikhil Natu
Company Secretary
ICSI M.No : A27738

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

A. Equity Share Capital

	(Rs. in Lakhs)
As at 31st March, 2020	25.00
Changes in equity share capital during the year 2020-21	-
As at 31st March, 2021	25.00
Changes in equity share capital during the year 2021-22	-
As at 31st March, 2022	25.00
Share capital cancelled pursuant to scheme of Demerger	-25.00
Issue of Shares Pursuant to Scheme of Demerger	4,531.30
As at 31st December, 2022	4,531.30

B. Other Equity

Particulars	Retained Earnings	General Reserve	Securities premium	Capital Reserve	Capital Redemption Reserve	Other Comprehensive Income	Total
Balance as at 31st Mar, 2020	-1.73	-	-	-	-	-	-1.73
Profit for the year	-0.46	-	-	-	-	-	-0.46
Balance as at 31st Mar, 2021	-2.19	-	-	-	-	-	-2.19
Transferred On Account of Scheme of Arrangement	-	-	-	-	-	-	-
Share Issue	-4,531.30	-	-	-	-	-	-4,531.30
Transferred On Account of Scheme of Arrangement	61,435.64	8,335.04	44,033	8,943.81	-	3,89.58	1,26,116.61
Total Comprehensive Income for the year	-	-	-	-	-	700.86	700.86
Profit for the year	12,225.26	-	-	-	-	-	12,225.26
Dividend Paid	247.86	-	-	-	-	-	247.86
Foreign Exchange Difference on Translation	28.27	-	-	-	-	-	28.27
Transferred to Reserves	147.48	-	-	-	-	-	147.48
Reassessment of defined employee benefit plans (net of tax)	-	-	-	-	-	-	-
Balance as at 31st Mar, 2022	71,725.80	8,335.04	44,032.54	8,943.81	-	1,036.44	1,34,091.65
Transferred On Account of Scheme of Arrangement	-	-	-	-	-	-	-
Share capital Cancellation on account of Scheme of Arrangement	-	-	-	-	25.00	-	25.00
Transfer to General reserve	-459.86	159.86	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-
Profit for the year	15,061.74	-	-	-	-	-	15,061.74
Dividend Paid	-123.93	-	-	-	-	-	-123.93
Foreign Exchange Difference on Translation	86.01	-	-	-	-	429.58	245.59
Balance as at 31st Dec 2022	86,587.76	8,494.90	44,032.54	8,943.81	25.00	1,216.02	1,39,300.05

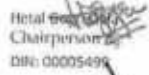

The accompanying notes are an integral part of the Ind AS financial statements.

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


Tejas Parikh
Partner
Membership No. : 123215
UDIN : 23123215BQQKZ5643
Place: Mumbai
Date: 17th January, 2023



For and on behalf of the Board
For Aarti Pharmslabs Limited


Hetal Bhatnagar
Chairperson
Dir: 00005499

Piyush
Chief Financial Officer


Narenda Sive
Managing Director
Dir: 00799202

Anil Kumar
Company Secretary
ICSI M.No : A27738

AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
Corporate Information and Significant Accounting Policies:

A. Corporate Information

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

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

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

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

B. Significant Accounting Policies

B.0 The Consolidated Financial Statements comprise financial statements of Aarti Pharamlabs Limited ("The Holding Company"), subsidiaries and joint control entity. The principal activities of the Group consist of manufacturing and dealing in Pharmaceuticals, Nutraceuticals & chemicals. In preparing Consolidated Financial Statements, financial statements of below entities are considered,

(i) Background:

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

(ii) Basis of Preparation and Presentation:

Significant Accounting policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosures and a guide to better understanding of the

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules 2015 and amended by the Companies (Indian Accounting Standards) (Amendment) Rules 2018.

(iv) Principles of Consolidation :

- The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements & Indian Accounting Standard (Ind AS) 28 -Accounting for Investments in Associates in Consolidated Financial Statements and Indian Accounting Standard (Ind AS) 111 - Joint Arrangements.
- The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company, Subsidiary Companies and Joint Control Entity drawn up to the same reporting date i.e. 31st Dec 2022.
- In case of Foreign Subsidiary revenue items are consolidated at the average rate prevailing during the period. All Assets (except Fixed Assets) and liabilities are converted at the rates prevailing at the end of the year. In case of Fixed Assets the same is consolidated at the rate applicable in the year of acquisition of the said assets. Any exchange difference arising on consolidation is recognised as Translation difference in Reserves & Surplus.
- The consolidation of financial statements of the Parent Company and its Subsidiaries is done on line by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances intra-group transactions and unrealized profit or loss except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.
- Both the subsidiary consolidated are 100% subsidiary & there is no Non Controlling Interest as at balance sheet date.
- As far as possible the consolidated financial statements have been prepared using uniform Accounting Policies for like transactions and other events in similar circumstances. Differences in Accounting Policies if any will be disclosed separately.
- Investments in Associates are accounted for using equity method in accordance with Indian Accounting Standard (Ind AS) 28 "Accounting for Investment in Associates in Consolidated Financial Statements" under which the investment is initially recorded at cost identifying any goodwill or capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses are recovered.
- Investments in joint operations are accounted using the Proportionate Consolidation Method as per Indian Accounting Standard (Ind AS) 111 "Joint Arrangements".

B.1 Basis of Preparation and Presentation

The financial statements of the Company have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- Certain financial assets and liabilities that are measured at fair value; and
- Defined benefit plans - Plan assets measured at fair value.

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

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

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



B.2 Critical Accounting Estimates.

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

(a) Useful Lives of Property, Plant and

Property, plant and equipment represents a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(b) Defined Benefit Plans (Gratuity)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Provisions and Contingent Liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

(d) Provision for Income Tax and Deferred

The Company uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

B.3 Summary of Significant Accounting

(a) Current and Non-Current Classification

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

An asset is treated as Current when it is -

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is considered as Current, when -

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

(b) Property, Plant and Equipment (PPE)

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

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

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

(c) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of intangible assets.

(d) Valuation of Inventories

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

Inventories have been valued on the following basis:

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



(e) Cash and Cash Equivalents

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

(f) Revenue Recognition

- (i) Revenue from Sale of Goods to customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Sale of Scrap and obsolete stores is accounted for at the time of disposal.
- (ii) Export entitlements are recognized on realization.
- (iii) Revenue in respect of interest is recognized on the time proportion method.
- (iv) Industrial Promotion Incentive granted by State Government is recognised when claim in respect of Entitlement is made & admitted after close of yearly Sales Tax Assessment.
- (v) Dividend Income is recognised when the Company's right to receive the amount has been established.

(g) Government Grants

- (i) Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.
- (ii) Government grants are recognised in Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Profit and Loss on a systematic and rational basis over the useful lives of the related assets.
- (iii) In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(h) Depreciation/Amortisation

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

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

(i) Impairment of Assets

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

(j) Foreign Currency Transactions

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

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

(k) Operating Leases**As a lessee:**

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

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

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

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

As a lessor:

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



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

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

(j) Finance Costs

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

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

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

(m) Provisions, Contingent Liabilities and

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

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

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

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

(n) Employee Benefits

Short-term Benefits

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

Post-retirement Benefits

Defined Contribution Plans

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

Defined Benefit Plans

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

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

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

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

(o) Taxes on Income

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity, in which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

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

Deferred Tax

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

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



AARTI PHARMALABS LIMITED (Formerly Known as Aarti Organics Limited)
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
Note 3 - Property, Plant and Equipment (FY 2022- 23)

GROSS BLOCK						DEPRECIATION			NET BLOCK		
Particulars	Balance as at 1st April, 2022	Addition on Account of Scheme of Arrangement	Additions/ Adjustments	Deductions/ Adjustments	Balance as at 31st Dec 2022	Balance as at 1st April, 2022	Addition on Account of Scheme of Arrangement	Depreciation charge for the year	Deductions/ Adjustments	Balance as at 31st Dec 2022	Balance as at 31st March, 2022
I Property, Plant and Equipment											
I Tangible Assets											
Freehold Land	3,638.72	-	-	-	3,638.72	-	-	-	-	3,638.72	3,638.72
Leasehold Land	2,636.80	-	-	-	2,636.80	236.48	-	21.78	-	260.74	2,410.61
Buildings	12,024.92	-	3,539.88	-	15,564.80	3,977.06	-	622.34	-	4,599.40	8,047.85
Buildings	368.05	-	-	-	368.05	432.75	-	-	-	432.75	135.30
Plant and Machinery	97,310.81	-	12,385.84	-	1,09,696.64	34,631.36	-	3,662.66	-	38,494.24	62,679.23
Furniture and Fixtures	697.29	-	0.61	-	698.62	316.08	-	38.67	-	355.05	361.71
Office Equipments	214.53	-	6.69	-	221.25	130.59	-	17.42	-	148.02	83.96
Computers, Printers	559.19	-	41.65	-	600.84	484.49	-	42.20	-	527.15	74.24
Vehicles	625.71	-	40.94	-	675.65	298.73	-	50.28	-	549.01	326.48
Total	1,10,519.54	-	15,922.83	-	1,26,442.37	40,510.74	-	4,655.83	-	45,166.56	76,668.80
II Intangible Assets											
Goodwill on Consolidation	178.06	-	-	-	178.06	-	-	-	-	178.06	178.06
IT software & Other Intangible Assets	3,602.32	-	-	-	3,602.32	3,779.81	-	3.53	-	3,783.14	22.52
Total	3,980.38	-	-	-	3,980.38	3,779.81	-	3.53	-	3,783.14	200.57
III Gross Total	1,22,499.92	-	15,922.83	-	1,38,422.79	44,290.54	-	4,659.36	-	48,949.70	78,209.38
III CWP - Tangible Assets	144.13	-	-	-	-	-	-	-	-	-	16,522.56
IV CWP - Intangible Assets	33.93	-	-	-	-	-	-	-	-	-	2,214.02

NOTES:-

- Pursuant to the Scheme of Arrangement between Aarti Industries Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmalabs Limited with effect from 1st of July, 2021, being the Appointed Date. Property, Plant and Equipment transferred to Company are shown in addition during the year on account of scheme of Arrangement.
- Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities acquired under business combinations at Fair Value. Aarti Industries Limited is Ind AS compliant and hence assets and liabilities were divided at Fair Value in the books of Demerged Company at the time of Demerge. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangement approved by NCLT.
- Company has applied for working capital limit of Rs.25 crore with State Bank of India, Aarti Bank, Limited, Standard Chartered Bank, Cit Bank N.A., Kotak Mahindra Bank, Limited. Companies fixed assets are offered as security. Second pari-passu hypothecation charge on all existing and future movable fixed assets of the Borrower, to be shared with all Banks.
- Company has not capitalised any Borrowing costs to the Fixed Assets.

Capital Work-in-Progress Aging

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

Capital Work-in-Progress	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	3,210.65	4,491.66	0.00	0.00	7,702.33
Projects temporarily suspended	0	0	0	0	0
	3,210.65	4,491.66	0.00	0.00	7,702.33
Intangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1,548.02	2,214.02	0.00	0.00	3,762.04
Projects temporarily suspended	0	0	0	0	0
	1,548.02	2,214.02	0.00	0.00	3,762.04



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

		GROSS BLOCK				DEPRECIATION			NET BLOCK	
Particulars	Balance as at 1st April, 2021	Addition on Account of Scheme of Arrangement	Additional Adjustments	Deduction/ Adjustments	Balance as at 31st March, 2022	Addition on Account of Scheme of Arrangement	Depreciation charge for the year	Deduction/ Adjustments	Balance as at 31st March, 2022	Balance as at 31st March, 2021
I Property, Plant and Equipment										
I Tangible Assets										
Freehold Land	-	3,838.72	-	-	3,838.72	-	-	-	-	-
Leasehold Land	-	2,356.64	283.16	-	2,639.80	208.36	30.42	-	2,838.16	-
Buildings	-	10,545.82	1,479.30	-	12,025.12	3,541.06	436.00	-	15,977.18	-
Buildings	-	440.68	147.17	-	587.85	320.36	112.39	-	475.46	-
Plant and Machinery	-	88,296.40	9,014.31	-	97,310.71	30,863.63	3,767.95	-	66,546.76	-
Furniture and Fixtures	-	692.23	3.57	-	695.80	273.99	42.09	-	321.71	-
Office Equipments	-	189.46	25.10	-	214.56	114.29	16.30	-	198.26	-
Computers, Printers	-	533.76	25.43	-	559.19	411.72	75.24	-	483.95	-
Vehicles	-	308.30	169.86	-	478.16	329.01	33.05	-	149.10	-
Total	-	1,07,422.30	11,140.69	52.45	1,18,615.54	36,042.62	4,511.44	43.33	82,561.50	-
II Intangible Assets										
Goodwill on Consolidation	-	178.06	-	-	178.06	-	-	-	-	-
IT software & Other Intangible Assets	-	3,763.76	18.56	-	3,782.32	3,773.44	6.40	-	3,775.92	-
Total	-	3,941.82	18.56	-	3,960.38	3,773.44	6.40	-	3,776.96	-
III Gross Total	-	1,11,364.12	11,159.25	52.45	1,22,575.92	39,816.06	4,517.84	43.33	86,258.86	-
III CWIP - Tangible Assets	-	-	-	-	-	-	-	-	-	-
IV CWIP - Intangible Assets	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

NOTES -

- a. Pursuant to the Scheme of Arrangement between Aarti Industries Limited, Aarti Pharmaceuticals Limited and their shareholders, the demerged Pharma Undertaking of Aarti Industries Limited is being transferred to Aarti Pharmaceuticals Limited with effect from 1st of July 2021, being the Appointed Date. Property, Plant and Equipment transferred in Company are shown as addition during the year on account of Scheme of Arrangement.
- b. Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities acquired under business combinations at Fair Value. Aarti Industries Limited is Ind AS compliant and hence assets and liabilities were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of Arrangement approved by NCLT.
- c. Company has applied for working Capital limit of Rs. 375 crore with State Bank of India, Axis Bank Limited, Standard Chartered Bank, Citibank N.A., Kotak Mahindra Bank Limited. Companies fixed assets are offered as security - Second pari-passu hypothecation charge on all existing and future movable fixed assets of the borrower, to be shared with all banks.
- d. Company has not capitalised any borrowing costs to the Fixed Assets.

Capital Work-in-Progress Ageing

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

Capital Work-in-Progress	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	10,903.13	4,956.18	663.26	0.00	16,522.57
Projects temporarily suspended	0	0	0	0	0
Total	10,903.13	4,956.18	663.26	0.00	16,522.57
Intangible Assets	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	2,214.02	0.00	0.00	0.00	2,214.02
Projects temporarily suspended	0	0	0	0	0
Total	2,214.02	0.00	0.00	0.00	2,214.02



Particulars		Number of Units/Shares (all fully paid up)					(Rs. in Lakhs)		
		Opening Balance	Transfer Pursuant to Scheme	Acquisition	Disposal	Closing Balance	As at 31st Dec, 2022	As at 31st March, 2023	As at 31st March, 2023
	Investments - (Unquoted) in Equity Shares of Other Companies								
	Dulsh Roadmap Private Limited	0	46430	0	0	46430	1123.34	1041.34	0.00
	Aarti Ventures Limited	0	434364	0	0	434364	738.75	730.02	0.00
	Tatapar Environment Protection Society	0	21791	0	0	21791	61.97	61.97	0.00
	Derma Touch Inc.	0	N.A.	0	0	N.A.	942.58	899.21	0.00
	Imvatch Pharma Solutions LLC		N.A.			N.A.	124.10	113.69	0.00
	Investments - (Unquoted) in Limited Liability Partnership								
	Aarti Udyog Limited Liability Partnership		N.A.			N.A.	566.16	367.33	0.00
	Total	-	-		-	-	3,506.83	3,222.55	-

- * All investments are transferred pursuant to the Scheme of Arrangement approved by NCLT in Aarti Pharmaceuticals Limited. Pending transfer formalities, all investments are in the name of Aarti Industries limited as at 31st December, 2022. The same will be transferred in the name of the Company on due course.

Investments in the following subsidiary is accounted at cost

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



(Rs. in Lakhs)

3	Other Financial Assets	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	Deposits	905.05	858.42	0.00
	Total	905.05	858.42	0.00
4	Other Non-Current Assets	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	Income Tax Assets (Net of Provisions)	0.00	37.44	0.00
	Capital Advance	429.10	110.82	0.00
	Total	429.10	148.26	0.00
5	Current Assets - Inventories	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	Raw Materials and Components (incl of In-transit stock)	18,856.17	19,067.03	0.00
	Work-in-progress	14,960.53	9,006.48	0.00
	Finished Goods (incl of In-transit stock)	24,757.31	19,021.78	0.00
	Stores and spares	307.75	230.63	0.00
	Fuel	86.40	104.61	0.00
	Packing Materials	161.30	114.84	0.00
	Total	59129	47,545.37	0.00
6	Current Financial Assets - Trade Receivables	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	Unsecured and considered good	42,796.49	37,565.71	0.00
	-Unsecured Doubtful Debts	0.00	0.00	0.00
	-Provision for Doubtful Debts	100.00	100.00	0.00
	Total	42,896.49	37,665.71	0.00
7	Current Financial Assets - Cash and Cash Equivalents	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	Cash on Hand	7.87	5.72	0.00
	Cash Equivalents investment in highly Liquid Funds	5,046.52	5,630.62	0.00
	Balances with Banks	3,163.66	2,691.00	25.00
	Total	8,218.05	8,327.34	25.00
8	Loans	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	(i) Loan to Related Party	585.23	477.97	0.00
	(ii) Loan to Employees	125.62	135.84	0.00
	(iii) Advance to Supplier	30.95	0.00	0.00
	Total	741.80	613.81	0.00
9	Current Other Financial Assets	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	Balance with Customs, Central Excise, GST and State Authorities	4358.26	7588.91	0.00
	Other Receivable	101.14	112.98	0.00
	Other	0.00	0.00	0.00
	Total	4459.40	7701.89	0.00
10	Other Current Assets	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	Prepaid Expenses	513.23	419.55	0.00
	Others Receivable	576.26	541.22	0.00
	Total	1,089.49	960.77	0.00



11. SHARE CAPITAL:

Particulars	No. of Shares	As at 31st Dec 2022	No. of Shares	As at 31st March, 2022	(Rs. in Lakhs)	
					No. of Shares	As at 31st March, 2021
Authorized Share Capital						
Equity Shares of Rs 10/- each			3,00,000	30.00	3,00,000	30.00
Equity Shares of Rs 5/- each		10,00,00,000	5,00,00,000			
Issued, Subscribed & Paid up						
a. Equity Shares of Rs 5/- each		9,08,25,000	4,54,12,500		2,50,000	25.00
b. Equity Shares of Rs 10/- each Pending Cancellation		-	2,50,000	25.00		
c. Equity Shares of Rs 5/- each pending Allotment upon Scheme of Arrangement		-	9,08,25,000	4,54,12,500		0
TOTAL		9,08,25,000	4,54,12,500	9,08,25,000	8,08,25,000	25.00

- The Honourable High Court of Ahmedabad has approved the scheme of Arrangement on 21st September, 2022. Pending allotment of share as at Balance sheet Date, Share capital of Rs 4531.30 lakhs as approved Under Scheme of Arrangement is shown as Share capital pending for Allotment. Pursuant to the Scheme of Arrangement, Aarti Pharmaceuticals Limited has issued to the Equity Shareholders of Aarti Industries Limited - For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company

- Pursuant to Scheme of Arrangement Authorized share capital is increased to 100000000 Shares of Rs 5 Each for issue of Shares to the Shareholders of Demerged Company Aarti Industries Limited

11 (b) Share Capital Pending Cancellation

Aarti Pharmaceuticals limited was 100% Subsidiary of Aarti Industries limited. As per the order of NCLT, upon scheme becoming effective, original share capital of Rs 25 Lakhs stands automatically cancelled and reinstated to Rs 4531.30 lakhs by payment of applicable stamp duty and compliance of ROC formalities. As at Balance Sheet date 31st March 2022, ROC formalities with respect to increase in authorized share capital, allotment of share capital and cancellation of existing share capital were pending and hence, the share capital of Rs. 25 Lakhs, existing on the balance sheet date is shown as 'Share Capital Pending Cancellation'.

11.1 Reconciliation of number of Equity Shares outstanding:

Particulars		As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
		No' Of Shares	No' Of Shares	No' Of Shares
Equity Shares at the beginning of the year		2,50,000	2,50,000	2,50,000
Add: Shares issued during the year Pursuant to the Scheme of Arrangement		9,08,25,000		
Less: Shares Cancelled Pursuant to the Scheme of Arrangement		2,50,000		
Equity Shares at the end of the year		9,08,25,000	2,50,000	2,50,000

11.2 Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 5 each post Scheme of Arrangement is Effective and the holder of the equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.



(Rs. in Lakhs)

	Particulars	As at 31st Dec, 2022	As at 31st Mar, 2022	As at 31st Mar, 2021
12	Other Equity			
	Retained Earnings / Profit & Loss Account			
	As per last Balance Sheet	71723.83	-2.33	-1.73
	Add: Balance transferred on account of scheme of arrangement	0.00	64455.78	0.00
	Add: Cancellation of Share Capital on Issuance of Fresh Share Capital as per		0.00	0.00
	Profit / Loss for the year	15061.74	12225.29	-0.46
	Dividend Payout / Received	123.93	247.86	0.00
	Foreign Exchange Difference on Translation	-86.01	28.27	0.00
	Issue of Shares capital pursuant to scheme of Demerger	0.00	4531.30	0.00
	Transferred to Reserves	159.86	147.48	0.00
	Closing Balance	86587.79	71723.83	-2.19
	Securities Premium Account			
	As per last Balance Sheet	44032.54	0.00	0.00
	Add: Balance transferred on account of scheme of arrangement		0.00	0.00
	Add: During the Years	0.00	44032.54	0.00
	Less: During the year		0.00	0.00
	Closing Balance	44032.54	44032.54	0.00
	Capital Reserves	8943.81	0.00	0.00
	Opening Balance			
	Addition:			
	Deduction:			
	Closing Balance	8943.81	8943.81	0.00
	Capital Redemption Reserve			
	As per last Balance Sheet		0.00	0.00
	Add: Share capital Cancelled pursuant to scheme	25.00	0.00	0.00
	Add: During the Years		0.00	0.00
	Less: During the year	0.00	0.00	0.00
	Closing Balance	25.00	0.00	0.00
	General Reserve			
	As per last Balance Sheet	8335.04	0.00	0.00
	Add: Balance transferred on account of scheme of arrangement	0.00	8187.56	0.00
	Add: During the Years	159.86	147.48	0.00
	Less: During the year		0.00	0.00
	Closing Balance	8494.89	8335.04	0.00
	Other Comprehensive Income			
	As per last Balance Sheet	1056.44	349.58	0.00
	Add: Balance transferred on account of scheme of arrangement		0.00	0.00
	Add: Movement in OCI (Net) During the Year	159.58	706.86	0.00
	Closing Balance	1216.02	1056.44	0.00
	Total	149300.05	134091.65	-2.19



Particulars		As at 31st Dec,2022	As at 31st March, 2022	(Rs. in Lakhs) As at 31st March, 2021
13	Non Current Financial Liabilities - Borrowings			
	Secured - At Amortised Cost		-	-
	Less : Current Maturity of Term Loan		-	-
	Vehicle Loan from Bank	38.88	55.45	-
	Inter Corporate Deposit		-	-
	Total	38.88	55.45	-
13.1	Repayment Terms (Vehicle Loan)			
	Repayment Tenor	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	1-2 Years	38.88	55.45	-
	2-3 Years		-	-
	3-5 Years		-	-
14	Other Non Current Financial Liabilities - Borrowings	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	Secured - At Amortised Cost	-	-	-
	Lease Liability	151.23	153.23	-
	Other		Nil.	-
	Total	151.23	153.23	-
15	Deferred Tax Liability (Net)	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	At the start of the year	7,066.99	-	-
	Transferred Pursuant to the Scheme of Arrangement	-	6,585.28	-
	Charge/(credit) to the Statement of Profit and Loss	643.23	481.71	-
	At the end of the year	7,710.22	7,066.99	-
16	Current Financial Liabilities - Borrowings	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	At Amortised Cost			
	Secured - Working capital Loan From Banks	17,989.94	-	-
	Secured - Working capital Loan From Banks (Under scheme demerger)	11,696.62	33,772.75	-
	From Related Parties			1.73
	Total	29,686.56	33,772.75	1.73
17	Current Liabilities - Trade Payables	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2021
	Due to			
	- Micro and Small Enterprises	3,848.84	2,114.38	0.26
	- Other Than Micro and Small Enterprises	27,153.75	19,344.39	-
	Total	31,002.59	21458.77	0.26
18	Other Current Liabilities	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2022
	Current maturities of Vehicle Loan	25.37	34.18	-
	Lease Liability Current	126.44	124.44	-
	Other Current Liabilities	0.10	30.79	0.20
	Total	151.91	189.41	0.20
19	Current Provisions	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2022
	Provision for Employee Benefits	1,263.68	1,774.04	-
	Other Provisions	473.50	121.51	-
	Total	1737.18	1895.55	0.00
20	Current Tax Liabilities (Net)	As at 31st Dec,2022	As at 31st March, 2022	As at 31st March, 2022
	Current Tax Liabilities (Net)	121.79	750.00	-
	Total	121.79	750.00	0.00

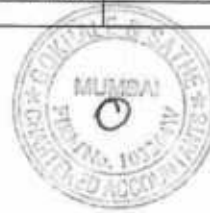


(Rs. in Lakhs)				
21	Revenue from Operations	As at 31st Dec, 2022	As at 31st March 2022	As at 31st March 2021
	Sale of Products	145,232.50	119,203.36	-
	Sale of Services			
	Other Operating Revenues (Refer Note No. 22.1)	784.59	790.95	-
	Total	146,017.09	119,994.31	-
21	Other Operating Revenues			
	Export Benefits/Incentives Received	645.35	642.78	-
	Scrap Sales	179.75	148.17	-
	Other Operating Revenues	(40.51)	-	-
	Total	784.59	790.95	-
22	Other Income	As at 31st Dec, 2022	As at 31st March 2022	As at 31st March 2021
	Dividend Received	123.93	247.86	-
	Interest Income	29.20	0.57	-
	Other Non-Operating Income			
	Insurance Claim	-	-	-
	Profit on Sale of Assets/Investment	-	2.08	-
	Other Income	4.20	0.82	-
	Total	157.33	251.33	-
23	Cost of Material Consumed	As at 31st Dec, 2022	As at 31st March 2022	As at 31st March 2021
	Consumption of Raw Material	67,433.11	52,380.65	-
	Consumption of Packing Material	1,521.32	1,336.61	-
	Consumption of Fuel	6,524.51	4,585.85	-
	Consumption of Stores & Spares	3,252.09	2,821.04	-
	Total	78,731.03	61,124.15	-
24	Change in Inventory	As at 31st Dec, 2022	As at 31st March 2022	As at 31st March 2021
	Inventories (at commencement)			
	Finished Goods	18,812.43	15,842.71	-
	Work-in-Progress	9,035.98	7,100.83	-
		27,848.41	22,943.54	-
	Inventories (at Close)			
	Finished Goods	24,757.31	18,812.43	-
	Work-in-Progress	14,960.53	9,035.98	-
		39,717.84	27,848.41	-
	Increase in Inventory	(11,869.43)	(4,904.87)	-
25	Employee Benefits	As at 31st Dec, 2022	As at 31st March 2022	As at 31st March 2021
	Directors' Remuneration	617.12	570.62	-
	Salaries and Wages	8,006.78	7,887.80	-
	Contribution to Provident and other Funds	603.91	28.32	-
	Staff Welfare Expenses	418.50	33.55	-
	Total	9,646.31	8,520.29	-

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



27	Depreciaion	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
	Depreciation of Property, Plant and Equipment (Refer Note No.1)	4,659.16	4,211.86	-
	Total Depreciation and Amortisation Expenses	4,659.16	4,211.86	-
28	Other Expense	As at 31st Dec,2022	As at 31st March 2022	As at 31st March 2021
	Manufacturing Expenses			
	Freight, Cartage & Transport	1,415.07	1,867.97	-
	Power consumption	5,270.48	4,165.01	-
	Water Charges	330.02	249.11	-
	Processing Charges	580.86	604.20	-
	Other Manufacturing Expenses	4,738.84	4,368.00	-
	Repairs & Maintenance	2,528.77	2,192.15	-
	Insurance Charges	714.09	650.39	-
	Research & Development Expenses	942.77	581.55	-
	Factory Administrative Expenses	1,042.92	780.62	-
	Sub-Total (A)	17,563.82	15,459.00	-
	Office Administrative Expenses			
	Rent, Rates and Taxes	78.41	11.51	-
	Travelling and Conveyance	127.45	95.43	-
	Auditor's Remuneration	11.58	1.54	0.42
	Legal & Professional Charges	91.44	39.28	-
	Postage, Telegraph & Telephone	14.48	10.44	-
	Other Administrative Expenses	232.22	4.15	0.04
	Sub-Total (B)	555.58	162.35	0.46
	Selling and Distribution Expenses			
	Advertisement & Sales Promotion	415.22	(167.58)	-
	Export Freight Expenses, Outward Freights	2,082.86	2,101.13	-
	Commission on Sales	1,846.71	596.48	-
	Export Insurance Charges	-	-	-
	Sales Tax & Other Dues Paid	0.23	-	-
	Sample Testing & Analysis Charges	38.40	42.99	-
	Sundry Balance Written Off/(Back)	(0.06)	0.70	-
	Other Expenses	67.82	40.62	-
	Other Selling Expenses	-	-	-
	Sub-Total (C)	4,451.18	2,614.34	-
	Non-Operating Expenses			
	Donations and CSR Expenses	118.22	32.95	-
	Sub-Total (D)	118.22	32.95	-
	Total (A+B+C+D)	22,688.80	18,268.64	0.46



		(Rs. in Lakhs)		
Particulars		As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2021
29	Earning Per Share (EPS)			
	Face Value Per Equity Share (in Rs.)	5.00	5.00	10.00
	Basic Earnings Per Share (in Rs.)	16.62	13.49	-0.18
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	15,061.74	12,225.26	-0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Nos)	9,06,26,008	9,06,26,008	2,50,000
	Diluted Earnings Per Share (in Rs.)	16.62	13.49	-0.18
	Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	15,061.74	12,225.26	-0.46
	Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Nos)	9,06,26,008	9,06,26,008	2,50,000

29.1 Pursuant to the Scheme of Arrangement approved by NCLT, Aarti Pharmed Labs Limited to issue to the Equity Shareholders of Aarti Industries Limited - For every 4 equity shares of Held in Aarti Industries Limited, 1 Equity Shares of Face Value Rs 5 each of the Company. The Company to allot 90626008 equity shares (1 Equity shares of Company for Every 4 Equity Shares held in Aarti Industries Limited)

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

30	Payment to Auditors	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
a.	Statutory Audit Fees	10.80	2.72	2.72
b.	Certification Fees	1.25	0.10	0.10
c.	Reimbursement of Expenses	-	-	-
	Total	12.05	2.82	2.82
31	Contingent Liabilities and Commitments	As at 31st Dec 2022	As at 31st March, 2022	As at 31st March, 2022
(i)	Contingent Liabilities			
	(a) Claims against the company not acknowledged as Debt - Unpaid	-	-	-
	(b) Claims against the company not acknowledged as Debt - Paid (under dispute)	-	-	-
	(c) Letter of Credit, Bank Guarantees	-	-	-
(ii)	Commitments			
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	39,747.76	37,000.00	-
	Total	39,747.76	37,000.00	-

32 Segment Information

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Home and personal care ingredients.



INDEPENDENT AUDITORS' REPORT ON THE AUDIT OF THE QUARTERLY AND YEAR TO DATE STANDALONE FINANCIAL RESULTS.

To
The Board of Directors of
Aarti Pharmed Labs Limited (formerly known as Aarti Organics Limited)

Opinion

We have audited the accompanying statement of financial results of **Aarti Pharmed Labs Limited (formerly known as Aarti Organics Limited) ("the Company")** for the quarter ended 31st March, 2022 ("the statement"), and year to date results for the period from 1st April, 2021 to 31st March, 2022, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("the listing regulations").

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

- i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the loss and other financial information for the quarter ended 31st March, 2022 as well as the year to date results for the period from 1st April, 2021 to 31st March, 2022.

Basis of Opinion

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

Management Responsibilities for the Standalone Financial Results

These quarterly financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Accounting standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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 result that give true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Results

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the 'Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the interim condensed standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim condensed standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the interim condensed standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **Jatin Vora & Associates**

Chartered Accountants

Registration No. 118024W

Jatin

Sundarji Vora

Digitally signed by
Jatin Sundarji Vora
Date: 2022.05.20
13:52:45 +05'30'

(CA Jatin S. Vora)

Proprietor

Membership No. 103866

UDIN: 22103866AJFZZY8734

Place: Mumbai

Date: 20th May, 2022

AARTI PHARMALABS LIMITED (Formerly Known As Aarti Organics Limited)

Balance Sheet as at 31st March, 2022

(Amount in Rs)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		NIL	NIL
Capital Work-in-Progress		NIL	NIL
Intangible Assets		NIL	NIL
Financial Assets			
Investments		NIL	NIL
Other Non-Current Assets		NIL	NIL
Total Non-Current Assets		NIL	NIL
Current Assets			
Inventories		NIL	NIL
Financial Assets			
Trade Receivables		NIL	NIL
Cash and Cash Equivalents	1	14,68,399	25,00,000
Others Current Financial Assets		NIL	NIL
Other Current Assets	2	1,12,772	NIL
Total Current Assets		15,81,171	25,00,000
TOTAL ASSETS		15,81,171	25,00,000
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	3	25,00,000	25,00,000
Other Equity	4	(10,04,089)	(2,32,711)
Total Equity		14,95,911	22,67,289
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings		NIL	NIL
Other Financial Liabilities	5	NIL	1,86,751
Deferred Tax Liabilities (Net)		NIL	NIL
Total Non-Current Liabilities		-	1,86,751
Current Liabilities			
Financial Liabilities			
Borrowings		NIL	NIL
Trade Payables Due to:			
Micro and Small Enterprises		NIL	NIL
Other Than Micro and Small Enterprises		39,300	25,960
Other Current Liabilities	6	45,960	20,000
Provisions		NIL	NIL
Total Current Liabilities		85,260	45,960
Total Liabilities		85,260	2,32,711
TOTAL EQUITY AND LIABILITIES		15,81,171	25,00,000

Summary of Significant Accounting Policies and other
Explanatory Information

1-7

As per our report of even date
For Jatin Vora & Associates
Chartered Accountants
FRN No. : 118024W

Jatin S. Vora
Proprietor
Membership No. : 103866
UDIN : 22103866AJFZY8734
Place: Mumbai
Date: 20th May 2022



For Aarti Pharamlabs Limited

Rashesh C. Gogri
Director
DIN: 00066291



C.B. Gandhi
Chetan Gandhi
Director
DIN: 06843850
Nikhil Natu
Company Secretary
ICSI M - A27738

AARTI PHARMALABS LIMITED (Formerly Known As Aarti Organics Limited)

Statement of Profit and Loss for the period ended 31st March, 2022

(Amount in Rs)

Particulars	Note No.	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
REVENUE			
Revenue from Operations		-	-
Other Income		15,900	-
Total Revenue		15,900	-
EXPENSES			
Cost of Materials Consumed (Incl. Packing Material, Fuel, Stores & Spares)		-	-
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade		-	-
Employee Benefits Expense		-	-
Finance Costs		1,618	-
Depreciation and Amortisation Expenses		-	-
Other Expenses	7	7,85,660	45,960
Total Expenses		7,87,278	45,960
PROFIT BEFORE TAX		(7,71,378)	(45,960)
TAX EXPENSES			
Current Year Tax		-	-
Deferred Tax		-	-
Total Tax Expenses		-	-
PROFIT AFTER TAX		(7,71,378)	(45,960)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(7,71,378)	(45,960)
Earnings Per Equity Share (EPS) (In Rs)			
Basic/Diluted		-3.09	-0.18
Summary of Significant Accounting Policies and other Explanatory Information	1-7		

As per our report of even date
For Jatin Vora & Associates
Chartered Accountants
FRN No. : 118024W



Jatin S. Vora
Proprietor
Membership No. : 103866
UDIN : 22103866AJFZZY8734
Place: Mumbai
Date: 20th May 2022



For Aarti Pharmalabs Limited


Rashesh P. Gogri
Director
DIN: 00066291


Nikhil Natu
Company Secretary
ICSI M - A27738




Chetan Gandhi
Director
DIN: 06843850

AARTI PHARMALABS LIMITED (Formerly Known As Aarti Organics Limited)**Cash Flow Statement for the year ended 31st March, 2022**

(Amount in Rs)

Particulars	31.03.2022	31.03.2021
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before extraordinary items and tax	-7,71,378	-45,960
Change in current Assets & Liabilities		
Adjustments for increase / (decrease) in operating liabilities:		
Other Current Assets & Current liability	-2,60,223	45,960
Net Cash inflow/(out flow) from Operating Activites (A)	-10,31,601	0
B. Cash Flow from Investing Activities		
Capital WIP	NIL	NIL
Net Cash inflow/(outflow) from Investing act vities (B)	NIL	NIL
C. Cash Flow from Financing Activities		
Proceeds from issue of equity shares	NIL	NIL
Proceeds/(Repayment) of Other Borrowings	NIL	NIL
Net Cash inflow/(out flow) from Financing Activites (C)	-	-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	-10,31,601	0
Cash and Cash equivalent as at the commencement of the period	25,00,000	25,00,000
Cash and Cash equivalent as at the End of the period	14,68,399	25,00,000

Note:

(i) Cash and Cash equivalent is Cash and Bank Balances as per Balance Sheet.

As per our report of even date

For Jatin Vora & Associates

Chartered Accountants

FRN No. : 118024W

Jatin S. Vora

Proprietor

Membership No. : 103866

UDIN : 22103866AJFZZY8734

Place: Mumbai

Date: 20th May 2022



For Aarti Pharmalabs Limited

Rashesh C. Gogri

Director

DIN: 00066291



Chetan Gandhi

Director

DIN: 06843850

Nikhil Natu

Company Secretary

ICSI M - A27738

AARTI PHARMALABS LIMITED (Formerly Known As Aarti Organics Limited)

Statement of Changes in Equity for the Period ended 31st March, 2022

A. EQUITY SHARE CAPITAL

(Amount in Rs)

As at 1st April, 2020	25,00,000
Changes in equity share capital during the year 2020-21	NIL
As at 31st March, 2021	25,00,000
Changes in equity share capital during the year 2021-22	NIL
As at 31st March, 2022	25,00,000

B. OTHER EQUITY

(Amount in Rs)

Particulars	Other Equity	Total Other Equity
	Reserves and Surplus	
	Retained Earnings	
As at 1st April, 2020	(1,86,751)	(1,86,751)
Profit/Loss for the year 20-21	(45,960)	(45,960)
Balance as at 31st March, 2021	(2,32,711)	(2,32,711)
Profit/Loss for the year 21-22	(7,71,378)	(7,71,378)
Balance as at 31st March, 2022	(10,04,089)	(10,04,089)

As per our report of even date

For Jatin Vora & Associates

Chartered Accountants

FRN No. : 118024W



Jatin S. Vora

Proprietor

Membership No. : 103866

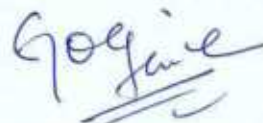


UDIN : 22103866AAIZSS9398

Place: Mumbai

Date: 20th May 2022

For Aarti Pharmalabs Limited



Rashesh C. Gogri

Director

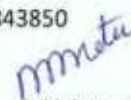
DIN: 00066291



Chetan Gandhi

Director

DIN: 06843850



Nikhil Natu

Company Secretary

ICSI M - A27738

1 Significant Accounting Policies:**a Accounting Convention**

The Company has prepared the balance sheet as per Ind AS by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS and applying Ind AS in measurement of Recognised assets and liabilities.

b Use of Estimates

The preparation of financial statements requires the management estimates and assumptions to be made that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

c Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and 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.

Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d Taxes on Income

i. Provision for current tax is determined on the basis of taxable income for the period as per the provisions of Income Tax Act, 1961.

ii. Deferred tax for the year is recognized, on timing differences, being difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

e Revenue Recognition**Sale of goods**

No Sales / Income for the Year

f Earnings per Share:

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

g Provisions and Contingencies:

A provision is recognized when the company has legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate the amount of the obligation. A contingent liability is disclosed when the company has possible or present obligation where it is not certain that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.



AARTI PHARMALABS LIMITED (Formerly Known As Aarti Organics Limited)**1 CASH AND CASH EQUIVALENTS:**

Particulars	(Amount in Rs)	
	As at 31st March, 2022	As at 31st March, 2021
Cash on hand	NIL	NIL
Bank Balance in Current Account	14,68,399	25,00,000
Bank Balance in Deposit Account	NIL	NIL
TOTAL	14,68,399	25,00,000

Particulars	(Amount in Rs)	
	As at 31st March, 2022	As at 31st March, 2021
2 Other Current Assets:		
Balance with Statutory Authority	1,12,772	-
TOTAL	1,12,772	-

3 EQUITY SHARE CAPITAL:

Particulars	No. of Shares	As at 31st March, 2022	No. of Shares	As at 31st March, 2021
Authorised Share Capital				
Equity Shares of 10/- each	5,00,000	50,00,000	5,00,000	50,00,000
Issued, Subscribed & Paid up				
Equity Shares of 10/- each fully paid up	2,50,000	25,00,000	2,50,000	25,00,000
TOTAL	2,50,000	25,00,000	2,50,000	25,00,000

Reconciliation of the number of Shares outstanding as on 31st March 2022

Particulars	As at 31st March, 2022	As at 31st March, 2021
Equity Shares at the beginning of the year	2,50,000	2,50,000
Equity Shares issued during the year	NIL	NIL
Equity Shares at the end of the year	2,50,000	2,50,000

Details of shareholders holding more than 5% shares:

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% held	No. of Shares	% held
Aarti Industries Limited	2,50,000	100	2,50,000	100

The details of Equity Shares outstanding during last 5 years:

Particulars	Financial Year				
	2021-22	2020-21	2019-20	2018-19	2017-18
No. of Equity Shares outstanding	2,50,000	2,50,000	2,50,000	-	-



AARTI PHARMALABS LIMITED (Formerly Known As Aarti Organics Limited)**Year 2021-2022****4 OTHER EQUITY:**

(Amount in Rs)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Profit and Loss Account		
Opening balance	(2,32,711)	(1,86,751)
Addition:		
Net Profit/(Loss) for the year	(7,71,378)	(45,960)
Closing Balance	(10,04,089)	(2,32,711)

(Amount in Rs)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
5 OTHER FINANCIAL LIABILITIES:		
Loans & Advances from Related Parties	-	1,86,751
TOTAL	-	1,86,751

Particulars	As at 31st March, 2022	As at 31st March, 2021
6 OTHER CURRENT LIABILITIES:		
Other Current Liabilities & Provisions	45,960	20,000
TOTAL	45,960	20,000



AARTI PHARMALABS LIMITED (Formerly Known As Aarti Organics Limited)

Particulars	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
7 OTHER EXPENSES:		
<u>Office Administrative Expenses:</u>		
Rates & Taxes	637600	-
Misc. Expenses/Charges/Gst Exp	6750	3,960
Legal & Professional Charges	99310	-
Auditor Remuneration	42000	42,000
Total	7,85,660	45,960
 AUDITOR'S REMUNERATION:		
Audit Fees	20000	20000
Other Fees	22000	22000
TOTAL	42,000	42,000



AARTI PHARMALABS LIMITED (Formerly Known As Aarti Organics Limited)**Year 2021-2022****8 EARNINGS PER SHARE**

Particulars	(Amount in Rs)	
	For the year Ended 31st March 2022	For the year Ended 31st March 2021
Profit after tax as per statement of profit and loss	-7,71,378	-45,960
Weighted average number of equity shares for basic EPS (in No.)	2,50,000	2,50,000
Weighted average number of equity shares for diluted EPS (in No.)	2,50,000	2,50,000
Face value of equity shares (in Rs.)	10	10
Earnings per share Basic (in Rs.)	-3.09	-0.18
Earnings per share Diluted (in Rs.)	-3.09	-0.18

9 RELATED PARTIES DISCLOSURES

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

I Holding Company

1	Aarti Industries Limited	
---	--------------------------	--

II List if Director / KMP

1	Rajendra V. Gogri	Director
2	Rashesh C. Gogri	Director
3	Hetal Gogri Gala	Director
4	Narendra J. Salvi	Director
5	Chetan Bipin Gandhi	Director
6	Nikhil P. Natu	KMP

III Details relating to parties referred to in item I above.

(Amount in Rs)

		2021-22	2020-21
Rent Payments to Shri Chandrakant V. Gogri	Relatives of Director	Rs 637600/-	Nil

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

11 In the opinion of the Board, except as otherwise stated, the Current Assets and Loans and Advances have a value on realization at least equal to amounts at which they are stated in the Balance Sheet.



AARTI PHARMALABS LIMITED (Formerly Known As Aarti Organics Limited)**a. Change of Name**

During the Year Company has change its name from Aarti Organics limited to Aarti Pharmalabs limited and same is approved at ROC. Necessary changes has been incorporate in all places including MOA & AOA.

b. Change of Registered Office

During the Year Company has changed its Regsitered Office to Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad Gujarat – 396195 and same is approved at ROC.

c. Scheme of Arrangement

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

Scheme is pending for approval of NCLT, Ahmedabad, Gujarat.

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

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

Details of Assets & Liability of Aarti Industries limited Demerged Pharma Undertaking to be Transferred to Company is as below

Particular	Rs in Crore Amt
Property, Plant and Equipment	789.69
Investments	32.71
Trade Receivable	256.89
Inventories	336.23
Other Current & Non-Current Assets (Incl Cash & Cash Equivalents)	721.56
Total Assets	2137.08
Trade Payables	-170.47
Other Current & Non-Current Liability	-71
Borrowings (In the Ratio of Net Assets Transferred)	-725.68
Total Liability	-967.14
Excess of Assets over Liabilities	1169.94





MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

This Information Memorandum may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Information Memorandum Document. For further information, see “Forward-Looking Statements” and “Risk Factors” beginning on page of this Information Memorandum.

Our Fiscal year ends on March 31 of each year; all references to a particular Fiscal year are to the twelve-month period ended March 31 of that year.

In this section, a reference to the "Company" means Aarti Pharmalabs Limited. Unless the context otherwise requires, references to "we," "us," "our" or "APL" refers to Aarti Pharmalabs Limited.

The financial information included in this section for nine months ended December 31, 2022 and FY 2022, has been extracted from our Audited Financial Statements for nine months period ended December 31, 2021 and FY 2022, prepared under Ind AS. For further information, see, “Financial Statements” on page 100

- **Overview**

Aarti Pharmalabs Limited (Formerly known as Aarti Organics Limited) (hereinafter referred to as the “**Resulting Company**” or “**APL**”) is an unlisted public limited company incorporated on 22nd November, 2019 under the Companies Act, 2013 with CIN U24100GJ2019PLC110964 and having its registered office at Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad - 396 195 Gujarat. The Resulting Company is incorporated with an object to engage in the business including manufacturing and trading of Pharmaceuticals and allied products.

- **Significant Accounting Policies**

These financial statements ('financial statements') have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. These financial statements have been prepared by the Company's management solely for inclusion in the information memorandum to comply with the requirements of Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020 issued by the Securities and Exchange Board of India ('SEBI'), and the checklist issued by National Stock Exchange of India Limited and BSE Limited on 'Documents required for enlistment of securities of a company pursuant to the Scheme of Arrangement, and are prepared in the manner specified under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended).

All the amounts included in the financial statements are reported in thousands of Indian Rupees ('Rupees' or '₹'), except per share data and unless stated otherwise.

- **Significant Accounting Policies:**

For details of Significant Accounting Policies, please refer to Chapter on “Financial Statements” on page 112 of this Information Memorandum.

- **Changes in the accounting policy if any and their effect on our profits and reserves:**

There is no change in the accounting policies since incorporation till the last audited financial results for nine months ended December 31, 2022.



- **Results of Operations:**

For details of the Statement of Profit and Loss of the Company for the Audit Period, please refer to Chapter on “Financial Statements” on page 112 of this Information Memorandum.

- **Discussion on our Results of Operations:**

Our Company was incorporated on November 22, 2019, we did not generate any income from operations since incorporation. Subsequently, pursuant to the Scheme becoming effective, the Demerged Undertaking of Aarti Industries Limited has been vested into our Company with effect from the Appointed Date of the Scheme.

- **Revenue**

Our total Revenue for the Audit Period was Rs. 113,826.17 lakhs.

- **Revenue from operations:**

Our Revenue from operations for the Audit Period was Rs. 113,698.04 lakhs

- **Other Income:**

Our aggregate other income for the Audit Period was Rs. 128.13 lakhs

- **Total Expense:**

Our Total Expense for Audit Period was Rs. 96,165.10 lakhs

- **Profit before Tax:**

Our Company had earned a Profit before Tax of Rs. 17,661.05 lakhs for the Audit Period.

- **Cash flows**

For further details, see the Chapter titled “Financial Statements” on page 112

- **Related Party Transactions**

- The Related Party Transactions during FY 2022-23 and FY2021-23 are as follows:

SN	Name	Relationship of the counter	Type of related party transaction	(Rs Lakhs)	
				Value of transaction during 22-23	Value of transaction during 21-22
1	Hetal Gogri Gala	Promoter/CMD	Remuneration	66.00	0
2	Chandrakant V Gogri	Other related party	Rent	8.01	10.68
3	Aarti Industries Limited	Other related party	Sale of Goods	5319.70	6,817.96
	Aarti Industries Limited	Other related party	Purchase of Goods	3165.98	6,863.13
4	Aarti Drugs Limited	Other related party	Sale of Goods	217.48	2,158.41
5	Alchemie Gases & Chemicals Private Limited	Other related party	Purchase of Goods	22.95	38.73
6	Aarti USA Inc	Subsidiary Company	Sale of Goods	244.10	2,428.60
7	Ganesh Polychem Limited	Entities with joint control or significant influence over entity	Sale of Goods	440.22	369.56
8	Ganesh Polychem Limited	Entities with joint control or significant influence over entity	Purchase of Goods	7.08	2.47
9	Narendra Salvi	Director	Remuneration	66.00	0.00
10	Piyush Lakhani	KMP	Remuneration	31.24	0.0
11	Valiant Organics Limited	Other related party	Sale of Goods	489.64	0.30
	Valiant Organics Limited	Other related party	Purchase of Goods	146.35	37.70
12	Aarti Ventures limited	Other related party		107.25	0.0
13	Nikhil Natu	KMP		17.17	16.66

- **Reservations, Qualifications and Adverse Remarks Included in Financial Statements:**

There have been no reservations or qualifications or adverse remarks of our Statutory Auditors for nine months ended December 31, 2022 and for the financial year ended March 31, 2022.

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

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

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

Litigation involving our Company (including litigations related to Demerged Undertaking vested into our Company)

Nature of Cases	Number of Cases	Amount (₹ lakhs)
<i>Litigations against our Company</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Company</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil
<i>Litigations against our Promoters</i>		
Criminal proceedings	Nil	Nil
Others	Nil	Nil
Others	Nil	Nil
<i>Litigations by our Promoters</i>		
Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil


Litigations against our Directors

Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil

Litigations by our Directors

Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil

Litigations against our Subsidiaries

Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil

Litigations by our Subsidiaries

Criminal proceedings	Nil	Nil
Tax proceedings	Nil	Nil
Others	Nil	Nil[a1]

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

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

Material Development after the Date of last restated Financial Statements as on March 31, 2022

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

- Our Board of Directors was reconstituted and Directors were appointed/reappointed on October 17, 2022
- The National Company Law Tribunal, Ahmedabad bench, vide its order dated September 21, 2022 approved the Scheme of Arrangement between Aarti Industries Limited and Aarti Pharmalabs Limited and their respective



shareholders under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Effective date pursuant to NCLT order is October 17, 2022.

- Company Secretary and Compliance Officer of our Company was appointed on August 19, 2021.
- In principle approval for listing of 9,06,26,008 equity shares of Re. 5/- each of the Company received from BSE Limited on **December 23, 2022**
- In principle approval for listing of 9,06,26,008 equity shares of Re. 5/- each of the Company received from National Stock Exchange of India Limited on **December 28, 2022**
- SEBI granted relaxation under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 vide its letter dated **January 9, 2023**



GOVERNMENT APPROVALS

Pursuant to the Scheme becoming effective (i.e. October 17, 2022) with effect from the Appointed Date, all permits, licences, registration, allotment, approvals, consents, contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature pertaining to Demerged Undertaking to which Demerged Company is a party and is subsisting or having effect as on the Effective Date, shall upon coming into effect of the Scheme, shall remain in full force and effect against or in favor of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if instead of the Demerged Company, the Resulting Company had been a party thereto or beneficiary or oblige thereto or thereunder. All consents, agreements, permissions, all statutory or regulatory licenses, contractual licenses, certificates availed by or executed in favor of Demerged Company and which are pertaining to the Demerged Undertaking or any instrument of whatsoever nature including various incentives, subsidies, schemes, special status and other benefits or privileges pertaining to Demerged Undertaking granted by any Governmental and Registration Authorities or by any other person and enjoyed or availed by the Demerged Company shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favor of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company. Insofar as the various incentives, subsidies, schemes, special status and other benefits or privileges pertaining to the Demerged Undertaking granted by any Governmental or Registration Authorities or by any other person, or availed by the Demerged Company are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.

Material licenses and approvals obtained by our Company:

A. Corporate Approvals

Certificate of incorporation dated November 22, 2019 issued to our Company by the Registrar of Companies (ROC).

CIN: U24100GJ2019PLC110964; ISIN: INE0LRU01027

B. Approvals from Tax Authorities

The Permanent Account Number (PAN) of our Company is AASCA9722G

The Tax Deduction and Collection Account Number (TAN) is SRTA11403A

The Goods and Service Tax (GST) registration number of our Company is: 24AASCA9722G1ZF

C. Business related approvals

D. Other Approvals

Our Company may be required to obtain various approvals and licenses under various laws, rules and regulations in order to carry on the business in India.



REGULATORY AND STATUTORY DISCLOSURES

Authority of Listing

The Hon'ble National Company Law Tribunal, Ahmedabad Bench vide its order dated September 21, 2022 has approved the Scheme of Arrangement between Aarti Industries Limited and Aarti Pharmalabs Limited and their respective shareholders for demerger of the Demerged Undertaking, i.e., Pharma Business from Aarti Industries Limited ('Demerged Company') and transfer and vesting, as a going concern, to Aarti Pharmalabs Limited ('Resulting Company') under sections 230 to 232 and other applicable provisions of the Companies Act, 2013. For more details relating to the Scheme, please refer to the section titled "Scheme of Arrangement" on page 85 of this Information Memorandum. The equity shares of our Company issued pursuant to the Scheme shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and is subject to fulfillment by the Company of the criteria of BSE and NSE and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of application by our Company seeking listing. Our Company has received no objection from BSE and NSE in relation to listing of Equity Shares issued pursuant to the Scheme of Arrangement vide their letter no. DCS/AMAL/MJ/R37/2136/2021-22 dated November 9, 2021 and NSE/LIST/28287_II dated November 9, 2021 respectively.

The Company has received in-principle approval for listing of its Equity Shares on BSE and NSE vide their letter no. **DCS/AMAL/MJ/IP/2607/2022-23** dated **December 23, 2022** and **NSE/LIST/83** dated **December 28, 2022** respectively. Further, the Company has also received the relaxation under Rule 19 (2) (b) of SCRR from SEBI vide their letter no. **SEBI/HO/CFD/DCR/RAC-1/P/OW/2023/861/1** dated **January 9, 2023** for listing of the Equity Shares of Aarti Pharmalabs Limited on Stock Exchanges.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable; however, SEBI vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time, if any, has subject to certain conditions permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19 (2) (b) of SCRR, as amended. Our Company has submitted this Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues as applicable to BSE and NSE for making the said Information Memorandum available to the public through websites viz. www.bseindia.com and www.nseindia.com. Our Company has made the said Information Memorandum available on its website www.aartipharmalabs.com. Our Company will publish an advertisement in the newspapers containing details as per the above mentioned circular. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

Prohibition by SEBI

The Company, its directors, its promoters and promoter group, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

Further, none of the directors of the Company are associated with the securities market in any manner, and SEBI has not initiated any action against any entity, with whom the directors of the Company are associated.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

The compliance with the provisions of Companies (Significant Beneficial Ownership) Rules, 2018 is not applicable to the Company.

Fugitive Economic Offences

None of our Promoters or Directors are declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.



Willful defaulter by Reserve Bank of India

The Company, its promoters, its promoter group, the relatives (as per the Companies Act, 2013) of Promoters and other companies promoted by the Promoters are not identified as willful defaulters by Reserve Bank of India authorities.

Disclaimer Clause — BSE

As required, a copy of Draft Scheme was submitted to BSE. BSE has vide its letter dated November 9, 2021 granted its observations on the Scheme under Regulation 37 of the SEBI (LODR) Regulations and by virtue of that approval, the BSE's name is included in this Information Memorandum as one of the Stock Exchanges on which the Company's Equity Shares are proposed to be listed.

Disclaimer Clause — NSE

As required, a copy of Draft Scheme was submitted to NSE. NSE has vide its letter dated November 9, 2021 granted its observations on the Scheme under Regulation 37 of the SEBI (LODR) Regulations and by virtue of that approval, the NSE's name is included in this Information Memorandum as one of the Stock Exchanges on which the Company's Equity Shares are proposed to be listed.

Disclaimer –SEBI

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS INFORMATION MEMORANDUM TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS INFORMATION MEMORANDUM.

THE FILING OF THIS INFORMATION MEMORANDUM DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, ANY IRREGULARITIES OR LAPSES IN THIS THIS INFORMATION MEMORANDUM.”

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time, if any, or any other material issued by or at the instance of the Company. Anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Jurisdiction

Exclusive jurisdiction for the purpose of this Information Memorandum is with the competent courts/authorities in Ahmedabad, India.

Filing

Copy of this Information Memorandum has been filed with BSE and NSE.

Listing

Application has been made to BSE and NSE for seeking permission for listing and trading in Equity Shares of the Company. The Company has nominated BSE Limited as the Designated Stock Exchange for the aforesaid listing of shares. The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within such period as approved by SEBI.



Demat Credit

The Company has executed tri-partite agreements with CDSL and NSDL for admitting its securities in demat form. The ISIN allotted to the Company's Equity Shares is INE0LRU01027. Shares have been allotted on October 21, 2022 and credited to the demat accounts of those shareholders who were holding shares in Aarti Industries Limited in demat form as on the Record Date, i.e., October 20, 2022. The demat shares have been credited to the demat accounts of the shareholders by CDSL and NSDL on October 28, 2022 and November 1, 2022 respectively except 94,608 equity shares which have been credited in 'Aarti Industries Limited- Escrow Account' maintained with NSDL on October 19, 2022, as these equity shares were held either in Physical form or were rejected due to reasons such as demat account inactive / closed etc. These eligible shareholders will get their shareholding once they intimate their active demat account details to Company/RTA.

Dispatch of share certificates

Pursuant to the Scheme, the Company has on October 21, 2022, issued and allotted Equity Shares to eligible shareholders of Aarti Industries Limited on the Record Date i.e., October 20, 2022 in demat form, to those shareholders holding shares of Aarti Industries Limited in demat form as on Record Date. As per the Companies (Prospectus and Allotment of Securities) (Third Amendment) Rules, 2018, the company is required to issue securities in dematerialized form only.

In respect of those shareholders who were holding shares in Aarti Industries Limited in Physical form as on the Record Date i.e. October 20, 2022, the same have been credited in 'Aarti Industries Limited-Unclaimed Securities Suspense Escrow Account' maintained with NSDL, on November 19, 2022. These shareholders have to open a demat account and inform Company/RTA details thereof and shares will be credited to their demat accounts respectively. We further confirm / undertake that as soon as the physical shareholders of Aarti Industries Limited dematerialize his/her physical shares, we shall immediately credit the eligible shares of our Company into the Demat account of such physical shareholders of Aarti Industries Limited out of suspense account as mentioned above.

Consent

Our Company has obtained consent from our Directors, Statutory Auditor and Registrar & Share Transfer Agent.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Previous Public or Rights Issue

The Company has not made any Public Issue or Rights Issues since incorporation.

Capital Issue in the last 3 years

Neither the Company, nor any listed Group Company has made any capital issue during the last 3 years.

Commission and Brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Promise vis-a-vis Performance

This is for the first time the Company is getting listed on the Stock Exchange.

Outstanding Debenture or Bonds and Redeemable Preference Shares and other Instruments issued by our Company

There are no outstanding debentures or bonds or redeemable preference shares or other instruments issued by the Company.

Stock Market Data for Equity Shares of the Company

The Equity Shares of our Company are not listed on any stock exchange. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares from the Stock Exchanges.

Stock Market data of Demerged Company



For details on the stock market data of our Group Company, please see “*Group Company*” on page 106.

Disposal of Investor Grievances

Link Intime Registrar Private Limited is the Registrar and Transfer Agent of the Company to accept the documents/requests/complaints from the investors/shareholders of the Company. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding to the respective processing units. The documents are processed by professionally trained personnel. The Company/RTA has set up service standards for each of the various processes involved such as effecting the transfer/dematerialization of securities/change of address ranging for 3-7 days.

Shri Nikhil Natu, Company Secretary and Compliance Officer of the Company is vested with responsibility of addressing the Investor Grievance in coordination with Registrar & Transfer Agents.

Alternatively, shareholders can express their grievances by sending mails to co.apl@aartipharmalabs.com or raise complaints in SCORES (common portal introduced by SEBI). Further, the Shareholders can also raise their grievances with our Company Secretary and Compliance Officer. As on the date of this Information Memorandum, our Company has not received any investor complaints.

Name and Contact Address of the Company Secretary and Compliance Officer:

Shri Nikhil Natu

Company Secretary and Compliance Officer

204, Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai- 400 080

Tel.: +91-22-67976666

Email: co.apl@aartipharmalabs.com

Website: www.aartipharmalabs.com

Change in auditors since incorporation

There has been no change in the Auditors of our Company since its incorporation.

Capitalization of reserves or profits

Our Company has not capitalized reserves or profits since incorporation.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

Undertaking

The complaints received from the investors shall be attended to by the Company expeditiously and satisfactorily. All steps for completion of the necessary formalities for trading at all stock exchanges where the securities are to be listed are taken within the period prescribed by SEBI.



SECTION VIII— OTHER INFORMATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

I. INTERPRETATION

1. In these regulations –

- a. "Company" means 'AARTI PHARMALABS LIMITED'
- b. "Act" means the Companies Act, 2013, and any statutory modification thereof.
- c. "Seal" means the Common Seal of the Company.
- d. "Articles" means these articles of association of the Company or as altered from time to time.
- e. "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

II. SHARE CAPITAL AND VARIATION OF RIGHTS

1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, --
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.



5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

LIEN

9. (i) The company shall have a first and paramount lien –
 - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made –

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.



11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

 Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board –
 - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and



- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

TRANSFER OF SHARES

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
20. The Board may, subject to the right of appeal conferred by section 58 decline to register –
 - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - (b) any transfer of shares on which the company has a lien.
21. The Board may decline to recognise any instrument of transfer unless –
 - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
 - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of shares.
22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

TRANSMISSION OF SHARES

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –
 - (a) to be registered himself as holder of the share; or
 - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.



25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall –
 - (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. if the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;



(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

35. Subject to the provisions of section 61, the company may, by ordinary resolution, --

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. Where shares are converted into stock, --

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.



37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, --
- (a) its share capital;
 - (b) any capital redemption reserve account; or
 - (c) any share premium account.

CAPITALISATION OF PROFITS

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve –
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards –
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
 - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
 - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall –
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power –
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.



BUY-BACK OF SHARES

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
42. i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

ADJOURNMENT OF MEETING

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.



VOTING RIGHTS

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares, --
- (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid
54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.



BOARD OF DIRECTORS

58. The First Directors of Company shall be :

1. Chetan Bipin Gandhi (DIN : 06843850)
2. Ajay Kumar Gupta (DIN : 08619902)
3. Shyam Shankarrao Dhekekar (DIN : 08620002)

The number of Directors shall be in accordance to the provisions mentioned in the Act.

59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them --

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

60. The Board may pay all expenses incurred in getting up and registering the company.

61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine

63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

PROCEEDINGS OF THE BOARD

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.



67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member's or of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

74. Subject to the provisions of the Act, --
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by



or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

76. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND RESERVE

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve
80. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.



83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85. No dividend shall bear interest against the company.

ACCOUNTS

86. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder --
 - (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
 - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

OTHERS

89. (1) The Authorised Share Capital of the Company shall be such amounts and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital whether original, increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law.
- (2) Subject to Section 175 of the Act, a resolution in writing signed by the Director except a resolution which the Act specifically required it to be passed at a Board Meeting shall be effective for all purposes as a resolution passed at a meeting of Directors duly called, held and constituted.



(3) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the powers prescribed under Section 179 read with rule 8 of Companies (Meeting of Board & its Powers) Rules, 2014 only by means of resolutions passed at meetings of the Board.

(4) Subject to the provisions of the Act and these Articles, the Directors may from time to time exercise all the powers of the Company to borrow moneys and secure the payment of such sum or sums borrowed in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture stock, or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

(5) Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privileges or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that provided.



MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered in the ordinary course of business carried on by our Company), which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at Plot No 22/C/1 & 22/C/2, 1st Phase, GIDC Vapi 396195, Valsad, Gujarat from 10:00 a.m. to 12:00 p.m. on working days from the date of the Information Memorandum.

Material contracts and documents for inspection

- Certificate of Incorporation of the Company
- Memorandum and Articles of Association, as amended till date.
- Letter under Regulation 37 of the SEBI (LODR) Regulations issued by BSE (DCS/AMAL/MJ/R37/2136/2021-22 dated November 9, 2021) and NSE (NSE/LIST/28287_II dated November 9, 2021) for no-objection to the Scheme.
- Scheme of Arrangement between Aarti Industries Limited and Aarti Pharmalabs Limited and their respective shareholders.
- Order dated September 21, 2022 of the Hon'ble National Company Law Tribunal, Ahmedabad Bench sanctioning the Scheme of Arrangement between Aarti Industries Limited and Aarti Pharmalabs Limited and their respective shareholders under sections 230 to 232 and other applicable provisions of the Companies Act, 2013.
- Board Resolution dated October 17, 2022 for appointment of chairman Managing Directors, Executive Directors
- Annual Report of the Company for the FY ended March 31, 2022.
- Audited Financial Results of the Company for nine months ended December 31, 2022.
- Statement of possible special tax benefits dated November 3, 2022 issued by Jatin Vora & Associates, Statutory Auditors.
- Tripartite Agreement with NSDL, RTA and the Company.
- Tripartite Agreement with CDSL, RTA and the Company.
- BSE letter no. **DCS/AMAL/MJ/IP/2607/2022-23** dated **December 23, 2022** granting in-principle approval for listing.
- NSE letter no. **NSE/LIST/83** dated **December 28, 2022** granting in-principle approval for listing.
- SEBI letter no. **SEBI/HO/CFD/DCR/RAC-1/P/OW/2023/861/1** dated **January 9, 2023** granting relaxation from the applicability of Rule 19 (2) (b) of SCRR for listing of the shares of the Company.

Any of the contracts or documents mentioned in the Information Memorandum may be amended or modified at any time if so, required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

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



Name: Hetal Gogri Gala

Designation: Vice Chairperson & Managing Director

DIN: 00005499



Name: Narendra Jagannath Salvi

Designation: Managing Director

DIN: 00299202

Place: Mumbai

Date: January 21, 2023
