

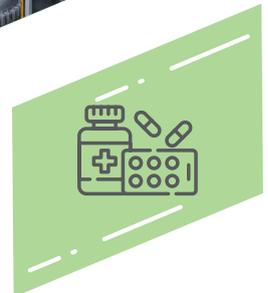


Aarti Drugs Limited

# From Redefining to Realising Sustainability



# 40 YEARS



Annual Report  
**2024-25**

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Investor Information	
Equity ISIN	INE767A01016
CIN	L37060MH1984PLC055433
BSE Code	524348
NSE Symbol	AARTIDRUGS
AGM Date	September 24, 2025
AGM Venue	VC/OAVM

### Disclaimer:

This document contains statements about expected future events and financials of Aarti Drugs Limited ('The Company'), which are 'forward looking.' By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

# From Redefining to Realising Sustainability

Sustainability has become central to how businesses define value, resilience, and long-term growth today. As the world moves towards more conscious consumption, stricter environmental norms, and sharper investor scrutiny, the onus is on enterprises to align intent with action, and ambition with accountability.

For Aarti Drugs, sustainability has moved beyond conventional boundaries to become a strategic lever for innovation, competitiveness and long-term resilience. We have redefined our approach by linking environmental stewardship with operational excellence: from achieving zero liquid discharge (ZLD) across multiple facilities to investment in captive solar power and co-generation to reduce our carbon footprint and energy dependence. What began as a vision is now a structured, measurable framework that guides our investment decisions, enables entry into regulated markets, and reinforces our future-readiness.

We are translating this redefined vision into tangible progress through cleaner, more efficient manufacturing, R&D that enhances both new and legacy molecules, expansion into regulated global markets enabled by fresh certifications, and greenfield projects that sharpen our competitive edge. These advances are anchored in deep investments in our people, ensuring safe, inclusive workplaces, and in community programmes that revive essential infrastructure, restore natural ecosystems, and generate sustainable livelihoods. This ensures that our progress creates lasting value for the ecosystems we serve.

This phase of our journey is defined by clarity of purpose, elevated benchmarks, and disciplined execution. **From Redefining to Realising Sustainability** is our commitment to embedding purpose into performance: ensuring that every initiative delivers value for stakeholders, society, and the planet, while positioning us for the next era of responsible growth.

For more investor-related information, please visit:

<https://www.aartidrugs.co.in>

Or, simply scan this QR code:



Key Highlights of FY 2024-25

# From Ambition to Action

Over the past year, we have taken deliberate and confident steps to translate our intent into action across every facet of our business. From strengthening financial performance and enhancing operational efficiency to accelerating our sustainability journey, each milestone underscores our commitment to delivering purpose-led value. These highlights capture a year where aspirations were matched by decisive execution, and where progress was both measurable and meaningful.



## Sustainability

9

Zero Liquid Discharge (ZLD) Facilities

~2,067

Employees

50,000+

Lives Impacted through Our CSR Activities



## Operational

14

Manufacturing Facilities

5,088

MT/Monthly Capacity

1,26,642

Sq. m Plant Area

50+

API Molecules

80+

Finished Products

57

Products Under Development/ Pipeline (API + Finished Dosages)



## Financial

₹ 2,403 Crores

Total Revenue

~35%

Export Revenue

₹ 303 Crores

EBITDA

₹ 168 Crores

PAT



(Note: The above numbers are on consolidated basis)

About the Company

# From Foundation to Future

Aarti Drugs Limited (also referred to as 'Aarti Drugs', 'The Company' or 'We'), a proud member of the Aarti Group, has been a key player in the pharmaceutical sector since 1984. We are a leading manufacturer of Active Pharmaceutical Ingredients (APIs), specialty chemicals, and intermediates with a presence in over 100 countries and a leadership position in several high-volume molecules across global markets. Our growth is anchored in a deep commitment to innovation, uncompromising quality standards and strong in-house R&D capabilities that support both process optimisation and new product development.

Global Leaders in the Production of

Nimesulide

Ketoconazole

Metronidazole Benzoate

Tinidazole

Fluoroquinolones group

India's Largest Producer of Metronidazole

Among the Leading Global Producers of Metformin

## OUR MISSION

Seek global market leadership

Focus on growth and development of the product

Continue to create winning culture, operating in highest standards of ethics and values with co-operation among competitors

Strive for excellence in customer service, quality and R&D

## OUR VISION

We shall become the first-choice vendor of bulk drugs and achieve a leadership position by:

Assuring consistent quality and timely delivery at competitive price

Providing customised solutions and service to meet changing requirements of customers

Aim at customer orientation through continuous technology upgrade, high business ethics, and new product development

Adopt processes supported by proven technologies, which are cost effective and safe

Choose the best and the most flexible manufacturing practices and methods

## Certifications

	ISO 9001:2015 Quality Management System		
	ISO 14001:2015 Environmental Management System		
	ISO 45001:2018 Occupational Health and Safety Management System		
	WHO - GMP		Australian Government Certified
	EU GMP		Japanese Accreditation
	K-FDA		US FDA Accreditation
	ANVISA - Brazil		EcoVadis (Sustainability Rating)
	COFEPRIS - Mexico		

Our Presence

# From Local Roots to Global Reach

We began our journey with a clear purpose: to deliver high-quality pharmaceutical ingredients and formulations. Over the years, we have expanded our footprint across international markets while staying true to our core values. Today, our presence spans over 100 countries, but our commitment remains consistent: to operate responsibly, manufacture sustainably, and create value across borders with the same integrity that has guided us since inception.

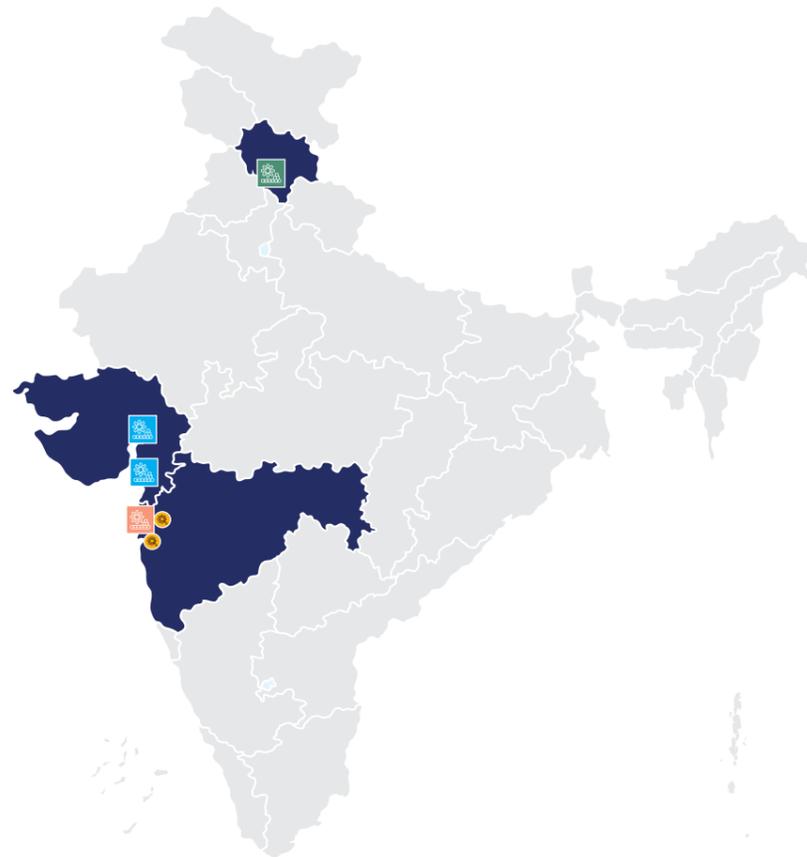


## Manufacturing Facilities

- Himachal Pradesh** **Baddi** (Formulation Plant of Pinnacle Life Science Private Limited)
- Gujarat** **Sarigam** 2 Locations (API Plant) **Sayakha**
- Maharashtra** **Tarapur** 10 Locations (API Plant and Speciality Chemical Plant)

## R&D Centres

- Maharashtra** **Tarapur** (API) **Turbhe, Mumbai** (Formulations)



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

## Installed Capacity



## Current Production



## Captive Production

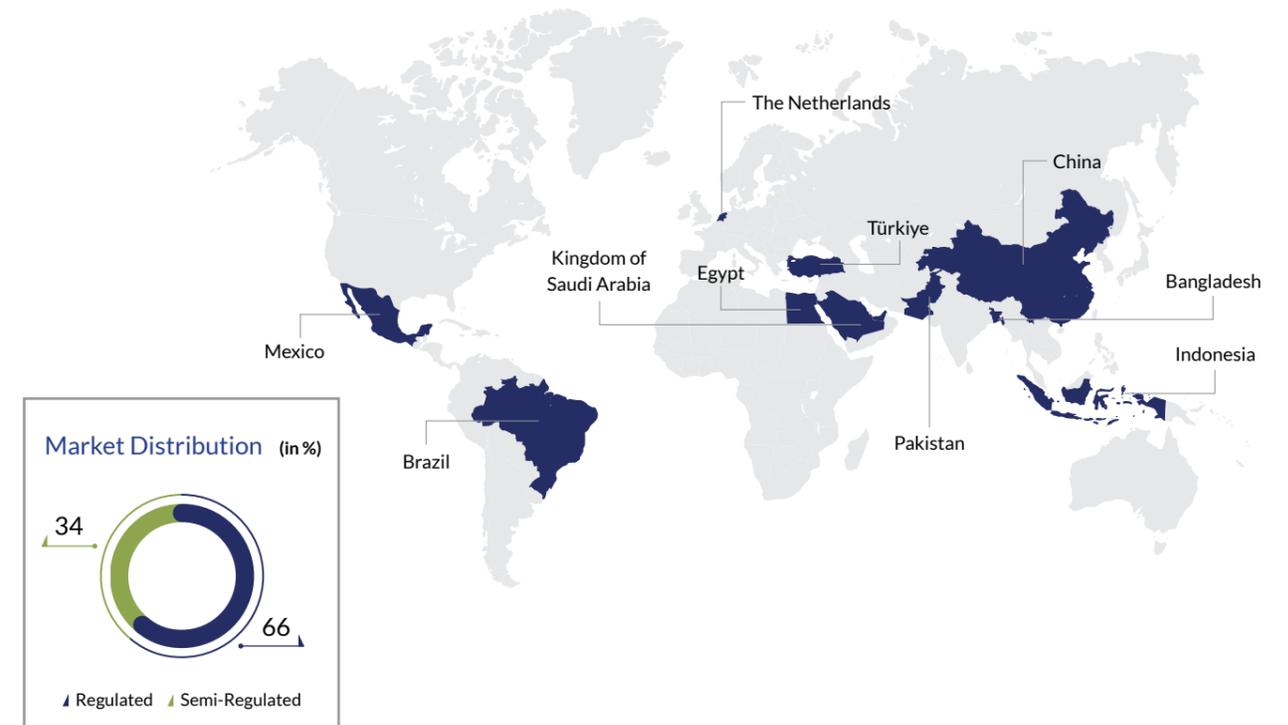


## Net Production



## International Presence

We export to over 100 countries across 6 continents, with the top 10 export markets driving our reach depicted below:



Milestones

# From Small Steps to Strategic Strides



**1984**  
Aarti Drugs Limited was incorporated

**1993**  
Listed on BSE Limited (formerly known as Bombay Stock Exchange Limited)

**1996**  
Several entities merged, including Rupal Chemical Industries, Rashesh Chemicals and Pharmaceuticals Limited, Manjarati Chemicals Private Limited, Manjarati Plastics Private Limited, Effective Chemicals Private Limited, Star Aluminium Industries Limited, and Avez Wire Industries Limited

**1998**  
Achieved a turnover of ₹ 100 Crores+

**2003**  
Listed on the National Stock Exchange of India Limited (NSE)

**2008**  
Received approval from the US FDA for one of our facilities

**2011**  
Achieved a turnover of ₹ 500 Crores+

**2017**  
Our subsidiary Pinnacle Life Science Private Limited surpassed ₹ 100 Crores in turnover

**2015**  
Achieved a Profit Before Tax (PBT) of ₹ 100 Crores+

**2014**

- Surpassed ₹ 1,000 Crores in turnover
- Entered into the formulations sector through the acquisition of our 100% subsidiary Pinnacle Life Science Private Limited

**2021**

- Achieved a consolidated turnover of ₹ 2,000 Crores+
- Pinnacle Life Science Private Limited reached ₹ 200 Crores in turnover
- Achieved a Profit After Tax (PAT) of ₹ 200 Crores+

**2022**  
Achieved a consolidated revenue of ₹ 2,500 Crores

**2023**  
Exceeded a standalone turnover of ₹ 2,500 Crores

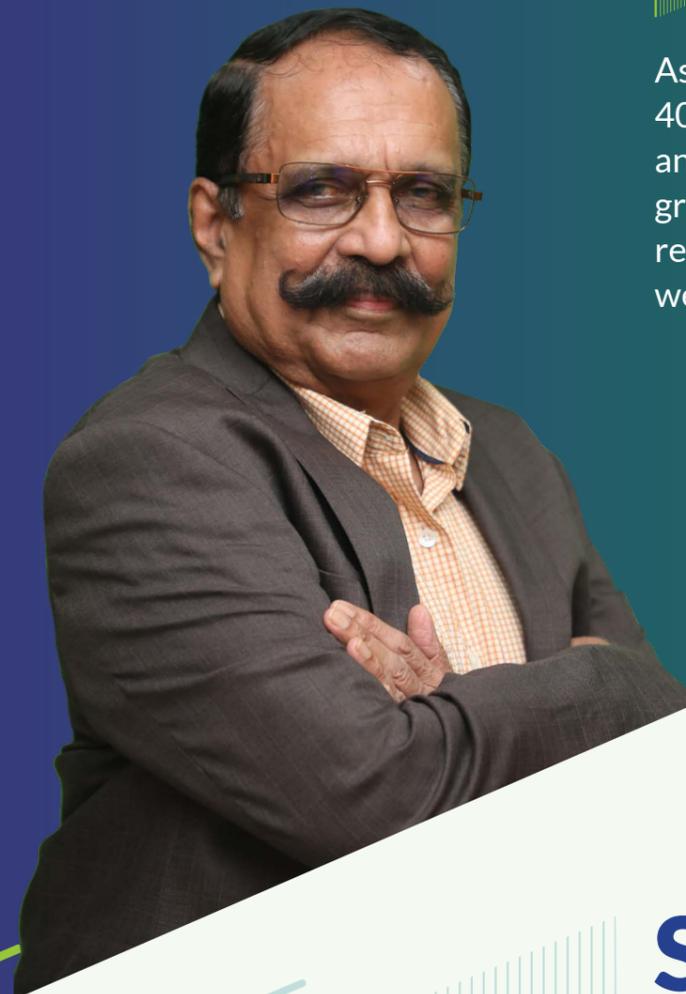
**2025**  
Entered into a Share Subscription and Shareholders' Agreement with Prozeal Green Power Private Limited for setting up captive solar power plants in Gujarat and Maharashtra

**2024**  
Entered the personal care segment with a new greenfield dermatology product facility in Tarapur



Chairman's Message

# From the Chairman's Desk



As we at Aarti Drugs mark our 40<sup>th</sup> year of incorporation, I feel an overwhelming sense of pride, gratitude, and inspiration while reflecting on the remarkable journey we have undertaken together.

## Shri Prakash M. Patil

Chairman, Managing  
Director & CEO



### From Resilience to Realisation: Building the Next Chapter of Growth

At Aarti Drugs, our journey has always been defined by the ability to adapt, innovate, and grow with purpose. Over the past year, we made measured and strategic strides towards building a stronger, more competitive, and more sustainable organisation. Capacity expansion in high-growth therapies, deeper backward integration, key regulatory clearances, and an accelerated R&D pipeline have all contributed to reinforcing our market position and strengthening our readiness to seize emerging opportunities.

The operating environment, however, remained demanding. Global pharmaceutical demand was uneven, raw material prices experienced a sharp correction after a prolonged inflationary cycle, and regulatory requirements became more stringent across geographies. These developments created short-term pressures on pricing and order visibility in select markets. Yet, by drawing on our integrated operations, agile supply chain, and rigorous cost discipline, we mitigated these challenges and laid the foundation for more profitable, sustainable growth in the years ahead.

### Operating Environment and Strategic Response

The pharmaceutical industry, across both APIs and formulations, is experiencing a structural shift towards elevated quality and compliance benchmarks. Stricter pharmacopeial norms, detailed impurity profiling, and advanced carcinogenicity assessments are reshaping global manufacturing standards. In formulations, particularly in regulated markets, product registrations and ongoing compliance audits have become

### The pharmaceutical industry, across both APIs and formulations, is experiencing a structural shift towards elevated quality and compliance benchmarks

significantly more rigorous, demanding the same discipline, investment, and operational agility as our API operations. These developments align well with our long-standing focus on quality, regulatory readiness, and process excellence across all segments.

In FY 2024-25, we addressed these shifts by strengthening backward integration to enhance cost efficiency, supply security and margin stability, aligning production schedules with evolving market realities to ensure service reliability, and investing in advanced process optimisation and impurity profiling to consistently meet global quality benchmarks. A major milestone during the year was the lifting of the US FDA import alert on our Tarapur API facility. This clearance not only restores access to the US API market, but also reinforces our credentials in high-value, regulated geographies for both APIs and formulations, including Western Europe, Canada, and Latin

America. These markets offer longer product lifecycles, higher compliance barriers, and better margins, all of which support our strategic focus on deepening our regulated market presence. We are actively diversifying our client portfolio by exploring new markets, expanding our customer base, and entering emerging sectors. This diversification is enhancing portfolio resilience and supporting long-term, sustainable profitability.

### Operational Progress & Portfolio Evolution

Our operational agenda in FY 2024-25 struck a deliberate balance between near-term delivery and long-term strategic positioning. Brownfield investments supported the scale-up of high-demand APIs for existing clients, while also creating capacity to onboard new customers across domestic and export markets. We further expanded our specialty segment offering with the introduction of products for skincare therapy, enabling us to tap into adjacent markets where our chemistry strengths can deliver distinctive value.

On the greenfield front, our Sayakha facility in Gujarat commenced trial production of anti-diabetic APIs and intermediates. Designed to strengthen backward integration, reduce dependency on external raw materials, and improve cost



## Our theme for the year reflects a clear and measurable shift from vision to execution. Sustainability is now deeply embedded within our operations, influencing decisions from energy sourcing to community engagement

competitiveness, the plant's location within an emerging pharmaceutical hub offers distinct advantages in terms of logistics and supplier proximity. Our Tarapur greenfield project, focussed on producing an import-substitute API aimed at competing with Chinese manufacturers, encountered scale-up challenges during the year. Despite this, it is expected to stabilise in FY 2025-26, unlocking a key profitability lever and enhancing supply security for our customers. Total capital expenditure during the year was ₹ 177 Crores, directed towards capacity expansion, greenfield commissioning and select sustainability-linked initiatives; part of a multi-year capex cycle that is intended to be continued at a similar pace over FY 2025-26 and FY 2026-27. This disciplined investment programme, funded primarily through the combination of internal accruals and borrowings, ensures that every rupee deployed contributes meaningfully to both immediate operational expansion and long-term strategic preparedness.

Our R&D pipeline remains a strategic growth driver. With 15 oncology products under development alongside antifungal, cardiac, diabetic, and dermatology therapies, we are deliberately expanding into high-

growth, high-margin therapeutic areas. Oncology launches are expected to begin contributing from FY 2025-26, with full commercial scale achieved by FY 2026-27. Our approach strikes a balance between innovation for new molecules and optimisation of established ones, ensuring both near-term market impact and long-term portfolio resilience.

### Financial Performance and Levers for Improvement

Our FY 2024-25 revenue stood at ₹ 2,403 Crores, compared to ₹ 2,533 Crores in the previous year, reflecting subdued global demand, pricing corrections in the API segment, and a lag in procurement cycles across certain international markets. Domestic volumes in key therapies registered strong growth, partially offsetting export market softness and reaffirming the resilience of our presence in India.

EBITDA was recorded at ₹ 303.4 Crores, with margins at 12.6%. Profit After Tax (PAT) stood at ₹ 168.1 Crores with a margin of 7%. While the topline faced pressure, profitability was underpinned by operational efficiency gains,



stabilisation of raw material prices in the second half of FY 2024-25, and disciplined working capital management. Improvements in yield performance, tighter procurement cycles, and increased utilisation of in-house intermediates provided an additional buffer: measures we believe will continue to support margin expansion in the years ahead.

### From Redefining to Realising Sustainability

Our theme for the year reflects a clear and measurable shift from vision to execution. Sustainability is now deeply embedded within our operations, influencing decisions from energy sourcing to community engagement. In FY 2024-25, we entered into an agreement with Prozeal Green Power to commission a solar power plant that will meet the electricity needs of our manufacturing facilities in Gujarat and Maharashtra; achieved Zero Liquid Discharge compliance across multiple facilities; deployed co-generation systems for simultaneous steam and power generation; and expanded forestry and afforestation programmes to help offset our carbon emissions. Tree plantation has now become a regular aspect of our CSR initiatives.



These initiatives go beyond environmental compliance. They enhance cost efficiency, lower energy-related risks, and strengthen our ESG credentials with customers and regulators alike. Our EcoVadis Silver rating, placing us in the 89<sup>th</sup> percentile globally, affirms the strength of our ESG practices and bolsters our credibility with international customers. As ESG performance becomes an increasingly important criterion in supplier selection, this recognition reinforces our ability to secure and retain high-value contracts, making sustainability a direct contributor to our competitive advantage.

### Strategic Priorities and Outlook

Our strategic priorities are anchored in four pillars: margin expansion through deeper backward integration and optimal capacity utilisation; export growth by leveraging regulatory clearances to enter and expand in high-value markets; portfolio diversification into high-growth therapeutic categories such as oncology, diabetology, antifungals, and dermatology; and sustainability leadership through renewable energy adoption, efficiency gains, and community impact initiatives. Recent regulatory milestones, including

ANVISA approval for an antifungal product and EU-GMP certification for select facilities validate our ability to meet the most rigorous global quality and compliance standards, opening access to compliance-intensive markets and further strengthening our positioning with international customers. In parallel, we are enhancing our enterprise-wide risk management framework, with focussed interventions on supply chain resilience, regulatory preparedness and currency exposure management, to safeguard business continuity and protect margins in an increasingly volatile external environment.

For FY 2025-26, we are targeting double-digit revenue growth and EBITDA margins of 14-15%, supported by capacity ramp-up at Sayakha, stabilisation at Tarapur, the onboarding of new customers in regulated markets, and the commercialisation of new product registrations. This growth will be underpinned by our disciplined capital allocation strategy, maintaining prudent capex levels, funded primarily through internal accruals, thereby preserving a strong balance sheet and ensuring the financial agility to seize emerging opportunities.

### Our People: The Foundation of Our Growth

What has remained constant throughout every phase of our journey is our people. From our founding team to plant operators, engineers, researchers, and business leaders, our people have been the driving force behind our progress. As we evolved, so did our approach to building empowered, future-ready teams.

### Closing Note

The progress we have made this year demonstrates that resilience in the face of change is built on foresight, agility, and disciplined execution. As we move forward, our focus remains clear - to create long-term value for our stakeholders while making a meaningful contribution to community health and environmental sustainability.

I extend my gratitude to our shareholders for their trust, to our Board for their guidance, and to our employees for their unwavering commitment and expertise. Together, we are building not just a stronger company, but laying the foundation for a stronger, more sustainable future.

Yours Sincerely,

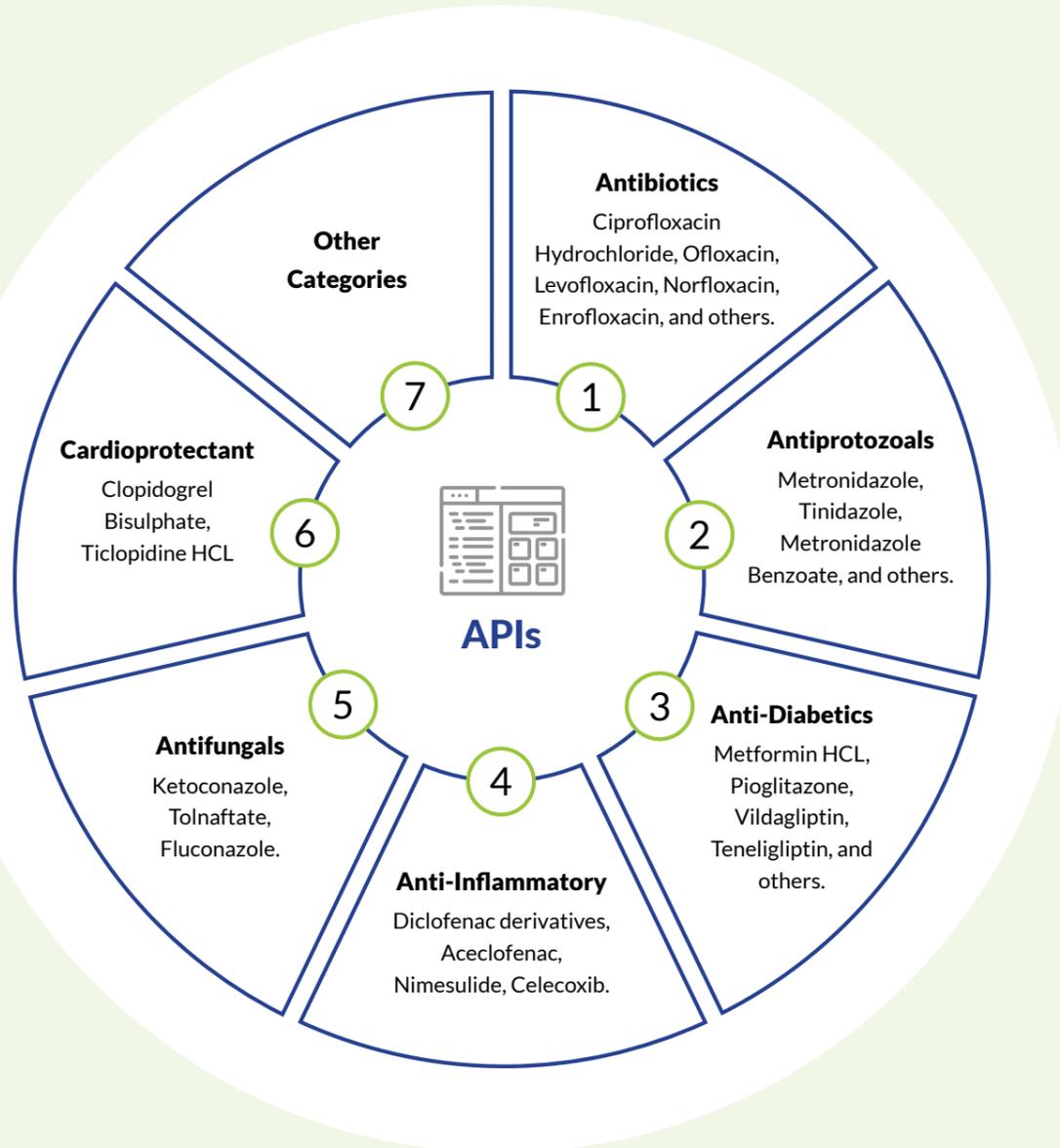
**Shri Prakash M. Patil**

Chairman, Managing Director & CEO

Product Portfolio

# Delivering Solutions, Designed for a Sustainable Future

Our product portfolio reflects our commitment to innovation, therapeutic relevance, and advanced manufacturing. By continuously enhancing our offerings across APIs, formulations, and specialty segments, we are developing a robust, forward-looking pipeline. This strategic diversification not only strengthens our market presence, but also ensures we remain agile and responsive to the evolving global healthcare needs.



Recognised as a leading API producer with a diverse portfolio of over 50 molecules, including antibiotics, antiprotozoal, anti-inflammatory, anti-diabetic, antifungals and cardioprotectant

## Strategic Initiatives

### Anti-Diabetic

#### Leading Metformin Manufacturer

With a production capacity of over 1,450 TPM, we are acknowledged as one of the foremost Metformin producers worldwide.

#### Broadening Product Range

The launch of Gliptins will amplify our market presence and fortify our competitive edge in the anti-diabetic segment.

Ranked as the global leader in the production of 5 key molecules

#### Expanding Production Capacity

We are planning a brownfield expansion of an additional 350 TPM to align with the growing market demand.

#### Enhancing Efficiency

Backward integration initiatives are in progress to optimise operations and drive sustained growth.

Installed capacity of 45,511 MTPA



### Antiprotozoal

#### Domestic Market Strength

A targeted brownfield expansion will raise production capacity by 40%, enhancing our footprint in India.

#### Global Expansion

Secured regulatory approval for marketing products in China, paving the way for entry into new international markets.

#### Focused Growth

Incremental capacity expansions and advancements in downstream products are set to drive sustained growth in this segment.

## Vitamins and Anti-Inflammatory

### Infrastructure Advancements

A multi-purpose facility is under construction to cater to the stringent demands of highly regulated markets.

### Capacity Enhancement

Brownfield expansions in progress are expected to contribute ₹ 35-50 Crores annually, depending on product selection.

### Regulatory Preparedness

Anticipating a re-inspection by the US FDA as part of ongoing efforts to meet global compliance standards.

## Antifungals

### Strengthened Global Standing

Recent capacity expansions reinforce our leadership position in the international anti-fungals market.

## Formulations

Through our wholly owned subsidiary, Pinnacle Life Science Private Limited, we manufacture a diverse range of formulations at our advanced facility in Baddi, Himachal Pradesh, which has recently earned the prestigious US FDA certification. This state-of-the-art plant prioritises extensive R&D to drive continuous technological innovation and new product development, enabling us to deliver safe, pure, and effective patient-centric medicines that meet stringent regulatory standards. By integrating automation and advanced analytics, we consistently achieve manufacturing excellence, uphold the highest ethical standards, and advance meaningful breakthroughs in formulation development.

Delivering safe and dependable medicines across 90 countries, with new launches in the Oncology, Cardiovascular, and Anti-Infective segments

UKMHRA / PICS approved

Installed capacity of 3 billion units tablets and 300 million units capsules

## Strategic Initiatives

### Expanding Reach

With a strong presence in the US, EU, and Canadian markets, we are actively expanding into Asia, Africa, and LATAM regions, while continuing to pursue new registrations in export markets and government tenders.

### Global Registration Growth

Actively expanding into new territories alongside toll manufacturing of formulations, we have filed 330 registrations across 16 geographies and established foreign subsidiaries namely Pinnacle Chile SpA and Pharma Go SpA to capitalise on emerging opportunities.



## Specialty Chemicals, Intermediates, and Others

- Benzene Sulfonyl Chloride
- Derivatives of Chlorosulphonation Chemistry
- Other Products

Supplying intermediates for antibiotics, antifungals, anti-inflammatory, and cardiovascular products to API manufacturers through backward integrated processes

Installed capacity of 13,742 MTPA

## Strategic Initiatives

### Enhanced Capabilities

Ongoing incremental expansions in chloro-sulphonation facilities are enabling us to address rising demand efficiently.

### Future Growth Plans

A greenfield project is in the pipeline to further augment our specialty chemicals portfolio.



Our R&D Capabilities

# From Research to Realisation

Our R&D efforts are strategically focussed on developing differentiated, high-impact products that address evolving therapeutic needs. By investing in advanced technologies, deepening scientific capabilities, and aligning innovation with market relevance, we are translating ideas into market-ready solutions.

We are strongly supported by an in-house project management team that ensures our new product developments are efficiently scaled to commercial implementation. Our current pipeline includes 15 oncology products under development, alongside antifungal, cardiac, diabetic, and dermatology therapies, areas that offer high growth potential and strong margins in global markets. Our focus now extends to developing next-generation formulation products for key regulated markets such as Europe, the US, Australia, Brazil, Canada, and Chile, with the goal of achieving Day 1 launches. All new developments are integrated with backward-linked API capabilities, ensuring competitive cost structures and early-stage compliance with stringent pharmacopeial and regulatory standards.

Looking ahead, we plan to expand our R&D capabilities further into complex semi-solid dosage forms like creams and ointments, as well as oral liquids. By embedding regulatory readiness into the development cycle and aligning launches with market-specific approval pathways, including ANVISA, EU-GMP and US FDA requirements, we aim to accelerate time-to-market and optimise the commercial window for high-value products.



### Tarapur R&D Centre (Aarti Drugs Limited):

Our Tarapur R&D centre plays a pivotal role in supporting our manufacturing units at Tarapur and Sarigam, primarily focussing on API process development.

- Equipped with a pilot plant for kilo-scale manufacturing, enabling swift transition from lab-scale to commercial production
- Recognised by the Department of Scientific and Industrial Research (DSIR), Government of India
- Actively collaborates with leading academic institutions, with regular visits from experts and professors from ICT and CSIR to guide and enhance product development

### Turbhe R&D Centre, Mumbai (Pinnacle Life Science Private Limited)

Our Turbhe centre is dedicated to formulation research, particularly for complex generics.

- Supports in-house development of advanced formulation technologies
- Focusses on complex oral solids tailored for both regulated and emerging global markets



### APIs

#### Products Under Development



#### Products In Pipeline



### Finished Dosages

#### Products Under Development



#### Products Under Development – for LATAM and Emerging Markets



#### New Age Molecules Under Development – for Regulated Markets

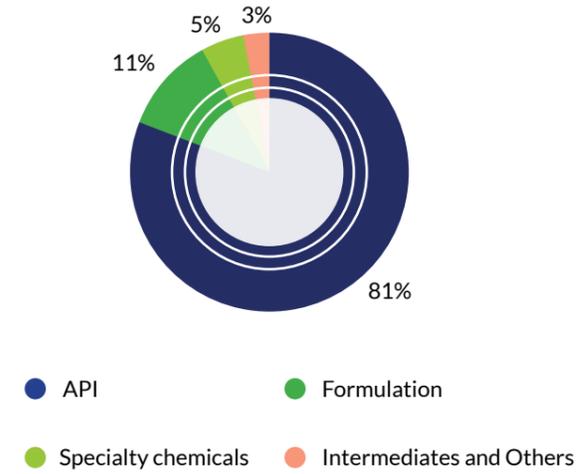


Financial Performance

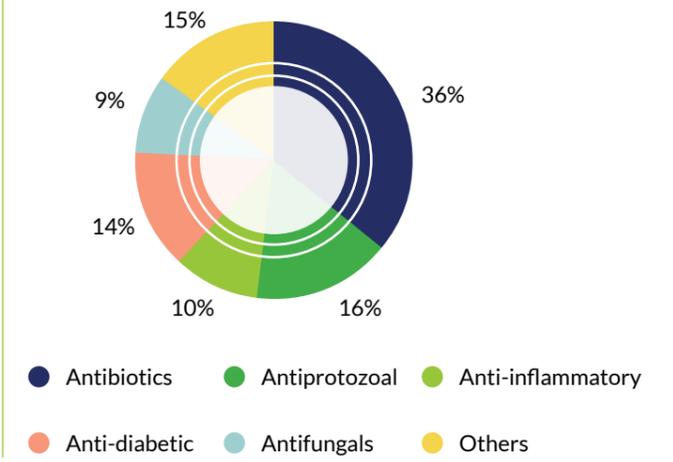
# Driving Scalable and Sustainable Growth

During the year, we continued to build on a solid financial foundation, navigating market dynamics with resilience, discipline, and strategic clarity. Our approach balanced near-term operational stability with calibrated, future-focused investments, enabling sustainable growth across key segments. The financial outcomes reflect not just strength in numbers, but a well-defined strategy rooted in long-term value creation, operational efficiency and responsible scaling.

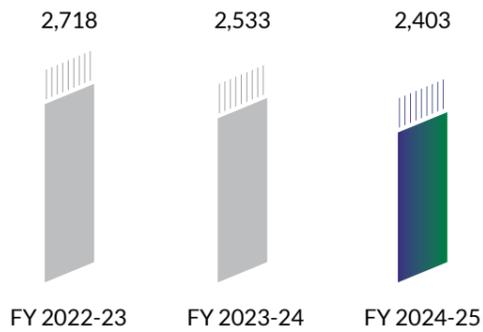
Segmental Revenue for FY 2024-25



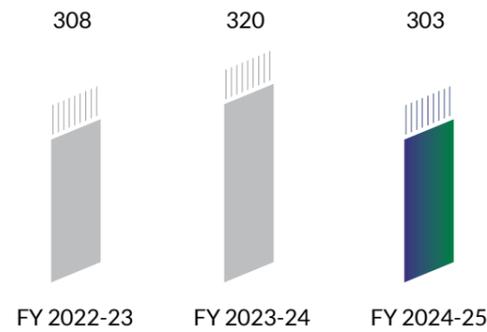
Therapeutic Category-wise Revenue for FY 2024-25



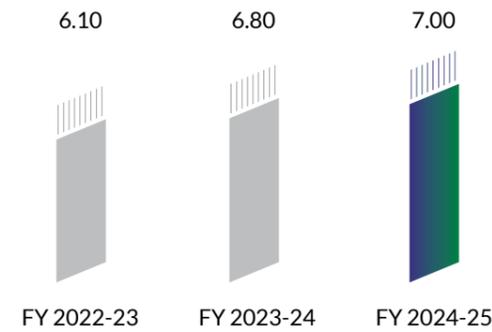
Revenue (₹ in Crores)



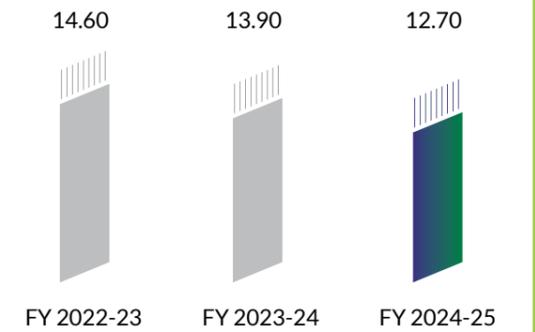
EBITDA (₹ in Crores)



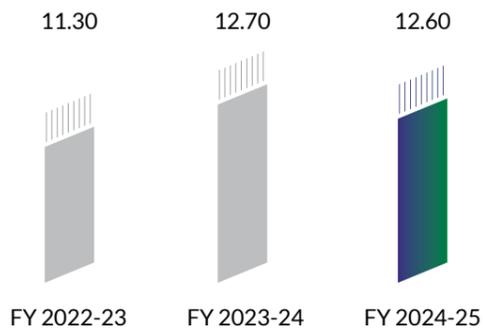
PAT Margin (in %)



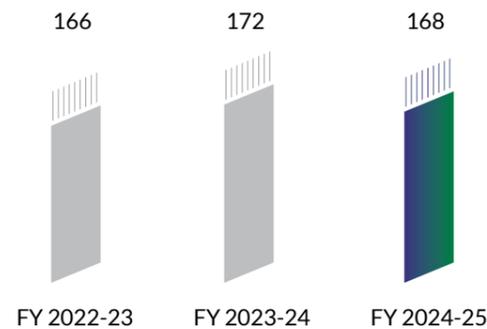
RoE (in %)



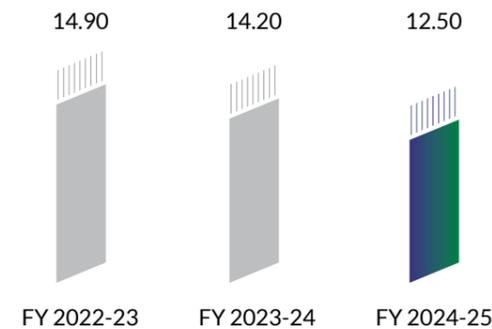
EBITDA Margin (in %)



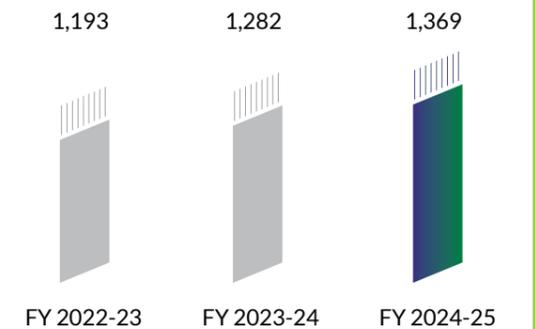
PAT (₹ in Crores)



RoCE (in %)



Net Worth (₹ in Crores)



Note: The above numbers are on Consolidated Basis.

### Key Strategies

# From Direction to Differentiation

In a rapidly evolving industry, having a clear direction is just the beginning. At Aarti Drugs, we are translating this strategic clarity into tangible advantages: from diversifying our product portfolio and entering new markets to enhancing operational efficiency and investing in innovation. These focussed actions are not only driving our growth, but also establishing a strong, differentiated position within an increasingly competitive global landscape.

### Key Strategies

### Progress for FY 2024-25

#### Diversified Product Mix

Range of products across various therapeutic categories, formulations, and markets to mitigate risk.

- New product launches in the Formulations segment
- Continued expansion of product offerings across therapeutic categories and formulations
- R&D underway for a diverse pipeline of new products

#### Diversified Client Mix

We serve a broad spectrum of clients across sectors and regions, reducing dependency on any single customer or market condition.

- Actively working to reduce dependence on top 10 clients through market diversification
- The US FDA approval further expands our access to international export markets

### Key Strategies

### Progress for FY 2024-25

#### Capitalising on High Entry Barriers

The API manufacturing sector is a tough space for new entrants, given its complex landscape, strict regulatory requirements, high capital investments, and long development cycles. With our decades of experience, we continue to stay ahead by consistently improving our processes, investing in R&D, strengthening our compliance frameworks, and building on our deep industry expertise. This focus helps us strengthen our leadership position and sustain our competitive edge in the pharmaceutical sector.

- Maintained a strong regulatory portfolio, including CEP for Metformin and filings in regulated markets

#### Backward Integration

Integrated facilities ensure reliable raw material supply, mitigate risks, and enable cost synergies through economies of scale and quality control. This approach enhances operational efficiency, speeds up product time-to-market, and strengthens our competitive position.

- Continued investments in brownfield API expansion with cost optimisation as a key focus
- Continued focus on integrated operations supporting cost efficiency

#### Expanding Our Capabilities

Market share and footprint expansion through greenfield and brownfield projects in Tarapur, Maharashtra, and Gujarat, enhancing production capabilities and managing operational risks.

Leveraging existing infrastructure to improve efficiencies, scale production, and explore new markets, driving growth and strengthening our competitive edge.

- Capex of ₹ 177 Crores incurred, focused on capacity expansion and new product development
- Commissioned greenfield and brownfield expansions across APIs and formulations
- Pinnacle Life Science added 30% capacity via brownfield expansion; commercial contribution expected in FY 2025-26
- R&D centres in Turbhe and Tarapur drove product innovation and pipeline growth
- Ramping up of production at the Tarapur greenfield project for Salicylic Acid



Stakeholder Engagement

# From Dialogue to Shared Direction

Stakeholder engagement forms the basis of collaborative progress. We believe that meaningful dialogue with our stakeholders fosters mutual understanding, builds trust, and drives long-term value creation. Through structured interactions, feedback mechanisms, and transparent communication, we actively listen to the voices that shape our ecosystem, including employees, customers, suppliers, regulators, investors, and communities. These ongoing conversations enable us to integrate diverse perspectives into a shared strategic direction, ensuring our actions reflect both business objectives and broader environmental, social and governance priorities.

Stakeholder Type	Priority Level	Mode of Communication	Frequency
<p>Customers</p>	<p>High</p>	<ul style="list-style-type: none"> <li>Surveys</li> <li>Customer feedback</li> <li>Focus group discussions</li> </ul>	On a Continuous Basis
<p>Shareholders</p>	<p>High</p>	<ul style="list-style-type: none"> <li>Annual general meetings</li> <li>Quarterly results</li> <li>Earnings calls</li> <li>Company website</li> </ul>	Event-Based
<p>Employees</p>	<p>High</p>	<ul style="list-style-type: none"> <li>Surveys</li> <li>Suggestion boxes</li> <li>Training programmes</li> </ul>	Need-Based
<p>Government</p>	<p>High</p>	<ul style="list-style-type: none"> <li>Through current and new policies</li> <li>Ensuring adherence to regulations</li> </ul>	Need-Based

Stakeholder Type	Priority Level	Mode of Communication	Frequency
<p>Suppliers</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>Collecting feedback</li> <li>Meetings</li> <li>Conferences</li> </ul>	On a Continuous Basis
<p>Community</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>Discussions</li> <li>Community development</li> <li>Sponsorships</li> </ul>	On a Continuous Basis
<p>NGOs</p>	<p>Medium</p>	<ul style="list-style-type: none"> <li>Strategic alliances</li> <li>Collaboration projects</li> <li>Joint programmes</li> </ul>	Need-Based
<p>Industry Peers</p>	<p>Low</p>	<ul style="list-style-type: none"> <li>Conferences</li> <li>Industry associations</li> <li>Networking events</li> </ul>	Need-Based
<p>Media</p>	<p>Low</p>	<ul style="list-style-type: none"> <li>Public announcements</li> <li>Media interactions</li> <li>Media sessions</li> </ul>	Need-Based
<p>Competitors</p>	<p>Low</p>	<ul style="list-style-type: none"> <li>Industry conferences</li> <li>Market research</li> <li>Industry reports</li> </ul>	Annually

Environment

# From Reducing Impact to Creating Value

We are reshaping the way we interact with the environment, not just by reducing our footprint, but by proactively contributing to a more sustainable future. From embracing renewable energy and ZLD systems to enhancing energy efficiency and driving resource conservation, our actions are grounded in long-term environmental stewardship. Sustainability is no longer a goal on the horizon; it is a responsibility we uphold every day through consistent, measurable action.

## Material Topics Identified



Climate Change, Energy, and Emission Management



Sustainable Supply Chain and Responsible Procurement



Water and Wastewater Management



Waste and Hazardous Materials Management

## Energy Management

As part of our broader commitment to sustainability and operational efficiency, we continue to implement energy-focussed interventions across our facilities. These efforts are aimed at reducing our carbon footprint, lowering energy costs and advancing cleaner, more responsible manufacturing practices.

- Installation of coal-fired boilers in place of briquette-fired ones to enhance combustion efficiency and energy output
- Ongoing transition to solar energy systems to replace conventional steam boilers
- Adoption of Mechanical Vapour Recompression (MVR) in evaporation processes to reduce energy consumption

### Key initiatives include:

- Installation of waste heat recovery systems to capture and reuse heat from industrial processes

## Strategic Investment in Captive Solar Power for Long-term Sustainability

In line with our commitment to green energy and cost optimisation, we have entered into a Share Subscription and Shareholders' Agreement with Prozeal Green Power Private Limited. This initiative aims to develop and operate a captive solar power plant for our facilities in Gujarat and Maharashtra. The plants are expected to generate 50.83 million renewable energy units annually, resulting in estimated annual savings of ₹ 15.25 Crores and a reduction of 36,394 tonnes of CO<sub>2</sub> emissions. This partnership not only supports our sustainability goals but also strengthens long-term energy security and improves operational efficiency.

## Water Resource Management

Recognising the vital importance of water as a precious resource, we have implemented several initiatives to conserve it and manage effluents responsibly. These efforts are designed to enhance resource recovery and minimise environmental impact.

### Key initiatives include:

- Adoption of ZLD systems to recycle and reuse wastewater within operations
- Installation of ATFD/Dry distillation equipment for effective waste concentration and volume reduction
- Construction of a new effluent treatment plant (ETP) to ensure safe and compliant wastewater treatment
- Implementation of techniques to recover valuable materials from effluent waste to boost resource efficiency

- Creation of effluent underground storages to improve liquid waste containment and management.



ZLD Plants

## Waste Management

As part of our commitment to reducing environmental impact, Aarti Drugs adopts a proactive approach to waste minimisation. We have implemented sustainable packaging practices, including the shift from plastic to paper bags for bulk API packaging, and the replacement of HDPE drums with fibre drums. These initiatives substantially reduce our dependence on plastic, helping to prevent waste from reaching landfills and marine ecosystems.

## Sustainable Sourcing

We are committed to fostering a responsible and transparent supply chain. We conduct comprehensive

vendor assessments for our key suppliers using a structured ESG-focussed questionnaire. This enables us to evaluate their alignment with environmental, social, and governance standards, and advances our transition towards more responsible sourcing practices.

To further enhance supplier engagement, we provide ongoing training anchored in the Global Reporting Initiative (GRI) principles, aimed at promoting awareness of sustainable practices and reinforcing our shared commitment to ethical business conduct.

Our efforts have been recognised globally, with Aarti Drugs achieving an EcoVadis sustainability rating in the 89<sup>th</sup> percentile. This distinction highlights our continuous progress in integrating sustainability across our operations and value chain, and aligning our business practices with globally recognised standards.



Social

# From Outreach to Impact

Social responsibility is a continuous journey for us rooted in empathy, inclusion, and long-term commitment. We have moved beyond outreach programmes to foster enduring partnerships with communities, uplift livelihoods, and create meaningful impact. From health and education to skill development and employee well-being, our initiatives are designed to empower, sustain and grow in collaboration with the communities we serve.

## Material Topics Identified



Occupational Health and Safety



Community Impact, Relations, and Development



Product Safety

## Employee Health and Safety

Ensuring the health and safety of our workforce is a top priority. We conduct regular safety assessments, including Hazard and Operability Study (HAZOP) and Hazard Identification and Risk Assessment (HIRA), to proactively identify and mitigate risks. With a well-established Health and Safety Policy, we provide ongoing training, supported by routine audits to evaluate effectiveness. Our comprehensive safety framework, covering everything from incident management to near-miss reporting, fosters a culture where employees actively participate in upholding

and enhancing safety standards. We continue to invest in advanced safety equipment and have laid out a roadmap for strengthening process safety across our operations.

## Human Rights

Upholding human rights is integral to our values and business conduct at Aarti Drugs. The Company requires all stakeholders, customers, suppliers, and business partners, to respect fundamental human rights and honour the dignity, customs, beliefs, and cultural heritage of the communities it engages with. We actively identify and assess human rights risks, taking preventive measures to avoid infringements.



## Product Safety

We are committed to upholding the highest standards by implementing stringent quality control systems, prioritising employee safety training, and continuously monitoring our production processes to ensure every product meets rigorous safety benchmarks. Our commitment to compliance with regulatory standards reinforces the trust our customers place in us. By upholding these practices, we not only prioritise safety but also align with our core values, ensuring that we deliver safe, reliable, and sustainable products to the market.



## CSR Activities

At Aarti Drugs, we believe that we can only grow if everyone grows with us. For this, we have undertaken initiatives to work towards creating a culture of inclusivity within the Company and helping the communities uplift themselves.

CSR has never been a mandate; it has been our mindset. Decades before CSR became law, we were already working shoulder-to-shoulder with communities to create strong foundations through education and healthcare. We began by providing quality education and essential healthcare to remote areas, ensuring

that our surrounding communities not only coexisted but also thrived. Our work made learning more accessible and lives more secure.

Over time, we realised that scale comes from partnership. That is why we began collaborating with local NGOs and changemakers, combining their grassroots knowledge with our commitment. This model helped us expand our reach, responsibly, and with deeper roots.

## CSR Policy

We have a CSR Policy, approved by the Board that guides our initiatives at Aarti Drugs in line with the Companies Act, 2013. Through the

Aarti Foundation and various other NGOs, we focus on empowering local communities by addressing needs in education, skill development, healthcare initiatives, tribal and rural development, livelihood support, housing assistance, and creating local employment opportunities.

## Composition of the CSR Committee

**Shri Bhaskar N. Thorat**  
Independent Director (Chairman)

**Shri Prakash M. Patil**  
Executive Director (Member)

**Shri Rashesh C. Gogri**  
Executive Director (Member)



₹ **443.45** lakhs  
Total CSR Spend for FY 2024-25

**50,000+**  
Total Lives Impacted

### Focus Areas



### Education and Skill Development

Ongoing CSR initiatives across five schools for the last several years have positively impacted over 1,500 students.

Education is central to achieving sustainable development and driving social upliftment. Our initiatives in education and skill development focus on empowering underserved communities by ensuring access to quality learning, vocational training, and career-building opportunities. By strengthening school infrastructure, expanding digital education, and providing industry-relevant skills, we are enabling young people to fulfil their potential and shape positive change in their communities.

#### Infrastructure Development Initiatives

We undertook infrastructure development initiatives across various schools and institutions, establishing new facilities and upgrading existing ones, including the repair and repainting of the Zilla Parishad School at Tarapur.

#### Scholarships and Grants

Under our CSR initiatives, we provide scholarships to deserving students to pursue higher education, while routinely distributing notebooks and school uniforms to those in need.



### Healthcare

During the year, we advanced healthcare accessibility by providing medical grants through our implementing partners. In collaboration with BPNI Maharashtra, we supported breastfeeding and complementary feeding (IYCN) counselling across six municipal hospitals in Mumbai, KEM, LTMG (Sion), BYL Nair, Dr. R.N. Cooper, Dr. Ambedkar, and Chhatrapati Shivaji Maharaj Hospital (Kalwa), with twenty lactation counsellors and consultants regularly visiting these facilities.



Supplying medicines to the Primary Healthcare Centre at Tarapur is our routine CSR activity.



### Green Environment and Water Conservation

Our initiatives, from water conservation projects to extensive tree plantations, have strengthened environmental sustainability while positively impacting thousands of lives. These efforts not only help preserve natural resources but also foster greener, healthier surroundings for communities. By combining conservation with community engagement, we continue to create lasting environmental benefits.



Initiative	Location	Amount Spent (₹ in lakhs)
Removal of silt from water distribution channels - Naam Foundation	Beed, Parbhani and Nanded District, Maharashtra	60
Tree Plantation - Direct Expenses	Nearby factory locations at Tarapur and Sarigam	22.21

### Water Conservation

We funded the project implemented by Naam Foundation for removal of silt from the water distribution channels of the Paithan right and left canals in Beed, Parbhani and Nanded district of Maharashtra. The water to these canals is sourced from Jayakwadi Dam at Paithan.

Nearly 1,83,000 hectares of agricultural land is irrigated by Paithan Dam  
Benefitting around 2,00,000 farmers

#### Impact of Project

- Continuous water supply will be ensured for all beneficiary farmers from 18 villages located along the canal.
- It will help increase underground water level.

#### Field Impact

- Water Availability:** The positive effects show that water has reached the tail villages for the first time.
- Crop Yields:** There will be potential increases in crop yields due to enhanced water management.
- Collaboration:** Strengthened collaboration and communication between villages are enabling smoother and more efficient canal water distribution.

#### Environmental Impact

- Ground water level will increase by 1 to 2 m.
- Increase in well and borewell water levels.

#### Direct Impact

District	Number of Beneficiaries	Acres of land under irrigation in the project
Beed	94,000+	43,000
Nanded		29,000
Parbhani		26,500



### Tree Plantation

Miyawaki forests are multi-layered forests built with native plants, with the potential to turn into a full-fledged dense forest in a span of 3-5 years. This is a very effective and quick technique for urban reforestation.

We are currently transforming a garbage dumping area near Karajgam Talav in Tarapur, Maharashtra, into a Miyawaki forest through extensive tree planting efforts. We have also undertaken tree plantation drives at multiple locations near our factories in Tarapur and Sarigam.

3,000+

Total Trees Planted



### Housing Aid, Tribal and Rural Development

We supported around 150 families with housing aid worth ₹ 63 lakhs, building safer, permanent homes for nomadic communities in Gujarat and underprivileged urban youth in Mumbai. Our Projects, like VSSM's pucca homes and Kutch Nav Nirman Abhiyan, ensure that the most vulnerable communities have a place to call home, with stability and dignity.

#### Amount Spent on Tribal, Rural Development and Housing Aid

Details	Category	Place	Amount Spent (₹ in lakhs)
Bhansali Trust	Tribal Development	Bihar	50
Vicharta Samuday Samarthan Manch	Housing Aid - Rural	Gujarat	25
Shri KVO Jain Mahajan	Housing Aid - Urban	Mumbai	38



### Details of Mushar Integrated Development Project (Managed by Bhansali Trust)



Number of villages targeted	161
Number of villages covered	161
Manager and supervisors	15
Village level workers	157
Vallabh Vidya Mandir School (Grades I to V started in April 2022, Grade VI will be started this year)	Students: 328 Teachers: 8 Other Staff: 2
Dhan Vallabh Vidhyalaya School (Grades I to IV started in June 2023, Grade V will be started this year)	Students: 270 Teachers: 6 Other Staff: 2
Ramdev School (Grades I to III started in February 2024, Grade IV will be started this year)	Students: 200 Teachers: 5 Other Staff: 2
Coaching classes	155
Average number of students per coaching class	45
Illiterate students studying in coaching class	730
Illiterate students enrolled in school	447 (New students will be enrolled in April 2025)
Dropout students studying	243
Dropout students re-enrolled in the school	154 (New students will be enrolled in April 2025)
Self-help groups (SHGs)	205 groups in 142 villages
Total members	2,811
Total Saving of SHGs so far	₹ 53,78,520
Total loan given to SHG members	₹ 36,97,000

Supplementary nutrition beneficiaries	59 pregnant and lactating mothers 49 children 82 TB patients <b>190 total beneficiaries</b>
Vegetable seed packets distribution	19,000 packets distributed in 161 villages (9,000 in summer and 10,000 in winter)
Sanitary pads distribution	8,626 packs distributed in 161 villages
Paramedical workers	122 Paramedical workers, each treating around 65 patients/month for common ailments <b>~7,930 patients/month</b>
Total patients treated by mobile dispensary with an MBBS doctor	10,667
TB patients receiving treatment	82
Epilepsy patients receiving treatment	44 patients taking regular treatment
Leprosy patients receiving treatment	40
SP cases*	200

\*Families or individuals who need special attention and care

₹ **50** lakhs  
Spend for FY 2024-25

**50,000+**  
Lives Impacted in FY 2024-25

**616**  
Villages Covered

Our CSR activities also include donating sewing machines to tribal residents in a neighbouring village at Jawahar, and providing a garbage collection vehicle to the Gram Panchayat at Pam.



Governance

# Accountability that Enables Progress

A robust governance structure anchors our ethical standards, strategic direction, and compliance culture. Well-defined roles and responsibilities across the Board, management and committees support sound decision-making, proactive risk management and consistent regulatory adherence.

## Material Topics Identified



Corporate Governance



Business Ethics



Economic Performance



Regulatory Compliance



Data Privacy and Integrity



Risk Management

## Governance Framework

Our governance framework brings together critical elements such as board composition, specialised committees, risk management practices, and a strong policy environment to ensure accountability and regulatory compliance. Focused oversight on areas like audit, strategy, and ethics is enabled through dedicated committees, while embedded risk management processes help identify and mitigate potential threats. This integrated approach supports transparent operations, responsible decision-making, and continued operational excellence.

We continue to demonstrate a strong commitment to ethical business practices, with **no instances of unfair trade practices reported over the past five years from FY 2020-21 to FY 2024-25**. The Company enforces stringent product quality controls through its dedicated **Quality Assurance (QA) and Quality Control (QC) teams**. Every product undergoes thorough testing and validation to ensure adherence to pharmacopoeial standards including **IP, BP, USP, and EP**, consistently aligning with regulatory norms and meeting customer expectations.



## Governance Structure and Composition

Our governance structure ensures strong oversight, accountability, and strategic direction, forming a foundation for sustainable growth. A diverse and experienced Board, supported by executive leadership and specialised committees in areas like audit, risk, and sustainability, drives effective decision-making, transparency, and alignment with the Company's vision.

**5**  
Executive Directors

**6**  
Independent Directors

**1**  
Non-Executive Director

## Risk Management

Effective risk management remains integral to our operations and ensuring business continuity. Our comprehensive and proactive framework enables informed decision-making while supporting both strategic and operational goals. With governance, transparency, and compliance at its core, our approach safeguards stakeholder interests and reinforces our commitment to ethical business practices.

### Key initiatives undertaken encompass

- Oversight by the Risk Management Committee, which continues to play a key role in identifying, evaluating, and mitigating risks through regular reviews and strategic guidance under the Risk Management Policy.
- Implementation of a third-party, IT-based Compliance Management System that serves as a central repository of applicable regulations, featuring automated alerts for timely compliance.
- Biannual disclosure of conflicts of interest and related party transactions through stock exchanges, ensuring transparency and adherence to regulatory expectations.
- Grievance redressal mechanisms for customers, employees, and communities, with no significant cases of non-compliance reported during the year.

## Board Committees

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Finance and Investment Committee

## Governance Policies

- Whistle Blower Policy
- Code of Conduct for Independent Directors
- CSR Policy
- Materiality Policy
- SHE Policy
- Quality Policy
- Supplier Code of Conduct
- Policy on Related Party Transactions
- Policy for Determining Material Subsidiaries
- Nomination and Remuneration Policy
- Dividend Distribution Policy
- Archival Policy
- Environment and Climate Change Policy
- People Policy
- Water Policy
- Information Security Policy
- Energy Policy
- Responsible Procurement Policy

Meet the Board

# Leading with Vision and Responsibility



**Shri Chandrakant V. Gogri**  
Chairman Emeritus

A founding member of the Aarti Group, Shri Chandrakant V. Gogri holds a Chemical Engineering degree from the Institute of Chemical Technology (ICT), [formerly known as the University Department of Chemical Technology]. His experience in areas encompassing Projects, Operations, Process Development, Local and International Marketing in the Chemical and Pharmaceutical industry is remarkable. His keen business acumen and 53+ years of experience have helped the Aarti Group scale to new heights of success. He is one of the Company's Founder Promoters. He retired as the Chairman on August 16, 2012, and has, on request of the Board, accepted the post of Chairman Emeritus for his valued guidance and expertise. Shri Chandrakant V. Gogri was awarded the prestigious Lala Shriram National Award for leadership in the Chemical industry in the year 2015, and ICC's D.M. Trivedi Lifetime Achievement Award in the year 2019 for his contributions to the Indian Chemical industry. In 2022, he received the Lifetime Contribution Award at the Chemical and Petrochemical Awards by FICCI and the Lifetime Achievement Award from the Gujarat Dyestuff Manufacturers' Association (GDMA).



**Shri Prakash M. Patil**  
Chairman, Managing Director & CEO

Shri Prakash M. Patil is Chairman, Managing Director and Chief Executive Officer (CEO) of the Company and has been associated since the inception of the Company. He is one of the Company's Founder Promoters. He holds a Chemical Engineering degree from the Institute of Chemical Technology (ICT) [formerly known as the University Department of Chemical Technology]. He has more than 53 years of experience in the Chemical and Pharmaceutical industry. He has an expertise in Product Identification, Project Conceptualisation, Planning, Project Engineering and Implementation. His technical experience has helped the Company emerge as one of the leading pharmaceutical companies in the country.



**Shri Rashesh C. Gogri**  
Managing Director

Shri Rashesh C. Gogri has been the Managing Director of the Company since September 26, 2014. Prior to that, he held the position of Whole-time Director of the Company since October 2012. He holds a Production Engineering degree from Mumbai University and has more than 26 years of experience in Production, Marketing and Project Implementation in the Chemical and Pharmaceutical industry. He also serves as the Vice-chairman & Managing Director of Aarti Industries Limited and Chairman of Aarti Pharmed Labs Limited.



**Shri Harshit M. Savla**  
Joint Managing Director

Shri Harshit M. Savla is the Joint Managing Director of the Company. He is associated with the Company since 1987. He is a Commerce Graduate having more than 38 years of experience in Finance, Exports and Administration. He played a crucial role in expanding the API and Formulation business of the Company.



**Shri Harit P. Shah**  
Executive Director

Shri Harit P. Shah has been Executive Director of the Company since September 1995. He is a Commerce Graduate and has experience of more than 38 years in the handling commercial functions encompassing Sales, Purchases and Exports. He looks after local sales and exports as well. He has in-depth knowledge of the pharmaceutical industry.



**Shri Uday M. Patil**  
Executive Director

Shri Uday M. Patil has been Executive Director of the Company since October 2000. He has more than 38 years of experience in factory administration work and liaising with various Government/Semi-Government Departments and agencies.



**Shri Narendra J. Salvi**  
Non-Executive Director

Shri Narendra J. Salvi is a Non-Executive Director of the Company since August 2020. He has over 38 years of expertise in the API industry. He also serves as the Managing Director of Aarti Pharmed Labs Limited, where he oversees the operation, projects, regulatory compliances and sustainability initiatives.



### Shri Ankit V. Paleja

#### Independent Director

Shri Ankit V. Paleja is an Independent Director of the Company. He is a qualified lawyer. He holds double Bachelor's degrees in Legal Science and Law. With around 18 years of work experience, he is presently a partner in the law firm Crawford Bayley and Co. (Advocates & Solicitors). He is experienced in handling Equity Investments, Mergers and Acquisitions, Banking and Finance and general corporate transactions among others. He has been awarded the 'Under 40 Rising Star Award' by Legal Era.



### Shri Sandeep M. Joshi

#### Independent Director

Shri Sandeep M. Joshi is an Independent Director of the Company. He is a graduate in Chemistry from Mumbai University and completed his M.B.A from Symbiosis Institute of Business Management, Pune. He has 31+ years of experience in export marketing and business development with companies in India and abroad.



### Prof Bhaskar N. Thorat

#### Independent Director

Prof. Bhaskar N. Thorat is an Independent Director of the Company. He holds the degree of M. Chem. Engg. and PhD in Chemical Engineering from Institute of Chemical Technology (formerly known as UDCT). He is a Senior Professor of Chemical Engineering at Institute of Chemical Technology, Mumbai. He has been recognised with many awards and honours and has more than 100 research publications in reputed international journals.



### Shri Ajit E. Venugopalan

#### Independent Director

Shri Ajit E. Venugopalan is an Independent Director of the Company. He is a Chartered Accountant. He is a banking professional with 31+ years of experience in Banking and Finance domain. He served as Managing Director at SVC Co-op Bank Limited. He is also an advisor to the Central Rating Committee of Brickwork Ratings.



### Smt Neha R. Gada

#### Independent Director

Smt Neha R. Gada is an Independent Director of the Company. She is a Chartered Accountant and an Insolvency Professional. She has an experience of over 23 years in compliance pertaining to Securities Law and Corporate Laws. She is the Co-founder of Dhhanish Advisors Private Limited.



### Shri Adhish P. Patil

#### Chief Financial Officer and Chief Operating Officer

Shri Adhish P. Patil is a proven leader with 20 years of experience in Manufacturing Operations, Finance, Investor Relations, Regulatory Compliance, Consulting, Systems Engineering and Information Technology for the Pharmaceutical and Consulting industries. He has a Bachelor of Engineering (IT) degree from Mumbai University. He is a gold medalist from the University of Florida's Warrington College of Business Administration with an MBA in Finance and Marketing. He was named to the coveted 'Top 100 CFOs India 2014' list. Additionally, he was a part of the coveted list of 'Top 20 CFOs in India,' awarded by StartupLanes in 2024. He has managed Production Efficiencies, Projects, Financial Operations, ERP Implementation and Automations for regulatory compliances for a publicly traded pharmaceutical Company.



### Shri Hasmukh B. Dedhia

#### Independent Director

Shri Hasmukh B. Dedhia is an Independent Director of the Company. He is a Chartered Accountant and also holds DISA(ICAI). He has an experience of over 41 years in handling Audits, Due Diligence, Consultancy and Business Restructuring. He possesses rich experience in the fields of Internal Auditing and Control Enhancement Aspects.

Awards & Achievements

# Milestones and Recognitions



**1991-92**  
**CHEMEXCIL**  
Outstanding Performance in Export



**2001**  
**CHEMEXCIL**  
Outstanding Performance in Export

**ORGANISATION OF PHARMACEUTICAL PRODUCTS**  
Best Vendor



**2005**  
**AVAYA GLOBAL CONNECT**  
Customer Responsiveness



**2009**  
**CHEMEXCIL**  
Outstanding Performance in Export



**2012**  
**CHEMEXCIL**  
Outstanding Performance Latin American Export



**2013**  
**ABBOTT**  
Best Vendor of the Year



**2014**  
**CHEMEXCIL**  
Appreciation as a Business Partner

**Government of India (Ministry of Commerce and Industry)**  
Certificate of Recognition - Star Export House



**2015-19**  
**ABBOTT**  
Business Partner of the Year



**2021-22**  
**PHARMEXCIL**  
Export Performance Award – API and Intermediaries Gold Star



**2022-23**  
**PHARMEXCIL**  
Export Performance Award – API and Intermediaries Platinum Star



**2023**  
**ABBOTT**  
Business Partner of the Year



**2024**  
**ECOVADIS**  
Secured a Silver Medal in EcoVadis Assessment

Corporate Information

# Corporate Information

**CHAIRMAN EMERITUS**

Shri Chandrakant V. Gogri

**CHAIRMAN, MANAGING DIRECTOR & CEO**

Shri Prakash M. Patil

**MANAGING DIRECTOR**

Shri Rashesh C. Gogri

**JOINT MANAGING DIRECTOR**

Shri Harshit M. Savla

**EXECUTIVE DIRECTORS**

Shri Harit P. Shah

Shri Uday M. Patil

**NON-EXECUTIVE DIRECTOR**

Shri Narendra J. Salvi

**INDEPENDENT DIRECTORS**

Shri Ankit V. Paleja

Prof. Bhaskar N. Thorat

Smt Neha R. Gada

Shri Hasmukh B. Dedhia

Shri Sandeep M. Joshi

Shri Ajit E. Venugopalan

**CHIEF FINANCIAL OFFICER AND CHIEF OPERATING OFFICER**

Shri Adhish P. Patil

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

Shri Rushikesh V. Deole

**Registered Office**

Plot No. N-198, M.I.D.C., Tarapur, Village Pamtembhi, Taluka and Dist.: Palghar – 401506, Maharashtra, India

**Corporate Office**

Ground Floor, Mahendra Industrial Estate, Road No 29, Plot No 109-D, Sion (East), Mumbai – 400022, Maharashtra, India  
Website: [www.aartidrugs.co.in](http://www.aartidrugs.co.in)  
Email: [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com)  
Tel No: +91 22-2401 9025

**Corporate Identification Number**

L37060MH1984PLC055433

**Statutory Auditors**

Gokhale & Sathe  
Chartered Accountants

**Secretarial Auditors**

CS Sunil M. Dedhia  
Sunil M. Dedhia & Co.,  
Practicing Company Secretary

**Registrar and Share Transfer Agent**

MUFG Intime India Private Limited  
(Formerly known as Link Intime India Private Limited)  
C-101, 247 Park,  
L.B.S. Marg, Vikhroli (W),  
Mumbai – 400083, Maharashtra  
Tel No.: 022 4918 6000  
Fax: 022 4918 6060  
Email: [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com)  
Website: [www.in.mpms.mufg.com](http://www.in.mpms.mufg.com)

**Bankers**

Axis Bank Limited  
DBS Bank India Limited  
HDFC Bank Limited  
IDBI Bank Limited  
Kotak Mahindra Bank Limited  
Standard Chartered Bank  
State Bank of India  
The Hong Kong and Shanghai Banking Corporation Limited  
Union Bank of India

# Management Discussion and Analysis

## Global Economy

The global economy in CY 2024 and CY 2025 is navigating a phase of moderate yet uneven growth amid persistent challenges. Global GDP is projected to slow from 3.3% in CY 2024 to approximately 3% in CY 2025. Geopolitical tensions, including the Russia-Ukraine conflict and unrest in the Middle East, alongside trade policy uncertainties, lingering inflation, supply chain disruptions, and tighter financial conditions have dampened investment sentiment and increased volatility, particularly across major economies such as the US, China, and parts of Europe. This situation was exemplified by the new tariffs imposed by the US, including a 10% baseline US duty on all imports announced in early April 2025. However, later that month, the administration declared a 90-day suspension of these higher tariffs, maintaining only the 10%

base rate for most countries during this negotiation period. The 90-day pause was originally set to expire in July 2025 but has been extended to August 1, 2025, warning that countries failing to reach agreements would then face the higher tariff rates outlined in earlier announcements. With the pause now lifted, recent developments have sparked unrest as the United States imposes higher tariff rates on a wide range of goods from multiple countries.

(Source: <https://www.oecd.org/en/about/news/press-releases/2024/12/economic-outlook-global-growth-to-remain-resilient-in-2025-and-2026-despite-significant-risks.html>)

These trade policy developments have added to global economic uncertainty, weighing on business sentiment and investment decisions. Despite these headwinds, the global economy has shown resilience. Policymakers remain focused on managing inflation while supporting sustainable growth.

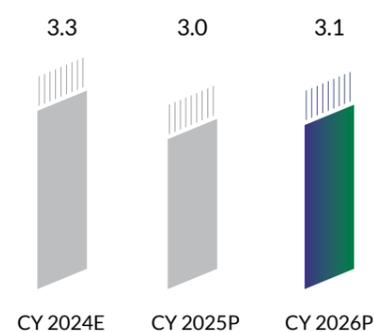
Much of the momentum stems from robust domestic demand in regions such as South Asia and Latin America. Flexible monetary policies and strong performance in the services sector have further aided economic stability.

Looking ahead, growth is expected to diverge across regions. Emerging economies are likely to outpace advanced ones over CY 2025 and CY 2026, driven by rising productivity, strong consumer demand, and investments in sectors like manufacturing, consumer goods, agriculture, infrastructure, and real estate. Developing economies are projected to maintain steady growth of around 4%, while advanced economies face slower expansion amid structural shifts and evolving policy landscapes.

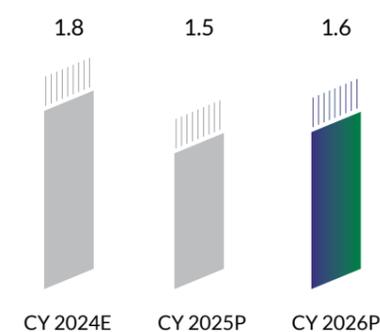
(Source: <https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025>)

## Real GDP Growth Projections (in %)

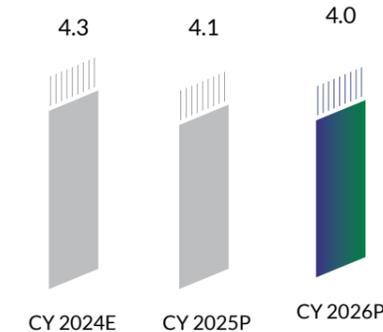
### Global Economy



### Advanced Economies



### Emerging Markets and Developing Economies



E - Estimated  
P - Projected  
Source: International Monetary Fund, World Economic Outlook Projections, July 2025

## Indian Economy

Amid a challenging global landscape, India remained one of the world's fastest-growing major economies, charting a stable growth trajectory. The Indian economy is projected to expand by 6.5% in FY 2024-25, a moderation from the 9.2% growth recorded in the previous financial year, yet reflective of its underlying strength. This resilience is powered by buoyant domestic demand, strong public and private investment, a favourable demographic profile, and increasing consumption. This is particularly evident in rural areas, where a strong monsoon has boosted agricultural output and incomes.

(Source: <https://mospi.gov.in/dataviz-annual-estimates-gdp>)

Inflationary pressures eased significantly, with headline inflation averaging at around 4.6% in FY 2024-25, remaining comfortably within the Reserve Bank of India's (RBI) target band. In response, the RBI adopted an accommodative monetary policy stance, cutting rates for the first time in nearly five years. The repo rate was lowered gradually, reaching 5.5% in June 2025, from 6.25% in February 2025. Following this move, the RBI shifted its monetary policy stance from accommodative to neutral.

(Sources: <https://www.goldmansachs.com/insights/articles/indias-economy-is-likely-to-stand-firm-in-an-uncertain-world>)

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2122148>)

Consumer spending continued to anchor economic growth, with Private Final Consumption Expenditure (PFCE) surging to 7.3% in FY 2024-25, up from 4% in the preceding financial year. Government expenditure further supported this momentum, with Government Final Consumption Expenditure (GFCE) estimated at ₹

33,03,119 Crores in FY 2024-25, driving demand and sustaining economic activity across key sectors.

(Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2090875&utm>)

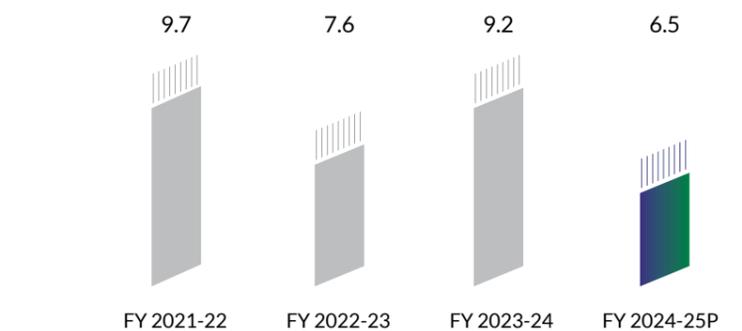
Sector-wise, India continues to deliver a broad-based performance. The services sector is on track to grow at 7.2%, propelled by strong momentum in IT and financial services. The nationwide rollout of 5G and accelerated digital transformation are unlocking new growth avenues for technology-led industries. Meanwhile, the agriculture sector remains a vital pillar of the

economy, with record Kharif crop yields contributing to higher rural incomes and expanded market reach.

(Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2097921>)

India's forward-looking investments in renewable energy and digital infrastructure are further strengthening its economic foundation. These strategic priorities are not only supporting near-term growth but also laying the groundwork for long-term competitiveness and sustainable development.

### GDP Growth Projection (in %)



P - Projected

(Source: <https://mospi.gov.in/dataviz-annual-estimates-gdp>)





## Global Pharmaceutical Industry

The global pharmaceutical industry continues to exhibit strong momentum, fuelled by expanding healthcare coverage, increased public health spending, and ongoing investments in research and development. In CY 2024, the global market was valued at approximately USD 1,653.7 billion and is projected to reach USD 1,746.4 billion in CY 2025. Looking ahead, the market is expected to clock in a CAGR of 6.1% from CY 2025 to CY 2030.

(Source: <https://www.grandviewresearch.com/industry-analysis/pharmaceutical-market-report>)

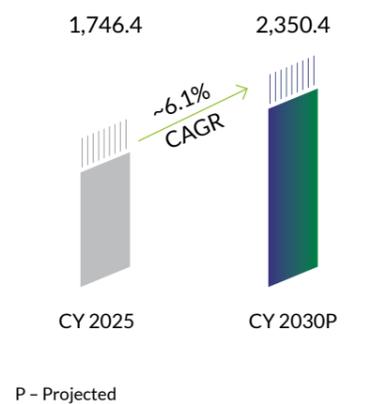
Several structural and technological trends are shaping this growth. One of the most significant drivers is the increasing prevalence of chronic, non-communicable diseases (NCDs), which now account for nearly 74% of global deaths. An ageing global population is further contributing to the rising demand for long-term treatment and care. Additionally, greater awareness and government-driven vaccination programmes have enhanced preventive care access, particularly in emerging economies.

(Source: <https://ncdalliance.org/why-ncds/NCDs>)

Innovations in biotechnology such as cell and gene therapies and allogeneic cell therapies, the rise of personalised medicine, expansion of telemedicine, e-pharmacies, and

digital health platforms and growth in biopharmaceuticals and biosimilars are revolutionising treatment pathways. The integration of artificial intelligence (AI) in drug discovery and clinical trials has also accelerated the development timeline, optimising both efficacy and cost. Other emerging technologies such as 3D printing in drug manufacturing, the increasing adoption of combination therapies, and advancements in mRNA-based vaccines continue to transform the pharmaceutical landscape.

### Global Pharmaceutical Drugs Market (in USD billion)



(Source: <https://www.grandviewresearch.com/industry-analysis/pharmaceutical-market-report>)

## Indian Pharmaceutical Industry

India has cemented its position as a significant contributor to the global pharmaceutical value chain. The domestic pharmaceutical market is currently valued at USD 58 billion, a revision of an earlier forecasted figure. The industry is projected to grow substantially, reaching USD 120-130 billion by 2030, with India's share in the global pharmaceutical market expected to touch 5%. Looking further ahead, the sector is on track to reach USD 400-450 billion by 2047, reflecting sustained momentum in the sector.

(Source: <https://www.india-briefing.com/news/why-indias-pharmaceutical-industry-remains-poised-for-growth-in-2025-35988.html/>)

A notable transformation is underway as the industry shifts from a manufacturing-led 'Make in India' strategy to a more innovation-focused 'Develop in India' model. Indian companies are ramping up investments in novel drug development, biotechnology, and advanced research, reflecting a long-term commitment to global competitiveness. The industry's global footprint now spans over 200 countries, with growing international regulatory recognition and increasing investments in formulation research and biosimilars.

(Source: <https://www.investindia.gov.in/sector/pharmaceuticals>)

The Indian Government has launched several targeted initiatives to foster innovation, self-reliance, and global competitiveness in the pharmaceutical and MedTech sectors. The Production Linked Incentive (PLI) Scheme for Medical Devices and the Scheme for Strengthening of Pharmaceuticals Industry (SPI) aim to boost domestic manufacturing capabilities and reduce import dependence for critical inputs.

The Scheme for Promotion of Research and Innovation in Pharma MedTech Sector (PRIP) encourages deeper

investments in R&D, formulation development, and biotechnology. Additionally, the Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) is widening access to affordable generic medicines across the country through an expanding network of retail outlets.

India remains a global hub for high-quality, affordable generics, supplying 20% of the world's generic drug demand. Both rural and urban markets are gaining strategic attention, with efforts to bridge gaps in healthcare access through telemedicine, mobile health units, and affordable treatment initiatives.

### Domestic Pharmaceutical Market

India's domestic pharmaceutical market stands as one of the world's largest and fastest-growing, driven by robust demand for affordable medicines, a strong manufacturing base, and a rapidly expanding healthcare sector. Increasing healthcare awareness, rising incomes, and government initiatives to enhance access and affordability, continue to play a pivotal role in meeting the country's diverse medical needs while emerging as a global hub for generic drugs and vaccines.

The Indian domestic pharmaceutical market posted an 8.4% year-on-year growth in FY 2024-25, primarily driven by therapies targeting chronic conditions. Chronic therapies grew by 9.9%, driven primarily by a 10.7% rise in cardiac treatments, followed by a 7.9% increase in anti-diabetic drugs.

(Source: [https://www.business-standard.com/industry/news/robust-chronic-performance-drives-8-4-growth-for-indian-pharma-mkt-in-fy25-125040801060\\_1.html](https://www.business-standard.com/industry/news/robust-chronic-performance-drives-8-4-growth-for-indian-pharma-mkt-in-fy25-125040801060_1.html)  
[https://www.indiapharmaoutlook.com/news/indian-pharma-sees-84-growth-in-jan-2025-boosted-by-chronic-care-nwid-3130.html#google\\_vignette](https://www.indiapharmaoutlook.com/news/indian-pharma-sees-84-growth-in-jan-2025-boosted-by-chronic-care-nwid-3130.html#google_vignette))

Meanwhile, acute therapy segments such as anti-infectives and respiratory drugs witnessed moderate growth at 6.3%, due to post-pandemic normalisation and stricter prescription



regulations. The domestic market continued to benefit from strategic advancements in R&D, the Strengthening of Pharmaceuticals Industry (SPI) scheme for funding research and upgrading laboratories to enhance global competitiveness, improved healthcare infrastructure such as the launch of Bulk Drug Parks, and various government reforms. Noteworthy policies, such as the push for universal health coverage and the encouragement of generic drug usage, have created a more conducive environment for industry growth.

(Source: [https://www.indiapharmaoutlook.com/news/indian-pharma-sees-84-growth-in-jan-2025-boosted-by-chronic-care-nwid-3130.html#google\\_vignette](https://www.indiapharmaoutlook.com/news/indian-pharma-sees-84-growth-in-jan-2025-boosted-by-chronic-care-nwid-3130.html#google_vignette))

### Export Pharmaceutical Market

India remains the world's largest supplier of generic medicines and has cemented its position as a reliable partner in global healthcare. Pharmaceutical exports touched USD 30.47 billion in FY 2024-25, marking a 9.4% increase from the previous fiscal year. Monthly exports consistently range between USD 2-3 billion, indicating sectoral stability and sustained international demand.

(Source: [https://pharmexcil.com/uploadfile/Hand\\_Book\\_14\\_06\\_2025\\_final.pdf](https://pharmexcil.com/uploadfile/Hand_Book_14_06_2025_final.pdf)  
<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2122016>)

The United States continues to be the leading export destination, accounting for more than one-third of India's total pharmaceutical exports, followed by key markets such as the UK, Brazil, France, and South Africa.

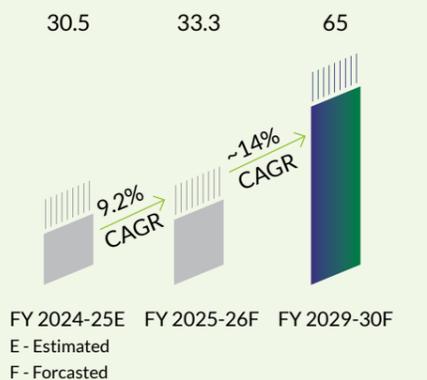
India's export performance has been further boosted by diversification into new geographies, an expanded product portfolio including drug formulations and biologics (which make up 75% of export value), and strong participation in global public health initiatives.

(Source: [https://pharmexcil.com/uploadfile/Hand\\_Book\\_14\\_06\\_2025\\_final.pdf](https://pharmexcil.com/uploadfile/Hand_Book_14_06_2025_final.pdf)  
<https://www.newsonair.gov.in/indias-pharmaceutical-exports-reach-over-30-billion-dollar-in-financial-year-2024-25/>)

India plays a vital role in global vaccine supply chains, supplying 20% of global generic drug demand and fulfilling a significant portion of UNICEF's and WHO's vaccine requirements. These achievements reflect the industry's ability to deliver quality products at scale, reinforcing India's image as the 'pharmacy of the world.'

(Source: [https://pharmexcil.com/uploadfile/Hand\\_Book\\_14\\_06\\_2025\\_final.pdf](https://pharmexcil.com/uploadfile/Hand_Book_14_06_2025_final.pdf))

### Indian Export Pharmaceutical Market Size (in USD billion)



(Source: [https://www.business-standard.com/economy/news/india-s-pharma-exports-set-for-10x-growth-targeting-350-billion-by-2047-125020900272\\_1.html](https://www.business-standard.com/economy/news/india-s-pharma-exports-set-for-10x-growth-targeting-350-billion-by-2047-125020900272_1.html))

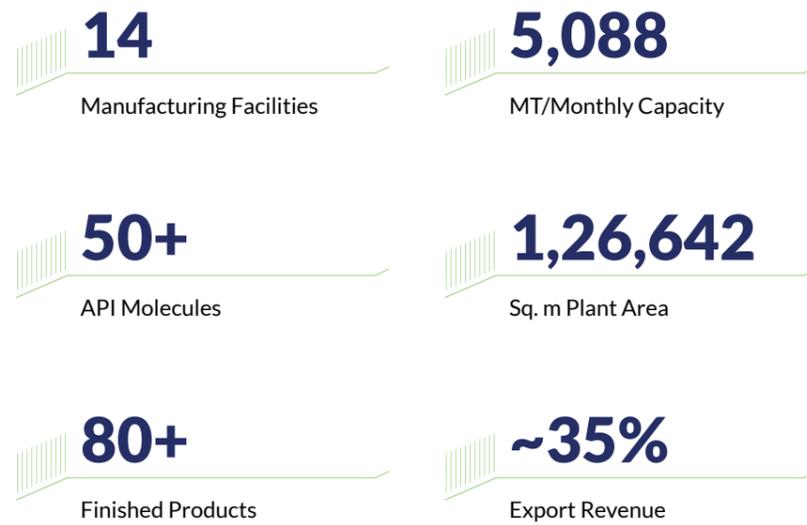


## Company Overview

Aarti Drugs Limited ('Aarti Drugs' or 'The Company'), established in 1984, is a well-established name in the pharmaceutical industry, specialising in the production of Active Pharmaceutical Ingredients (APIs), pharmaceutical intermediates, and speciality chemicals. A part of the Aarti Group, an industrial conglomerate, Aarti Drugs offers a diverse product range of more than 50 compounds, serving therapeutic areas including antibiotics, antiprotozoals, anti-inflammatories, antidiabetics, and antifungals. With a stronghold in the API segment, the Company also operates Pinnacle Life Science Private Limited, its wholly owned subsidiary focused on formulation development.

The Company follows an adaptable manufacturing model that combines internal capabilities with strategic outsourcing to maintain flexibility and scale. Its multi-purpose manufacturing units are designed to handle varying batch sizes, from small-scale to multi-tonne production, allowing it to meet a wide spectrum of market demands. The Company's R&D strength is anchored by its centres in Turbhe, Navi Mumbai, dedicated to complex generic formulations, and in Tarapur, Maharashtra, which focuses on API process innovation. These facilities, strategically located near major industrial corridors, enable efficient operations and ensure reliable delivery of high-quality pharmaceutical products.

## Competencies



Note: The above numbers are on Consolidated Basis.



## Product Portfolio



## Speciality Chemicals

The Company is also engaged in developing a wide array of speciality chemicals, comprising:

- Benzenesulfonyl Chloride
- Derivatives of Chlorosulphonation Chemistry
- Other Products



## Manufacturing Facilities



### Highlights for the Year

#### Operational Scale-up at Tarapur Greenfield Project

The Salicylic Acid plant at Tarapur has commenced operations and is gradually scaling up production and is targeting a cumulative capacity of ~1,600 tonnes per month by the end of FY 2025-26. This is expected to contribute meaningfully to long-term profitability.

#### Investment in Green Energy through Solar SPV

The Company has entered into an agreement with Prozeal Green Power Private Limited and acquired a stake of 26.25% each in Prozeal Green Power Nine Private Limited and Prozeal Green Power Six Private Limited, a Special Purpose Vehicle (SPV) for setting up captive solar power plants in Gujarat and Maharashtra. Aarti Drugs will invest ₹ 9.70 Crores

in a phased manner under this arrangement. The initiative, aligned with the Company's sustainability goals, is expected to generate 50.83 million renewable energy units annually, resulting in estimated annual savings of ₹ 15.25 Crores and a reduction of 36394 tonnes of CO<sub>2</sub> emissions.

## Research and Development

Aarti Drugs' R&D capabilities are anchored by a highly qualified team comprising doctorates, postgraduates, science graduates, and engineering technicians. Their core focus lies in driving process innovation, enhancing product quality, and developing new molecules to support future growth. The Company's R&D centres are recognised by the Department of Scientific and Industrial Research (DSIR), underscoring its technical strength and compliance with national benchmarks.

The Tarapur-based R&D facility houses a pilot plant designed for kilo-scale pharmaceutical production. This DSIR-accredited facility supports process optimisation, scale-up studies, and seamless technology transfer from lab-scale to commercial manufacturing. Backed by dedicated project managers and collaborations with academic experts from institutions like the Institute of Chemical Technology (ICT) and CSIR, Aarti Drugs ensures timely and efficient commercialisation of its innovations.

## Subsidiaries

Aarti Drugs Limited operates through three strategic subsidiaries and one step-down subsidiary, each expanding the Company's reach and capabilities:

#### Pinnacle Life Science Private Limited

Based in Baddi, Himachal Pradesh, Pinnacle Life Science Private Limited, a material subsidiary of Aarti Drugs, is a wholly owned entity focused on pharmaceutical formulations. It has played a key role in expanding our footprint in Latin America, select African nations, and parts of Asia, contributing a significant share of revenue through export registrations and government tender participation.

#### Pinnacle Chile SpA and Pharma Go SpA (step-down subsidiary through Pinnacle Chile SpA)

Operating from Santiago, Chile, these subsidiaries are dedicated to promoting formulation products, actively participating in both public tenders and private contracts across the region.

Together, these entities support Aarti Drugs' broad portfolio of over 50 compounds across major therapeutic categories.

#### Aarti Speciality Chemicals Limited

Located in Mumbai, this subsidiary engages in manufacturing, trading, and processing of speciality chemicals and pharmaceutical products, enhancing Aarti Drug's backend integration and product depth.

## Distribution Network

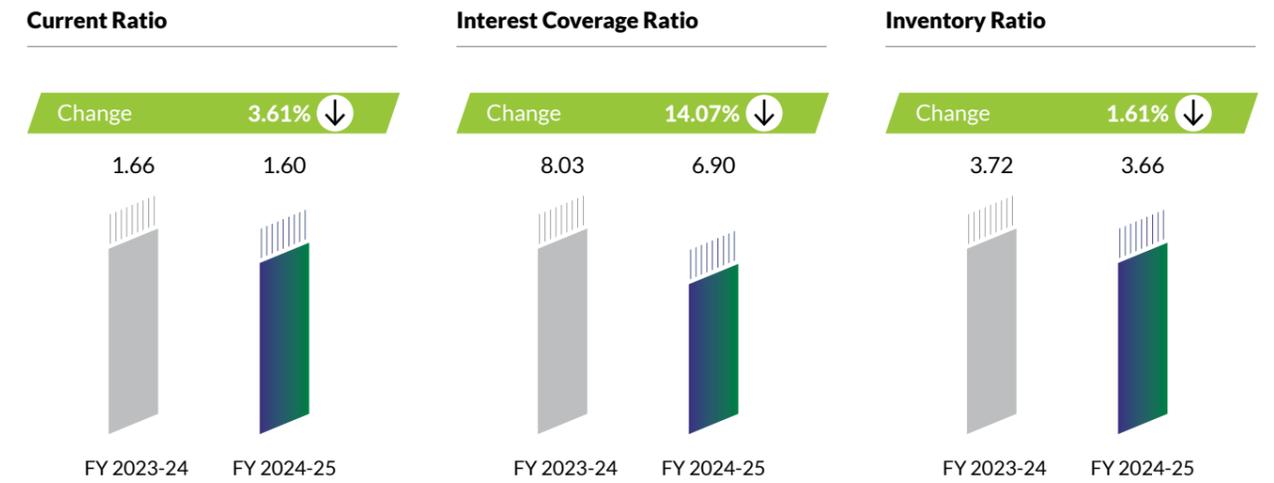
Aarti Drugs has built a robust global distribution network that supports its presence in over 100 countries. The Company primarily ships products directly by air or sea, ensuring cost-efficient logistics for bulk volumes. For smaller shipments, it leverages trusted distributor partnerships. To mitigate financial risk, Aarti Drugs conducts stringent credit evaluations of clients and, in higher-risk cases, collaborates with European trading partners. The Company also safeguards its receivables through trade credit insurance, making its distribution system not only expansive but also resilient and financially sound.



## Financial Highlights

Revenue for FY 2024-25 stood at ₹ 2,403.4 Crores as against ₹ 2,532.6 Crores for FY 2023-24, reflecting a 5% YoY decline. EBITDA for FY 2024-25 was ₹ 303.4 Crores compared to ₹ 320.5 Crores in FY 2023-24, down 5% YoY, with an EBITDA margin of 12.6% for FY 2024-25. PAT stood at ₹ 168.1 Crores in FY 2024-25, as against ₹ 171.6 Crores in FY 2023-24, registering a 2% YoY decline, with a PAT margin of 7.0%.

### Key Financial Ratios



Note:  
 1. There is no significant change (i.e., change of 25% or more as compared to FY 2023-24) in the other key financial ratios.  
 2. The above ratios are calculated on the basis of the consolidated financial statement.

### Segmental Performance Highlights FY 2024-25 (Revenue Mix)



## Outlook

Aarti Drugs is poised for a promising future bolstered by strategic initiatives aimed at expanding capabilities and enhancing offerings, with the commitment to investing in new technologies, which positions the Company uniquely to capitalize on the growth opportunities within the pharmaceutical and specialty chemicals sectors.

During FY 2024-25, the Company incurred a capex of Rs. 177 Crores. Significant progress has been achieved on the greenfield project at Saykha, Gujarat, dedicated to backward integration of the antidiabetic product along with a few other intermediates. Trial production

has already commenced and is expected to stabilise soon.

This development is expected to contribute significantly to the Company's long-term profitability. This initiative is designed to reduce the reliance on external raw materials, thereby enhancing the Company's supply chain reliability. By focusing on the internal sourcing of key inputs, Aarti Drugs expect to drive incremental margin expansion, positioning it for sustained success in the future.

Tarapur Greenfield project, which initially faced some teething issues, has largely overcome them, with the Company now focussing on a phased scale-up in production.

These initiatives are not just about immediate gains; they are designed to collectively strengthen the Company's operational resilience. By implementing these strategies, Aarti Drugs is positioning itself for sustainable long-term growth, ensuring that the Company remains competitive and robust in the face of external pressures.

As Aarti Drugs navigates the current geopolitical challenges in the broader operating environment, it remains imperative that the Company focusses on enhancing its profitability through disciplined cost control and efficient supply chain management.

## Human Resources

At Aarti Drugs, people are valued not just as resources, but as individuals with unique skills, aspirations, and potential. The Company is committed to creating a workplace culture that nurtures personal growth alongside professional development. Through its Human Resources Division, Aarti Drugs ensures equitable

opportunities for learning, career advancement, and cross-functional exposure. As of March 31, 2025, the Company had 1,284 permanent employees at its manufacturing plants and administrative office which includes 1,152 males and 132 females.

Regular training programmes, seminars, and leadership development

initiatives are conducted to enhance skills and encourage continuous learning. The Company's focus on inclusivity, empowerment, and capability-building fosters a collaborative environment that drives performance and long-term organisational success.



## Environment, Health and Safety

Aarti Drugs continues to advance its sustainability agenda by strengthening waste management, promoting efficient water usage, and reducing its carbon footprint. The implementation of Zero Liquid Discharge (ZLD) systems across multiple facilities ensures complete recycling of treated wastewater. Use of dual-fired boilers in greenfield plants optimises fuel use and lowers emissions, while waste-to-energy practices and waste heat recovery systems further enhance energy efficiency.

Aarti Drugs leverages advanced technologies like ATFD, ATFE, FBC boilers, MEE, and MVR systems to ensure optimal resource utilisation. On the health and safety front, the Company promotes a culture of safety through regular training on PPE usage, firefighting, first aid, and emergency response, supported by Civil Defence and the Bombay Productivity Council. All EHS systems are aligned with ISO standards (ISO 9001:2008, ISO 14001, ISO 45001, and ISO 9002), reflecting a strong commitment to global safety and environmental benchmarks.

To reduce plastic usage, the Company has shifted to environmentally friendly packaging such as paper bags, fibre drums, and jumbo bags. Tree plantation drives and green cover maintenance are regularly undertaken to support biodiversity and carbon sequestration.

The Company's strong commitment to sustainability is also reflected in its EcoVadis score, which places it in the 89<sup>th</sup> percentile globally.



## Internal Controls

Aarti Drugs places strong emphasis on maintaining a robust internal control framework that underpins its operational integrity and corporate governance. The Company has established a structured system of internal controls designed to safeguard assets, ensure accurate financial reporting, and prevent any form of misconduct. These controls are regularly reviewed and refined by the Audit Committee to remain aligned with evolving business needs.

To further strengthen its governance practices, periodic internal audits are conducted by an independent Chartered Accountancy firm.

The findings are closely reviewed by the Audit Committee, which addresses any identified gaps and drives continual improvements across processes and compliance mechanisms.

The Company is committed to safeguarding assets, preventing and detecting fraud or errors, providing accurate and complete accounting

records and preparing timely and reliable financial reports. Any deviations are promptly reported to management, allowing for swift corrective action to ensure business continuity and maintain risk at manageable levels. This internal control framework is crucial for maintaining smooth and uninterrupted business operations.

## Cautionary Statement

This Management Discussion and Analysis contains 'forward-looking statements' that are subject to risks and uncertainties. Actual outcomes may differ materially from those projected due to changes in economic conditions, government policies, regulatory environments, taxation laws, and other external factors beyond the Company's control.

# DIRECTORS' REPORT

To,

The Members of

## AARTI DRUGS LIMITED

Your Board of Directors ("Board") are pleased to present this 40th (Fortieth) Annual Report on the business and operations of your Company ("the Company" or "Aarti Drugs Limited") together with the Audited Financial Statements of the Company for the financial year ended March 31, 2025.

## FINANCIAL HIGHLIGHTS

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Revenue from Operations	2,17,365	2,26,691	2,38,703	2,52,858
Other income	1,357	418	1,636	403
Total Revenue	<b>2,18,722</b>	<b>2,27,109</b>	<b>2,40,339</b>	<b>2,53,261</b>
Total Expenditure	<b>1,98,847</b>	<b>2,07,861</b>	<b>2,19,162</b>	<b>2,29,708</b>
Profit before Depreciation, Amortisation, Interest and tax Expenses	<b>27,622</b>	<b>27,031</b>	<b>30,342</b>	<b>32,049</b>
Finance Cost	2,968	3,016	3,587	3,351
Depreciation & Amortisation	4,779	4,767	5,578	5,145
Profit before Exceptional Items and Tax	<b>19,875</b>	<b>19,248</b>	<b>21,177</b>	<b>23,553</b>
Exceptional Income	-	-	-	-
Profit Before Tax	<b>19,875</b>	<b>19,248</b>	<b>21,177</b>	<b>23,553</b>
Less: Total Tax Expenses	4,144	5,060	4,367	6,394
Profit after Tax	<b>15,731</b>	<b>14,188</b>	<b>16,810</b>	<b>17,159</b>
Earnings Per Share (in ₹)	<b>17.18</b>	<b>15.35</b>	<b>18.35</b>	<b>18.56</b>

## SUMMARY

During the year under review, Standalone Revenue from operations of the Company was ₹ 2,17,365 lakhs as compared to ₹ 2,26,691 lakhs for FY 2023-24. The Company has achieved Export Sales of ₹ 76,921 lakhs as against ₹ 74,922 lakhs for the last year.

Likewise, Consolidated Revenue from operations of the Company was ₹ 2,38,703 lakhs as compared to ₹ 2,52,858 lakhs for FY 2023-24. On Consolidated basis, The Company has achieved Export Sales of ₹ 86,533 lakhs as against ₹ 86,288 lakhs for the last year.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Companies Act, 2013, Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the FY 2024-25, together with the Auditors' Report, form part of this Annual Report.

## TRANSFER TO RESERVES

Your Company has transferred ₹ 1573.15 lakhs to the General Reserve (Previous Year ₹ 1418.83 lakhs).

## DIVIDEND

During the year, the Company has declared and paid an Interim Dividend of ₹ 1/- (@ 10%) each per share (of ₹ 10/- each) aggregating to ₹ 912.70 lakhs.

The Dividend payout is in accordance with the Dividend Distribution Policy which is available on the website of the Company.

## DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of the Listing Regulations, the top 1000 listed companies shall formulate a Dividend Distribution Policy. Accordingly, the policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. A policy is available on the website of the Company and the weblink thereto is: <https://www.aartidrugs.co.in/policies-and-related%20documents/>

## DIRECTORS' REPORT (CONTD.)

### SHARE CAPITAL

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

Particulars	No. of Shares	Face Value Per Share (in ₹)	Total Amount (in ₹)
Authorised Share Capital	12,00,00,000	10	120,00,00,000
Issued, Subscribed & Paid-up Share Capital	9,12,70,000	10	91,27,00,000

The Board at its meeting held on August 26, 2024, had offered for buy back of 665000 fully paid-up Equity shares of face value of ₹ 10/- each representing 0.72% of the total number of Equity shares at a price of ₹ 900/- per Equity Share (including premium of ₹ 890/- per Equity Share) payable in cash for an aggregate amount of ₹ 59,85,00,000/- on a proportionate basis through the tender offer using stock exchange mechanism in accordance with prevailing regulations. Settlement of buy back bids was completed on September 24, 2024. Post Buyback, the paid-up Equity Share Capital of the Company stood at ₹ 91,27,00,000/- consisting of 91270000 Equity Shares of face value of ₹ 10/- each.

Apart from the above, there was no change in the Share Capital during the Financial Year under review.

### SUBSIDIARY COMPANIES

At the beginning of FY 2024-25, the Company had 3 (three) subsidiaries, namely, Pinnacle Life Science Private Limited, Aarti Speciality Chemicals Limited and Pinnacle Chile SpA.

During the year, the Company has incorporated the following Step-down Subsidiary through its Subsidiary Company, Pinnacle Chile SpA;

Name of the Subsidiary	Date of Incorporation	Country of Incorporation	Purpose of Incorporation
Pharma Go SpA	November 27, 2024	Santiago, Chile	Marketing the formulation drugs and participating in tender and private market in Chile.

Of the above subsidiaries, Pinnacle Life Science Private Limited and Aarti Speciality Chemicals Limited are wholly owned subsidiaries. Pinnacle Life Science Private Limited has been classified as the material subsidiary as it fulfils the criteria given under Regulation 16(1)(c) of the Listing Regulations. Pursuant to Regulation 24A of the Listing Regulations, the Secretarial Audit Report as prescribed in Section 204 of Companies Act, 2013 for the Material Subsidiary Company, Pinnacle Life Science Private Limited for financial year ended March 31, 2025 is annexed as "Annexure -D2" and forms an integral part of this Report.

The Company has attached along with its financial statements, a separate statement containing the salient features of the financial statements of the said subsidiaries in "Form AOC-1" which is annexed as "Annexure - A" and forms an integral part of this Report.

During the year under review, the Board of Directors reviewed the affairs of the subsidiaries. Also in conformity with Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014, Note 37 of Consolidated Financial Statement covers the highlights of performance of subsidiaries and their contribution to the overall performance of the Company during the year.

The Company does not have any Associate Company or Joint Venture within the meaning of Section 2(6) of the

Companies Act, 2013. A policy on material subsidiaries has been formulated and is available on the website of the Company at the weblink <https://www.aartidrugs.co.in/policies-and-related%20documents/>

### STATE OF AFFAIRS

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPS)

In accordance with the prevailing provisions of the Section 149 of the Companies Act, 2013 read with Regulation 17 of the Listing Regulations, as amended from time to time, as on March 31, 2025, the Board of Directors, comprises Twelve Directors (with Five Executive Directors, One Non-Executive Director and Six Non-Executive Independent Directors including One Woman Independent Director). The Chairman of the Board is an Executive Director. The Board has highly qualified members and having varied experience in their respective fields.

There were no changes in the composition of the Board of Directors and KMPS during the year under review.

Pursuant to the recommendation of the Nomination and Remuneration Committee (NRC), Shri Has Mukh B. Dedhia

## DIRECTORS' REPORT (CONTD.)

(DIN: 07510925), Shri Ajit E. Venugopalan (DIN: 09439069) and Shri Sandeep M. Joshi (DIN: 00516409) have been appointed as an Independent Directors of the Company for the period of 3 years with effect from March 29, 2024. The Approval of the Shareholders of the Company was sought through the Postal Ballot. The members approved the postal ballot resolution on June 15, 2024.

At the 39<sup>th</sup> Annual General Meeting held on September 20, 2024, the members approved the re-appointment of following Directors;

- Shri Ankit V. Paleja (DIN: 06975564) as an Independent Director for the second term of five years w.e.f October 13, 2024
- Shri Bhaskar N. Thorat (DIN: 01293824) as an Independent Director for the second term of five years w.e.f May 09, 2025
- Smt. Neha R. Gada (DIN: 01642373) as an Independent Director for the second term of three years w.e.f May 09, 2025

In accordance with the provisions of Section 152 of Companies Act, 2013, Shri Harshit Manilal Savla (DIN: 00005340) Executive Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment for consideration of the Members.

Pursuant to Regulation 36(3) of the Listing Regulations read with Secretarial Standard-2 on General Meetings, the brief profile of the Director to be re-appointed is made available, as an Annexure to the Notice of the Annual General Meeting.

Pursuant to the provisions of Regulation 34(3) read with Schedule V to the Listing Regulations, the Company has obtained a Certificate from CS Sunil M. Dedhia (COP No. 2031), of Sunil M. Dedhia & Co. Company Secretary in Practice and the Secretarial Auditor of the Company, certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or by the Ministry of Corporate Affairs or by any such statutory authority. The said Certificate is annexed to the Corporate Governance Report of the Company for the FY 2024-25.

### KEY MANAGERIAL PERSONNEL

During the year under review, there was no change in the Key Managerial Personnel of the Company.

### INDEPENDENT DIRECTORS

In accordance with Section 149(7) of the Companies Act, 2013, all Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after due assessment of the veracity of the same.

In the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Listing Regulations and are independent from Management and hold the highest degree of integrity and are individuals who are experts in their respective fields with enormous experience. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company at the weblink: <https://www.aartidrugs.co.in/independent-directors/>

All the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

All the Independent Directors of the Company have enrolled their names in the 'Independent Directors Data Bank' maintained by Indian Institute of Corporate Affairs ("IICA").

### FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has a Familiarisation programme for its Independent Director which is imparted at the time of appointment of an Independent Director on Board as well as on annual basis. During the year, the Independent Directors of the Company were familiarised and the details of familiarisation programmes imparted to them are placed on the website of the Company and the weblink thereto is: <https://www.aartidrugs.co.in/independent-directors/>

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5), your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

## DIRECTORS' REPORT (CONTD.)

- in the preparation of the annual financial statements for the year ended March 31, 2025, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### MEETINGS OF THE BOARD

The Board of Directors met Seven (7) times during the financial year under review. The details of the number of meetings of the Board and its Committees held during the FY 2024-25 and the attendance of each Director/Member at these meetings are provided in the Corporate Governance Report forming part of this Annual Report. The intervening gap between the Board meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

### ANNUAL BOARD EVALUATION

The Company has a structured assessment process, wherein the Nomination and Remuneration Committee of the Company has laid down the criteria of performance evaluation of the Board, its Committees and the Directors, including the Chairman. The evaluations are carried out in a confidential manner and each member of the Board provides his/her feedback by rating based on various metrics.

Under the two layers evaluation process, Independent Directors evaluate the performance of the Board of

Directors, Non-independent Directors and the Chairman of the Company. Later the Board of Directors evaluate performance of the Board itself, its Committees and the Board members.

Under the fast changing regulatory regime, business scenario and Industry trend, an annual performance evaluation process aims to improve the effectiveness of the Board, its Committees and the individual members.

With a specific focus on functioning of the Board, Individual Roles & Responsibilities; the criteria of assessment includes; Board Composition, governance procedures, managing conflict of interest, contribution to Company's long-term strategy, flow of information on key strategic matters, investment / Capex, opportunities, quality of discussions at the meeting, leadership, succession planning, adequacy of risk management measures and overall value creation to all the stakeholders.

Rating given by the individual member against each criteria of assessment is kept strictly confidential and the abstract / summary is presented to the Independent Directors and the Board of Directors along with the suggestions from the members for deliberation/ discussion on improvements wherever required.

The Board of Directors expressed their satisfaction with the outcome of evaluation and the process followed thereof.

### NOMINATION AND REMUNERATION POLICY

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, your Company has in place a Nomination and Remuneration Policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy also lays down criteria for selection and appointment of Board Members. The said policy has been posted on the website of the Company and the weblink thereto is: <https://www.aartidrugs.co.in/policies-and-related-documents/>

The details of this policy are given in the Corporate Governance Report.

### CORPORATE SOCIAL RESPONSIBILITY

Your Company, directly and also through various implementing agencies undertake community interventions to enhance the lives of the communities. Besides our direct involvement, we partner with numerous implementing agencies to carry out need assessment and make impactful interventions. Our Focus areas during the year have been;

- Cluster & Rural Development

## DIRECTORS' REPORT (CONTD.)

- Education & Skill Development
- Healthcare Facilities
- Livestock Development
- Tribal Welfare
- Women Empowerment & Livelihood Opportunities
- Water Conservation & Environment sustainability

The above activities are aligned to the requirements of Section 135 of the Act read with Schedule VII.

The detailed policy on Corporate Social Responsibility is available on the website of the Company on the weblink thereto is: <https://www.aartidrugs.co.in/policies-and-related%20documents/>

A brief note on various CSR initiatives undertaken during the year including the composition of the CSR Committee is presented in this Annual report. The CSR annual report is annexed as **Annexure- B** and forms an integral part of the Report.

The details of the composition of the CSR Committee and its term of reference are set out in the Corporate Governance Report, which is a part of this Report.

### AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 of the Listing Regulations.

The details of the composition of the Audit Committee, terms of reference, meetings held and other relevant information are provided in the Corporate Governance Report, which forms part of this Report. During the year there were no cases where the Board had not accepted any recommendation of the Audit Committee.

### VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism and Whistle Blower Policy for its Directors and Employees in compliance with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behaviour, actual or suspected fraud, actual or suspected leak of UPSI or violation of Company's Code of Conduct. It also provides for adequate safeguards against the victimisation of directors, employees or any other person who avail the mechanism and allows direct access to the chairperson of the audit committee in exceptional cases. The said policy has been posted on the website of the Company and the weblink thereto is: <https://www.aartidrugs.co.in/policies-and-related%20documents/>

The Company affirms that no person has been denied access to the Chairman of the Audit Committee.

### RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has formulated a Policy on Materiality of Related Party Transaction and dealing with Related Party Transaction which is uploaded on the Company's website at the weblink: <https://www.aartidrugs.co.in/policies-and-related%20documents/>

All related party transactions that were entered into during the FY 2024-25 were on arm's length basis and were carried out in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other Designated Persons which may have potential conflict with interest of the Company at large.

All the related party transactions are approved by the Audit Committee. An Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of transactions. A report of factual findings arising out of the accepted procedures carried out in regard to transactions with Related Parties is given by the Statutory Auditors on quarterly basis and the same is placed before the Audit Committee.

The details of related party transactions are provided in the accompanying financial statements.

In terms of Regulation 23 of Listing Regulations, the Company submits details of related party transactions on a consolidated basis as per the specified format to stock exchanges on half yearly basis.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

### CREDIT RATING

Below are the details of Credit Ratings as on March 31, 2025;

Facilities	CRISIL Rating	ICRA Rating
Long Term Rating	CRISIL AA-/Stable	ICRA AA-/Stable
Short Term Rating	CRISIL A1+	ICRA A1+

## DIRECTORS' REPORT (CONTD.)

### DEPOSITS

The Company has not accepted any deposits from the public in terms of the Companies Act, 2013. Further, no amount on account of principal or interest on deposits from the public was outstanding as on the date of the Balance Sheet. The Company does not have any deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

### PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Particulars of loans given, investments made, guarantees given and securities provided during the year under review and as covered under the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the notes to the standalone financial statements forming part of the Annual Report.

### PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and annexed as **Annexure - C**. As per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the report and financial statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2). However, these are available for inspection during business hours up to the date of the forthcoming AGM at the registered office of the Company. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office address of the Company.

### HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

Your Company recognises human resource as one of its prime resources. Your Company enjoyed excellent relationships with workers and staff during the year under review and considers them their most important assets. Your Company cares for its people, customers, suppliers, and community at large which reflects in the Company's policy, programs and development efforts. As on March 31, 2025, the Company had 1284 permanent employees at its manufacturing plants and administrative office which includes 1152 males and 132 females. Your Company is committed to build and strengthen our human capital by defining policies that support their growth, goals and help them achieve excellence.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of Company to which the financial statements relate and the date of this Directors' Report.

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the rules, the shares on which Dividend has not been paid or claimed by the Shareholders for seven consecutive years or more shall be transferred to the Demat account of the IEPF Authority. Accordingly the Company has transferred the unclaimed and unpaid dividends and corresponding shares as per the requirement of the IEPF Rules. The details about the same are posted on website of the Company and weblink thereto is: <https://www.aartidrugs.co.in/unclaimed-dividend>

### ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2025 is available in prescribed format on the website of the Company at the weblink: <https://www.aartidrugs.co.in/annual-return/>

### CORPORATE GOVERNANCE

Corporate Governance essentially involves balancing the interests of a Company's stakeholders. Corporate Governance practices of our Company are a reflection of our values, policies and relationship with our stakeholders. Your Company has complied with the mandatory Corporate Governance norms as stipulated under Listing Regulations. Report on Corporate Governance as specified under Regulation 34(3) read with Schedule V of the Listing Regulations is annexed hereto forming part of this report together with certificate from the Statutory Auditor regarding report on Corporate Governance.

### MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report with detailed review of operations, performance and future outlook, as stipulated under Regulation 34 read with Schedule V to the Listing Regulations is presented in a separate section forming part of this Annual Report.

## DIRECTORS' REPORT (CONTD.)

### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

The BRSR indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct'. This would enable the Members to have an insight into Environmental, Social and Governance initiatives of the Company.

BRSR for the year under review, as stipulated under Regulation 34(2)(f) of Listing Regulations read with SEBI Circulars, has presented in a separate section forming part of the Annual Report.

### RISK MANAGEMENT

Your Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. The Company aims to use risk management to take better informed decisions and improve the probability of achieving its strategic and operational objectives.

In compliance with Regulation 21 of Listing Regulations, your Company has a Risk Management Committee consisting of Shri Prakash M. Patil (Chairman), Shri Rashesh C. Gogri, Shri Harit P. Shah, Shri Harshit M. Savla, Shri Uday M. Patil, Shri Bhaskar N. Thorat, Shri Ankit V. Paleja, Shri Adhish P. Patil and Shri Dhanaji L. Kakade.

The Committee through its dynamic risk management framework continuously identifies, evaluates and takes appropriate measures to mitigate/ minimise various elements of risks. The Risk Management Committee meets at least 2 times in a year, to ensure that appropriate methodologies, processes and systems are in place to monitor and evaluate risks associated with the business of the Company and also to monitor and oversee the implementation of the Risk Management Policy.

### COMPLIANCE MANAGEMENT SYSTEM

The Company with its sheer focus committed to achieve 100% compliance. We have adopted a third-party managed IT-based Compliance Management System. It has a repository of all applicable regulations and requisite compliances. It has an in-built alert system that sends alerts to the users and intimates concerned personnel about upcoming compliances. The Board periodically monitors the status of compliances with applicable laws.

### SAFETY, HEALTH AND ENVIRONMENT

Your Company is committed to ensure a sound Safety, Health and Environment (SHE) performance related to its activities, products and services. Your Company has been

continuously taking various steps to develop and adopt Safer Process technologies and unit operations. Your Company is making continuous efforts for adoption of safe & environmental friendly production processes. Monitoring and periodic review of the designed SHE Management System are done on a continuous basis.

### STATUTORY AUDITORS & AUDITORS' REPORT

In accordance with the provisions of Section 139 of the Companies Act, 2013, the members at the 38th Annual General Meeting held on September 26, 2023 had approved the appointment of Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W) as the Statutory Auditor of the Company for a term of 5 years, to hold office till the conclusion of 43rd Annual General Meeting of the Company.

There are no qualifications, reservations or adverse remarks or disclaimer made by the Auditor in their report. The Auditor's Report is enclosed with the financial statements forming part of this Annual Report. The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

### COST AUDITORS & RECORDS

In terms of the Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Rules, 2014, the Company is required to maintain cost accounting records and have them audited every year.

The Board on the recommendation of the Audit Committee has appointed GMVP & Associates LLP, Cost Accountant (Firm Registration No. 000910) as Cost Auditor of the Company for FY 2025-26 under Section 148 and all other applicable provisions of the Act. Shareholder's approval is being sought for ratification of the Remuneration proposed to be paid to GMVP & Associates LLP, Cost Auditor of the Company in respect of Cost Audit for the financial year ending March 31, 2026 as mentioned in the Notice convening the Annual General Meeting.

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

### SECRETARIAL AUDITOR & REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company had appointed CS Sunil M. Dedhia (COP No. 2031), Proprietor of Sunil M. Dedhia & Co., Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year ending March 31, 2025.

## DIRECTORS' REPORT (CONTD.)

Pursuant to provisions of Section 204(1) of the Companies Act, 2013 and Regulation 24A of the Listing Regulations, the Secretarial Audit Report for the Financial year ended March 31, 2025 issued by CS Sunil M. Dedhia (COP No. 2031), of Sunil M. Dedhia & Co., Company Secretary in Practice and the Secretarial Auditor of the Company is annexed as **Annexure-D1** and forms an integral part of this Report. During the year under review, the Secretarial Auditor had not reported any fraud under Section 143(12) of the Act. There is no qualification, reservation or adverse remark or disclaimer made by the Auditor in their report. As regards to the observations of Secretarial Auditor in their report, the same are self-explanatory and adequate measures have been taken to comply with the requirements of relevant SEBI regulations.

Further, pursuant to the provisions of Regulation 24A & other applicable provisions of the SEBI Listing Regulations, Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors at their respective meetings held on July 18, 2025 have approved and recommended for approval of Members, appointment of M/s Mehta & Mehta, Practising Company Secretaries (Firm Registration Number: P1996MH007500) (PR No. 3686/2023) as the Secretarial Auditor of the Company for a term of 5 (five) consecutive years, commencing from FY 2025-26 to the FY 2029-30. They have confirmed their eligibility and qualification required under the Act and the Listing Regulations for holding the office, as the Secretarial Auditor of the Company.

A detailed proposal for appointment of Secretarial auditor is made available and forms part of the Notice of Annual General Meeting.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has clearly laid down policies, guidelines and procedures that form part of internal control systems, which provide for automatic checks and balances. Your Company has maintained a proper and adequate system of internal controls. The Company has appointed Raman S. Shah & Associates, Chartered Accountants as an Internal Auditor who periodically audits the adequacy and effectiveness of the internal controls laid down by the Management and suggests improvements. This ensures that all Assets are safeguarded and protected against loss from unauthorised use or disposition and that the transactions are authorised, recorded and reported diligently. Your Company's internal control systems commensurate with the nature and size of its business operations. Internal Financial Controls are evaluated and Internal Auditors' Reports are regularly reviewed by the Audit Committee of the Board.

Statutory Auditors Report on Internal Financial Controls as required under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 is annexed with the Independent Auditors' Report.

### SECRETARIAL STANDARDS COMPLIANCE

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is fully committed to uphold and maintain the dignity of every woman working with the Company. The Company has Zero tolerance towards any action on the part of any one which may fall under the ambit of 'Sexual Harassment at workplace'. The Policy framed by the Company in this regard provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee ("ICC") under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. ICC has been set up to redress complaints received regarding sexual harassment.

The awareness is provided to all the employees through Online Training. Upon joining it is mandatory for each employee to participate and gain adequate knowledge of all the policies and codes to ensure Governance level of the Company.

The status of the Complaints during the FY 2024-25 is as follows:

Particulars	No. of Complaints
Number of Complaints pending as on beginning of the financial year	0
Number of Complaints received during the financial year	0
Number of Complaints disposed off during the financial year	0
Number of cases pending for more than 90 days	0
Number of Complaints pending as on the end of the Financial Year	0

**DIRECTORS' REPORT (CONTD.)**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended from time to time, are provided in **Annexure-E** to this report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS**

During the period under review, there were no significant material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

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

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

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

**DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE AT THE TIME OF**

**TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

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

**COMPLIANCE WITH THE PROVISIONS OF MATERNITY BENEFITS ACT, 1961**

The Company has duly complied with the provisions of the Maternity Benefits Act, ensuring all eligible employees receive the benefits and protections as mandated under the Act.

**ACKNOWLEDGEMENT**

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

**For and on behalf of the Board**

Sd/-

**Prakash M. Patil**

Place: Mumbai      Chairman, Managing Director & CEO  
Date: July 18, 2025      DIN: 00005618

**ANNEXURE - A**

**FORM AOC-1**

[Pursuant to first proviso to sub - section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Account) Rules, 2014]

**Statement containing salient features of Financial Statements of Subsidiaries / Associate Companies / Joint Ventures**

**Part 'A' - Subsidiaries**

Sr. No.	CIN/ any other registration number of subsidiary company	Name of Subsidiary Company	Date since when subsidiary was acquired	Provisions pursuant to which the Company has become a subsidiary [Section 2(87)(i)/ Section 2(87)(ii)]	Reporting & Currency Exchange Rate as on the last date of the relevant financial year in the case of foreign subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1.	U24232HP2003PTC030912	Pinnacle Life Science Private Limited	September 04, 2014	2(87)(i) and 2(87)(ii)	INR	786.28	13676.02	32653.63	32653.63	0.50	25634.72	1536.57	223.50	1313.07	0.00	100
2.	U24230MH2019PLC333306	Aarti Speciality Chemicals Limited	November 20, 2019	2(87)(i) and 2(87)(ii)	INR	42.00	(37.52)	4.53	4.53	0.00	0.00	(0.37)	0.00	(0.37)	0.00	100

**ANNEXURE - A (CONTD.)**

Sr. No.	CIN/ any other registration number of subsidiary company	Name of Subsidiary Company	Date since when subsidiary was acquired	Provisions pursuant to which the Company has become a subsidiary [Section 2(87)(i)/ Section 2(87)(ii)]	Reporting Currency & Exchange Rate as on the last date of the relevant financial year in the case of foreign subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
3.	77091384-5	Pinnacle Chile SpA	October 24, 2019	2(87)(i) and 2(87)(ii)	CLP (Chilean Peso)	3489.82	2251.64	68598.44	68598.44	10.00	49321.5	(1306.87)	0.00	(1306.87)	0.00	95
4.	77996931-2	Pharma Go SpA	November 26, 2024	2(87)(i) and 2(87)(ii)	CLP (Chilean Peso)	326.04	191.18	6174.34	6174.34	0.90	4521.39	(123.04)	0.00	(123.04)	0.00	95 (through Pinnacle Chile SpA)

Note:

- The Financial Statement of Pinnacle Chile SpA and Pharma Go SpA whose reporting currency is Chilean Peso (CLP) are converted into Indian Rupees (INR) on the basis of approximate exchange rate as per the applicable accounting standard. As at March 31, 2025 CLP 1 = INR 0.090
- Pinnacle Chile SpA, Subsidiary of the Company has incorporated Pharma Go SpA as its Wholly-owned Subsidiary on November 26, 2024. Therefore Pharma Go SpA is a step-down subsidiary of the Company.

For and on behalf of the Board

Sd/-  
**Prakash M. Patil**  
Chairman, Managing Director & CEO  
DIN: 00005618

Sd/-  
**Harshit M. Savla**  
Joint Managing Director  
DIN: 00005340

Sd/-  
**Adhish P. Patil**  
Chief Financial Officer

Sd/-  
**Rushikesh V. Deole**  
Company Secretary  
ICSI M.No. F12932

Place: Mumbai  
Date: July 18, 2025

## ANNEXURE – B

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2024-25

- Brief outline on CSR Policy of the Company:-** The Company's policy on CSR, sets out a statement containing the approach and direction given by the Board of Directors after taking into account the recommendations of its CSR Committee and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan. This policy is framed pursuant to Section 135 of the Companies Act, 2013 read with rules made thereunder as amended time to time.

- Composition of CSR Committee:**

Sr. no.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the Year	Number of meetings of CSR Committee attended during the year
1	Shri Bhaskar N. Thorat	Chairman of Committee / Independent Director	2	2
2	Shri Prakash M. Patil	Member / Executive Director	2	2
3	Shri Rashesh C. Gogri	Member / Executive Director	2	2

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <https://www.aartidrugs.co.in/policies-and-related-documents/>
- Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not Applicable for the year under review.**

		(₹ In lakhs)
5.	(a) Average net profit of the Company as per section 135(5)	22,036.23
	(b) Two percent of average net profit of the Company as per section 135(5)	440.72
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(d) Amount required to be set off for the financial year, if any	8.98
	(e) Total CSR obligation for the financial year (b)+(c)-(d)	431.74
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than ongoing Project)	443.45
	(b) Amount spent in administrative overheads	Nil
	(c) Amount spent on Impact Assessment, if applicable	Not Applicable
	(d) Total Amount spent for the Financial Year [(a) + (b) +(c)]	443.45
	(e) CSR amount spent or unspent for the financial year	

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

- Excess amount for set off, if any:

Sr No.	Particular	(₹ In lakhs)
(i)	Two percent of average net profit of the Company as per sub section (5) of section 135 [Total CSR Obligation as mentioned in para 5(e)]	431.74
(ii)	Total amount spent for the Financial Year	443.45
(iii)	Excess amount spent for the financial year [(ii)-(i)]	11.71
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	11.71

## ANNEXURE – B (CONTD.)

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

(₹ In lakhs)

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section(6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount spent in the Financial Year (₹ In lakhs)	Amount transferred to any fund as specified under Schedule VII as per second proviso to sub section (5) of section 135 if any.		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
NIL								

8. Whether any capital asset have been created or acquired through Corporate Social Responsibility amount spent in the financial year: **No**

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub section (5) of section 135:- **Not applicable**

Sd/-

**Prakash M. Patil**  
Managing Director & CEO

(Member of CSR Committee)  
DIN: 00005618

Place: Mumbai

Date: July 18, 2025

Sd/-

**Bhaskar N. Thorat**  
Independent Director

(Chairman of CSR Committee)  
DIN: 01293824

## ANNEXURE – C

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

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

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

Name of Director / Key Managerial Personnel	Ratio to Median Remuneration	% increase in remuneration over previous year
<b>Executive Directors</b>		
Shri Prakash M. Patil	67:1	Refer Note No. 2
Shri Rashesh C. Gogri	61:1	
Shri Harshit M. Savla	61:1	
Shri Harit P. Shah	61:1	
Shri Uday M. Patil	8:1	
<b>Non-Executive Directors</b>		
Shri Narendra J. Salvi	0.37:1	Refer Note No. 3
Shri Ankit V. Paleja	0.59:1	
Shri Bhaskar N. Thorat	0.54:1	
Smt Neha R. Gada	0.63:1	
Shri Hasmukh B. Dedhia	0.61:1	
Shri Sandeep M. Joshi	0.42:1	
Shri Ajit E. Venugopalan	0.61:1	
<b>Key Managerial Personnel</b>		
Shri Adhish P. Patil (Chief Financial Officer)	-	Refer Note No. 2
Shri Rushikesh V. Deole (Company Secretary)	-	32%

## Note:

- The ratio of Remuneration of the 'Executive Directors to Median Remuneration of Employees' is calculated on the basis of Actual payment of Salary (including the value of perquisites) and Profit Related Commission/ Performance linked incentives for FY 2024-25 paid to Executive Directors.
- % Increase in Remuneration of Executive Directors and CFO is mainly on account of ~9% Increase in the Salary as compared to the last year, whereas overall remuneration has decreased due to decline in Profit related Commission/ Performance linked incentives.
- The Non-Executive Directors are paid remuneration in the form of sitting fees for attending the meetings of the Board and/or Committees thereof during the year.

**ANNEXURE – C (CONTD.)**

- B. The percentage increase in the median remuneration of employees in FY 2024-25: ~10%
- C. The number of permanent employees on the rolls of the Company as on March 31, 2025: 1284
- D. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	% Change in remuneration
Average increase in salary of employees (other than Managerial Personnel*)	7.69%
Average increase in remuneration of Managerial Personnel*	11%

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

**E. Affirmation that the remuneration is as per the remuneration policy of the Company**

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

**For and on behalf of the Board**

Sd/-  
**Prakash M. Patil**

Chairman, Managing Director & CEO  
DIN:00005618

Place: Mumbai  
Date: July 18, 2025

**ANNEXURE – D1**

**FORM NO. MR - 3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025**

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

To,

**The Members,**

**Aarti Drugs Limited**

(CIN: L37060MH1984PLC055433)  
Plot No. N - 198, M.I.D.C., Tarapur,  
Village-Pamtembhi, Dist. Palghar,  
Maharashtra - 401 506

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aarti Drugs Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **March 31, 2025 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings, wherever applicable;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations');
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which were not applicable to the Company during the Audit Period;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, which were not applicable to the Company during the Audit Period;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 which were not applicable to the Company during the Audit Period;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 which were not applicable to the Company during the Audit Period; and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

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

## ANNEXURE – D1 (CONTD.)

During the Audit Period under review and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except that a cautionary email/ letter was issued by the Stock Exchanges dated April 01, 2025 for delay of three days in submission of announcement in respect of direction by a regulatory authority required to be made within 24 hours from the receipt of the said direction / order in terms of relevant Regulation 30 of SEBI LODR read with relevant Schedule and SEBI Circular.

Further, contra trade of purchase and sale of 500 equity shares of the Company was inadvertently made by a Non-executive Director of the Company in violation of the PIT Regulations. As per the action taken and direction of the Board of Directors of the Company, profit made of ₹ 11,181/- in the trade was disgorged / transferred to Investor Protection and Education Fund administered by the SEBI.

Further, administrative warning letter dated March 04, 2025 was issued by SEBI to the Compliance Officer of the Company for not obtaining requisite details of all the immediate relatives of the designated persons(DPs) (except spouses of DPs) and not making Code of Conduct under PIT Regulations applicable to them in terms of Regulation 9(3) of the PIT Regulations.

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

- (a) Drugs & Cosmetics Act, 1940 and rules made thereunder;
- (b) Narcotic Drugs and Psychotropic Substances Act, 1985;
- (c) The Insecticides Act, 1968;
- (d) Explosives Act, 1884 and Rules made thereunder;
- (e) Air (Prevention and Control of Pollution) Act, 1981;
- (f) Water (Prevention and Control of Pollution) Act, 1974;
- (g) The Noise (Regulation and Control) Rules, 2000;
- (h) Environment Protection Act, 1986 and other environmental laws;

- (i) The Indian Boilers Act, 1923 & The Indian Boilers Regulations, 1950;
- (j) Public Liability Insurance Act, 1991; and
- (k) Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the Audit Period under review, the Company has completed on September 24, 2024 buy back of 6,65,000 equity shares of ₹ 10/- each at ₹ 900/- per share aggregating ₹ 59.85 Crores. There were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., having a major bearing on the Company's affairs.

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

**CS Sunil M. Dedhia**

Proprietor, Sunil M. Dedhia & Co.

Company Secretaries

FCS No: 3483 C.P. No. 2031

UDIN: F003483G000806142

Place : Mumbai Peer Review Certificate No. 867/2020

Date : July 18, 2025 Unique Identification No. S1993MH012200

## ANNEXURE

**To The Members,**

**Aarti Drugs Limited**

(CIN: L37060MH1984PLC055433)

Plot No. N - 198, M.I.D.C., Tarapur, Village-Pamtermbhi,

Dist. Palghar, Maharashtra - 401 506

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

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

**CS Sunil M. Dedhia**

Proprietor, Sunil M. Dedhia & Co.

Company Secretaries

FCS No: 3483 C.P. No. 2031

UDIN: F003483G000806142

Peer Review Certificate No. 867/2020

Unique Identification No. S1993MH012200

Place : Mumbai

Date : July 18, 2025

## ANNEXURE – D2

Form No. MR - 3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025

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

To,

**The Members,**

**Pinnacle Life Science Private Limited**

(CIN: U24232HP2003PTC030912)

Near Telephone Exchange, Manpura,  
Baddi, Himachal Pradesh 173205

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pinnacle Life Science Private Limited** (hereinafter called "the Company") which is a wholly owned material subsidiary of Aarti Drugs Limited. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **March 31, 2025 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder which were not applicable to the Company during Audit Period;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings, which were not applicable to the Company during Audit Period;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') which were not applicable to the Company during the Audit Period:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");
  - (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

## ANNEXURE – D2 (CONTD.)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with the Stock Exchanges which were not applicable to the Company as the Company is not listed on any Stock Exchange in India during Audit Period;

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

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

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

- (k) Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

**CS Sunil M. Dedhia**

Proprietor, Sunil M. Dedhia & Co.  
Practising Company Secretary

FCS No: 3483 C.P. No. 2031

Place: Mumbai Peer Review Certificate No. 867/2020

Date: July 18, 2025 UDIN: F003483G000806153

# ANNEXURE

To The Members,  
 Pinnacle Life Science Private Limited  
 (CIN: U24232HP2003PTC030912)  
 Near Telephone Exchange, Manpura,  
 Baddi, Himachal Pradesh 173205

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

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

Place: Mumbai  
 Date: July 18, 2025

**CS Sunil M. Dedhia**  
 Proprietor, Sunil M. Dedhia & Co.  
 Practising Company Secretary  
 FCS No: 3483 C.P. No. 2031  
 Peer Review Certificate No. 867/2020  
 UDIN: F003483G000806153

# ANNEXURE - E

## DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### 1. CONSERVATION OF ENERGY:

#### a. Energy Conservation Measures Taken:

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation, consumption and control on utilisation thereof. The various measures taken during the year includes:

- We have installed 2 Units of MVR system for Ofloxacin acid & SBS as well to achieve the zero liquid discharge. It has a significantly lower steam requirement than conventional evaporation set up.
- We have conducted regular energy and steam audits to check and improve the performance of equipment running in plant and utility.
- We installed a condensate recovery system & flash vessel, deaerator for waste heat recovery as a measure for energy efficiency.
- We have installed Condensate contamination detection system with a polishing unit for boiler feed water quality.
- We are installing a 1900 kW back pressure turbine for co-generation power plant at the G-61 plant.
- We are thoroughly monitoring the cooling tower chemicals dosing, algae growth due to which corrosion in the system is reduced. We have achieved significant energy savings from this.
- We have installed a Freon based chilling plant operating on screw & scroll compressors and achieved significant energy savings.
- We have installed a Reverse osmosis system for product concentration. It has much lower energy requirements as compared to regular evaporation set up.
- We have undertaken the solar group captive model as means to switch over to green and clean energy. The said solar farm is under development stage.
- We are going for agro based multifuel fired boiler to reduce conventional fuel consumption.
- Conducted trials of automatic vertical press filters on various products and got the better quality product as compared to the conventional filtration equipment.
- Conducted trials of ARDC for the solvent/ organic extraction from the product/ effluent stream. It has better efficiency and requires less footprint than conventional set up.

#### b. Additional Investment & Proposals, if any, being implemented for reduction of consumption of energy

Measures for reduction in energy consumption includes:

- We are planning to install the continuous sludge dryers to reduce the moisture content in the effluent streams disposed to the MWML
- We are planning to install the mechanical boosters in place of the existing steam jet ejectors. This will help in reduction of the steam consumption. Also effluent load will be reduced and product recovery will be improved due to steady vacuum.

Sr. No.	Power & Fuel Consumption	For the Year ended March 31, 2025	For the Year ended March 31, 2024
1	<b>Electricity</b>		
	Purchased Units(KWH)	8,64,48,082	8,42,84,603
	Total Amount (₹ In lakhs)	9,291.08	8685.48
	Per Unit (₹)	10.75	10.30
2	<b>Furnace Oil</b>		
	Purchased Units(MT)	54.22	60.78
	Total Amount (₹ In lakhs)	28.26	29.56
	Per Unit (₹ Per Kg.)	52.13	48.63

**ANNEXURE - E (CONTD.)**

Sr. No.	Power & Fuel Consumption	For the Year ended March 31, 2025	For the Year ended March 31, 2024
3	<b>Coal</b>		
	Consumption (Unit)	5,14,38,468	4,68,37,245
	Total Amount (₹ In lakhs)	3,254.88	3,644.91
	Rate per Unit	6.33	7.78
4	<b>Steam</b>		
	Consumption (Unit)	1,50,30,410	3,03,97,233
	Total Amount (₹ In lakhs)	371.05	721.40
	Rate per Unit	2.47	2.37
5	<b>Others (₹ in lakhs)</b>		
	Diesel	46.42	60.52
	Water Steam	1,495.33	1,553.76
	LDO	113.35	111.57

**Consumption Per Unit of Production:**

Since the Company manufactures different types of bulk drugs and its intermediates, it is not practicable to give consumption per unit of production.

**2. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:**

- **Methyl amine derivative:** Work is going on to develop Methyl amine derivative like MMAHCl, DMAHCl, TMAHCl & Choline Chloride solution aimed at expanding our product line and enhancing core chemical synthesis portfolio. This will help us to offer new Chemical / pharmaceutical solutions, meeting emerging market needs.
- **Metformin HCl:** Alternative process with Eco-friendly solvent technologies is developed, aligned with sustainable manufacturing practices and going to be commercialised soon. The process has improved yield, quality and decreased hazardous waste. Impurities in the product are also reduced.
- Also developed the process for the development of the formaldehyde resin from the metformine hydrochloride effluent stream.
- **Norfloxacin:** To optimise products from raw material an alternate process is developed from starting raw material DCFBCL. Innovation in process optimisation will help us to reduce total cost of manufacturing and increase supply chain resilience.
- **Salicylic Acid:** Salicylic Acid process commercialised with absorption of chemical synthesis technologies. It is Safe, Competitive with existing manufacturers and environment friendly.
- Developed a process of recovering phenol from the effluent stream using ARDC.
- Trials of adsorption of phenol on resins to remove the traces of it from the effluent stream are under progress.
- Improvement in various down stream product of Salicylic Acid like PHBA, Octyl Salicylate, Methyl Salicylate, Aspirin, benzoyl salicylate, Hexyl Salicylate, Methyl Paraben, Ethyl Paraben, Propyl Paraben etc in research laboratory are in progress to expand our product offering.
- **Thiophene & Derivative:** Technology absorption along with market survey is in progress to add sizable shipment in the list of product.
- Innovating with thiophene derivatives aims to diversify our product line and capitalise on market opportunities, driving revenue growth and market expansion.
- **Ciprofloxacin HCl:** Continuous process of manufacturing of ciprofloxacin using flow reactors is under process and ready to commercialise in near future. This will increase capability to streamline our manufacturing process. This will increase production efficiency and yield.

**ANNEXURE - E (CONTD.)**

- **Teneligliptin:** Intermediate required for manufacturing of Teneligliptin like PPZ derivative, butyl ester development is under process.
- **Vildagliptin:** Intermediate required for manufacturing of Vildagliptin like Carbonitrile, Adamantanone development is under process.
- **Enrofloxacin:** Development of continuous processes is in process.
- **L-canitine intermediate:** Process Development of CPT i.e. L-canitine intermediate done at lab scale.
- **Alpha lipoic acid:** Process development done at lab and pilot level up to intermediate stage. Final product process development for further yield improvement is in process.
- **Fluconazole inter-mediates:** Fluconazole epoxy mesylate & Fluconazole epoxy free base intermediate with market specification developed. Process optimisation with improved quality and yield done.
- New process development with the zero or minimum effluent either by recycling it or by recovering byproducts from it, is under progress.
- Taurine and n-pentyl glycol process literature survey is under progress.

**3. RESEARCH AND DEVELOPMENT (R&D)**

The Company's R&D centre at plot no. E-1, MIDC Industrial Area, Tarapur, recognised by department of science and Industry Research, Government of India, carries on R&D activities for developing technology, scale-up and its transfer to manufacturing location for commercialisation of APIs and intermediates as well.

**(A) Specific areas in which R&D carried out by the Company during the FY 2024-25**

The focus area of the Company's R&D effort during FY 2024-25 includes:

- **Metformin HCl:** Alternative process with Eco-friendly solvent technologies is developed, aligned with sustainable manufacturing practices and going to be commercialised soon. The process has improved yield, quality and decreased hazardous waste. Impurities in the product are also reduced.
- **Salicylic Acid:** Salicylic Acid process commercialised with absorption of chemical synthesis technologies. It is Safe, Competitive with existing manufacturers and environment friendly.
- **Ciprofloxacin HCl:** Continuous process of manufacturing of ciprofloxacin with the flow reactors is developed and ready to commercialise in near future.
- **Fluconazole:** Process improvisation done with minimum raw material consumption. Solvent use reduction done.
- **Vildagliptin:** Isolation of dissolved Vildagliptin (IODV) from Crude MLR done, which will reduce waste. Process optimisation with less use of base and solvent is done.

**(B) Benefits derived as a result of the above R&D:**

- R&D efforts have helped for improvement in process and operating efficiency.
- Development/commercialisation of various APIs and intermediates.
- Development of new markets, penetration into regulatory markets through quality upgradation and cost reduction.
- Improved quality of products to fulfil existing in-house demands of customers.
- R&D efforts have helped to reduce effluent and water consumption.

**(C) FUTURE PLAN OF ACTION:**

- Further improvement in process efficiencies of existing products.
- Development of cost effective processes/ technology for APIs of the semi-regulated & non-regulated Markets.

**ANNEXURE - E (CONTD.)**

- Development of the green process with the help of Innovative technology.
- Development of TFBCL is under progress.
- Development of 3 HNA and Beta naphthol is under progress.
- Development of sulphonation based products is under progress.
- Process development of intermediate of Teneligliptin i.e. PPZ derivative & butyl ester is under progress.
- Process development of intermediate of Vildagliptin i.e. Carbonitrile & Adamantanol is under process.
- Linagliptin: Literature survey and route selection done with raw material availability check.

**(D) Expenditure on R & D**

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Capital	232.62	57.38
Recurring	557.50	523.43
<b>Total</b>	<b>790.12</b>	<b>580.81</b>

**4. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total Foreign Exchange Earned(FOB)	67,576.67	67,284.01
Total Foreign Exchange Earned (CIF)	69,644.20	68,896.20
Total Foreign Exchange Used		
<b>CIF Value of Imports:</b>		
- Raw Materials	71,858.48	82,386.48
- Capital Goods	266.79	600.20
<b>Expenditure in foreign currency</b>		
- Commission	882.82	503.69
- Travelling Expenses	43.07	67.72
- Sales Promotion	19.47	32.54
- Foreign Bank charges	118.01	116.33
- Interest on F.C.loan	0.00	29.31
- Others	153.97	122.43
<b>Total</b>	<b>73,342.61</b>	<b>83,858.70</b>

For and on behalf of Board

Sd-  
**Prakash M. Patil**  
Chairman, Managing Director & CEO  
DIN: 00005618

Place: Mumbai  
Date: July 18, 2025

## CORPORATE GOVERNANCE REPORT

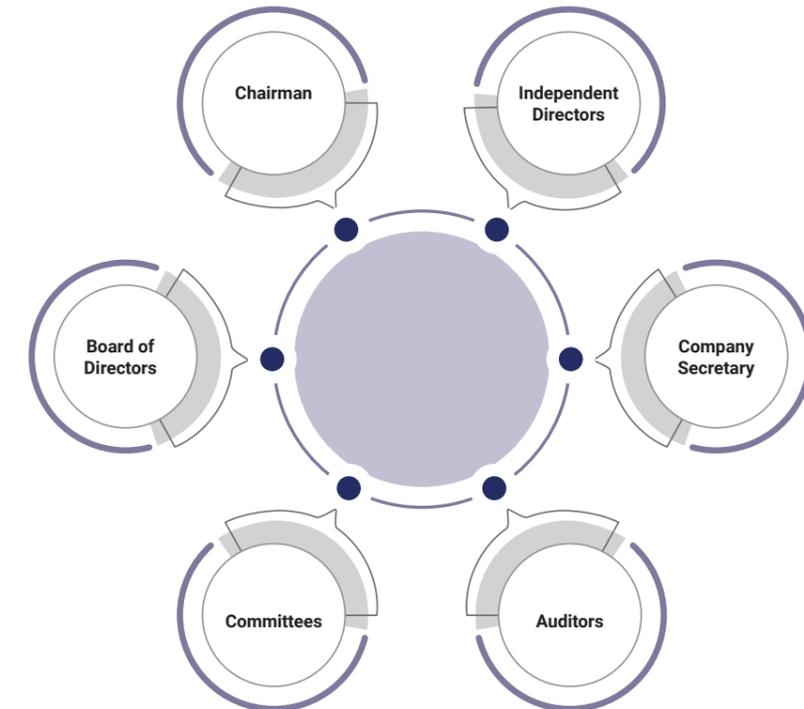
The Company's Report on Corporate Governance for the financial year ended March 31, 2025 is in compliance with the principles of Corporate Governance as prescribed in Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,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

**COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Our corporate governance is a reflection of our value system, encompassing our culture, policies, and relationships with our stakeholders. Care, Integrity and Excellence are key to our corporate governance practices and performance, and ensure that we gain and retain the

trust of our stakeholders at all times. Corporate governance is an ethically-driven business process that is committed to values aimed at enhancing an organisation's capacity to create wealth. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. These Governance Practices help enhancement of long-term interest of Stakeholders and also help to align with our strategy 'Growth with sustainability for a sustainable growth'.

The Board fully appreciates the need for increased awareness for responsibility, transparency and professionalism in management of the Organisation. We understand that corporate governance is a journey rather than a destination, and as such, we are committed to continuous improvement.


**CORPORATE GOVERNANCE TORCH BEARERS**

The Company's Corporate Governance torch bearers include Chairman, Board of Directors, Committees, Independent Directors, Company Secretary and Auditors.

**BOARD OF DIRECTORS:**

The primary role of the Board of Directors ("the Board") is that of trusteeship - to protect and enhance shareholders value. The Board have a fiduciary responsibility to ensure that the Company's actions and objectives are aligned to sustainable growth and long-term value creation.

The Board is also responsible for:

- long-term business plan & strategy and monitoring its implementation.
- enhancing shareholders value and overseeing the interests of all stakeholders through effective management.
- monitoring the effectiveness of the Company's Corporate Governance practices.

**CORPORATE GOVERNANCE REPORT (CONTD.)**

- d. exercising effective control on the functioning of the Company to ensure fulfilment of stakeholder expectation and long-term value creation.
- e. monitoring various code, policies and reviewing internal control systems, including internal financial controls with reference to financial statements.

The Directors take active part in the deliberations at the Board and Committee meetings and provide guidance and advice to the management on various aspects of business, governance, compliance etc.

**CHAIRMAN:**

The Chairman is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Board and its Committees provide effective governance to the Company. The Chairman takes a lead role in managing the Board and facilitating effective communication among the Directors.

**BOARD COMMITTEES:**

The Board has delegated its functioning in relevant areas to designated Board Committees to effectively deal with complex or specialised issues. For further details, see the section titled "Board Committees" in this report.

**INDEPENDENT DIRECTORS:**

Considering the requirement of skill sets on the Board, eminent persons having an independent standing in their respective fields / professions and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board. The Independent Directors plays a vital role in strengthening the Governance standards across the organisation by exercising their professional competencies.

**COMPANY SECRETARY:**

The Company Secretary plays a key role in;

- Ensuring that the Board procedures are followed and reviewed regularly,
- Assisting and advising the Board on exercising the best Corporate Governance Practices,
- Providing to the Board Members collectively or individually such guidance, as they may require, with respect to their duties, responsibilities and powers,

- Reporting to the Board on Regulatory Compliances, functioning of robust framework and ensuring mitigation of regulatory risks to the best possible extent, and
- Acting as interfaces between the Company and regulatory authorities for governance matters.

**AUDITORS:**

An auditor is responsible for ensuring that the organisation complies with relevant laws, regulations, and best practices. This includes reviewing financial statements, accounting policies, principles & procedures, corporate filings, and other disclosures to ensure that they are accurate, complete, and transparent.

The Board of Directors, its Committees, Chairman, Company Secretary, Executive Management, External Auditors and Internal Auditors basically determine the integrity and security of the Corporate Governance structure.

A Company's growth is inseparable from a concrete governance structure.

**BOARD OF DIRECTORS**

The Board is entrusted and empowered to oversee the management, direction and performance of the Company.

**COMPOSITION:**

The Company has an active, experienced, diverse and a well - informed Board. The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. The Company is in compliance with the provisions of Section 149(4) of the Companies Act, 2013 (the "act") read with Regulation 17(1)(a), 17(1)(b) and 17(1)(c) of the Listing Regulations.

As on March 31, 2025 the following was the composition of the Board;

Category	Independence		Gender Diversity			
			Male		Female	
	Nos	%	Nos	%	Nos	%
Independent	6	50	5	41.67	1	8.33
Non-Independent	6 (including 1 non-executive)	50	6	50	0	-

Detailed profile of the Directors is available on the Company's website at <https://www.aartidrugs.co.in/board-of-directors/>

**CORPORATE GOVERNANCE REPORT (CONTD.)**

**APPOINTMENT/ RE-APPOINTMENT DURING THE YEAR:**

The members approved the appointment of Shri Hasmukh B. Dedhia (DIN: 07510925), Shri Sandeep M. Joshi (DIN: 00516409) and Shri Ajit E. Venugopalan (DIN: 09439069) as Independent Directors for the first term of 3 (three) years w.e.f March 29, 2024. The Approval of the members of the Company was sought through the Postal Ballot dated June 15, 2024.

Further, at the 39<sup>th</sup> Annual General Meeting, the members approved the reappointment of Independent Directors, Shri Ankit V. Paleja (DIN: 06975564) for the second term of 5 (five) years w.e.f October 13, 2024, Shri Bhaskar N. Thorat (DIN: 01293824) for the second term of 5 (five) years w.e.f May 09, 2025 and Smt. Neha R. Gada (DIN: 01642373) for the second term of 3 (three) years w.e.f May 09, 2025.

**INDEPENDENT DIRECTORS:**

**Eligibility:** The Independent Directors declare that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. The Board further confirms that the Independent Directors fulfil the conditions specified in terms of the Companies Act, 2013 and the Listing Regulations and that they are Independent of the management of the Company. All the Directors are in compliance with the limit on independent directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the Listing Regulations.

The Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All the Directors have confirmed that they are not members of more than ten mandatory committees and do not act as Chairman of more than five mandatory committees in terms of the Regulation 26 of the Listing Regulations across all the listed companies in which they are Directors.

**Independent Director Databank Registration:** Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors have done the registration with the Independent Directors Databank. Requisite disclosures have been received from the concerned directors in this regard.

**Familiarisation Programme:** The Company has a familiarisation programme for its Independent Directors and other Non-Executive Directors which, inter alia, includes briefing on:

- a. Role, responsibilities, duties and obligations as a member of the Board.
- b. Nature of business and business model of the Company.
- c. Strategic directions for businesses.
- d. Macro-economic outlook and business conditions.
- e. Matters relating to governance.

The Board members are provided with necessary documents, brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, business strategy and risks involved. Monthly / quarterly updates on relevant statutory, regulatory changes encompassing important laws are regularly circulated to the Directors. In the Board meetings, all discussions on performance review of the businesses are preceded by a recap on the strategic direction adopted for the business, which provides good insights on the path forward for the businesses carried on by the Company to the Independent Directors and the other Non-Executive Directors on the Board.

Details of familiarisation Programmes imparted to independent Directors are disclosed on the Company's website on the weblink: <https://www.aartidrugs.co.in/independent-directors/>

**Meeting of Independent Directors:** In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on March 24, 2025 without the participation of non-Independent Directors and the members of the management. All the Independent Directors attended the meeting. The Independent Directors discussed various aspects, viz. performance of non-Independent Directors and the Board as a whole, performance of the Chairperson of the Company, quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform duties.

**CORPORATE GOVERNANCE REPORT (CONTD.)**



**BOARD PROCEDURE:**

The regular meetings of the Board and its Committees are pre-scheduled. Invites are sent to the members well in advance, to facilitate them plan their participation effectively. Additionally, in case of special and urgent business matters such as; major capex, critical appointments etc., requisite meetings are convened ensuring utmost participation. In case of special and urgent business needs, the Board's/ Committee approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

Except for the agendas dealing with price sensitive information, requisite information/ discussion papers are circulated to the members well within prescribed timeline. The agendas are mainly bifurcated into those requiring Noting, Review and Approval.

With its sheer focus on 'Safety-first' besides other agenda items, measures taken by the Company on Safety and Sustainability are discussed on a regular basis in periodical meetings.

The discussions are then followed by review of the performance against the Budget and Industrial Trend, overall strategy, Financial results, subsidiary's performance, fund flow position and investments status, Forex, Related party

transactions, compliance status, governance & regulatory matters, pay-out policy, progress of ESG commitments of the Company and such other matters as required under the prevailing regulatory requirements.

The Board reviews the strategy, budgets & business plans, capital expenditure on an annual basis. It provides guidance and strategic direction to the management in the light of the economic developments, both locally and internationally, sectoral changes, competition, government regulations, etc.

While preparing the agenda, explanatory notes, minutes of the meeting(s) and during conduct of the meeting, adherence to the Act and the Rules made thereunder, Listing Regulations, Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI") and other applicable laws is ensured.

**BOARD MEETINGS:**

The Board members are encouraged to be present in the meetings of the Board. During the year under review, seven meetings of the Board were held. As and when required the members were allowed to participate in meetings virtually.

The interval between two meetings was well within the maximum period prescribed. The attendance at the Board Meetings conducted during the financial year 2024-25 and at the AGM held is as under:

**CORPORATE GOVERNANCE REPORT (CONTD.)**

Name	No. of Board Meeting	1		2		3		4		5		6		7		Total Meetings attended	% of attendance	Attendance at last AGM held on September 20, 2024
		Date	April 26, 2024	May 03, 2024	July 26, 2024	August 26, 2024	October 24, 2024	November 11, 2024	January 29, 2025									
		Time	12:00 Noon	12:00 Noon	12:00 Noon	11:00 AM	12:00 Noon	5:30 PM	12:00 Noon									
Shri Prakash M. PatilDIN: 00005618	P	ED	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	6	86	✓	
Shri Rakesh C. GogriDIN: 00066291	PG	ED	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	7	100	✓	
Shri Harshit M. SavlaDIN: 00005340	P	ED	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	7	100	✓	
Shri Harit P. ShahDIN: 00005501	-	ED	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	7	100	✓	
Shri Uday M. PatilDIN: 01186406	PG	ED	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	7	100	✓	
Shri Narendra J. SalviDIN: 00299202	-	NED	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	6	86	×	
Shri Ankit V. PalejaDIN: 06975564	-	ID	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	6	86	✓	
Shri Bhaskar N. ThoratDIN:01293824	-	ID	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	7	100	✓	
Smt. Neha R. GadaDIN:01642373	-	ID	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	7	100	✓	
Shri Hasmukh B. DedhiaDIN:07510925	-	ID	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	7	100	✓	
Shri Sandeep M. JoshiDIN:00516409	-	ID	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	7	100	✓	
Shri Ajit E. VenugopalanDIN:09439069	-	ID	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	7	100	✓	

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

## CORPORATE GOVERNANCE REPORT (CONTD.)

### DIRECTORSHIPS AND COMMITTEE POSITIONS:

The names and categories of the Directors on the Board, their Directorship in other Companies, their committee positions in other Companies during financial year ended March 31, 2025, are as under:

Name	Number of Shares held along with % of paid up share capital	Number of Directorships in Public Limited Companies (excluding Aarti Drugs Limited)*	Number of Committee positions in Public Limited Companies (including Aarti Drugs Limited)**		Directorship in listed entities		
			Member	Chairperson	Name of the listed entity	Category	
						P/PG	ED/NED/ID
Shri Prakash M. Patil DIN: 00005618	8504913 (9.32%)	None	1	0	Aarti Drugs Limited	P	ED
Shri Rashesh C. Gogri DIN: 00066291	4238874 (4.64%)	3	3	0	Aarti Drugs Limited	PG	ED
					Aarti Industries Limited	PG	ED
					Aarti Pharmed Labs Limited	PG	NED
Shri Harshit M. Savla DIN: 00005340	4323269 (4.74%)	2	1	0	Aarti Drugs Limited	P	ED
Shri Harit P. Shah DIN: 00005501	2437108 (2.67%)	2	1	0	Aarti Drugs Limited	-	ED
Shri Uday M. Patil DIN: 01186406	50252 (0.06%)	None	0	0	Aarti Drugs Limited	PG	ED
Shri Narendra J. Salvi DIN: 00299202	0	2	3	0	Aarti Drugs Limited	-	NED
					Aarti Pharmed Labs Limited	-	ED
Shri Ankit V. Paleja DIN: 06975564	0	1	3	2	Aarti Drugs Limited	-	ID
					Capacit'e Infraprojects Limited	-	ID
Shri Bhaskar N. Thorat DIN: 01293824	0	None	0	0	Aarti Drugs Limited	-	ID
Smt Neha R. Gada DIN: 01642373	0	6	9	2	Aarti Drugs Limited	-	ID
					Sejal Glass Limited	-	ID
					Tamboli Industries Limited	-	ID
					Gala Precision Engineering Limited	-	ID
Shri Hasmukh B. Dedhia DIN: 07510925	0	1	3	1	Aarti Drugs Limited	-	ID
					Mitsu Chem Plast Limited	-	ID
Shri Sandeep M. Joshi DIN: 00516409	0	None	0	0	Aarti Drugs Limited	-	ID
Shri Ajit E. Venugopalan DIN: 09439069	2977 (0.003%)	1	2	1	Aarti Drugs Limited	-	ID

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

\*Excludes Directorships/Chairpersonships in private limited companies, foreign companies, companies registered under Section 8 of the Act, Government Bodies and Alternate Directorships

\*\*Represents Chairpersonships/Memberships of Audit and Stakeholders Relationship Committees in all public limited companies as required under Regulation 26(1)(b) of the SEBI Listing Regulations.

The number of Directorships, Chairmanship/ Membership etc. is within prescribed limits under the Companies Act, 2013 and the Listing Regulations.

In terms of Part C of Schedule V of the Listing Regulations, it is hereby disclosed that Shri Prakash M. Patil, Chairman, Managing Director & CEO is brother of Shri Uday M. Patil, Executive Director. Except this, there is no other inter-se relationship amongst other Directors.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### DIRECTORS COMPETENCE/ SKILLS/EXPERTISE CHART:

The Company is engaged in the manufacturing of Active Pharmaceutical Ingredients (APIs), Pharma Intermediates and Speciality Chemicals. The table below summarises the broad list of core skills / expertise / competencies identified by the Board of Directors, as required in the context of the Company's business / sector and the said skills are available with the Board members:

#### List of core skills/expertise/competencies identified by the board of directors as required in the context of the business (es) and sector(s)

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

Name of Director	Industry Experience	Operations, Technology, Sales and Marketing	Leadership	Understanding of Global Business	Finance and Banking	Legal/ Governance/ Compliance
Shri Prakash M. Patil	✓	✓	✓	✓	✓	✓
Shri Rashesh C. Gogri	✓	✓	✓	✓	✓	✓
Shri Harshit M. Savla	✓	✓	✓	✓	€	€
Shri Harit P. Shah	✓	✓	✓	✓	€	€
Shri Uday M. Patil	✓	✓	✓	✓	€	€
Shri Narendra J. Salvi	✓	✓	✓	✓	€	€
Shri Ankit V. Paleja	€	€	€	€	¥	✓
Shri Bhaskar N. Thorat	✓	✓	✓	✓	€	€
Smt. Neha R. Gada	€	€	€	€	¥	✓
Shri Hasmukh B. Dedhia	€	€	€	€	¥	✓
Shri Sandeep M. Joshi	✓	✓	✓	✓	€	€
Shri Ajit E. Venugopalan	€	€	€	€	✓	¥

✓ Domain Expert

¥ Proficient Knowledge

€ Adequate Knowledge

## CORPORATE GOVERNANCE REPORT (CONTD.)

### CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE:

Certificate as required under Part C of Schedule V of Listing Regulations, received from CS Sunil M. Dedhia proprietor of Sunil M. Dedhia & Co., Practicing Company Secretaries is attached in this Annual Report, stating that none of Directors on the Board of the Company have been debarred and disqualified from being appointed or continuing as directors of the Company by an order from the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority.

### KYC OF DIRECTORS:

Pursuant to Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2019, all the Directors of the Company had completed the KYC for the financial year 2024-25.

### CODE OF CONDUCT:

The Company has prescribed a code of conduct for its Directors and senior management. The code of ethics of the Company has been posted on its website on the weblink <https://www.aartidrugs.co.in/code-of-conduct/>. The declaration from the Chief Executive Officer in terms of Regulation 34(3) read with Part D of Schedule V of the Listing Regulations, stating that as of March 31, 2025 the Board members and the senior management personnel have affirmed the compliance with the code of ethics laid down by the Company, has been included in this Report.

### CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION AND CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS:

The Board has approved and adopted the code of practices and procedures for fair disclosure of unpublished price sensitive information and the code of conduct to regulate, monitor and report trading by insiders in terms of Regulation

8 and 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down procedures to be followed and disclosures to be made while trading in the Company's shares from time to time. Also this code includes practices and procedures for fair disclosure of unpublished price sensitive information. The same is posted on the Company's website on the weblink <https://www.aartidrugs.co.in/insider-trading-regulation/>

### COMMITTEES OF THE BOARD

The Board Committees focus on certain specific areas and make informed decisions within the delegated authority. Each Committee of the Board, whether mandatorily required to be constituted or otherwise, functions according to its scope that defines its composition, power and role particularly in accordance with the Companies Act, 2013 and the Listing Regulations. The Company has 5 Statutory Committees of the Board, namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The Board has constituted the Finance and Investment Committee to deal with routine operational matters. The Board also constitutes other functional Committees, from time to time, depending on business needs. The recommendations of the Committees are submitted to the Board for approval. During the year, all the recommendations of the Committees were accepted by the Board.

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

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### 1. AUDIT COMMITTEE

The Audit Committee has been constituted in line with the prevailing Regulatory requirements.

#### COMPOSITION, MEETING AND ATTENDANCE:

During FY 2024-25, the Audit Committee met 4 (four) times. The Composition of the Committee, date of the meetings and attendance of the Audit Committee members in the said meetings is given below:

Members	Category	Meeting Dates	May 03, 2024	July 26, 2024	October 24, 2024	January 29, 2025
		Mode of meeting	Physical	Physical	Physical	Physical
		Start Timing	11:00 AM	11:00 AM	11:00 AM	11:00 AM
Shri Hasmukh B. Dedhia (Chairman)	Independent Director	4	✓	✓	✓	✓
Shri Ankit V. Paleja	Independent Director	3	✓	✓	×	✓
Smt. Neha R. Gada	Independent Director	4	✓	✓	✓	✓
Shri Ajit E. Venugopalan	Independent Director	4	✓	✓	✓	✓
Shri Prakash M. Patil	Executive Director	4	✓	✓	✓	✓
Shri Rashesh C. Gogri	Executive Director	4	✓	✓	✓	✓

The intervening period between 2 consecutive Audit Committee meetings was well within the maximum allowed gap of 120 days. The Chief Financial Officer, Functional Heads, Representatives of the Statutory Auditors, Internal Auditors, Cost Auditor as and when required attends the meetings of the Audit Committee from time to time. The Chairperson of the Audit Committee attended the 39<sup>th</sup> AGM held on September 20, 2024. The Company Secretary of the Company acts as the Secretary to the Audit Committee. All the members of the Audit Committee are financially literate and majority of them have accounting and financial management expertise.

#### TERMS OF REFERENCE:

The terms of reference of the Audit Committee include matters specified in the Companies Act, 2013, Rules made thereunder, the Listing Regulations and those specified by the Board in writing. Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required.

The Audit Committee acts in accordance with the terms of reference which, inter alia, include:

- Oversight of the Company'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 Company;
- 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;

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- v) Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;
  - vi) Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
  - vii) Review and monitor the auditor’s independence and performance and effectiveness of audit process;
  - viii) Approval or any subsequent modification of transactions of the Company with related parties;
  - ix) Scrutiny of inter-corporate loans and investments;
  - x) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - xi) Evaluation of internal financial controls and risk management systems;
  - xii) Reviewing with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems;
  - xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - xiv) Discussion with internal auditors of any significant findings and follow up thereon;
  - xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - xvi) Discussion with Statutory Auditors before the Audit Commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - xviii) To review the functioning of the Whistle Blower Mechanism;
  - xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - xx) Reviewing the utilisation of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
  - xxi) Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the entity and its shareholders;
  - xxii) Carrying out any other function as is included in the terms of reference of the Audit Committee;
  - xxiii) Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider think fit.
- Mandatorily review the following information:**
- i) Management Discussion and Analysis of financial condition and results of operations;
  - ii) Management letters/ letters of internal control weaknesses issued by the statutory auditors;
  - iii) Internal audit reports relating to internal control weaknesses;
  - iv) The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
  - v) Statement of deviations:
    - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**2. NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee has been constituted in line with the prevailing Regulatory requirements.

**COMPOSITION, MEETING AND ATTENDANCE:**

During FY 2024-25, the Nomination and Remuneration Committee met 1 (one) time. The Composition of the Committee, date of the meetings and attendance of Nomination and Remuneration Committee members in the said meetings is given below:

Members	Category	Meeting Dates	July 26, 2024
		Mode	Physical
		Start Timing	10:30 AM
Smt. Neha R. Gada (Chairman)	Independent Director	1	✓
Shri Bhaskar N. Thorat	Independent Director	1	✓
Shri Ankit V. Paleja	Independent Director	1	✓
Shri Prakash M. Patil	Executive Director	1	✓

**TERMS OF REFERENCE**

The broad terms of reference of the Nomination and Remuneration Committee shall inter alia, include the following:

- i) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ii) for every appointment of an Independent Director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - (a) use the services of an external agencies, if required;
  - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - (c) consider the time commitments of the candidates.
- iii) formulation of criteria for evaluation of performance of independent directors and the board of directors;

- iv) devising a policy on diversity of board of directors;
- v) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- vi) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- vii) recommend to the board, all remuneration, in whatever form, payable to senior management.
- viii) Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider think fit.

**NOMINATION AND REMUNERATION POLICY:**

**I. Criteria and Qualification for Nomination & Appointment:**

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

**II. Policy on Remuneration:**

The Company considers human resources as its invaluable assets. The remuneration policy

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endorses equitable remuneration to all directors, key managerial personnel and employees of the Company consistent with the goals of the Company. The Nomination and Remuneration Policy as approved by the Board of Directors of the Company is posted on the website of the Company on the weblink <https://www.aartidrugs.co.in/policies-and-related-documents/>

The Remuneration policy for all the employees is designed in a way to attract talented executives and remunerate them fairly and responsibly, this being a continuous on-going exercise at each level in the organisation.

In accordance of the said Policy following is the criteria for payment of remuneration to Directors, KMPs and other employees:

### Executive Directors:

The Company remunerates its Executive Directors by way of salary and commission/performance linked incentives based on performance of the Company. Remuneration is paid within the limits as approved by the shareholders within the stipulated limits of the Companies Act, 2013 and

### Remuneration to Executive Directors:

(₹ in lakhs)

Name of Director(s)	Salary	Bonus	Other Perquisites/benefits	Commission/ Performance linked incentives	Total Remuneration
Shri Prakash M. Patil	88.9	7.41	29.8	167.81	293.92
Shri Rashesh C. Gogri	71.12	5.93	23.88	167.81	268.74
Shri Harshit M. Savla	71.12	5.93	23.88	167.81	268.74
Shri Harit P. Shah	71.12	5.93	23.88	167.81	268.74
Shri Uday M. Patil	21.71	1.81	13.23	-	36.75

### Notes:

- The respective tenure of the aforesaid executive shall be governed by the resolutions passed by the shareholders in general meeting with a notice period as per Company Policy.
- Perquisites include House Rent Allowance, medical allowance, if any, Leave Travel Allowance, Leave salary, contribution to Provident Fund and Super Annuation fund as per Company Policy.

### Remuneration to Non-Executive Directors:

Name of Directors	Sitting fees (₹ in Lakh)	Shareholding in the Company	% of Total Shareholding
Shri Narendra J. Salvi	1.60	-	-
Shri Ankit V. Paleja	2.60	-	-
Shri Bhaskar N. Thorat	2.35	-	-
Smt. Neha R. Gada	2.75	-	-
Shri Hasmukh B. Dedhia	2.65	-	-
Shri Sandeep M. Joshi	1.85	-	-
Shri Ajit E. Venugopalan	2.65	2977	(0.00%)

the Rules made thereunder. The remuneration paid to the Executive Director is determined keeping in view the industry benchmark and the performance of the Company. No Stock options have been given to the Executive Directors during the year.

### Non-executive Directors:

Non-executive Directors are presently receiving sitting fees (including reimbursement of expenses) for attending the meeting of the Board and its Committees as per the provisions of the Companies Act, 2013 and the rules made thereunder. No Stock options have been given to the Non-Executive Directors during the year.

### Key Managerial Personnel [KMP] and other employees:

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

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### TRANSACTIONS WITH THE NON-EXECUTIVE DIRECTORS:

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

### PERFORMANCE EVALUATION:

The performance evaluation process of the Board, its Committees, Non-Independent Directors, Independent Directors and Chairman has been established as mentioned below is in line with the regulatory requirements of Companies Act, 2013 and Listing Regulations. Accordingly, an annual evaluation has been carried out through a questionnaire having qualitative parameters such as the composition, attendance, participation, quality and value of contributions, knowledge, skills, experience etc.

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

		Board	Committees	Non-Independent Director	Independent Director	Chairman
Evaluation by	Independent Directors	✓		✓		✓
	Board	✓	✓	✓	✓	

### 3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been constituted in line with the prevailing Regulatory requirements.

The Committee is composed of four Directors including an Independent Director who chairs the meetings.

Members	Shri. Ankit V. Paleja (Chairman)	Shri Narendra J. Salvi	Shri Harshit M. Savla	Shri Harit P. Shah
Category	Independent Director	Non- Executive Director	Executive Director	Executive Director

### TERMS OF REFERENCE

The broad terms of reference of the Stakeholders' Relationship Committee shall inter alia, include the following:

- Resolving the 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 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 the 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.

- Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.

Further, as and when required the Committee meets and discuss the agenda items as set for it by the Board of Directors of the Company including;

- Noting:** Shareholding Pattern, category wise composition of the ownership viz institutional, non-institutional and promoters;
- Review:** Status of Cases in Suspense Accounts;
- Review:** Balances Pending in Unclaimed Dividend/Fractional Shares Dividend account and measures taken by Company to reduce the same;
- Review:** Status of IEPF Cases;

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- v) **Review:** Trainings conducted on Takeover / Insider Regulations/ Code of Conduct to the Stakeholders of Company;
- vi) **Review:** Compliances pertaining to Investors Meet;
- vii) **Review:** Recommendations of Proxy Advisors;
- viii) **Authorise/ Review:** Printing of Share Certificate and status of blank Share Certificates;
- ix) **Review:** Internal Audit Report of RTA Activities;
- x) **Updation:** Regulatory changes impacting shareholders;
- xi) Process Improvement initiatives;
- xii) Review and monitoring compliance under SEBI Takeover Regulations and SEBI Prohibition of Insider Trading Regulations.
- xiii) Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

**NAME, DESIGNATION AND CONTACT DETAILS OF THE COMPLIANCE OFFICER:**

Shri Rushikesh Deole, Company Secretary (ICSI M. No. F12932) is the Compliance officer of the Company. The Compliance Officer can be contacted at the Corporate Office of the Company at;  
Mahendra Industrial Estate,  
Ground Floor, Plot No. 109-D,  
Road No. 29, Sion (East), Mumbai 400 022  
Ph:- 022-24048199  
Email:- [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com)  
Website:- [www.aartidrugs.co.in](http://www.aartidrugs.co.in)

**SEPARATE EMAIL ID FOR THE REDRESSAL OF INVESTORS' COMPLAINTS:**

As per Regulation 6 of Listing Regulations, Company has designated a separate e-mail id [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com) exclusively for the registering complaints by the investors.

**SHAREHOLDERS' COMPLAINTS:**

During the year under review 18 (Eighteen) Complaints were received through SEBI and Stock Exchanges and RTA, which were resolved to the satisfaction of the complainants. No request for Share Transfer or Dematerialisation was pending for approval as on March 31, 2025.

**4. RISK MANAGEMENT COMMITTEE**

The Board of Directors has constituted a Risk Management Committee and also approved Risk Management Policy in accordance with the provisions of the Listing Regulations.

**COMPOSITION, MEETING AND ATTENDANCE:**

During FY 2024-25, the Risk Management Committee met 2 (two) times. The Composition of the Committee, date of the meetings and attendance of Risk Management Committee members in the said meeting is given below:

Members	Category	Meeting Date	August 21, 2024		January 30, 2025	
			Mode	Physical	VC	
			Start Timing	10:00 AM	02:00 PM	
Shri Prakash M. Patil (Chairman)	Executive Director	2	✓	✓	✓	
Shri Rashesh C. Gogri	Executive Director	2	✓	✓	✓	
Shri Harit P. Shah	Executive Director	1	×	✓	✓	
Shri Harshit M. Savla	Executive Director	2	✓	✓	✓	
Shri Uday M. Patil	Executive Director	2	✓	✓	✓	
Shri Bhaskar N. Thorat	Independent Director	2	✓	✓	✓	
Shri. Ankit V. Paleja	Independent Director	2	✓	✓	✓	
Shri Adhish P. Patil	Chief Financial Officer & Chief Operating Officer	2	✓	✓	✓	
Shri Dhanaji L. Kakade	Vice President -Technical	2	✓	✓	✓	

**TERMS OF REFERENCE:**

The brief terms of reference of the Risk Management Committee are as under-

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

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

**5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee has been constituted in line with the prevailing Regulatory requirements.

**COMPOSITION, MEETING AND ATTENDANCE:**

During FY 2024-25, the Corporate Social Responsibility Committee met 2 (two) times. The Composition of the Committee, date of the meetings and attendance of Corporate Social Responsibility Committee members in the said meeting is given below:

Members	Category	Meeting Dates	July 26, 2024		March 31, 2025	
			Mode	Physical	Physical	
			Start Timing	10:00 AM	10:00 AM	
Shri Bhaskar N. Thorat (Chairman)	Independent Director	2	✓	✓	✓	
Shri Prakash M. Patil	Executive Director	2	✓	✓	✓	
Shri Rashesh C. Gogri	Executive Director	2	✓	✓	✓	

As and when required the Committee meets and discuss the agenda items as set for it by the Board of Directors of the Company including;

- i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended, read with Rules framed thereunder;
- ii) Recommend the amount of expenditure to be incurred on such activities and
- iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Board has also approved Corporate Social Responsibility Policy. The Annual Report on Corporate Social Responsibility Activities as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure-B which forms part of the Directors' Report.

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### SENIOR MANAGEMENT:

The particulars of the Senior Management including the changes therein since the end of previous financial year:

Sr. No.	Name	Designation
1	Shri Adhish P. Patil	Chief Financial Officer & Chief Operating Officer
2	Shri Dhanaji L. Kakade	Vice President - Technical
3	Shri Rushikesh V. Deole	Company Secretary

### GENERAL BODY MEETINGS:

Details of last three Annual General Meetings are as under:

Financial Year	Day, Date & Time	Venue	Special resolution passed for
2023-24	Friday, September 20, 2024 At 11:00 am	Through Video Conferencing	1) Re-appointment of Shri Ankit Vikram Paleja (DIN: 06975564) as an Independent Director 2) Re-appointment of Shri Bhaskar Narayan Thorat (DIN: 01293824) as an Independent Director 3) Re-appointment of Smt. Neha Rajen Gada (DIN: 01642373) as an Independent Director
2022-23	Tuesday, September 26, 2023 At 10:30 am	Through Video Conferencing	No Special Resolution was passed
2021-22	Thursday, August 04, 2022 At 11:30 am	Through Video Conferencing	1) Approval to the Appointment of Shri Bhaskar N. Thorat (DIN: 01293824) as an Independent Director of the Company. 2) Approval to the Appointment of Smt. Neha R. Gada (DIN: 01642373) as an Independent Director of the Company. 3) Approval for giving Loan or Guarantee or Providing security under Section 185 of the Companies Act 2013.

### Extraordinary General Meetings:

No Extraordinary General Meetings of members were convened during the last three financial years.

### DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT:

During the financial year, following Resolution were passed by the Company through a Postal Ballot.

Date of Announcement of Result	Type of Resolution	Particulars of Resolution	% of Votes in Favour	% of Votes Against
June 15, 2024	Special	Approval to the appointment of Shri Has Mukh B. Dedhia (DIN:07510925) as an Independent Director of the Company	99.99	0.01
		Approval to the appointment of Shri Sandeep M. Joshi (DIN:00516409) as an Independent Director of the Company	99.99	0.01
		Approval to the appointment of Shri Ajit E. Venugopalan (DIN:09439069) as an Independent Director of the Company	99.98	0.02

No special resolution is proposed to be passed via postal ballot as on date of this report.

### Procedure For Postal Ballot

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and Listing Regulations, the Company had issued Postal Ballot Notice dated May 03, 2024 to the Members, seeking their consent with respect to the appointment of Shri Has Mukh B. Dedhia, Shri Sandeep M. Joshi and Shri Ajit E. Venugopalan as an Independent Directors of the Company for the period of 3 years with effect from March 29, 2024.

The Company engaged the services of National Securities Depository Limited (NSDL) for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors had appointed Shri. Sunil M. Dedhia, Practicing Company Secretary (FCS 3483, COP 2031), Proprietor of Sunil M. Dedhia and Co., Company Secretaries, as Scrutiniser for conducting the Postal Ballot. The voting period commenced on Friday, May 17, 2024 at 9:00 a.m. and ended on Saturday, June 15, 2024 at 5:00 p.m. The cut-off date, for the purpose of determining the number of Members was Friday, May 10, 2024.

The Scrutiniser, after the completion of scrutiny, submitted his report to Shri Rushikesh Deole, Company Secretary, who was duly authorised by the Chairperson to accept, acknowledge and countersign the Scrutiniser's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

The consolidated results of the voting by Postal Ballot and e-voting were announced on Saturday, June 15, 2024. The results were also displayed on the website of the Company at [www.aartidrugs.co.in](http://www.aartidrugs.co.in) and also communicated to BSE Limited (BSE) through Listing Portal, National Stock Exchange of India Limited (NSE) through NEAPS Portal.

### MEANS OF COMMUNICATION:

#### Quarterly Results-

The Company communicates to the Stock Exchanges about the quarterly financial results within the prescribed timeline pursuant to Listing Regulations. The results are usually published in Financial Express (English) edition and Mumbai Lakshadeep (Marathi) edition. These results and official press releases are also available on the website of the Company at [www.aartidrugs.co.in](http://www.aartidrugs.co.in)

Period	Date of Announcement on the Stock Exchanges	Date of Newspaper Publication
First Quarter	July 26, 2024	July 28, 2024
Half Year	October 24, 2024	October 26, 2024
Third Quarter	January 29, 2025	January 31, 2025
Annual	May 06, 2025	May 08, 2025

### Media Releases/ Press Release-

Official media releases/ Press releases are sent to Stock Exchanges and are also available on the website of the Company.

### Investors/Analyst Meets-

The Company hosts calls or meetings with institutional investors on request. Also Company organise Quarterly Earning Conference Call for the Investors and Analysts which provides a platform for the Management to answer the questions and provide clarifications to investors and analysts. The Recording and Transcript of Quarterly Earning Conference Call are sent to Stock Exchanges and are also available on the website of the Company.

### Investors Presentation-

Detailed presentations are made to institutional investors and financial analysts on the Company's audited quarterly and yearly financial results. These presentations are sent to Stock Exchanges and are also available on the website of the Company.

### Filing with Stock Exchanges-

All data required to be filed electronically or otherwise pursuant to the Listing Regulations with the Stock Exchanges are being regularly filed with the Stock Exchanges, namely, National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and available on their websites as well.

### Annual Report-

The Annual Report containing, inter-alia, Audited Financial Statement, Audited Consolidated Financial Statement, Board's Report, Auditor's Report, Corporate Governance Report, Business Responsibility and Sustainability Report and other important information is circulated to the members and others entitled thereto. The Management's Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available on the website of the Company and Stock Exchanges

### Letters / e-mails / SMS to Investors-

Apart from sending Annual Report, the Company has also addressed various investor-centric letters / e-mails / SMS to its shareholders during the year. These include reminders for claiming unclaimed / unpaid dividend from the Company; dematerialisation of shares, updating e-mail address, PAN, bank account details and Nomination details.

**CORPORATE GOVERNANCE REPORT (CONTD.)**

**CORPORATE GOVERNANCE REPORT (CONTD.)**

In accordance with the SEBI Circulars the Company has sent letters, emails and SMS to its shareholders intimating them to furnish valid PAN, Choice of Nomination, Contact Details, Mobile Number, Bank Account Details, Specimen Signature updated, as applicable, for receiving dividend electronically.

**Designated e-mail address for Investor Services-**

To serve the investors better and as required under Listing regulations, the designated e-mail address for investors complaints/ suggestions/ enquiries is [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com)

In addition to that, "MUFG Intime India Private Limited", our Registrar and Share Transfer Agents, has developed 'SWAYAM', user-friendly web-based application, which empowers shareholders to effortlessly access various services. We request the shareholders to get registered and have first-hand experience of the portal.

This application can be accessed at <https://swayam.in.mpms.mufig.com/>

Also, shareholders can raise the request directly through service request at the weblink: [https://web.in.mpms.mufig.com/helpdesk/Service\\_Request.html](https://web.in.mpms.mufig.com/helpdesk/Service_Request.html)

**GENERAL SHAREHOLDERS INFORMATION**

i)	<b>The day, date, time &amp; venue of the 40<sup>th</sup> Annual General Meeting (AGM)</b>	<b>Day</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
		Wednesday	September 24, 2025	11:00 AM IST	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)
Cut-off date for e-voting will be September 17, 2025					
ii)	<b>Financial year and Tentative Financial Calendar</b>	The Company's financial year begins on April 01 and ends on March 31. Our tentative calendar for declaration of the quarterly results during financial year 2025-26 are as follows:			
		<b>Financial Year</b>		<b>2025-26</b>	
		June, 2025		Last week of July 2025	
		September, 2025		Last week of October 2025	
		December, 2025		Last week of January 2026	
March, 2026		1 <sup>st</sup> /2 <sup>nd</sup> week of May 2026			
iii)	<b>Dividend payment date</b>	Not applicable			
iv)	<b>Listing on Stock Exchanges</b>	<b>Stock Exchange</b>	<b>Stock Code/ Symbol</b>		
		<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	524348		
		<b>National Stock Exchange of India Limited</b> "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	AARTIDRUGS		
v)	<b>Listing fees and Annual Custodial Fee</b>	The Company had paid the Annual Listing Fees of the Stock Exchanges and Annual Custodial Fees of the Depositories for the FY 2025-26.			
vi)	<b>Registrar &amp; Transfer Agents &amp; Address for Correspondence</b>	<b>M/s. MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited)</b>			
		C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083, Tel. No. +91 22 49186000   Fax No. 022 - 4918 6060 Email ID: <a href="mailto:rnt.helpdesk@in.mpms.mufig.com">rnt.helpdesk@in.mpms.mufig.com</a> . Website: <a href="http://www.in.mpms.mufig.com">www.in.mpms.mufig.com</a> The shareholders are requested to address all their communications/ suggestions/ grievances to the Share Transfer Agents at the above address.			

vii)	<b>Share transfer System</b>	In terms of Regulation 40(1) of Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. April 01, 2019, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of Equity Shares in electronic form are effected through the depositories with no involvement of the Company. Further, all requests for transmission, transposition, issue of duplicate share certificate, claim from unclaimed suspense account, renewal/exchange of share certificate, endorsement, subdivision/splitting of share certificate and consolidation of share certificates/ folios are being processed only in demat form. In such cases the Company issues a letter of confirmation, which needs to be submitted to Depository Participant to get credit of these shares in dematerialised form.
viii)	<b>Green initiative</b>	As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, and Securities & Exchange Board of India enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address registered with the Depository Participant (DPs) and Registrar and Transfer Agent (RTA).  Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with RTA, by sending a letter, duly signed by the first/joint holder quoting details of Folio Number.

ix) **During the year there are no any instances of suspension of securities of the Company from Trading.**

x) **Shareholding Pattern:**

Category	As on March 31, 2025		As on March 31, 2024		% Change
	No. of Shares	%	No. of Shares	%	
Promoter and Promoter Group	5,06,33,180	55.48	5,25,23,075	57.13	(1.65)
Mutual Funds	79,90,515	8.75	46,70,596	5.08	3.67
Foreign Portfolio Investors	20,51,977	2.25	23,56,580	2.56	(0.32)
Alternate Investment Funds	7,95,660	0.87	7,65,811	0.83	0.04
Resident Individuals	2,67,29,483	29.29	2,84,15,817	30.91	(1.62)
Body Corporate	8,78,726	0.96	9,97,160	1.08	(0.12)
Others	21,90,459	2.40	22,05,961	2.40	0.00
<b>Total</b>	<b>9,12,70,000</b>	<b>100.00</b>	<b>9,19,35,000</b>	<b>100.00</b>	

During the year, the Company has completed the buyback of 6,65,000 equity shares representing up to 0.72% of the total number of Equity Shares of the Company. Post buyback number of shares reduced to 9,12,70,000.

xi) **Distribution of Shareholding as on March 31, 2025:**

No. of Shares	Shareholders		Shares	
	Number	%	Number	%
1 to 500	1,66,951	96.32	87,14,291	9.55
501 to 1000	3,475	2.00	26,39,202	2.89
1001 to 2000	1,591	0.92	22,66,207	2.48
2001 to 3000	409	0.24	10,11,538	1.12
3001 to 4000	241	0.14	8,66,952	0.95
4001 to 5000	124	0.07	5,77,731	0.63
5001 to 10000	246	0.14	17,30,316	1.89
Above 10000	295	0.17	7,34,63,763	80.49
<b>TOTAL :</b>	<b>1,73,332</b>	<b>100</b>	<b>9,12,70,000</b>	<b>100</b>

## CORPORATE GOVERNANCE REPORT (CONTD.)

### xii) Dematerialisation of Shares and Liquidity:

99.34% of the Paid-up Capital is held in Dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2025 under ISIN No: INE767A01016.

Particulars	NSDL	CDSL	Physical	Total
Shares (nos.)	7,97,38,495	1,09,28,564	6,02,941	9,12,70,000
Shares (%)	87.37	11.97	0.66	100

Further, the entire shareholding of Promoter and Promoter Group are held in dematerialised mode only.

The shares of the Company are traded regularly at the BSE Limited and National Stock Exchange of India Limited.

### xiii) ADRs/ GDRs/ Warrants/Convertible instruments:

The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments.

### xiv) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

During the FY 2024-25, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in **Note No. 39** to the Annual Accounts.

### xv) Plant Locations:

- MIDC Industrial Area, Tarapur, Village Pamtembhi, Dist. Palghar, Maharashtra 401 506
- Plot No. N-198, 199,202,205,206 & 229
- Plot No. G-60
- Plot No. G-61, 62
- Plot No. E-21
- Plot No. E-9/3-4
- Plot No. E-22
- Plot No. E-120, 119, 104, 105, 106
- Plot No. T-150
- Plot No. W-60(B),61(B),62(B),71(B),72(B),73 (B)
- Plot No. K-40,41,35

- GIDC, Sarigam, Dist.Valsad, Gujarat 396155
- Plot No. 2902/2904, 2509, 2601, 2602, 2603, 2604, 2605
- Plot No. 211, 213
- Plot No. DP-94 to 96, Saykha Industrial Estate, Tal. Vagra, Dist. Bharuch, Gujarat

**R & D Centres:** Plot No. E-1, MIDC, Tarapur, Village Pamtembhi, Dist. Palghar - 401 506, Maharashtra

### xvi) Address for Correspondence:

- Corporate and Head Office:** Ground Floor, Mahendra Industrial Estate, Plot No. 109-D, Road No.29, Sion (E), Mumbai - 400 022, Maharashtra
- Registered Office:** Plot No. N-198, MIDC, Tarapur, Village-Pamtembhi, Taluka and Dist. Palghar - 401 506, Maharashtra

### xvii) Credit Rating:

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended March 31, 2025.

Below are the details of Credit Ratings as on March 31, 2025

Facilities	CRISIL Rating	ICRA Rating
Long Term Rating	CRISIL AA-/ Stable	ICRA AA-/ Stable
Short Term Rating	CRISIL A1+	ICRA A1+

## CORPORATE GOVERNANCE REPORT (CONTD.)

### xviii) Disclosure in respect of Equity Shares transferred to Unclaimed Suspense Account and Suspense Escrow Demat Account

#### Aarti Drugs Limited - Unclaimed Suspense Account:

In accordance with the requirements of Regulations 34 and 39 read with Schedule V(F) of the Listing Regulations details of equity shares in Aarti Drugs Limited - Unclaimed Suspense Account are as follows:

Particulars	Demat		Physical	
	No. of Shareholders	No. of equity Shares	No. of Shareholders	No. of equity shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025	71	4316	-	-
No. of shareholders who approached the Company for transfer of shares from suspense account during the year.	1	750	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year	1	750	-	-
Shares transferred to IEPF A/c	0	0	-	-
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025.	70	3566	-	-

#### Aarti Drugs Limited - Suspense Escrow Demat Account:

In accordance with the requirements of SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated January 25, 2022 the Company has opened a Suspense Escrow Demat Account with the DP for transfer of shares lying unclaimed for more than 120 days from the date of issue of Letter of Confirmation to the shareholders in lieu of physical share certificate(s) to enable them to make a request to DP for dematerialising their shares.

During the year, no shares were due and transferred to the aforesaid account.

All the corporate benefits against these shares like bonus shares, split, etc., would also be transferred to Unclaimed Suspense Account and Suspense Escrow Demat Account of the Company. While the dividend for the shares which are lying in Unclaimed Suspense Account and Suspense Escrow Demat Account would be credited back to the relevant dividend accounts of the Company.

The voting rights on shares lying in Unclaimed Suspense Account and Suspense Escrow Demat Account shall remain frozen till the rightful owner claims the shares.

### xix) CEO/ CFO Certification:

As required under Regulations 17(8) of Listing Regulations, certificates are duly signed by Shri Prakash M. Patil, CEO and Shri Adhish P. Patil, CFO were placed at the Meeting of the Board of Directors

held on May 06, 2025 copy of which is attached in this Annual Report. The CEO and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

### DISCLOSURES:

- During the year, there were no material related party transactions that may have a potential conflict with the interests of the Company at large. All related party transactions are mentioned in the notes to the accounts and also reported to the Stock Exchanges on half yearly basis pursuant to Regulation 23(9) of Listing Regulations. Further there are no Loans and advances in the nature of loans to firms/companies in which directors of the Company or Subsidiaries are interested. As required under Regulation 23(1) of Listing Regulations, the Company has formulated a policy on dealing with related party transactions. The said policy is also available under "investor" section of the website of the Company at the following weblink <https://www.aartidrugs.co.in/policies-and-related-documents/>
- In terms of clause 5A of Para A of Part A of Schedule III of Listing Regulations, there are no agreements with any party which impact the management or control of the Company or impose any restriction or create any liability upon the Company.
- During the Financial Year 2024-25, administrative warning letter dated March 04, 2025 was issued by Securities and Exchange Board of India (SEBI) to the

## CORPORATE GOVERNANCE REPORT (CONTD.)

Compliance Officer of the Company for not obtaining requisite details of all the immediate relatives of the designated persons (DPs) (except spouses of DPs) and not making Code of Conduct under PIT Regulations applicable to them in terms of Regulation 9(3) of the PIT Regulations. Adequate measures have been taken to comply with the requirements of aforesaid SEBI letter.

contra trade of purchase and sale of 500 equity shares of the Company was inadvertently made by a Non-executive Director of the Company in violation of the PIT Regulations. As per the action taken and direction of the Board of Directors of the Company, profit made of ₹ 11,181/- in the trade was disgorged / transferred to Investor Protection and Education Fund administered by the SEBI.

a cautionary email/ letter was issued by the Stock Exchanges dated April 01, 2025 for delay of three days in submission of announcement in respect of voluntary closure direction of manufacturing activity of particular product at T-150 unit located at Tarapur by a regulatory authority i.e. Maharashtra Pollution Control Board (MPCB) required to be made within 24 hours from the receipt of the said direction / order in terms of relevant Regulation 30 of SEBI Listing Regulations read with relevant Schedule and SEBI Circular.

During the Financial Year 2023-24, Securities and Exchange Board of India (SEBI) has issued an Administrative warning letter pertaining to non-disclosure of information under regulation 30 of the Listing Regulations and failure to update Policy for Determination of Materiality of any event / information on the Website of the Company as per amended regulation 30(4) (i)(c) of the Listing Regulations. Adequate measures have been taken to comply with the requirements of aforesaid SEBI letter.

- (ix) Total fees of ₹ 14.14 lakhs for FY 2024-25, for all services were paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is part, the details of the same are mentioned below:

(₹ in lakhs)

Name of the Statutory Auditors	Aarti Drugs Limited	Pinnacle Life Science Private Limited	Aarti Speciality Chemicals Limited	Total
Audit Fees	12.79	4.22	0.20	17.21
Certification	1.15	0.10	-	1.25
<b>Total</b>	<b>13.94</b>	<b>4.32</b>	<b>0.20</b>	<b>18.46</b>

- (x) During the financial year 2024-25, the Company has not raised funds through any kind of issue (public issue, rights issue, preferential issue, etc.) as specified in regulation 32(7A).

- (iv) Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has formulated Whistle Blower Policy for Vigil Mechanism for Directors and Employees to report to the Management about the unethical behaviour, fraud or violation of Company's code of conduct. The same has been hosted under "investor relations" section of the website of the Company at weblink: <https://www.aartidrugs.co.in/policies-and-related-documents/>

The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel has been denied access to the Audit Committee.

- (v) In order to restrict communication of Unpublished Price Sensitive Information (UPSI), the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The said Code is available on the website of the Company at the following weblink: <https://www.aartidrugs.co.in/insider-trading-regulation/>

- (vi) To determine 'material subsidiary', the Company has adopted a 'Policy for Determining Material Subsidiary' and the same has been hosted on the website of the Company at the following weblink: <https://www.aartidrugs.co.in/policies-and-related-documents/>

- (vii) The Company has complied with all the requirements of Corporate Governance Report as provided in paras (2) to (10) of Part C of Schedule V of Listing Regulations

- (viii) There were no instances during the FY 2024-25, wherein the Board had not accepted recommendations made by any committee of the Board

## CORPORATE GOVERNANCE REPORT (CONTD.)

- (xi) Disclosures in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

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

- (xii) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

- (xiii) With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a code of Conduct to regulate, monitor and report trading by Insiders.

- (xiv) None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

- (xv) Pinnacle Life Science Private Limited has been classified as the material subsidiary as it fulfils the criteria given under Regulation 16(1)(c) of the Listing Regulations, details of which are mentioned below:

Name	Pinnacle Life Science Private Limited
Date of Incorporation	January 15, 2003
Place of Incorporation	Registered Office at the time of incorporation was situated at Madhya Pradesh, which is subsequently shifted to Baddi, Himachal Pradesh
Name of Statutory Auditors	Gokhale and Sathe, Chartered Accountants
Date of Appointment of Statutory Auditors	Re-appointed at the AGM dated August 03, 2022 for the period of 3 years.

### DISCRETIONARY REQUIREMENTS

The status of compliance with discretionary requirements of Part E of schedule II of Listing Regulations with Stock Exchanges is provided below:

Sr. No.	Particulars	Remarks
1	Non-Executive Chairman's Office	The Company does not have Non-executive Chairman.
2	Shareholder's Rights	As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
3	Audit Qualifications	Auditors' Report on Company's financial statement for FY 2024-25 is unmodified.
4	Separate posts of Chairman and MD/CEO	The Company does not have separate post of Chairman and MD/ CEO.
5	Reporting of Internal Auditor	The Internal Auditor reports to Chairman & Managing Director and has direct access to the Audit Committee.
6	Separate meeting of Independent Directors	During the financial year 2024-25, the Independent Directors meeting was held once without the presence of non-independent director and the members of the management

For and on behalf of the Board

Sd/-

**Prakash M. Patil**

Chairman, Managing Director & CEO

DIN:00005618

Place: Mumbai

Date: July 18, 2025

**CORPORATE GOVERNANCE REPORT (CONTD.)**

**DECLARATION BY CHIEF EXECUTIVE OFFICER**

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

**For and on behalf of the Board**

Sd/-

**Prakash M. Patil**

Chairman, Managing Director & CEO

DIN:00005618

Place: Mumbai

Date: May 06, 2025

**CORPORATE GOVERNANCE REPORT (CONTD.)**

**CEO & CFO CERTIFICATION**

[Pursuant to Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015]

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

- a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- c. There are no transactions entered into by the Company during the year ended March 31, 2025 which are fraudulent, illegal or violative of Company' Code of Conduct.
- d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.
- e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.
- f. That there have been no significant changes in the accounting policies during the relevant period.
- g. We have not noticed any significant fraud particularly those involving the management or an employee having a significant role in the Company's internal control system over Financial Reporting.

**For AARTI DRUGS LIMITED**

Sd/-

**Prakash M. Patil**

Chairman, Managing Director & CEO

DIN:00005618

Place: Mumbai

Date: May 06, 2025

Sd/-

**Adhish P. Patil**

Chief Financial Officer

**CORPORATE GOVERNANCE REPORT (CONTD.)**
**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

**To: Aarti Drugs Limited**

(CIN: L37060MH1984PLC055433)

Plot No. N - 198, M.I.D.C., Tarapur,

Village-Pamtembhi, Dist. Palghar,

Maharashtra - 401 506

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Aarti Drugs Limited** having CIN: L37060MH1984PLC055433 and having registered office at Plot No. N - 198, M.I.D.C., Tarapur, Village-Pamtembhi, Dist. Palghar, Maharashtra - 401 506 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name	DIN	Date of Appointment as Director	Date of Cessation as Director
1	Harshit Manilal Savla	00005340	02/01/1987	Continuing
2	Harit Pragji Shah	00005501	15/09/1995	Continuing
3	Prakash Moreswar Patil	00005618	05/01/1985	Continuing
4	Rashesh Chandrakant Gogri	00066291	16/08/2012	Continuing
5	Narendra Jagannath Salvi	00299202	25/08/2020	Continuing
6	Priti Paras Savla	00662996	26/09/2014	01/04/2024
7	Uday Moreswar Patil	01186406	18/10/2000	Continuing
8	Navin Chapshi Shah	01415556	04/11/2010	01/04/2024
9	Krishnacharya Govindacharya Akamanchi	02354032	20/10/2008	01/04/2024
10	Ankit Vikram Paleja	06975564	13/10/2021	Continuing
11	Bhaskar Narayan Thorat	01293824	09/05/2022	Continuing
12	Neha Rajen Gada	01642373	09/05/2022	Continuing
13	Ajit Eledath Venugopalan	09439069	29/03/2024	Continuing
14	Hasmukh Bhavanji Dedhia	07510925	29/03/2024	Continuing
15	Sandeep Madhusudan Joshi	00516409	29/03/2024	Continuing

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

**CS Sunil M. Dedhia**

Proprietor, Sunil M. Dedhia & Co.

Practising Company Secretary

FCS No: 3483 C.P. No. 2031

Peer Review Certificate No. 867/2020

UDIN: F003483G000448026

Place: Mumbai

Date: May 27, 2025

**CORPORATE GOVERNANCE REPORT (CONTD.)**
**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,

**The Members of Aarti Drugs Limited,**

Plot No. N – 198, M.I.D.C., Tarapur,

Village – Pamtembhi, Taluka & Dist. Palghar – 401 506.

Maharashtra, (India)

Dear Members,

**BACKGROUND:**

- We, Gokhale & Sathe, Chartered Accountants, being the Statutory Auditors of **Aarti Drugs Limited** ("the Company") are issuing this certificate as required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company. The Corporate Governance Report prepared by Aarti Drugs Limited, contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the SEBI Listing Regulations") as amended from time to time, ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2025.

**MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITY:**

- The preparation of the Corporate Governance Report is the responsibility of the Management and Board of Directors of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
- The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, issued by the Securities and Exchange Board of India.

**AUDITOR'S RESPONSIBILITY:**

- Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the SEBI Listing Regulations.
- We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.
- The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. We have examined (a) the minutes of the meetings of the board of directors of the Company (the "Board") and of committees of the Board, the annual general meeting of the shareholders of the Company; (b) declarations made by the Board under relevant statutory / regulatory requirements; (c) relevant statutory registers maintained by the Company; and (d) such other documents and records of the Company as we deemed necessary, in connection with ascertaining compliance with the conditions of corporate governance by the Company, as prescribed under the, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations").

**CORPORATE GOVERNANCE REPORT (CONTD.)**

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

**OPINION:**

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, in our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the financial year ended March 31, 2025 except certain incidences which were disclosed in the respective Corporate Governance Report.

**RESTRICTION ON USE:**

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

**DISCLAIMER:**

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

For **Gokhale & Sathe**,  
Chartered Accountants,  
Firm Registration No.: 103264W

**Ravindra More**  
Partner  
Membership No. 153666  
UDIN: - 25153666BMLYKH3362

Date: July 18, 2025  
Place: Mumbai

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING**
**SECTION A: GENERAL DISCLOSURES**
**I. Details of the listed entity**

1.	Corporate Identity Number (CIN) of the Listed Entity	L37060MH1984PLC055433
2.	Name of the Listed Entity	Aarti Drugs Limited
3.	Year of incorporation	1984
4.	Registered office address	Plot No. N-198, M.I.D.C. Tarapur, Village – Pamtembhi, Taluka & Dist. Palghar- 401506 Maharashtra, India
5.	Corporate address	Ground Floor, Mahendra Industrial Estate, Plot No 109-D, Road No. 29, Sion (East), Mumbai – 400022, Maharashtra, India
6.	E-mail	investorrelations@aartidrugs.com
7.	Telephone	+9122-24019025
8.	Website	www.aartidrugs.co.in
9.	Financial year for which reporting is being done	April 01, 2024 to March 31, 2025
10.	Name of the Stock Exchange(s) where shares are listed	a. National Stock Exchange of India Limited b. BSE Limited
11.	Paid-up Capital	As on March 31, 2025 total paid up capital of the Company stood at ₹ 91,27,00,000 consisting of 91270000 Equity shares of ₹ 10/- each
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	a. Name - Rushikesh V. Deole b. Designation - Company Secretary c. Telephone Number - (022) 2401 9025 d. E-mail ID -investorrelations@aartidrugs.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis (Business Responsibility initiatives of the parent Company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries).
14.	Name of assessment or assurance provider	Not applicable, as BRSR Core Assurance is not mandatory for the Company.
15.	Type of assessment of assurance obtained	

**II. Products/services**
**16. Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing of Pharmaceuticals	Manufacturing and Marketing of Pharmaceuticals and Chemical products	100%

**17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	API	21001	91%
2	Speciality Chemicals	21001	6%
3	Intermediates & others	21001	3%

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

Location	Number of plants	Number of offices	Total
National	13	2	15
International	0	0	0

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**
**19. Markets served by the entity:**
**a. Number of locations**

Locations	Number
National (No. of States)	28 states and 8 union territories
International (No. of Countries)	Over 100 countries served across the six continents - Asia, North America, Europe, Africa, Latin America and Australia

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

The Company has a global presence with exports accounting for approximately 35% of its revenue.

**c. A brief on types of customers**

We serve a wide range of customers such as pharmaceutical formulation companies, Specialty Chemical manufacturers, dyes and pigments manufacturers across the globe.

**IV. Employees**
**20. Details as at the end of Financial Year:**
**a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	939	808	86.05%	131	13.95%
2.	Other than Permanent (E)	578	506	87.54%	72	12.46%
3.	<b>Total employees (D + E)</b>	<b>1,517</b>	<b>1,314</b>	<b>86.62%</b>	<b>203</b>	<b>13.38%</b>
<b>WORKERS</b>						
4.	Permanent (F)	345	344	99.71%	1	0.29%
5.	Other than Permanent (G)	1,003	968	96.51%	35	3.49%
6.	<b>Total workers (F + G)</b>	<b>1,348</b>	<b>1,312</b>	<b>97.33%</b>	<b>36</b>	<b>2.67%</b>

**b. Differently abled Employees and workers:**

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	2	1	50.00%	1	50.00%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	<b>Total differently abled employees (D + E)</b>	<b>2</b>	<b>1</b>	<b>50.00%</b>	<b>1</b>	<b>50.00%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	2	2	100%	0	0.00%
5.	Other than permanent (G)	0	0	0.00%	0	0.00%
6.	<b>Total differently abled workers (F + G)</b>	<b>2</b>	<b>2</b>	<b>100%</b>	<b>0</b>	<b>0.00%</b>

**21. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	1	8.33%
Key Management Personnel	2	0	-

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**
**22. Turnover rate for permanent employees and workers**

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male %	Female %	Total %	Male %	Female %	Total %	Male %	Female %	Total %
Permanent Employees	9.25	10.26	9.38	8.64	12.00	9.08	7.92	7.14	7.82
Permanent Workers	4.99	0.00	4.98	2.46	0.00	2.46	1.55	0.00	1.55

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**
**23. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares heldby listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Pinnacle Life Science Private Limited	Subsidiary	100%	Business Responsibility initiatives of the parent Company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries.
2.	Aarti Speciality Chemicals Limited	Subsidiary	100%	
3.	Pinnacle Chile SpA	Subsidiary	95%	
4.	Pharma Go SpA	Subsidiary	95% (through Pinnacle Chile SpA)	

**VI. CSR Details**

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

(ii) Turnover (in ₹) : **2,17,365.49 lakhs**

(iii) Networth (in ₹) : **1,25,135.11 lakhs**

**VII. Transparency and Disclosures Compliances**
**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	<a href="https://www.aartidrugs.co.in/code-of-conduct/0/">https://www.aartidrugs.co.in/code-of-conduct/0/</a>	0	0	-	0	0	-
Investors (other than shareholders)	<a href="https://www.aartidrugs.co.in/stock-information/">https://www.aartidrugs.co.in/stock-information/</a>	0	0	-	0	0	-
Shareholders	<a href="https://www.aartidrugs.co.in/stock-information/">https://www.aartidrugs.co.in/stock-information/</a>	18	0	-	25	0	-
Employees and workers	<a href="https://www.aartidrugs.co.in/code-of-conduct/0/">https://www.aartidrugs.co.in/code-of-conduct/0/</a>	0	0	-	0	0	-
Customers	<a href="https://www.aartidrugs.co.in/contact-us/">https://www.aartidrugs.co.in/contact-us/</a> <a href="https://www.aartidrugs.co.in/code-of-conduct/0/">https://www.aartidrugs.co.in/code-of-conduct/0/</a>	3	0	-	2	0	-

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Value Chain Partners	<a href="https://www.aartidrugs.co.in/contact-us/">https://www.aartidrugs.co.in/contact-us/</a> <a href="https://www.aartidrugs.co.in/code-of-conduct/0/">https://www.aartidrugs.co.in/code-of-conduct/0/</a> <a href="https://www.aartidrugs.co.in/supplier-code-of-conduct/">https://www.aartidrugs.co.in/supplier-code-of-conduct/</a>	0	0	-	0	0	-
Others (please specify)	NA	-	-	-	-	-	-

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change, Energy & Emission Management	Risk & Opportunity	There are risks associated with climate change such as manufacturing losses due to climate events but also offers opportunities for innovation in sustainability.	Develop climate resilience strategies and reduce carbon footprint.	Positive and Negative
2.	Sustainable Supply Chain & Responsible Procurement	Risk & Opportunity	Efficient sourcing reduces costs and environmental impact, while poor practices can lead to supply chain disruptions.  Ensuring suppliers adhere to social standards mitigates risks related to labour practices and human rights violations.	Implement stringent supplier assessments and sustainable sourcing practices.  Regular audits and collaboration with suppliers to improve environmental performance.  Imparting training on Sustainable Procurement to the key strategic suppliers.	Positive and Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Water and wastewater management	Risk & Opportunity	Effective water management ensures resource availability and reduces environmental impact, while poor management can lead to scarcity and regulatory issues.	Implement water saving technologies and practices.  Implemented a mechanism for Zero Liquid Discharge (ZLD). Presently, 9 API manufacturing facilities out of 11 are operating on ZLD basis and remaining 2 are connected to Common Effluent Treatment Plant (CETP) for further treatment.  Further, developed Water policy to promote conservation and effective management of water resources.	Positive and Negative
4.	Waste and hazardous Materials management	Risk & Opportunity	Waste generated from our operations consists of hazardous as well as nonhazardous waste. Efficient waste management reduces environmental impact and compliance risks while offering opportunities for resource recovery.	Implement comprehensive waste reduction and recycling programmes.  Adopted following methods and techniques to manage and dispose of waste material generated at site for preventing pollution, conserving natural resources, protecting human health environment:  - Reduction at source - Hazardous waste management - Waste-to-energy - Landfilling - Recycling - Incineration	Positive and Negative
5.	Occupational Health & Safety	Risk	As a responsible manufacturing Company, it is responsibility of the Company to safeguard the health and safety of individuals.  Ensuring occupational health and safety prevents workplace accidents, reduces absenteeism, and complies with regulations.	Implement robust health and safety programmes and training.  Provision of various safety trainings, safety initiatives and mock drills to ensure proactive hazard identification and risk management.	Negative

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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Community Impact, Relations and Development	Opportunity	Engaging with local communities through CSR initiatives fosters goodwill, enhances reputation, and contributes to sustainable development.	N.A.	Positive
7.	Product Safety	Risk	Ensuring product quality and safety protects consumer health, complies with regulations, and maintains reputation of the Company. Any deficiency in the product quality and safety has high adverse impacts like loss of revenue, reputational damage and regulatory actions.	Implement rigorous quality control and safety testing procedures.  Company is focusing in its QA and QC function.	Negative
8.	Corporate Governance	Risk & Opportunity	Compliance with laws and regulations is essential to have a good corporate image, smooth operations and create long term stakeholder value. Ethical breach or non-compliances can affect stakeholder trust and regulatory action. Strong corporate governance facilitates responsible decision-making and financial transparency, vital for investor attraction.	Implement comprehensive compliance programmes and regular audits.  Periodical review of Corporate Governance norms to improve the governance standards and compliance with such standards by the Company.  Further, Board and Audit committee ensures conflicts of interest are effectively prevented and mitigated crucially.	Positive and Negative
9.	Business Ethics	Risk	Upholding high ethical standards mitigates risks related to legal issues and reputational damage.	Implement robust ethics training and compliance programmes.  We have in place stringent and comprehensive Code of Conduct and policies to ensure ethical behaviour at all levels.	Negative
10.	Economic Performance	Risk & Opportunity	Strong economic performance ensures business viability, while poor performance can threaten sustainability.	Implement robust financial management and strategic planning.	Positive and Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11.	Regulatory Compliance	Risk	Compliance with laws and regulations prevents legal penalties and maintains operational integrity.	Implement comprehensive compliance programmes and regular audits.	Negative
12.	Data Privacy & Integrity	Risk	Ensuring data privacy and security protects against breaches, legal penalties, and reputational damage.	Implement robust cybersecurity measures and data protection policies.	Negative
13.	Risk Management	Risk & Opportunity	Proactive risk management mitigates potential operational, financial, and reputational risks.	Develop and implement comprehensive risk management frameworks.  Constituted Risk Management Committee to develop and implement risk mitigation strategies on need basis.  Further, the code of conduct along with Whistle Blower Mechanism promotes a culture of transparency and accountability which aids in early detection and resolution of issues thus minimizing legal, financial, and reputational risks.	Positive and Negative

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	All Statutory Policies and Codes are adopted considering prevailing Legal requirements and approvals of respective body [Board of Directors, its Committees and Company Management].								
c. Web Link of the Policies, if available	Mandatory policies are uploaded on the website of the Company and available at below weblinks:  <a href="https://www.aartidrugs.co.in/policies-and-related-documents/">https://www.aartidrugs.co.in/policies-and-related-documents/</a>  <a href="https://www.aartidrugs.co.in/sustainability-policies/">https://www.aartidrugs.co.in/sustainability-policies/</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, we have dedicated "Supplier Code of Conduct" which covers all the applicable aspects under the BRSR principles.								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> <li>• Certificates such as ANVISA, KFDA, COFEPRIS, WC</li> <li>• Certificate, TGA, WHO-GMP and TFDA are obtained to facilitate business operations in countries including Brazil, South Korea, Mexico, European nations, Australia, Africa, Middle East, Southeast ASIA and Taiwan</li> <li>• ISO 9001: 2015 – Quality Management System</li> <li>• ISO 14001:2015 – Environmental Management System</li> <li>• ISO 45001:2018 – Occupational Health &amp; Safety Management System</li> <li>• Good Manufacturing Practice (GMP) compliance across facilities as per various Global Standards for GMP like ICH, EU-GMP, PIC/S, WHO-TRS, etc.</li> <li>• WHO-GMP accreditations received for several plants</li> <li>• We observe Global Reporting Initiative (GRI) 2021 and EcoVadis Standards as positive contribution to Environment, Social and Governance (ESG) stewardship.</li> <li>• Sustainability milestones are aligned with the United Nations Sustainable Development Goals (SDGs) and the principles of the United Nations Global Compact (UNGC).</li> <li>• EU-GMP and EDQM</li> </ul>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Yes								

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors.
<b>Governance, leadership and oversight</b>	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Please refer "Chairman's message" and "Management Discussion & Analysis report" in the Annual Report	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board is the highest authority responsible for implementation and oversight of the Business Responsibility policy. It has constituted different board committees to look after different aspects of Business Responsibility.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee periodically reviews the sustainability initiatives of the Company on the basis of applicable regulatory requirements. Composition of these Committees is mentioned in Corporate Governance Report. Also Company have formed Sustainability committee comprises of executive directors and members from EHS and Sustainability department to guide and help the Board to achieve its sustainability goals.

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the Company are reviewed periodically/ on a need basis by the Internal Auditors, Department heads/ Director/ Board/ its Committees/ Sustainability Committee and any other committees wherever applicable.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Status of compliance with all applicable statutory requirements is reviewed by the Board and its committees (as applicable) on a quarterly basis.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No. The policies of the Company are subject to audit by Internal Auditors of the Company. The working of the policies is also ensured by the various Department Heads/ Directors/ Committees of the Board/ Other Committees, wherever applicable. We are in the process of undertaking independent third-party assurance for our sustainability performance.								

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	1	The Company conducts familiarisation programmes for its Board of Directors at regular intervals which covers topics such as ESG parameters, corporate governance practices, employee wellbeing, innovation and R&D and various other regulatory updates. The said programme is also extended to Key Managerial Personnel.	100%
Employees other than BoD and KMPs	629	The employees undergo various trainings / awareness sessions such as induction training at the time of joining, Training on code of conduct, technical and compliance training during the course of employment, safety training etc.	100%
Workers	636	The workers undergo various trainings / awareness sessions such as induction training at the time of joining, Training on code of conduct, technical and compliance training during the course of employment, safety training etc.	100%

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

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

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine		Central Goods and Service Tax & Central Excise (CGST & C.Ex.)	<p>a) Demand of erroneous sanctioned IGST refund of ₹ 20.72 Crores under Section 74(9) of the CGST Act, 2017</p> <p>b) Demand of interest at the rates prescribed under the provisions of Section 50(1) of the CGST Act, 2017</p> <p>c) Imposition of penalty of ₹ 20.72 Crores under Section 74(9) of CGST Act, 2017 read with Section 122(2)(b) of CGST Act, 2017</p>	<p>The Company had received Show Cause Notice for contravention of Rule 96(10) of CGST Rule proposing to demand IGST of ₹ 230.70 Crores along with applicable interest and penalty for FY 2017-18 to FY 2021-22.</p> <p>In continuation to the aforesaid Show cause notice, Company has received the order on February 07, 2025 passed by Central Goods and Service Tax &amp; Central Excise (CGST &amp; C.Ex.) directing:</p> <p>a) Demand of erroneous sanctioned IGST refund of ₹ 20.72 Crores under Section 74(9) of the CGST Act, 2017</p> <p>b) Drop the demand of ₹ 209.98 Crores under Section 74 of the CGST Act, 2017 read with Section 20 of IGST Act 2017</p>	Yes. Company have filed writ petition at Hon'ble High Court of Judicature at Bombay

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
				<p>c) Demand of interest at the rates prescribed under the provisions of Section 50(1) of the CGST Act, 2017</p> <p>d) Imposition of penalty of ₹ 20.72 Crores under Section 74(9) of CGST Act, 2017 read with Section 122(2)(b) of CGST Act, 2017</p>	
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment					
Punishment			NIL		

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
As mentioned in Question number 2 above	The Company had filed a writ petition in "The High Court of Judicature at Bombay" to challenge the order passed by CGST & C.Ex. Authority. The Hon'ble Court has passed the order on May 06, 2025 granting the ad-interim relief directing the CGST & C.Ex. Authority not to initiate coercive action for recovery of the amount mentioned in order passed by CGST & C.Ex. Authority.

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

The Company has a comprehensive and well-defined Code of Conduct, Vigil Mechanism policy and Anti-Bribery & Anti-Corruption Policy that places significant emphasis on anti-corruption and anti-bribery practices. The Company firmly believes that all employees must uphold the principles outlined in these policies, fulfilling their responsibilities with the utmost faith, discretion, and care, while maintaining the highest standards of honesty, integrity, and fairness. The policy

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strictly prohibits the use or promise of bribery or any other unfair advantage, whether directly or indirectly, to gain or secure benefits. We provide training to Directors, employees and workers on the abovementioned policies.

Code of Conduct is available at the weblink: <https://www.aartidrugs.co.in/code-of-conduct/>

Vigil Mechanism policy and Anti-Bribery and Anti-Corruption Policy are available at the weblink: <https://www.aartidrugs.co.in/policies-and-related-documents/>

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

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

**6. Details of complaints with regard to conflict of interest:**

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

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

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

	FY 2024-25	FY 2023-24
Number of days of accounts payables	93 days	91 days

**9. Open-ness of business**

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

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	9.47%	9.60%
	b. Number of trading houses where purchases are made from	63	86
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	54.64%	50.11%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	14.13%	15.47%
	b. Number of dealers / distributors to whom sales are made	130	129
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	59.67%	59.62%
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	1.25%	0.91%
	b. Sales (Sales to related parties / Total Sales)	1.65%	2.80%
	c. Loans & advances (Loans & advances given to related parties)	0.00%	0.00%
	d. Investments (Investments in related parties /Total Investments made)	100%	100%

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**Leadership Indicator**

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1 (26 Participants)	<ul style="list-style-type: none"> <li>Sustainable procurement</li> <li>Environmental Sustainability</li> <li>Respect for Human Rights</li> <li>Fair business practices</li> </ul>	We identified key strategic suppliers and have imparted training to them on Sustainable Procurement (ISO 20400).

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

Yes, every Director of the Company discloses his/her concern or interest in the Company or companies or bodies corporate, firms or other association of individuals and any change therein, annually or upon any change, which includes the shareholding. In the Meetings of the Board, the Directors abstain from participating in the items in which they are concerned or interested. Also, the code of conduct of the Company has provision for avoiding conflict of interest Link is <https://www.aartidrugs.co.in/code-of-conduct/>

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**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

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

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	11%	7.06%	Note 1
Capex	10.85%	18.29%	Note 2

**Note 1:**

The Company's investments in Research and Development (R&D) have driven significant environmental advancements, highlighting its dedication to sustainable innovation and eco-friendly practices:

**Vacuum Oven (121 L):**

- **Energy Conservation:** Incorporating vacuum ovens into R&D activities has helped reduce overall energy usage, which in turn lowers greenhouse gas emissions and contributes to a reduced carbon footprint.
- **Minimised Waste Generation:** Operating at lower temperatures helps preserve material quality during processing, thereby reducing material wastage and conserving valuable resources.

**Refrigerator/Freezer (400 L):**

- **Lower Emissions:** The use of energy-efficient refrigeration systems decreases power consumption, supporting the reduction of greenhouse gas emissions and enhancing overall energy savings.
- **VOC Management:** Proper storage of volatile substances helps limit the emission of volatile organic compounds (VOCs), leading to improved indoor air quality and safer laboratory conditions.

**Fume Hood (3900 mm W x 11000 mm D x 1580 mm H):**

- **Enhanced Air Quality:** Fume hoods effectively control and capture hazardous gases, vapors, and dust during lab operations, preventing their release into the environment.
- **Environmental Compliance:** Using fume hoods helps to ensure adherence to environmental and occupational safety regulations, safeguarding both employee well-being and the surrounding ecosystem.

**Ultrasonic Cleaning Bath:**

- **Efficient Water Usage:** Compared to traditional cleaning methods, ultrasonic baths use significantly less water, supporting water conservation efforts.
- **Reduced Chemical Usage:** This method minimises the need for strong chemical agents, lowering the chemical load and promoting a cleaner, more sustainable operation.

**Overall Impact:**

These R&D infrastructure upgrades reflect the Company's commitment to sustainable innovation. By focusing on energy efficiency, resource conservation, and pollution control, the Company strengthens its environmental responsibility while maintaining operational excellence and industry leadership.

**Note 2:**

The Company's capital investments have brought about substantial environmental and social benefits, underscoring its commitment to sustainability and responsible business practices. Key benefits include:

1. **Improved Energy Efficiency and Emission Control:** Upgrades such as replacing boiler smoke tubes and enhancing condenser systems have significantly increased operational efficiency. These improvements have led to reduced fuel usage and lower greenhouse gas emissions, contributing to efforts to combat climate change and advance toward a low-carbon economy.

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2. **Sustainable Solvent Recovery and Waste Handling:** The integration of solvent recovery units and dedicated storage for solid waste has helped decrease emissions of Volatile Organic Compounds (VOCs) and reduced hazardous waste generation. This environmentally responsible approach promotes pollution control, conserves resources, and supports a cleaner ecosystem.
3. **Fire Safety and Emission Monitoring:** Advanced fire hydrant systems and real-time stack monitoring equipment helps to prevent environmental hazards and control pollutant emissions. These systems reinforce regulatory compliance, safeguard air quality, and protect community health.
4. **Closed-loop Systems and Efficient Cleaning Methods:** The implementation of closed SCADA-based systems and ultrasonic cleaning technologies reduces VOC emissions and lowers water usage. These eco-conscious practices are aligned with environmental norms and promote efficient and responsible use of water.
5. **Co-Generation and Optimised Emission Dispersion:** The use of co-generation boilers enables simultaneous production of heat and power, ensuring optimal use of waste heat. High-elevation chimney designs aid in the effective dispersion of gases, minimizing environmental and health impacts at the ground level.
6. **Reverse Osmosis for Efficient Water Management:** Reverse osmosis technology helps conserve water while also reducing reliance on chemical treatment. This dual benefit enhances sustainable water management and supports long-term resource conservation.
7. **Cleaner Air with Air Preheaters and Scrubbers:** Air preheaters reclaim heat from flue gases, reducing energy demand, while scrubbers capture airborne pollutants, thereby improving air quality. These technologies contribute to reduced environmental impact and healthier conditions for workers and nearby populations.
8. **Employee Health and Safety Enhancements:** The establishment of occupational health centres and provision of safety equipment like Self-Contained Breathing Apparatus (SCBA) sets demonstrate a strong commitment to employee safety. These initiatives promote a healthier workforce, reduce medical risks, and improve workplace productivity.

**Conclusion:** The Company's capital investments are generating tangible environmental and social benefits. By adopting advanced, sustainable technologies and prioritizing responsible practices, the Company supports environmental protection, efficient resource use, and employee well-being. These efforts are closely aligned with ESG values, strengthening the Company's position as a trusted and accountable industry leader in the eyes of stakeholders and investors.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**  
 Yes, we have developed a set of questionnaires as part of our Integrated Management System to evaluate critical suppliers. These questionnaires include certain criteria related to sustainability. Vendors are assessed based on their responses. We have policies in place such as Supplier Code of Conduct and Responsible Procurement Policy that comprehensively cover ESG issues.  
 b. **If yes, what percentages of inputs were sourced sustainably?**  
 Most of the Company's raw materials, which during the FY account to approx. ~24% of the total purchase, are sourced from leading Indian and multinational companies which have their own sustainability targets and goals. The Company works closely with its suppliers throughout its value chain to ensure they align with its ESG objectives and priorities.
3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**  
 Aarti Drugs is dedicated to adopting waste management practices that go beyond regulatory compliance. We have proactively implemented various measures to reduce waste generation and ensure that all waste is handled in an environmentally responsible way. Our approach is guided by the following key principles:  
 a) **Plastic Waste (Including Packaging):**  
 We follow a systematic process of collection and segregation of plastic waste, as per the classifications outlined in the Plastic Waste Management Rules. All plastic waste generated at our site is sorted accordingly and stored in

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a designated area before being sent to certified plastic recyclers. These recyclers convert the plastic into reusable materials.

Additionally, we practice internal reuse by reusing plastic bags for the same materials and re-purposing containers for storage. Our plastic waste management fully adheres to Extended Producer Responsibility (EPR) requirements.

**b) E-Waste Management:**

We have established dedicated E-waste collection points within the facility. Before disposal, all data-containing devices are thoroughly wiped to ensure the safe handling of sensitive information. The E-waste is then handed over to authorised recyclers for proper processing and material recovery. We maintain a detailed inventory of E-waste generated and stored to ensure traceability and accountability.

**c) Hazardous Waste Management:**

Hazardous waste is managed with utmost care and is stored in a dedicated hazardous waste storage area within the premises. Disposal is carried out strictly in accordance with the routes and agencies approved by the Pollution Control Boards, and in full compliance with the Hazardous and Other Wastes (Management and Trans-boundary Movement) Rules, 2016. Disposal records are maintained digitally and are readily accessible to the regulatory authorities.

We also ensure timely adoption of any updates or amendments to applicable environmental regulations, reinforcing our commitment to sustainable and compliant waste management.

**d) Fly Ash Disposal:**

Fly ash generated from our boiler operations is collected and stored in a designated covered storage area to prevent environmental contamination. It is then supplied to authorised agencies such as brick-making units for productive reuse. All transportation and disposal of fly ash are conducted in compliance with the guidelines issued by the State Pollution Control Boards, ensuring zero adverse impact on the environment.

We also ensure timely adoption of any updates or amendments to applicable environmental regulations, reinforcing our commitment to sustainable and compliant waste management.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, the entity falls under the scope of Extended Producer Responsibility (EPR). A plastic waste management plan, in alignment with EPR guidelines, has been submitted to the Pollution Control Board under the categories of Brand Owner and Importer.

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
N.A.					

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
N.A.		

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**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Being a pharmaceutical company, we consider quality and specifications of raw and input materials as the important factor. No recycled or reused input material was used in the production process. We adopt suitable methods for the disposal of the waste which includes Incineration, Landfilling, Co-processing and Sale to Recyclers.

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24
-	-	-

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2024-2025			FY 2023-2024		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste (Fly ash)	-	-	-	-	-	-

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Since the Company is engaged in pharmaceutical sector, we do not reclaim products for reusing, recycling and disposing them at the end of their life.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	-

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**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
<b>Permanent employees</b>											
Male	808	808	100%	808	100%	N.A	N.A	-	-	-	-
Female	131	131	100%	131	100%	131	100%	-	-	-	-
<b>Total</b>	<b>939</b>	<b>939</b>	<b>100%</b>	<b>939</b>	<b>100%</b>	<b>131</b>	<b>100%</b>	-	-	-	-
<b>Other than Permanent employees</b>											
Male	506	-	-	506	100%	-	-	-	-	-	-
Female	72	-	-	72	100%	-	-	-	-	-	-
<b>Total</b>	<b>578</b>	-	-	<b>578</b>	<b>100%</b>	-	-	-	-	-	-

**b. Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	%(B/A)	Number (C)	%(C/A)	Number (D)	%(D/A)	Number (E)	%(E/A)	Number (F)	%(F/A)
<b>Permanent workers</b>											
Male	344	344	100%	344	100%	N.A	N.A	-	-	-	-
Female	1	1	100%	1	100%	1	100%	-	-	-	-
<b>Total</b>	<b>345</b>	<b>345</b>	<b>100%</b>	<b>345</b>	<b>100%</b>	<b>1</b>	<b>100%</b>	-	-	-	-
<b>Other than Permanent workers</b>											
Male	968	-	-	968	100%	-	-	-	-	-	-
Female	35	-	-	35	100%	-	-	-	-	-	-
<b>Total</b>	<b>1,003</b>	-	-	<b>1,003</b>	<b>100%</b>	-	-	-	-	-	-

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-**

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of total revenue of the Company	0.16%	0.10%

**2. Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	N.A	100%	100%	N.A
ESI	15.44%	13.04%	Y	8.88%	20.13%	Y
Others – please specify	-	-	-	-	-	-

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**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

As per the nature of ADL's business, differently abled employees cannot be recruited in the manufacturing plant operations activities. However, the Company gives opportunities to differently abled persons in office premises. The office areas have lifts making it accessible with people with mobility impairment.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Company has internal guidelines for equal opportunity. The Company provides equal opportunities to all its employees and to all eligible applicants for employment in the Company. The Company has "Anti-Discrimination Policy" as well as "Human Rights policy" as a part of HR Policies to safeguard employees from any discrimination on basis of disabilities. For more details refer to the "People Policy" available on the website of the Company at the weblink: <https://www.aartidrugs.co.in/sustainability-policies/>

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N.A	N.A	N.A	N.A
Female	100%	100%	N.A	N.A
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>N.A</b>	<b>N.A</b>

**Note:** No female workers have availed the parental leave during FY 2024-25 and FY 2023-24.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

The Company has a 'Whistle Blower Policy' for redressal of grievances of employees. The policy covers and promotes responsible vigil mechanisms regarding aspects of unethical behaviour, actual or suspected fraud, actual or suspected leak of UPSI, violation of the Company's Code of Conduct, abuse, wrongdoing or violation of any Indian law. It also provides for adequate safeguards against the victimisation of employees and allows direct access to the chairperson of the audit committee.

The same can be found at <https://www.aartidrugs.co.in/policies-and-related-documents/>

A short summary of procedure to be followed to resolve routine complaints is given below.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Reporting to the field supervisor and then field supervisor taking it up with Factory Manager
Other than Permanent Workers	Reporting to the field supervisor and then field supervisor taking it up with Factory Manager
Permanent Employees	Reporting to reporting manager for redressal of the grievances or to report the grievance at HRIS portal
Other than Permanent Employees	Reporting to reporting manager for redressal of the grievances

**Note:-** In case of complaint does not get resolved through the above channels then employees/ workers may contact to HR Department or Ethics Officer of the Company.

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**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	%(B/A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	%(D/C)
<b>Total Permanent Employees</b>	<b>939</b>	<b>0</b>	<b>NA</b>	<b>766</b>	<b>0</b>	<b>NA</b>
Male	808	0	NA	663	0	NA
Female	131	0	NA	103	0	NA
<b>Total Permanent Workers</b>	<b>345</b>	<b>159</b>	<b>46.09%</b>	<b>298</b>	<b>146</b>	<b>48.99%</b>
Male	344	159	46.22%	297	146	49.16%
Female	1	0	0.00%	1	0	0.00%

**8. Details of training given to employees and workers:**

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	1,314	1,314	100%	1,314	100%	1,275	1,275	100%	1,275	100%
Female	203	203	100%	203	100%	197	197	100%	197	100%
<b>Total</b>	<b>1,517</b>	<b>1,517</b>	<b>100%</b>	<b>1,517</b>	<b>100%</b>	<b>1,472</b>	<b>1,472</b>	<b>100%</b>	<b>1,472</b>	<b>100%</b>
<b>Workers</b>										
Male	1,312	1,312	100%	1,312	100%	1,250	1,250	100%	1,250	100%
Female	36	36	100%	36	100%	40	40	100%	40	100%
<b>Total</b>	<b>1,348</b>	<b>1,348</b>	<b>100%</b>	<b>1,348</b>	<b>100%</b>	<b>1,290</b>	<b>1,290</b>	<b>100%</b>	<b>1,290</b>	<b>100%</b>

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	%(B / A)	Total (C)	No. (D)	%(D / C)
<b>Employees</b>						
Male	808	808	100%	663	663	100%
Female	131	131	100%	103	103	100%
<b>Total</b>	<b>939</b>	<b>939</b>	<b>100%</b>	<b>766</b>	<b>766</b>	<b>100%</b>
<b>Workers</b>						
Male	344	344	100%	297	297	100%
Female	1	1	100%	1	1	100%
<b>Total</b>	<b>345</b>	<b>345</b>	<b>100%</b>	<b>298</b>	<b>298</b>	<b>100%</b>

**10. Health and safety management system:**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Aarti Drugs Limited (ADL) is engaged in the manufacturing of Active Pharmaceutical Ingredients (APIs), Pharma Intermediates, Specialty Chemicals and also produces Formulations with its wholly-owned subsidiary – Pinnacle Life Science Private Limited. With the vision to adopt processes supported by proven technologies, which are cost effective and safe. We are committed to develop and continually improve our safety systems and culture.

We have a comprehensive Health, Safety and Environment Policy to demonstrate our commitment to maintain the world-class standards of health and safety in line with our core values of 'Care', 'Integrity' and 'Excellence'.

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We have implemented Occupational Health and Safety Management System across all our sites. We strive to make our workplace injury and incident free by inculcating safety culture at all levels of the organisation. We also organise various safety trainings, safety initiatives, mock drills and campaigns in the Company. At ADL, we are highly committed to creating a safe & healthy workplace and focusing on the continual improvement of the safety & health standards of employees and contractors.

ADL has implemented programmes on safety & occupational health which incorporates best-in-class practices related to occupational health. At ADL, various leading and lagging indicators are implemented and regularly monitored through the top management including safety studies, safety training, audits, and incident investigations. We are certified with Integrated Management System of ISO 9001, ISO 14001 and ISO 45001. Safe and reliable operation is assured by the inherent safe design of plants.

Our infrastructure and trained man-power is equipped to handle any on-site and off-site emergency. We have mutual aid signed with neighbouring industries and provide support to other industries and communities in case of emergency situations.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We have engaged experienced and competent people for plant operation, and to perform safety studies and assessments such as HAZOP, HIRA and other risk studies as required for process validation. We have effectively implemented safety programmes like management of changes, process management, pre-startup safety review, General plant conditions, Job safety analysis, work permit system, cross site safety audits, safety rounds by key plant personnel, etc.

We have ensured safety trainings and vigilance throughout our operations and validate the effectiveness of the safety programmes through internal and external safety audits.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

At ADL, we have implemented safety programmes to identify the unsafe acts and unsafe conditions through Behaviour Based Safety (BBS), General Plant Conditioning (GPC), Near Miss Reporting (NMR), Incident Managements and global CAPA compliance.

All workers have access to report hazards and contributing towards enhancement of safety culture.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Our organisation has secured a Medclaim Insurance Policy to provide personal health and accidental treatment benefits for all employees. Additionally, a specialised Employees State Insurance Corporation (ESIC) Medclaim policy has been acquired for contract employees to cover their hospital treatments. In order to provide healthcare facilities to employees and workers, Company has tie-ups with local hospitals for healthcare facilities.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category*	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	00	00
	Workers	00	00
Total recordable work-related injuries	Employees	00	00
	Workers	00	00
No. of fatalities	Employees	00	00
	Workers	01	01
High consequence work-related injury or ill-health (excluding fatalities)	Employees	00	00
	Workers	00	00

\*Including in the contract workforce

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**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

- i. The Company is using Hazard Operability (HAZOP) for process related hazards, Hazard Identification and Risk Assessment (HIRA) for routine and non-routine activities and Quality Risk Assessment (QRA or Industrial Hygiene) for identifying exposure related activities
- ii. Regular site review, inspections and audits to assess safety preparedness
- iii. Regular training on Occupational Health and Safety

These measures are taken at all manufacturing facilities and cover all employees and workers.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

There is only one fatal incident that occurred during the financial year. Though there was First Aid, Medically Treated related incidents during the year which have been investigated and closed with necessary corrective and preventive actions.

Following corrective and preventive actions (CAPA) are taken in all our units to avoid similar type of fatal incidents in future:

- Engineering control - Provided earthing and ensured earthing continuity to earth pits. ELCB provided for all electrical installations.
- Electrical audit - Detailed electrical audit conducted at site to identify and mitigate electrical risks.
- Performed preventive maintenance of all electrical installations and earth pits. Conducted GPC rounds to identify unsafe conditions at all areas and take immediate corrective actions.
- Training - Imparted first aid training to employees' contractors, security and shift incharges. Prepared onsite Emergency plan & Imparted emergency preparedness trainings to employees' contractors, security and shift incharges. Conducted mock drills to evaluate the emergency preparedness at site.
- Behaviour Based Safety & PPE's - Ensured safe practices and PPE compliance at site through effective supervision.

To develop Safety Culture in all our units following steps are taken and are in progress for continuous improvement:

- Safety Campaign, Safety Training, Gate Safety Meeting and Safety Thought of the day are started in all our units regularly to provide awareness regarding safety.
- Safety alert of every incident are sent to all our units and implemented the CAPA of incident in all our units to avoid similar incident in future.
- General Safety Management and Environment Management related SOP's are implemented and followed in all our units to improve safe work practices and healthy environment in work place.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**Leadership Indicator**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

We are ensuring that vendors in our value chain are deducting and submitting the required statutory dues on time. Also, we are approving the vendors based on the statutory dues paid by their firm on periodic basis. Also, the entity ensures adherence to statutory compliances related to workers such as timely wage payment and Provident fund.

**3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	00	00	00	00
Workers	01	01	00*	00*

\*The Company offered Job proposal to the family member of the affected worker, however, the same was not accepted by the family member.

**4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes, for the selected and interested employees we continue their employment as retainer for a fixed amount of agreed tenure. During the employment every employee goes through focused initiatives of skills building that help them to continue their employment.

**5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Vendor EHS assessment done for 12 critical value chain partners.
Working Conditions	Vendor EHS assessment done for 12 critical value chain partners.

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

We have identified key suppliers and imparted training to them on Sustainable Procurement (ISO 20400) during FY 2024-25.

Also, to expand the scope following actions are underway to improve Environment, Health and Safety at value chain partners:

- i. Periodic Vendor EHS Assessment
- ii. Vendor training on Sustainable Procurement and other various ISO, etc.
- iii. Vendor EHS Audits
- iv. Mapping Carbon Footprint of suppliers.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Our company has a process for identifying key stakeholder groups that is based on the following steps:

- a. We define the Company's business and its operations. This helps us to identify the groups of people who are most directly affected by the Company's activities.
- b. We identify the groups of people who have a vested interest in the Company's success. These groups of people are likely to be the most important stakeholders, as they have the potential to impact the Company's performance.
- c. We assess the influence and impact of each stakeholder group. This helps us to prioritise our stakeholder engagement efforts.
- d. We develop a stakeholder engagement strategy. This strategy helps us to build relationships with our stakeholders and to ensure that we are meeting their needs.

We have identified the following key stakeholder groups:

**Employees:** Employees are the lifeblood of our company, and they play a critical role in our success. Employees are also the most directly affected by the Company's activities, so they are likely to be one of the most important stakeholder groups.

**Customers:** Customers are the people who buy our products or services. Customers are also the ones who are most affected by the quality of our products or services. Therefore, customers are another important stakeholder group that we need to consider.

**Suppliers:** Suppliers provide us with the raw materials and other inputs that we need to produce our products or services. Suppliers are also affected by the Company's activities, as they may be impacted by the Company's demand for their products or services.

**Investors and shareholders:** Investors and shareholders are the people who own the Company. They are interested in the Company's performance, as they want to see their investment grow in value. Therefore, investors and shareholders are another important stakeholder group that we need to consider.

**Communities:** The communities in which we operate are also important stakeholders. These communities are affected by the Company's activities, as they may be impacted by the Company's pollution or its impact on the local economy.

**Government and regulatory bodies:** Government and regulatory bodies are also important stakeholders, as they have the power to regulate the Company's activities. We need to work with government and regulatory bodies to ensure that we are in compliance with the law.

We believe that these stakeholder groups are the most important to our company's success. We will continue to engage with these groups in order to build strong relationships and to ensure that we are meeting their needs.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	1. Emails and Meetings 2. Employee Satisfaction Surveys 3. Training Programmes 4. Performance appraisal reviews 5. Grievance Redressal Mechanisms	Ongoing	1. Fair wages and Rewards 2. Work life Balance 3. Training & Skill development 4. Career Growth 5. Occupational Health and Safety 6. Job Security 7. Transparent Communication
Customers	No	1. Customer feedback 2. Customer satisfaction survey 3. Phone calls, emails and Meetings 4. Signed contracts 5. Exhibitions, Events 6. Customer visits & audits 7. Websites	Ongoing	1. Timely Delivery 2. Quality 3. Pricing 4. Post-sales Support 5. Product related certifications 6. EHS Management Systems
Suppliers	No	1. Emails and Meetings 2. Vendor Assessment & Review 3. Signed Contracts	Ongoing	1. Timely Payment 2. Continuity of orders 3. Capacity Building 4. Transparency
Investors & Shareholders	No	1. Shareholders Meetings 2. Publishing requisite notices/ press releases/ other communications through Newspaper Advertisements/e-mails/ websites 3. Annual Reports 4. Company's Website/ dissemination of requisite information on website of stock exchanges and depositories 5. Investor meet	Ongoing	1. Sustainable Growth & Returns 2. Risk Management 3. Corporate Governance 4. Market Share 5. Operational Performance



**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	No	1. Training & Workshops 2. Regular Meetings 3. Need Assessment & Satisfaction Surveys 4. CSR Reports	Ongoing	1. Local Employment 2. Environmental pollution control 3. Infrastructure development 4. Training & Livelihood programmes 5. Participation in social services
Government and Regulatory bodies	No	1. Annual Reports 2. Statutory filings 3. Communication with regulatory bodies 4. Formal Dialogues	Ongoing	1. Tax 2. Compliance with laws, rules & regulations 3. Employment 4. Pollution Prevention 5. Local Economy Growth

**Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Respective business / functional heads engage with the stakeholders on various ESG topics and the relevant feedback from such consultation is provided to the Board, wherever applicable.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. We have framed our ESG agenda through materiality assessment process which are based on stakeholder consultations. Material topics were shortlisted and prioritised based on their impact on our stakeholders and our business. For details regarding the materiality assessment kindly refer to point number 26 of Section A of this report.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The Company through its Corporate Social Responsibility (CSR) initiatives focus the local areas for the upliftment of the weaker section of the society

**PRINCIPLE 5: Businesses should respect and promote human rights**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

The Company is currently preparing policies for conducting and providing trainings on human rights to each of its employees and workers at the time of joining and a yearly training on all such topics. During the FY 2024-25 sensitisation and awareness training on Prevention of Sexual Harassment were imparted to the employees (permanent and other than permanent) and permanent workers. Company is in process to develop such training programme for other than permanent workers as well.

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	939	939	100%	766	766	100%
Other than permanent	578	578	100%	706	706	100%
<b>Total Employees</b>	<b>1,517</b>	<b>1,517</b>	<b>100%</b>	<b>1,472</b>	<b>1,472</b>	<b>100%</b>
<b>Workers</b>						
Permanent	345	345	100%	298	298	100%
Other than permanent	1,003	0	0.00%	992	0	0.00%
<b>Total Workers</b>	<b>1,348</b>	<b>345</b>	<b>25.59%</b>	<b>1,290</b>	<b>298</b>	<b>23.10%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25						FY 2023-24					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage			
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)		
<b>Employees</b>												
<b>Permanent</b>	<b>848</b>					<b>676</b>						
Male	753	188	25%	565	75%	608	118	19%	490	81%		
Female	95	34	36%	61	64%	68	17	25%	51	75%		
<b>Other permanent</b>	<b>572</b>					<b>700</b>						
Male	502	502	100%	0	0%	609	609	100%	0	0%		
Female	70	70	100%	0	0%	91	91	100%	0	0%		
<b>Workers</b>												
<b>Permanent</b>	<b>345</b>					<b>298</b>						
Male	344	62	18%	282	82%	297	32	11%	265	89%		
Female	1	0	0%	1	100%	1	0	0%	1	100%		
<b>Other permanent</b>	<b>1,003</b>					<b>992</b>						
Male	968	100	10%	868	90%	953	73	8%	880	92%		
Female	35	35	100%	0	0%	39	39	100%	0	0%		

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**3. Details of remuneration/salary/wages**

**a. Median remuneration / wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in lakhs)	Number	Median remuneration/ salary/ wages of respective category (₹ in lakhs)
Board of Directors (BoD)*	5	268.74	0	-
Key Managerial Personnel	2	69.50	0	-
Employees other than BoD and KMP	801	3.90	131	3.30
Workers	344	5.49	1	5.58

\* includes the remuneration of Executive Directors only

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	8.81%	8.34%

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, Company has constituted Ethics Committee and also appointed Ethics Officer which is responsible for addressing human rights issues. Further, Company has a Whistle Blower policy. The said policy has been posted at the website of the Company and the weblink thereto is: <https://www.aartidrugs.co.in/policies-and-related-documents/>

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Grievances related to human rights can be submitted to Ethics Officer or Human resource department. Also Whistle Blower Mechanism is available to address major issues. A detailed process has been laid down in the whistle blower policy. The said policy has been posted at the website of the Company and the weblink thereto is: <https://www.aartidrugs.co.in/policies-and-related-documents/>

Further, HRIS portal is also available through which employees can raise their grievances.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour / Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human Rights related issues	0	0	-	0	0	-

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	-	-
Complaints on POSH upheld	0	0

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has implemented Whistle Blower Mechanism where any discrimination and harassment cases can be directly brought to the notice of Board of Directors. The policy provides adequate safeguard against victimisation of the complainant(s). Similarly, in sexual harassment cases, there are Internal Complaints Committees (ICCs) and relevant policies to ensure that complainant(s) shall not be met with adverse consequences.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

The Company's Code of Conduct and Supplier Code of Conduct are applicable to all the stakeholders which cover the issues pertaining to Human Rights as well.

**10. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Company internally monitors compliance for all relevant laws and policies pertaining to these Human Right issues. There have been no observations by local statutory/third parties during the year
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

There were no significant risks or concerns arising from the assessments at the question 10 above.

**Leadership Indicator**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints**

Not applicable as we did not receive any complaint or any grievance during FY 2024-25 relating to the Human rights.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

No such due diligence was conducted. Company is in process to design the Human rights due-diligence.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

**4. Details on assessment of value chain partners:**

The Company is in process for formation of a procedure for assessing value chain partners for Child Labour, Forced/ involuntary labour, Sexual harassment, Discrimination at workplace, Wages, etc. The Company's Code of Conduct and Supplier Code of Conduct are applicable to all the stakeholders which cover the issues pertaining to Human Rights as well.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NIL
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

NIL

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**
**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**
**Essential Indicators**
**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2024-25	FY 2023-24
<b>From renewable sources</b>		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>Nil</b>	<b>Nil</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	307199	293984
Total fuel consumption (E)	914596	876436
Energy consumption through other sources (F) Steam Purchase	281580	354122
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>1503375</b>	<b>1524542</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>1503375</b>	<b>1524542</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	= 1503375 / 217365.48 = 6.92 Gigajoules per 1,00,000 Rupees of Sales	= 1524542 / 226691.14 = 6.73 Gigajoules per 1,00,000 Rupees of Sales
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output	= 1503375 / 34706.90 = 43.31 Gigajoule/MT of physical output	= 1524542 / 36517.00 = 46.34 Gigajoule/MT of physical output
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No, we do not have any site as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2024-25	FY 2023-24
<b>Water withdrawal by source (in kilo liters)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water (MIDC Water)	615853	425435
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilo liters) (i + ii + iii + iv + v)</b>	<b>615853</b>	<b>425435</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>615853</b>	<b>425435</b>

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

Parameter	FY 2024-25	FY 2023-24
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)	= 615853 / 217365.48 = 2.83 Kiloliters per 1,00,000 Rupees of Sales	= 425435 / 226691.14 = 1.88 Kiloliters per 1,00,000 Rupees of Sales
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)	-	-
<b>Water intensity in terms of physical output</b>	= 615853 / 34706.90 = 17.74 KL/MT of product	= 425435 / 36517.00 = 11.65 KL/MT of product
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

**4. Provide the following details related to water discharged:**

Parameter	FY 2024-25	FY 2023-24
<b>Water discharge by destination and level of treatment (in Kilolitres)</b>		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties ( <b>Common Effluent Treatment Plant for further treatment</b> )	-	-
- No treatment	-	-
- With treatment – please specify level of treatment ( <b>Primary, Secondary, Tertiary, and sent to CETP for further treatment</b> )	14777	14395
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kiloliters)</b>	<b>14777</b>	<b>14395</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, we have established a comprehensive Zero Liquid Discharge (ZLD) system. At present, 9 out of our 11 API manufacturing units operate on a ZLD basis, ensuring that all wastewater is treated and reused within the facility. The remaining 2 units are connected to a Common Effluent Treatment Plant (CETP) for appropriate external treatment.

Our key manufacturing sites are equipped with advanced infrastructure to support ZLD, including Multiple Effect Evaporators (MEE), Mechanical Vapour Recompression (MVR) systems, Effluent Treatment Plants (ETP), and on-site distillation units. These technologies enable us to treat and recycle wastewater effectively.

Wherever effluent discharge is applicable, we ensure that the treated water complies with all relevant environmental regulations. This reflects our commitment to sustainable operations and responsible water management.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**
**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	Tonnes	1.54	2.03
SOx	Tonnes	18.17	19.78
Particulate matter (PM)	Tonnes	25.93	26.55
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency. NO

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2024-25	FY 2023-24
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	64,666	54,888
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	78,417	78,220
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		= (64666 + 78417) / 217365.48 = 0.658 tonnes per 1,00,000 Rupees of turnover	= (54888+78220) / 226691.14 = 0.587 tonnes per 1,00,000 Rupees of turnover
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	-	-
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	Metric tonnes of CO <sub>2</sub> equivalent	= (64666+78417) / 34706.90 = 4.12 Metric tonnes of CO <sub>2</sub> Equivalent / MT of product	= (54888+78220) / 36517.00 = 3.65 Metric tonnes of CO <sub>2</sub> Equivalent / MT of product
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency. NO

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Aarti Drugs Limited is dedicated to taking climate action and making a positive difference to the communities and environment where it operates. Aligned with this vision, the Company is working towards a clear pathway to achieve carbon neutrality. Key initiatives include replacing coal-based boilers with cleaner alternatives, expanding the use of renewable and other clean energy sources, and investing in technological upgrades and operational efficiency improvements.

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2024-25	FY 2023-24
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	153.25	174.85
E-waste (B)	-	-
Bio-medical waste (C)	-	-

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

Parameter	FY 2024-25	FY 2023-24
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	38,614.53	30,384.19
Other Non-hazardous waste generated (H). Please specify, if any. (Fly ash) (Break-up by composition i.e. by materials relevant to the sector)	5288.26	4110.79
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>44,056.04</b>	<b>34,669.83</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated/Revenue from operations)	= 44,056.04 / 217365.48 = 0.20 tonnes per 1,00,000 Rupees of Sales	= 34,669.83/226691.14 = 0.15 tonnes per 1,00,000 Rupees of Sales
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	-	-
<b>Waste intensity in terms of physical output</b>	= 44,056.04 / 34706.9 = 1.26 MT/ MT of product	= 34,669.83/36517 = 0.949 MT/MT of product
<b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	131.06	130.53
(ii) Landfilling	4,651.71	3,962.75
(iii) Other disposal operations		
a) Co-processing	12,375.88	6,763.6
b) Sale to Recycler	21,455.87	19,527.31
c) Plastic Sale to Recycler	153.25	174.85
d) Sale to Brick Manufacturer	5,288.26	4,110.79
<b>Total waste disposed by other disposal operations (a+b+c+d)</b>	<b>39,273.27</b>	<b>30,576.55</b>
<b>Total</b>	<b>44,056.04</b>	<b>34,669.83</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency. NO

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Aarti Drugs Limited follows robust waste management practices with a strong focus on reducing waste sent to landfill. Our approach aims to prevent pollution, conserve natural resources, and protect human health and the environment.

**a) Reduction at Source:**

We minimise hazardous waste generation at its origin by:

- Recycling reactants to the maximum possible extent

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

- Improving processes through research and development
- Using reusable products
- Reducing packaging material

**b) Hazardous Waste Management:**

We adopt specialised practices such as:

- Using dedicated facilities for different waste categories
- Following safe handling procedures, including labelling of hazardous waste bags and drums
- Implementing the manifest system as per MPCB guidelines

**c) Waste-to-Energy:**

Hazardous waste with high calorific value is segregated and sent to cement industries for energy recovery through incineration.

**d) Landfilling:**

Hazardous waste with low calorific value and meeting landfill criteria is sent to CHWTSDF facilities for safe disposal, where it is buried and covered with soil.

**e) Recycling:**

Waste with reusable potential is recovered and reused wherever feasible.

**f) Incineration:**

Hazardous waste requiring controlled incineration is sent to CHWTSDF facilities for safe disposal through incineration.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
N.A.			

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
N.A.					

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes. During the reporting period the Company was in compliance with applicable environment norms except the following**

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981	Bromine Gas Leakage took place in factory premises of T-150 while unloading of bromine tanker to storage tank.	The Company was directed by Maharashtra Pollution Control Board (MPCB) to voluntarily close down the manufacturing activity of particular product after completion of the existing production batch as a precautionary measure.  The Company had stopped the manufacturing activity of the particular product from July 18, 2024.	Company has complied with the recommendations of Directorate of Industrial Safety and Health (DISH) and MPCB and restored the manufacturing process of particular product w.e.f. November 16, 2024 on the basis of restart directions of MPCB.

**Leadership Indicator**

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area: Manufacturing locations situated in Maharashtra and Gujarat
- Nature of operations: Manufacturing of Pharmaceuticals and Chemical products
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25	FY 2023-24
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	6,15,853	4,25,435
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kiloliters)</b>	<b>6,15,853</b>	<b>4,25,435</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>6,15,853</b>	<b>4,25,435</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	= 6,15,853 / 2,17,365.48 = 2.83 Kiloliters per 1,00,000 Rupees of Sales	= 4,25,435 / 2,26,691.14 = 1.88 Kiloliters per 1,00,000 Rupees of Sales
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

Parameter	FY 2024-25	FY 2023-24
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties ( <b>Common Effluent Treatment Plant for further treatment</b> )	-	-
- No treatment	-	-
- With treatment – please specify level of treatment ( <b>Primary, Secondary, Tertiary, and sent to CETP for further treatment</b> )	14,777	14,395
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kiloliters)</b>	<b>14,777</b>	<b>14,395</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

The Company is in the process of tracking scope 3 emissions currently.

Parameter	Unit	FY 2024-25	FY 2023-24
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>		-	-
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity		-	-

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	MVR	We have completed the erection activities of MVR & commissioning activities are under progress to achieve zero liquid discharge. MVR has much higher steam economy than conventional evaporators.	MVR has much higher steam economy than conventional evaporators.
2	IE-3 Motors	We have started the use of IE-3 motors, these motors have more efficiency than IE-2 motors.	Power saving
3	MEE	We have installed Three & two stage multiple effect evaporators in our units for effluent treatment to achieve zero liquid discharge. It has around 60% lower energy requirement than conventional evaporation set up.	MEE has much higher steam economy than conventional evaporators.

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Aarti Drugs Limited maintains a strong Business Continuity Plan (BCP) to ensure uninterrupted operations. The workforce is regularly trained through mock drills and disaster management exercises to prepare for potential emergency situations.

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

The pharmaceutical industry can have notable environmental impacts across its value chain. In order to better understand the emission hotspot, we are in process of conducting LCA for our top 10 products by sales volume. Additionally, we have undertaken various initiatives to reduce emissions across our value chain and promote the use of a diverse energy mix which includes imparting training on Sustainable Procurement. Also the Company has taken following actions within the Company to reduce the adverse impact on environment which includes:

- a) **Water Pollution** – Aarti Drugs Limited operates most of its manufacturing plants on a Zero Liquid Discharge (ZLD) basis. For units connected to a CETP, we strictly adhere to the effluent discharge norms prescribed by the Pollution Control Board.
- b) **Air Pollution** – Each stack is equipped with scrubbers at strategic locations, and an Online Continuous Monitoring System (OCMS) has been implemented across the site.
- c) **Land Pollution** – All hazardous waste is sent only to authorised waste management facilities for safe disposal.
- d) **Packaging Waste** – Packaging waste is decontaminated before disposal, with dedicated infrastructure established at the site for this purpose.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

During the reporting period, we have conducted Vendor EHS assessment of 12 critical value chain partners.

The following actions are underway to improve Environment, Health and Safety at value chain partners:

- i. Vendor EHS Assessment
- ii. Vendor training on sustainable procurement and various other ISO, etc
- iii. Vendor EHS Audits
- iv. Mapping Carbon Footprint of suppliers

**8. How many Green Credits have been generated or procured:**

- a. **By the Company**  
NIL
- b. **By the top ten (in terms of value of purchases and sales, respectively) value chain partners”**  
NIL

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Federation of Indian Chambers of commerce and Industry (FICCI)	National
2.	Indian Institute of Chemical Engineering (IICChE)	National
3.	PHARMEXCIL-Pharmaceuticals Export Promotion Council	National
4.	CHEMEXCIL-Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council	National
5.	Federation of Indian Export Organisation	National
6.	Indian Merchants Chamber (IMC)	National
7.	Bombay Chamber of Commerce	State
8.	Vapi Industrial Association	State
9.	Tarapur Industrial Manufacturers Association (TIMA), Maharashtra India	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable. No such orders received from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
NIL	NIL	NIL

**Leadership Indicator**

1. Details of public policy positions advocated by the entity:

Not Applicable

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others-please specify)	Web Link, if available
	NIL	NIL	NIL	NIL	NIL

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

As per the applicable laws, none of the projects undertaken by the Company can be categorised under SIA mandate. Hence no SIA has been carried out during FY 2024-25.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL	NIL	NIL	NIL	NIL	NIL

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable, the Company has not undertaken any project which required R&R.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
	NIL	NIL	NIL	NIL	NIL	NIL

3. Describe the mechanisms to receive and redress grievances of the community.

We frequently interact with the local community to learn about their issues and grievances. Grievances can be written or verbal and can be expressed in local languages. They can be lodged by email, phone or written letters. Each grievance is acknowledged once received, and the complainant is informed of the next steps. Grievances with high severity levels are escalated to senior management levels. The respective departments investigate the grievance and respond to the complainant informing them about the proposed resolution.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	8.52%	9.33%
Directly from within India	32.54%	27.84%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24
Rural	-	-
Semi-urban	89.38%	88.32%
Urban	-	-
Metropolitan	10.62%	11.68%

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

**Leadership Indicator**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

Details of negative social impact identified	Corrective action taken
NIL	NIL

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

NIL

S. No.	State	Aspirational District	Amount spent (In ₹)
	NIL	NIL	NIL

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No) - No

(b) From which marginalised /vulnerable groups do you procure? N.A.

(c) What percentage of total procurement (by value) does it constitute? N.A.

The Company is impartial in its selection and procurement processes of its suppliers which is driven by the Company's procurement policy, Supplier Code of Conduct and supply chain management sustainability policy. The Company does not consider the criteria for marginalised / vulnerable group during selection of its suppliers. Because the business in which the Company operates, procurement from standard manufacturers is important for ensuring that the end product is suitable for safe consumption.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

NIL

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NIL	NIL	NIL	NIL	NIL

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable

Name of authority	Brief of the Case	Corrective action taken
NIL	NIL	NIL

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1.	Education and Skill Development	5000+	100%
2.	Healthcare initiatives	10000+	100%
3.	Public Infrastructure	10000+	100%
4.	Environment and Water conservation	10000+	100%
5.	Housing Aid	50000+	100%
6.	Support to the weaker section of the society		
7.	Tribal and Rural Development		

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We regularly interact with the customers to understand their needs and to effectively address and resolve their complaints. The Company's dedicated marketing team serves as the primary point of contact for these complaints. Further, Meetings are conducted at least once in a year with key customers and regular feedbacks are encouraged by other customers through emails.

2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2024-25		Remarks	FY 2023-24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Others	3	0	-	2	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	N.A.
Forced recalls	Nil	N.A.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Company has adopted "Information Security Policy" to ensure data integrity and confidentiality. Further, Company's Code of Conduct covers the aspect regarding Data Privacy to protect sensitive information and maintain data confidentiality.

For more details, kindly refer;

Code of conduct: <https://www.aartidrugs.co.in/code-of-conduct/>

Information Security Policy: <https://www.aartidrugs.co.in/sustainability-policies/>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

We have not received any penalty / or no action has been taken by regulatory authorities on safety of products in last financial year.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches: NIL
- Percentage of data breaches involving personally identifiable information of customers: Not Applicable
- Impact, if any, of the data breaches: Not Applicable

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (CONTD.)**

**Leadership Indicator**

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**  
The details of our products and services are disclosed on the website of the Company at the weblink: <https://www.aartidrugs.co.in/api/>
2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**  
The Company adheres to relevant regulatory requirements by disclosing all the necessary information to its stakeholders including safe and responsible usage of products.
3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**  
We have procedures in place which triggers the communication to customers in case of any risk of disruption/discontinuation of essential services.  
  
The Company engages with its customers on a frequent basis to update them on business continuity and product supply. In case of any potential disruption of supplies the customers and relevant stakeholders are informed well in advance to ensure seamless operation. The communication with customers is conducted via emails in case of any disruptions or shutdown and further mitigation actions are conveyed.
4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**  
Yes. The Company shows all the information which is mandatory as per regulatory requirements. We regularly interact with the customers to understand their needs. Meetings are conducted at least once in a year with key customers and regular feedbacks are encouraged by other customers through emails.

**INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF

**AARTI DRUGS LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**OPINION**

We have audited the accompanying standalone financial statements of **Aarti Drugs Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including the statement on Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements (including summary of the material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025 and its profit, and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

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

**KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Direct and Indirect Tax receivables and contingent liabilities pertaining to tax matters under dispute.</b></p> <p>The Company has reflected Rs. 4,655.10 lakhs as demand in respect of additional Excise, Customs Duty, Service Tax, GST etc. as on 31 March 2025 (Rs. 875.69 lakhs as on 31 March 2024).</p> <p>Further, the Company is reflecting demand from Income Tax Department disputed in appeal to the tune of Rs. 9,238.24 lakhs on 31 March 2025 (Rs 9,238.24 lakhs as on 31 March 2024).</p> <p>Contingent liabilities as defined in Ind AS 37 require assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgement by the management. The ultimate recoverability of receivables is based on outcome of those proceedings and require inputs from subject specialists, management judgement and therefore required significant audit attention.</p> <p>Refer note no. 30: contingent liabilities not provided for to the standalone financial statements.</p>	<p><b>Principle audit procedures, performed by us -</b></p> <p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <ol style="list-style-type: none"> <li>a) Evaluating the reasonableness of the underlying assumptions.</li> <li>b) Examining the relevant orders and supporting documents on record.</li> <li>c) Relying on relevant external evidence available including applicable judicial pronouncements and industry practices.</li> <li>d) Getting representations from the management wherever necessary.</li> </ol>

**INDEPENDENT AUDITOR'S REPORT (CONTD.)**

Sr. No.	Key Audit Matter	Auditor's Response
2	<p><b>Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment.</b></p> <p>The carrying value of property, plant and equipment (including capital work in progress) as on 31 March 2025 of Rs 75,957.05 Lakhs (as on 31 March 2024 of Rs. 72,033.12 Lakhs) includes Rs. 8,581.35 Lakhs capitalised/ transferred from capital work in progress during the year (Rs. 13,384.52 Lakhs for FY 2024).</p> <p>Cost Recognition of Property, Plant and Equipment as specified in IndAS 16 is based on completion of asset construction activities and management assessment and judgement that the asset is capable of operating in the manner intended.</p> <p>The asset capitalisation is the outcome of various procurements, approvals from operations experts in the Company and judgements by the management and therefore, required significant audit attention.</p> <p>Refer Note 1: Property, Plant and Equipment in Notes to the standalone financial statements.</p>	<p>Our audit procedures, amongst others, include the following –</p> <p>a) Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.</p> <p>b) We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment with reference to Indian Accounting Standard 16: Property, Plant and Equipment.</p> <p>c) We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment.</p> <p>d) We have relied upon the observations of internal auditors of physical verification of Property, Plant and Equipment.</p> <p>e) We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23: Borrowing Costs.</p> <p>f) Ensuring adequacy of disclosures in the standalone financial statements.</p> <p>We have relied upon management assessment about capex project being ready for its intended use and hence capitalisation of the same</p>

**INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information to the extent made available for our verification as on the date and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation

**INDEPENDENT AUDITOR'S REPORT (CONTD.)**

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference

to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note no 30 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief as disclosed in note no 47(g) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in note no 47(i) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in note no 11.6 to the standalone financial statements
  - (a) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
  - (b) The Company has not proposed final dividend in the previous year; hence Section 123 of the Act, is not applicable in this regard.

- vi. Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, and proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 2023.

Based on our examination which included test checks, the Company has used accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility. However, in the absence of any control report showing operations of audit trail feature throughout the year, we are unable to comment on the same. Further, the feature of recording audit trail was not enabled at the application layer of the accounting software used for maintaining general ledgers for master fields and database level to log any direct changes for the accounting software used for maintaining the books of accounts.

In addition, in the absence of any control reports showing the records of any instances of tampering of the audit trail feature and preservation of such audit trail (edit logs) as mentioned above, we are unable to comment whether the audit trail feature has been tampered with and whether the same has been preserved.

**For Gokhale & Sathe**  
Chartered Accountants  
FRN: - 103264W

**Ravindra More**  
Partner  
Membership No. 153666  
UDIN: - 25153666BMLYL7468

Place: - Mumbai  
Date: - 6 May 2025

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

### (REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF AARTI DRUGS LIMITED OF EVEN DATE)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right-of-use of assets and capital work in progress.

(B) The Company is maintaining proper records showing full particulars of intangible assets as at the year end.

(b) The Property, Plant and Equipment of the Company have been physically verified by the management once in 3 years. No material discrepancies were noticed on such verification which were not properly dealt with in the books of accounts in the current year.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds of self-constructed buildings and title deeds of all immovable properties (other than properties where the Company is lessee and lease agreements are duly executed in favour of the Company), disclosed in the financial statements included under Property Plant and Equipment are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed separately in Property Plant & Equipment in the financial statements, the lease agreements are in the name of the Company except the below:

Description of Property	Gross Carrying Value (Rs. in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held (since)	Reason for not being held in the name of company also indicate if in dispute and period for which it has been held
Leasehold Land E-106	0.74	Effective chemicals Pvt Ltd.	No	26/02/1988	Leasehold lands are in the name of erstwhile entities, which were merged with the company through the court scheme, leasehold rights are deemed to be transferred to the company.
Leasehold Land S-34	1.87	Star Aluminium Industries	No	06/11/1992	
Leasehold Land S-33	1.71	Avez Wire Industries Pvt Ltd.	No	11/06/1993	
Leasehold Land E-105	0.80	Rupal Chemicals Pvt. Ltd.	No	27/06/1986	

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) during the year.

(e) On the basis of information provided by management, no proceedings have been initiated during the year or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the

management and in our opinion, the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed and discrepancies if any are properly dealt with by the Management of the Company.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets; As mentioned in note no 46(b) to the standalone financial statements, there are no difference between quarterly returns filed by the Company with banks / financial institutions and books of accounts.

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

iii. The Company has made investment in its subsidiary company but has not granted any loans or advances in the nature of loans or provided any guarantee or security, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year except loans to employees as per terms of employment, hence sub-clauses 3 (iii) (a), (c), (d), (e), (f) of the Order are not applicable.

According to the information and explanation given to us and on the basis of our examination of the records of the Company,

(a) A. (i) Based on the audit procedures carried out by us and as per the information and explanation given to us, the Company has made investment in its subsidiary company during the year.

Particulars	Rupees in Lakhs
Investment made during the year	
- Pinnacle Life Science Private Limited	1,000.00
Balance as on 31 <sup>st</sup> March 2025	1,648.56

iv. In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of investment made and loans and advances.

v. The Company has not accepted deposits or amounts which are deemed as deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provision of section 73 to 76 any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, GST, Custom duty, and any other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on the records of the company examined by us, particulars of Income Tax, Goods & Service Tax, Customs Duty, Excise Duty, States respective Sales Tax, Service Tax and other statutory dues which have not been deposited on account of any disputes are as under:

Nature of Statute	Nature of Dues	Period for which amount relates	Forum where Dispute is pending	₹ in Lakhs
The Custom Act, 1962	Custom Duty	FY 2012-13	CESTAT, Mumbai	38.88
Finance Act, 1994	Service Tax	FY 2007-08 to FY 2011-12	CESTAT, Mumbai	268.82
Central Excise Act, 1944	Excise Duty	FY 2020-21	Honourable High Court, Mumbai	11.29
Central Excise Act, 1944 & Goods and Service Tax Act, 2016	Cenvat Credit	FY 2019-20	GST & Central Excise Commissioner (A)	2.91
Central Excise Act, 1944	Cenvat Credit	FY 2007-08	CESTAT, Mumbai	8.90
Goods and Service Tax Act, 2016	GST	FY 2017-18 to FY 2021-22	Honourable High Court, Mumbai	4,143.74
Goods and Service Tax Act, 2016	GST	FY 2018-19	GST & Central Excise Commissioner (A), Palghar	180.56
Income Tax Act, 1961	Income Tax Dues	FY 2004-05 & FY 2011-12	Honourable High Court, Mumbai	455.53
Income Tax Act, 1961	Income Tax Dues	FY 2009-10 to FY 2019-2020	ITAT, Mumbai	8,782.71

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)**

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of dues or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanation given to us and the Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) In our opinion and according to information and explanations given to us, the Company has utilised the money obtained by way of term loans for the purposes for which they were raised.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie not been used during the year for long term purposes.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, except the fact that the Company has issued Stand By Letter of Credit Guarantee on behalf of subsidiary company -Pinnacle Chile SpA- Refer to clause [(iii)(a)] of this report.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) According to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) As informed by the management, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there were no whistle blower complaints received by the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and on the basis of our examination of the information and documentation available to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion and on the basis of explanation / information provided by management, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of statutory auditors of the Company during the year.

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)**

- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.
- i. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR). and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act.

**For Gokhale & Sathe,**  
Chartered Accountant  
FRN: - 103264W

**Ravindra More**  
Partner

Place: - Mumbai  
Date: - 6 May 2025

Membership No. 153666  
UDIN: 25153666BMLYL7468

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Aarti Drugs Limited of even date)

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

### OPINION

We have audited the internal financial controls with reference to standalone financial statements of **Aarti Drugs Limited** (the “Company”) as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2025, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### MANAGEMENTS’ RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements based on our audit. We conducted

our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT (CONTD.)

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Gokhale & Sathe,**  
Chartered Accountant  
FRN: - 103264W

**Ravindra More**  
Partner

Place: - Mumbai  
Date: - 6 May 2025

Membership No. 153666  
UDIN: 25153666BMLYL7468

## STANDALONE BALANCE SHEET

AS AT MARCH 31, 2025

Particulars	Note No	(₹ in lakhs)	
		As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	1	75,957.06	72,033.12
Right of use Assets	1.2	154.69	175.05
Capital Work - in - Progress	1.3	27,340.21	22,162.46
Intangible Assets	1.4	11.53	21.13
Financial Assets			
Investments	2	4,239.69	2,996.72
Other Non- Current Assets	3	1,520.15	1,671.35
<b>Total Non- Current Assets</b>		<b>1,09,223.33</b>	<b>99,059.83</b>
<b>Current Assets</b>			
Inventories	4	40,723.37	44,176.85
Financial Assets			
(i) Trade Receivable	5	70,172.11	64,395.47
(ii) Cash and Cash Equivalents	6	328.05	271.78
(iii) Bank Balances Other than (ii) above	7	129.43	110.34
(iv) Loan	8	12.65	19.09
(v) Other Financial Assets	9	1,503.42	1,131.77
Current Tax Assets (Net)		1,151.42	-
Other Current Assets	10	4,035.25	7,996.85
<b>Total Current Assets</b>		<b>1,18,055.70</b>	<b>1,18,102.13</b>
<b>TOTAL ASSETS</b>		<b>2,27,279.03</b>	<b>2,17,161.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	11	9,127.00	9,193.50
Other Equity	12	1,16,008.11	1,08,327.25
<b>Total Equity</b>		<b>1,25,135.11</b>	<b>1,17,520.75</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	13	23,794.50	23,825.66
(ii) Lease Liabilities		84.97	91.40
(iii) Other Financial Liabilities	14	16.01	16.99
Provisions	15	344.04	274.10
Deferred Tax Liabilities (Net)	16	7,325.79	6,973.25
<b>Total of Non - Current Liabilities</b>		<b>31,565.31</b>	<b>31,181.39</b>
<b>Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	17	27,596.75	23,459.52
(ii) Lease Liabilities		80.91	94.96
(iii) Trade payables	18		
Dues of micro enterprises and small enterprises		729.54	899.94
Dues of creditors other micro enterprises and small enterprises		36,581.46	38,429.27
(iv) Other Financial Liabilities	19	1,977.10	2,556.12
Other Current Liabilities	20	3,292.55	2,616.72
Provisions	21	320.28	153.39
Current Tax Liabilities (Net)		-	249.90
<b>Total Current Liabilities</b>		<b>70,578.60</b>	<b>68,459.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,27,279.03</b>	<b>2,17,161.96</b>

Summary of Material Accounting Policies and Other Explanatory Information 29-48

### AS PER OUR REPORT OF EVEN DATE.

#### For GOKHALE & SATHE

Chartered Accountants

Firm Registration No.: 103264W

Sd/-

**CA Ravindra More**

(Partner)

Membership No. 153666

Place: Mumbai

Date: May 06, 2025

#### For and on Behalf of the Board of Directors

Sd/-

**Prakash M. Patil**

(Chairman, Managing Director &amp; CEO)

DIN : 00005618

Sd/-

**Adhish P Patil**

(Chief Financial Officer)

Sd/-

**Harshit M. Savla**

(Jt. Managing Director)

DIN : 00005340

Sd/-

**CS Rushikesh Deole**

(Company Secretary)

ICSI M.NO.F12932

## STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Note No	(₹ in lakhs)	
		Year Ended March 31, 2025	Year Ended March 31, 2024
<b>I Revenue from Operations</b>	22	2,17,365.49	2,26,691.14
<b>II Other Income</b>	23	1,357.10	418.30
<b>III Total Income (I + II)</b>		<b>2,18,722.59</b>	<b>2,27,109.44</b>
<b>IV Expenses :</b>			
(a) Cost of materials consumed	24	1,35,833.63	1,46,656.95
(b) Purchase of Stock-in-Trade		4,434.20	3,586.29
(c) Changes in inventories of finished goods, work-in-progress and Stock-in - Trade		2,199.64	2,677.04
(d) Employee Benefits Expense	25	8,525.25	8,098.41
(e) Finance Cost (Interest)	26	2,967.84	3,016.13
(f) Depreciation and Amortisation Expense	27	4,778.90	4,766.96
(g) Other Expenses	28	40,107.72	39,059.38
<b>Total expenses (IV)</b>		<b>1,98,847.17</b>	<b>2,07,861.16</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>19,875.43</b>	<b>19,248.27</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit Before Tax (V - VI)</b>		19,875.43	19,248.27
<b>VIII Tax Expenses :</b>			
Provision for Taxation - Current Year		4,825.00	4,960.00
- Earlier Year		(1,031.06)	-
Provision for Deferred Tax		350.00	100.00
<b>Total Tax Expenses (VIII)</b>		<b>4,143.94</b>	<b>5,060.00</b>
<b>IX Profit / (Loss) for the Year (VII - VIII)</b>		<b>15,731.49</b>	<b>14,188.27</b>
<b>X Other Comprehensive Income</b>			
Item that will not to be reclassified to statement of Profit and Loss			
Fair value changes on Investments, net		208.99	117.21
Remeasurement of defined benefit Liability/Assets, net		(96.11)	21.49
<b>Total Other Comprehensive Income, net</b>		<b>112.88</b>	<b>138.69</b>
<b>XI Total Comprehensive Income for the Year (IX+X)</b>		<b>15,844.37</b>	<b>14,326.96</b>
<b>Earnings per Equity Shares (EPS) (In ₹)</b>	<b>29</b>		
Basic/Diluted		17.18	15.35
<b>Summary of Material Accounting Policies and Other Explanatory Information</b>	<b>29-47</b>		

### AS PER OUR REPORT OF EVEN DATE.

#### For GOKHALE & SATHE

Chartered Accountants

Firm Registration No.: 103264W

Sd/-

**CA Ravindra More**

(Partner)

Membership No. 153666

Place: Mumbai

Date: May 06, 2025

#### For and on Behalf of the Board of Directors

Sd/-

**Prakash M. Patil**

(Chairman, Managing Director &amp; CEO)

DIN : 00005618

Sd/-

**Adhish P Patil**

(Chief Financial Officer)

Sd/-

**Harshit M. Savla**

(Jt. Managing Director)

DIN : 00005340

Sd/-

**CS Rushikesh Deole**

(Company Secretary)

ICSI M.NO.F12932

## STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2025

### A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 01, 2024	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2024	Changes in equity share During Current Year	Balance as at March 31, 2025
9,193.50	-	9,193.50	(66.50)	9,127.00

Balance as at April 01, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share During Current Year	Balance as at March 31, 2024
9,260.00	-	9,260.00	(66.50)	9,193.50

Notes -1. Refer Note No. 11.3(a)

2. Refer Note No. 11.3(b)

3. Refer Note No. 11.5 for the changes in the promoters holding

### B. OTHER EQUITY

(₹ in lakhs)

Particulars	Other Equity				Other Comprehensive Income	Total Other Equity
	Reserve and Surplus					
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings		
<b>As on April 01, 2023</b>	<b>200.74</b>	<b>361.98</b>	<b>6,055.21</b>	<b>94,713.23</b>	<b>839.27</b>	<b>1,02,170.43</b>
Transfer to General Reserve from Retained Earning	-	-	1,418.83	(1,418.83)	-	-
Profit for the Year	-	-	-	14,188.27	-	14,188.27
Dividend Paid	-	-	-	(919.35)	-	(919.35)
Buyback of shares	-	66.50	(5,985.00)	-	-	(5,918.50)
Buyback Tax	-	-	-	(1,332.30)	-	(1,332.30)
Fair value change on Investment, net	-	-	-	-	117.21	117.21
Remeasurment of defined benefit Liability/ Assets, net	-	-	-	-	21.49	21.49
<b>Balance as at March 31, 2024</b>	<b>200.74</b>	<b>428.48</b>	<b>1,489.04</b>	<b>1,05,231.02</b>	<b>977.96</b>	<b>1,08,327.25</b>
Transfer to General Reserve from Retained Earning	-	-	1,573.15	(1,573.15)	-	-
Profit for the Year	-	-	-	15,731.49	-	15,731.49
Dividend Paid	-	-	-	(912.70)	-	(912.70)
Buyback of shares	-	66.50	(1,489.04)	(4,495.96)	-	(5,918.50)
Buyback Tax	-	-	-	(1,332.30)	-	(1,332.30)
Fair value change on Investment, net	-	-	-	-	208.99	208.99
Remeasurment of defined benefit Liability/ Assets, net	-	-	-	-	(96.11)	(96.11)
<b>Balance as at March 31, 2025</b>	<b>200.74</b>	<b>494.98</b>	<b>1,573.15</b>	<b>1,12,648.40</b>	<b>1,090.84</b>	<b>1,16,008.11</b>

#### AS PER OUR REPORT OF EVEN DATE.

##### For GOKHALE & SATHE

Chartered Accountants

Firm Registration No.: 103264W

Sd/-

**CA Ravindra More**

(Partner)

Membership No. 153666

Place: Mumbai

Date: May 06, 2025

Sd/-

**Prakash M. Patil**

(Chairman, Managing Director & CEO)

DIN : 00005618

Sd/-

**Adhish P Patil**

(Chief Financial Officer)

Sd/-

**Harshit M. Savla**

(Jt. Managing Director)

DIN : 00005340

Sd/-

**CS Rushikesh Deole**

(Company Secretary)

ICSI M.NO.F12932

## STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2025

(₹ in lakhs)

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax and Exceptional Items	19,875.43	19,248.27
<b>ADJUSTMENT FOR:</b>		
Depreciation & Amortisation	4,778.90	4,766.96
Provision for Doubtful debts /Bad debts	342.55	146.81
Unrealised Foreign Exchange (Gain)/Loss (Net)	31.15	49.44
Interest Paid	2,967.84	3,016.13
Interest Received	(1,204.32)	(239.90)
(Gain)/Loss on Sale of Mutual fund	(27.06)	-
Dividend Received	(1.11)	(0.11)
Capex w/off	123.17	-
Investment W/off	-	29.17
Profit on Sale of Assets	(3.04)	-
<b>Operating Profit before Working Capital Changes</b>	<b>26,883.52</b>	<b>27,016.77</b>
Trade & Other Receivable	(2,541.90)	13,228.67
Changes in Inventories	3,453.48	3,595.81
Trade & Other Payable	(592.17)	(5,007.67)
<b>Cash generated from operation</b>	<b>27,202.93</b>	<b>38,833.58</b>
Direct Taxes Paid	(5,195.26)	(5,123.17)
<b>Net Cash Flow from Operating Activities</b>	<b>22,007.67</b>	<b>33,710.41</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets / Capital Work in Progress/ Advances/R&D	(13,728.81)	(18,932.38)
Sale of PPE	4.80	-
Investments made	(1,000.00)	(17.00)
(Gain)/Loss on Sale of Mutual fund	27.06	-
Interest Received	1,204.32	239.90
Dividend Received	1.11	0.11
<b>Net Cash Flow from Investing Activities</b>	<b>(13,491.53)</b>	<b>(18,709.38)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	5,000.00	14,249.53
Repayment of Long Term Borrowings	(6,635.08)	(4,326.42)
Proceeds/(Repayment) from Short Term Borrowings	4,123.19	(13,764.39)
Buy Back of shares	(5,985.00)	(5,985.00)
Buyback Tax Paid	(1,332.30)	(1,332.30)
Dividend Paid	(906.06)	(926.73)
Interest Paid	(2,724.61)	(2,795.46)
<b>Net Cash Flow from Financing Activities</b>	<b>(8,459.87)</b>	<b>(14,880.76)</b>

**STANDALONE CASH FLOW STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

(₹ in lakhs)

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>56.27</b>	<b>120.27</b>
<b>Opening Cash and Cash Equivalents</b>	<b>271.78</b>	<b>151.51</b>
<b>Closing Cash and Cash Equivalents</b>	<b>328.05</b>	<b>271.78</b>
<b>Reconciliations of Cash and Cash Equivalents</b>		
Balance with Banks	19.07	44.96
Cash in Hand	19.06	24.19
Cheques in Hand	289.92	202.62
<b>Balance as per Cash Flows Statement</b>	<b>328.05</b>	<b>271.78</b>

Notes:

- Figures in brackets indicate outflows
- Fixed Deposits with bank amounting to ₹ **72.49 lakhs** (previous year ₹ 60.03 lakhs) under lien are considered as cash and cash equivalents.
- Previous year figures have been regrouped/ rearranged to confirm to the current years presentation wherever necessary.

**AS PER OUR REPORT OF EVEN DATE.**
**For GOKHALE & SATHE**

Chartered Accountants

Firm Registration No.: 103264W

Sd/-

**CA Ravindra More**

(Partner)

Membership No. 153666

Place: Mumbai

Date: May 06, 2025

Sd/-

**Prakash M. Patil**

(Chairman, Managing Director &amp; CEO)

DIN : 00005618

Sd/-

**Adhish P Patil**

(Chief Financial Officer)

Sd/-

**Harshit M. Savla**

(Jt.Managing Director)

DIN : 00005340

Sd/-

**CS Rushikesh Deole**

(Company Secretary)

ICSI M.NO.F12932

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED MARCH 31, 2025**
**CORPORATE INFORMATION:**

Aarti Drugs Limited ("the Company") is a public limited company incorporated and domiciled in India. Its equity shares are listed on Bombay Stock Exchange and National Stock Exchange. The registered office of Company is located at Plot No N-198, M.I.D.C, Tarapur, Village-Pamtermbhi, Dist. Palghar, Maharashtra - 401506 and is incorporated under the provisions of the Companies Act applicable in India.

The Company is primarily involved in manufacturing and marketing of Active Pharmaceutical Ingredients (API), Pharma Intermediates and Specialty Chemicals.

The financial statements have been authorised for issue by the Board of Directors at their meeting held on May 06, 2025

**Note: 1 Material Accounting Policies and Accounting Estimates and Judgements**
**1) Basis of preparation:**
**Statement of Compliance**

The Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 including presentation and disclosure requirements of Division II of Schedule III of the Act as amended from time to time

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss for the year ended March 31, 2025, the Statement of Cash Flows for the year ended March 31, 2025 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements')

**Classification of Assets and Liabilities:**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The Statement of Cash flows have been prepared under Indirect Method.

**Basis of Measurement**

The financial statements have been prepared on a historical cost convention on the accrual basis, except for certain financial instruments that are measured at fair value, viz employee benefit plan assets.

**Functional and presentation currency**

The financial statements are presented in Indian Rupees which is the functional currency of the Company and all values are rounded to the nearest lakhs, except when otherwise indicated.

**Use of estimates and Judgements:**

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

**The following are areas involving critical estimates and judgements:**

Judgements:

- Leases
- Estimation of income tax payable and income tax expense in relation to an uncertain tax position
- Provisions and Contingencies

Estimates:

- Impairment
- Accounting for Defined benefit plans
- Useful lives of property, plant and equipment and intangible assets - Fair Valuation of Financial instruments
- Valuation of inventories

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**2) Revenue recognition:**

**Revenue from contract with customer**

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

(i) Sale of goods: Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations. The Company recognises revenue from goods sold and services rendered at Transaction Price which is the amount of consideration the Company expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding the amounts collected on behalf of a third party. The Transaction price is net of discounts, sales incentives, rebates granted, returns, sales taxes, GST and duties and any other recoverable taxes.

Generally, in case of domestic sales, performance obligations are satisfied when the goods are dispatched or delivery is handed over to transporter, revenue from export of goods is recognised at the time of Bill of lading or airway bill or any other similar document evidencing delivery thereof.

(ii) Interest Income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) Dividend income: Dividend income is recognised when the right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

(iv) Export benefits: Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**3) Property, plant and equipment (PPE):**

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of PPE comprises its purchase price (including the costs of materials / components, cost of acquisition, installation or construction) net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and such other incidental costs that may be associated with acquisition or creation of the asset ready for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the same is depreciated separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

Capital expenditure on property, plant and equipment for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

An item or part of PPE is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss as and when the asset is derecognised.

**Intangible Assets:**

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

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**Research and Development:**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:-

- development costs can be measured reliably;-
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated

impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

**Depreciation:**

Depreciable amount of all items of property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation for Property, plant and equipment are provided on straight line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013.

**Leasehold Land is amortised over the tenure of lease.**

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively; if appropriate an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

**Impairment**

The Company assesses at each reporting the carrying amounts of its property, plant and equipment, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Impairment loss, if any, is provided to the extent that 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 the 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.

**Non-current assets held for sale**

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach), which include unobservable inputs. Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified as "Held for Sale" and its recoverable amount at the date of the subsequent decision not to sell. Recoverable amounts of assets reclassified from "Held for Sale" have been estimated using the Management's assumptions.

### 4) Inventories:

Raw materials, packing materials, store & spares, traded goods and Work in progress are valued at the lower of cost and net realisable value. The cost of Raw materials, packing materials, store & spares and traded goods includes all cost of purchase, duties and taxes (other than those subsequently recoverable from the tax authorities) and all other cost incurred in bringing the inventory to its present location and conditions. Cost is arrived on moving stock on FIFO basis.

Finished goods are valued at lower of cost and net realisable value. The cost of finished goods and Work in progress have been computed to include all cost of purchases, cost of conversion, appropriate share of fixed production overheads based on normal operating capacity and other related cost incurred in bringing the inventories to their present condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Slow and non-moving material, obsolesces, defective inventory are provided for and valued at net realisable value.

Goods and material in transits are valued at cost incurred upto to the date of balance sheet.

### 5) Retirement and other employee benefits:

#### Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

#### Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the

Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value plan assets.

### 6) Foreign Currency Transactions:

Transaction denominated in foreign currencies is recorded at the exchange rate that approximates the actual rate prevailing at the date of the transaction. Monetary item denominated in foreign currency remaining unsettled at the year-end are translated at year end rates. Differences arising on settlement or conversion of monetary items are recognised in statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transactions. Premium in case of forward contracts is dealt with in the Profit and Loss Account proportionately over the period of contracts. The exchange differences arising on settlement/ translation are dealt with in the Statement of Profit and Loss.

### 7) Leases (as a lessee):

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any,

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following: –

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of -use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

### 8) Income Taxes:

Income tax expense comprises of current tax expense and deferred tax expenses.

Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items

that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### Current income tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

#### Deferred tax:

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognised for all taxable temporary differences.

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 asset to be recovered.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

### 9) Borrowing Costs:

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

### 10) Provisions and Contingent Liabilities and Contingent Assets

#### Provisions:

Provisions for legal claims, chargeback and sales returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

#### 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 or a reliable estimate of the amount cannot be made.

#### Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements

### 11) Financial assets, financial liabilities, equity instruments and impairment of financial assets

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets. The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

#### Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

#### Equity Investments

All equity investments (excluding the investments in Subsidiaries) in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

#### Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

#### Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities (including loans and borrowings, bank overdrafts and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

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

#### De-recognition of Financial Instruments:

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognises an associated liability. The financial asset and the associated liability

are measured on a basis that reflects the rights and obligations that the Company has retained.

A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss

#### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

#### Impairment of Financial Assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all Financial Assets subsequent to initial recognition other than financial assets measured at fair value through profit and loss (FVTPL). 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 financial assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used. The impairment losses and reversals are recognised in Statement of Profit and Loss. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

### 12) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors in case of a company, and, by the

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

corresponding approving authority in case of any other entity for issue.

### Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

### 13) Cash and cash equivalents

For the purpose of presentation in the Balance sheet, Cash and Cash equivalents comprises cash at bank and on hand and other short-term, highly liquid investments with an original maturity (or with an option to or can be readily converted or liquidated into cash) of three months or less, which are subject to an insignificant risk of changes in value. Cash and Cash

Equivalents consist of balances with banks which are unrestricted for withdrawals and usages.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank and on hand and 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.

### 14) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

### 1. PROPERTY, PLANT AND EQUIPMENTS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on April 01, 2024	Addition	Deduction	As on March 31, 2025	As on April 01, 2024	Addition	Deduction	As on March 31, 2025	As on March 31, 2025	As on March 31, 2024
<b>TANGIBLES ASSETS</b>										
BUILDING	19,692.48	1,449.92	-	21,142.40	6,365.47	645.76	-	7,011.23	14,131.17	13,327.01
FURNITURE	961.14	45.00	-	1,006.14	832.89	28.89	-	861.78	144.36	128.25
LAND	8,891.91	104.44	-	8,996.35	100.30	100.56	-	200.87	8,795.48	8,791.61
OFFICE EQUIPMENTS	264.98	46.96	-	311.94	240.77	8.07	-	248.84	63.11	24.22
PLANT & MACHINERY	96,809.67	6,888.75	45.24	1,03,653.18	47,307.22	3,808.96	42.98	51,073.20	52,579.98	49,502.45
VEHICLES	663.61	46.28	37.14	672.75	404.03	62.05	36.28	429.80	242.96	259.58
<b>TOTAL</b>	<b>1,27,283.79</b>	<b>8,581.35</b>	<b>82.38</b>	<b>1,35,782.76</b>	<b>55,250.68</b>	<b>4,654.29</b>	<b>79.25</b>	<b>59,825.71</b>	<b>75,957.06</b>	<b>72,033.12</b>

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on April 01, 2023	Addition	Deduction	As on March 31, 2024	As on April 01, 2023	Addition	Deduction	As on March 31, 2024	As on March 31, 2024	As on March 31, 2023
<b>TANGIBLES ASSETS</b>										
BUILDING	17,766.46	1,926.01	-	19,692.48	5,780.56	584.91	-	6,365.47	13,327.01	11,985.91
FURNITURE	945.96	15.18	-	961.14	795.16	37.73	-	832.89	128.25	150.80
LAND	8,891.91	-	-	8,891.91	-	100.30	-	100.30	8,791.61	8,891.91
OFFICE EQUIPMENTS	254.31	10.67	-	264.98	232.60	8.17	-	240.77	24.22	21.71
PLANT & MACHINERY	85,377.01	11,432.66	-	96,809.67	43,550.69	3,756.52	-	47,307.22	49,502.45	41,826.31
VEHICLES	663.61	-	-	663.61	341.43	62.60	-	404.03	259.58	322.18
<b>TOTAL</b>	<b>1,13,899.27</b>	<b>13,384.52</b>	<b>-</b>	<b>1,27,283.79</b>	<b>50,700.44</b>	<b>4,550.24</b>	<b>-</b>	<b>55,250.68</b>	<b>72,033.12</b>	<b>63,198.84</b>

Note :

- Plant & Machinery addition includes Capital Expenditure incurred on R & D of ₹ 214.43 lakhs (previous year ₹ 40.72 lakhs)
- Borrowing cost is capitalised during the year of ₹ 1,177.29 lakhs (Previous Year ₹ 1,204.15 lakhs)
- Property, Plant and Equipment pledged as Security – Refer Note No. 38(ai) for information on Property, Plant and Equipment pledged as security.
- The Company has not revalued its Property, Plant and Equipment during year.
- Refer Note No: 31 for R& D Capital Expenditures

#### 1.1. Details of Title Deed not held in the name of Company

Particulars	Description of item of property	Gross carrying value (₹ in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date
PPE	Land - E 106	0.74	Effective Chemical Pvt Ltd	No	26-02-1988
PPE	Land - E 105	0.80	Rupal Chemicals	No	27-06-1986
PPE	Land - S 34	1.87	Star Aluminium Industries	No	06-11-1992
PPE	Land - S 33	1.71	Avez Wire Industries Pvt Ltd.	No	11-06-1993

Note : Leaseholds land are in the name of erstwhile entities, which were merged with the Company through the court scheme. Leasehold rights are deemed to be transferred to the Company.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**1.2. Right of use Assets/Lease Liability**

**Changes in the carrying value of right of use assets**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	175.05	218.64
Additions during the year	94.66	163.56
Amortisation	(115.02)	(207.15)
<b>Closing Balance</b>	<b>154.69</b>	<b>175.05</b>

**Movement in lease liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	186.35	239.53
Finance cost accrued during the year	120.50	163.56
Payment of lease liabilities	(140.97)	(216.74)
<b>Closing Balance</b>	<b>165.88</b>	<b>186.35</b>

**Break Up of current and Non current lease liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	80.91	94.96
Non- current lease liabilities	84.97	91.40
<b>Total</b>	<b>165.89</b>	<b>186.36</b>

(₹ in lakhs)

	Amount in Movement in lease liabilities		Total
	Less than 1yr	1-5 yrs	
<b>As at March 31, 2025</b>			
Current lease liabilities	-	80.91	80.91
Non- current lease liabilities	84.97	-	84.97
<b>Total</b>	<b>84.97</b>	<b>80.91</b>	<b>165.88</b>
<b>As at March 31, 2024</b>			
Current lease liabilities	-	94.96	94.96
Non- current lease liabilities	91.40	-	91.40
<b>Total</b>	<b>91.40</b>	<b>94.96</b>	<b>186.36</b>

**1.3. Capital Work in Progress**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	22,162.46	16,075.06
Capitalised	(8,561.31)	(13,383.17)
Additions during the year	13,739.06	19,470.57
<b>Closing Balance</b>	<b>27,340.21</b>	<b>22,162.46</b>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**CWIP Ageing Schedule:**

(₹ in lakhs)

	Amount in CWIP for a period of				Total
	Less than 1yr	1-2 yrs	2-3 yrs	More than 3 yrs	
<b>As at March 31, 2025</b>					
Project in progress :	10,701.87	9,257.29	5,539.27	1,841.78	27,340.21
Projects Temporarily Suspended :	-	-	-	-	-
<b>Total</b>	<b>10,701.87</b>	<b>9,257.29</b>	<b>5,539.27</b>	<b>1,841.78</b>	<b>27,340.21</b>
<b>As at March 31, 2024</b>					
Project in progress :	13,461.31	8,103.98	-	597.17	22,162.46
Projects Temporarily Suspended :	-	-	-	-	-
<b>Total</b>	<b>13,461.31</b>	<b>8,103.98</b>	<b>-</b>	<b>597.17</b>	<b>22,162.46</b>

Note :

- There is no CWIP which has exceeded the approved budget or initial plan.

**1.4. INTANGIBLE ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>COMPUTER SOFTWARE</b>		
Opening Balance	21.13	30.70
Additions during the year	-	-
Amortisation	(9.60)	(9.58)
<b>Closing Balance</b>	<b>11.53</b>	<b>21.13</b>

Note :

- There are no intangible assets under development
- The Company has not revalued its Intangible assets during year.

**2. NON CURRENT INVESTMENTS**

(₹ in lakhs)

Name of the Company	No. of Shares/ Units	As at March 31, 2025 (₹ in lakhs)	No. of Shares/ Units	As at March 31, 2024 (₹ in lakhs)
<b>Investments - (Unquoted) in Equity Shares of Subsidiary Companies (Valued at Cost)</b>				
Pinnacle Life Science Pvt Ltd	79,82,750	1,648.56	77,82,750	648.56
Aarti Speciality Chemicals Limited	4,20,000	42.00	4,20,000	42.00
Pinnacle Chile SpA (Chilean Company)*	94,723	308.35	95,000.00	309.25
<b>Investments - (Unquoted) in Equity Shares of Other Companies (Valued at FVTOCI)</b>				
Perfect Enviro Control Systems Ltd.	2,40,200	20.49	2,40,200	18.76
The Shamrao Vitthal Co- op Bank Ltd.	100	0.03	100	0.03
The Saraswat Co - op Bank Ltd.	10,100	1.01	10,100	1.01

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

(₹ in lakhs)

Name of the Company	No. of Shares/ Units	As at March 31, 2025 (₹ in lakhs)	No. of Shares/ Units	As at March 31, 2024 (₹ in lakhs)
Tarapur Environment Protection Society	68,188	89.73	68,188	90.84
Aarti Biotech Ltd.	1,200	0.04	1,200	0.04
Huanggang Yinhe Aarti Pharmaceutical Co. Ltd.**	234	2,129.48	234	1,886.24
<b>TOTAL</b>		<b>4,239.69</b>		<b>2,996.72</b>
<b>Aggregate amount of unquoted investments</b>		<b>4,239.69</b>		<b>2,996.72</b>

\*Face Value of 1 share = 3500 CLP

\*\*Face Value of 1 share = 10000 RMB

Note :

Pinnacle Life Science Private Limited, wholly owned subsidiary of the Company has issued 2,00,000 partly paid up Equity shares via Right Issue Offer. These shares are issued at the price of ₹ 1250 per share representing ₹ 10 towards face value and ₹ 1240 towards premium. As on March 31, 2025 ₹ 500 per share are paid up representing ₹ 4 towards face value and ₹ 496 towards premium.

**3. OTHER NON- CURRENT ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, Considered Good</b>		
Capital Advances	1,520.15	1,671.35
<b>TOTAL</b>	<b>1,520.15</b>	<b>1,671.35</b>

**4. INVENTORIES**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw Materials (incl.In- transit stock)	16,120.98	16,916.32
Packing Materials	180.01	154.67
Work in process	11,249.29	12,199.65
Finished Goods (incl.In- transit stock)	11,630.99	12,880.28
Stores & Spares	1,542.09	2,025.94
Stock in Trade	-	-
<b>TOTAL</b>	<b>40,723.37</b>	<b>44,176.85</b>

Note :

1. Mode of valuation of Inventories – Refer note 1.4 of Significant Accounting Policies
2. Refer Note no. 38b for information on Inventories pledged as security by the Company

**5. TRADE RECEIVABLE**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Unsecured</b>		
-considered good	70,172.11	64,395.47
-considered doubtful	458.73	226.34
	<b>70,630.84</b>	<b>64,621.81</b>
Less: Provision for Doubtful Debts	458.73	226.34
<b>TOTAL</b>	<b>70,172.11</b>	<b>64,395.47</b>

Note :

1. Refer Note 37 for information about credit risk and market risk of trade receivables.
2. Refer note no. 38b for information on Trade Receivables pledged as security by the Company.
3. There are no debts due by Directors or other Officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is the partner or a Director or a Member.

**Ageing of trade receivables**

Particulars	As at March 31, 2025					
	Outstanding for following periods from invoice date					
	Less than 6 m	6m t o 1yr	1-2 year	2-3 year	More than 3yr	Total (₹ in lakhs)
Undisputed Trade Receivable- Considered Goods	68,359.37	667.21	344.77	389.36	850.67	70,611.38
Undisputed Trade Receivable- Credit impaired						0.00
Disputed Trade Receivable-Credit impaired		0.00	0.00	0.00	19.46	19.46
<b>Total Debtors</b>	<b>68,359.37</b>	<b>667.21</b>	<b>344.77</b>	<b>389.36</b>	<b>870.13</b>	<b>70,630.84</b>
Less: Allowance for Credit Loss	-	-	-	-	(458.73)	(458.73)
<b>Net Debtors</b>	<b>68,359.37</b>	<b>667.21</b>	<b>344.77</b>	<b>389.36</b>	<b>411.40</b>	<b>70,172.11</b>

**Ageing of trade receivables**

Particulars	As at March 31, 2024					
	Outstanding for following periods from invoice date					
	Less than 6 m	6m t o 1yr	1-2 year	2-3 year	More than 3yr	Total (₹ in lakhs)
Undisputed Trade Receivable- Considered Goods	61,781.05	1,011.07	794.85	736.51	225.19	64,548.67
Undisputed Trade Receivable- Credit impaired						0.00
Disputed Trade Receivable-Credit impaired					73.15	73.15
<b>Total Debtors</b>	<b>61,781.05</b>	<b>1,011.07</b>	<b>794.85</b>	<b>736.51</b>	<b>298.33</b>	<b>64,621.81</b>
Less: Allowance for Credit Loss				(122.02)	(104.32)	(226.34)
<b>Net Debtors</b>	<b>61,781.05</b>	<b>1,011.07</b>	<b>794.85</b>	<b>614.49</b>	<b>194.01</b>	<b>64,395.47</b>

Above balances of trade receivables include balances with certain related parties (Refer Note No. 33h)

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**6. CASH AND CASH EQUIVALENTS**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with Scheduled Banks :		
- Current Accounts	19.07	44.96
Cheques on Hand	289.92	202.62
Cash on Hand	19.06	24.19
<b>TOTAL</b>	<b>328.05</b>	<b>271.78</b>

Note : There are no other repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period.

**7. BANK BALANCES OTHER THAN ABOVE**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance in Deposit Accounts	72.49	60.03
Earmarked balance - unpaid dividend	56.94	50.30
<b>TOTAL</b>	<b>129.43</b>	<b>110.34</b>

Note : The amount due and outstanding to be credited to Investor Education Protection Fund during the year, is transferred by the Company within stipulated time.

**8. LOAN**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, Considered Good</b>		
Loans & Advances - Employees & others	12.65	19.09
<b>TOTAL</b>	<b>12.65</b>	<b>19.09</b>

Note : There are no loans which have significant increase in credit risk and which are credit impaired

**9. OTHER FINANCIAL ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Deposits	1,456.27	1,086.82
Insurance claim receivable	47.15	44.95
<b>TOTAL</b>	<b>1,503.42</b>	<b>1,131.77</b>

**10. OTHER CURRENT ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Advances recoverable	1,521.83	927.29
Prepaid Expenses	257.50	236.24
Other Recoverable	259.11	231.13
Balances with Govt. Authority	1,996.80	6,602.18
<b>TOTAL</b>	<b>4,035.25</b>	<b>7,996.85</b>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**11. EQUITY SHARE CAPITAL**

(₹ in lakhs, except share data)

Particulars	No. of Shares	As at March 31, 2025	No. of Shares	As at March 31, 2024
Authorised Share Capital				
Equity shares of ₹ 10/- each	12,00,00,000	12,000.00	12,00,00,000	12,000.00
Issued, Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid up	9,12,70,000	9,127.00	9,19,35,000	9,193.50
		<b>9,127.00</b>		<b>9,193.50</b>

**11.1 Right Attached to Equity Shares**

The Company has only one class of equity shares with voting rights having a par value of ₹ 10/- per share. The Company declares and pays dividends in Indian Rupees. Any Interim dividend paid is recognised on the approval by the Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

**11.2 The details of Equity Shares outstanding during last 5 years**

No. of Equity shares outstanding	Financial Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Equity Shares at the beginning of the year	919.35	926.00	926.00	932.00	233.00
Issue of Bonus shares	-	-	-	-	699.00
Buyback of Shares	(6.65)	(6.65)	-	(6.00)	-
Equity shares at the end of the year	912.70	919.35	926.00	926.00	932.00

**11.3 Notes on Issued, Subscribed and Paid up Equity Share Capital**

- During the Financial 2024-25, the Company has completed buyback of 6,65,000 equity shares of face value ₹ 10/- each at a price of ₹ 900/- per share on September, 24, 2024. the number of shares post buyback stands reduced to 9,12,70,000 of ₹ 10/- each. Accordingly the paid up capital also stands reduced to ₹ 9127 lakhs.
- During the Financial 2023-24, the Company has completed buyback of 6,65,000 equity shares of face value ₹ 10/- each at a price of ₹ 900/- per share on August 24, 2023. the number of shares post buyback stands reduced to 9,19,35,000 of ₹ 10/- each. Accordingly the paid up capital also stands reduced to ₹ 9193.5 lakhs.
- During the Financial 2021-22, the Company has completed buyback of 6,00,000 equity shares of face value ₹ 10/- each at a price of ₹ 1000/- per share on May 25, 2021. the number of shares post buyback stands reduced to 9,26,00,000 of ₹ 10/- each. Accordingly the paid up capital also stands reduced to ₹ 9260 lakhs.
- During the Financial 2020-21, the Company has allotted 6,99,00,000 Bonus Equity Shares of ₹ 10/- each fully paid up on October 05, 2020 in the proportion of 3 Equity Shares for every 1 Equity Share held by the Equity Shareholders of the Company as on the record date of October 01, 2020

**11.4 Details of shareholders holding more than 5% shares**

	As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Prakash M Patil	85,04,913	9.32	84,93,205	9.24	85,58,928	9.24

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**
**11.5 Disclosures of shareholding of Promoters**

Promoter Name	As at March 31, 2025		As at March 31, 2024		Change in percentage of shareholding from March 31, 2024 to March 31, 2025	As at March 31, 2023		Change in percentage of shareholding from March 31, 2023 to March 31, 2024
	No of Shares	% held	No of Shares	% held		No of Shares	% held	
Chandrakant Vallabhaji Gogri	17,10,097	1.87	17,23,444	1.87	0.00	17,36,777	1.88	0.00
Prakash Moreswar Patil	85,04,913	9.32	84,93,205	9.24	0.08	85,58,928	9.24	0.00
Rajendra Vallabhaji Gogri	1,01,022	0.11	4,75,089	0.52	(0.41)	7,76,191	0.84	(0.32)
Harshit Manilal Savla	43,23,269	4.74	43,57,019	4.74	0.00	43,90,733	4.74	0.00
Arti Rajendra Gogri	1,37,781	0.15	2,01,964	0.22	(0.07)	4,17,525	0.45	(0.23)
Jaya Chandrakant Gogri	15,64,023	1.71	15,76,230	1.71	0.00	15,88,422	1.72	0.00
Rashesh Chandrakant Gogri	42,38,874	4.64	42,71,964	4.65	0.00	43,05,016	4.65	0.00
Hetal Gogri Gala	27,87,240	3.05	28,08,997	3.06	0.00	28,30,731	3.06	0.00
Manisha Rashesh Gogri	1,86,763	0.20	1,88,220	0.20	0.00	1,89,675	0.20	0.00
Aarnav Rashesh Gogri	1,86,365	0.20	1,87,820	0.20	0.00	1,89,273	0.20	0.00
Aashay Rashesh Gogri	8,75,891	0.96	8,82,728	0.96	0.00	8,89,558	0.96	0.00
Renil Rajendra Gogri	5,97,957	0.66	11,48,442	1.25	(0.59)	14,24,377	1.54	(0.29)
Mirik Rajendra Gogri	6,41,814	0.70	12,05,222	1.31	(0.61)	19,97,952	2.16	(0.85)
Indira Madan Dedhia	1,93,444	0.21	1,94,952	0.21	0.00	2,11,124	0.23	(0.02)
Priti Prakash Patil	40,16,315	4.40	40,47,669	4.40	0.00	40,78,989	4.40	0.00
Adhish Prakash Patil	11,41,079	1.25	11,41,217	1.24	0.01	11,50,046	1.24	0.00
Prakash M. Patil (HUF)	1,61,557	0.18	1,62,818	0.18	0.00	1,64,078	0.18	0.00
Uday Moreswar Patil	50,252	0.06	50,637	0.06	0.00	51,022	0.06	0.00
Arun Moreswar Patil	72,864	0.08	73,432	0.08	0.00	74,000	0.08	0.00
Vikas Moreswar Patil	34,143	0.04	34,409	0.04	0.00	34,675	0.04	0.00
Kalika Amit Mishra	25,164	0.03	25,360	0.03	0.00	25,556	0.03	0.00
Arati Tushar Sankhe	1,72,702	0.19	1,75,691	0.19	0.00	1,77,000	0.19	0.00
Seema Harshit Savla	35,02,175	3.84	35,29,511	3.84	0.00	45,67,514	4.93	(1.09)
Vishwa Harshit Savla	9,39,907	1.03	9,47,243	1.03	0.00	9,54,571	1.03	0.00
Bhoomi Harshit Savla	9,95,164	1.09	10,02,932	1.09	0.00	0	0.00	1.09
Harshit M. Savla (HUF)	5,866	0.01	5,911	0.01	0.00	5,956	0.01	0.00
Jay Manilal Savla	2,42,060	0.27	2,71,195	0.29	(0.03)	2,93,447	0.32	(0.02)
Kenisha Savla	10,817	0.01	16,924	0.02	(0.01)	10,000	0.01	0.01
Hriman Savla	10,817	0.01	16,924	0.02	(0.01)	10,000	0.01	0.01
Jigna Hireen Shah	4,52,597	0.50	4,56,130	0.50	0.00	4,59,633	0.50	0.00
Aashyav Business Trust (Alabhya Trusteeship Private Limited)	13,68,429	1.50	13,79,112	1.50	0.00	13,89,783	1.50	0.00
Paridhi Business Trust (Saswat Trusteeship Private Limited)	5,86,471	0.64	5,91,049	0.64	0.00	5,95,622	0.64	0.00
Gogri Finserv Pvt. Ltd.	34,63,971	3.80	34,91,012	3.80	0.00	35,18,025	3.80	0.00
Anushakti Enterprise Private Limited	23,92,696	2.62	24,11,374	2.62	0.00	24,30,032	2.62	0.00
Tulip Family Trust (Gloire Trusteeship Services Private Limited)	9,18,806	1.01	9,25,977	1.01	0.00	9,33,140	1.01	0.00
Orchid Family Trust (Relacion Trusteeship Services Private Limited)	9,07,077	0.99	9,14,157	0.99	0.00	9,21,228	0.99	0.00
Alchemie Finserv Pvt. Ltd.	20,13,410	2.21	20,29,127	2.21	0.00	20,44,827	2.21	0.00

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
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Promoter Name	As at March 31, 2025		As at March 31, 2024		Change in percentage of shareholding from March 31, 2024 to March 31, 2025	As at March 31, 2023		Change in percentage of shareholding from March 31, 2023 to March 31, 2024
	No of Shares	% held	No of Shares	% held		No of Shares	% held	
Safechem Enterprises Private Limited	5,58,745	0.61	5,63,105	0.61	0.00	12,22,662	1.32	(0.71)
Aarti Life Science LLP	13,369	0.01	13,473	0.01	0.00	13,577	0.01	0.00
Dilesh Roadlines Pvt Ltd	4,88,730	0.54	4,92,545	0.54	0.00	4,96,356	0.54	0.00
Alchemie Financial Services Limited	38,544	0.04	38,845	0.04	0.00	39,145	0.04	0.00
Aarti Industries Limited	0	-	0	-	0.00	0	0.00	0.00
<b>Total</b>	<b>5,06,33,180</b>	<b>55.48</b>	<b>5,25,23,075</b>	<b>57.13</b>	<b>(1.65)</b>	<b>55,16,71,666</b>	<b>59.58</b>	<b>(2.45)</b>

**11.6 Dividends:**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(i) Dividend paid during the year</b>		
Final dividend for the year ended March 31, 2024 of ₹ 0 (previous year: ₹ 0) per fully paid share	0	0
Interim Dividend for 2024-25 of ₹ 1/- (previous year: ₹ 1/-) per fully paid share	912.70	919.35
<b>(ii) Dividends not recognised at the end of the reporting period</b>	<b>0</b>	<b>0</b>

**12. OTHER EQUITY**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Reserve	200.74	200.74
Capital Redemption Reserve	494.98	428.48
General Reserve	1,573.15	1,489.04
Retained Earnings	1,12,648.40	1,05,231.02
Other Comprehensive Income	1,090.84	977.96
<b>TOTAL</b>	<b>1,16,008.11</b>	<b>1,08,327.25</b>

**13. NON CURRENT BORROWINGS**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Term loans</b>		
<b>Secured borrowings</b>		
From Scheduled Banks (Refer Note No.38a)	23,437.50	23,468.66
<b>Loans &amp; advances from related parties</b>		
From Directors - Unsecured	357.00	357.00
From Other - Unsecured	-	-
<b>TOTAL</b>	<b>23,794.50</b>	<b>23,825.66</b>

**Note :**

- Refer Note 38a for details of terms of repayment
- Refer Note 38ai for pledged security for the Borrowings.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
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**14. OTHER FINANCIAL LIABILITIES**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Trade Deposits	16.01	16.99
<b>TOTAL</b>	<b>16.01</b>	<b>16.99</b>

**15. LONG TERM PROVISION**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Provision for Employee benefits	344.04	274.10
<b>TOTAL</b>	<b>344.04</b>	<b>274.10</b>

1. Refer Note 44 Employee Benefits

**16. DEFERRED TAX LIABILITIES (NET)**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Deferred Tax (Net)		
Deferred Tax Liability		
i) On Fiscal allowances on Fixed Assets	7,077.45	6,727.45
Deferred Tax Assets		
i) On employee benefit obligation	(134.66)	(102.34)
i) On investment fair value changes	383.00	348.13
Fair value of Investment / remeasurement of defined benefit liability/Assets	248.34	245.79
<b>Total</b>	<b>7,325.79</b>	<b>6,973.25</b>

**17. CURRENT BORROWINGS**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
<b>Loans repayable on demand</b>		
<b>From Banks</b>		
Secured Borrowings (Refer Note No.38b)	17,481.75	13,097.02
Unsecured borrowings	5,600.00	4,250.00
Current Maturity of Long term debts	4,515.00	6,112.50
<b>TOTAL</b>	<b>27,596.75</b>	<b>23,459.52</b>

Note :

- The quarterly returns or statements filed by the Company during the year with the banks are in agreement with books of account of the Company.
- Refer Note 38b for Pledged security information and details of terms of repayment.

**18. TRADE PAYABLES**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Trade payables of Goods, Services & Expenses		
Due to micro enterprises and small enterprises	729.54	899.94
Due to others	36,581.46	38,429.27
<b>TOTAL</b>	<b>37,311.01</b>	<b>39,329.21</b>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
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**Ageing of trade payable**

Particulars	As at March 31, 2025				
	<1 year	1-2 year	2-3 year	More Than 3yr	Total (₹ In lakhs)
Undisputed dues-MSME	729.54				729.54
Undisputed dues-Others	36,581.46	-	-	-	36,581.46
<b>Total</b>	<b>37,311.01</b>	-	-	-	<b>37,311.01</b>

Particulars	As at March 31, 2024				
	<1 year	1-2 year	2-3 year	More Than 3yr	Total (₹ In lakhs)
Undisputed dues-MSME	899.94				899.94
Undisputed dues-Others	38,429.27				38,429.27
<b>Total</b>	<b>39,329.21</b>	-	-	-	<b>39,329.21</b>

Note :

- Refer Note 47d for Relationship with struck off companies.
- Refer Note 37 for Maturities of Non – derivative financial liabilities.
- Refer Note 46 disclosure for micro, small and medium enterprises development Act, 2006

**19. OTHER FINANCIAL LIABILITIES**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on Loans	243.23	220.67
Project Creditors	1,733.88	2,335.45
<b>TOTAL</b>	<b>1,977.10</b>	<b>2,556.12</b>

Note : Refer Note 37 for Maturities of Non – derivative financial liabilities.

**20. OTHER CURRENT LIABILITIES**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Unpaid Dividend	56.94	50.30
Payable Duties & Taxes	130.14	154.74
Advance from customers	615.09	352.17
Other Payables	2,490.38	2,059.51
<b>TOTAL</b>	<b>3,292.55</b>	<b>2,616.72</b>

Note :

- Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.

**21. SHORT TERM PROVISION**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Provision for Employee benefits	320.28	153.39
<b>TOTAL</b>	<b>320.28</b>	<b>153.39</b>

- Refer Note 44 Employee Benefits

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
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**Note : Current Tax Assets (Net) / Current Tax (Liabilities) (Net)**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Opening Balance	(249.90)	(413.07)
Add : Taxes paid (Net)	5,195.26	5,123.17
Less : Current Tax payable for the year	(3,793.94)	(4,960.00)
Add/Less : Assessment Completed /Mat Adjustments	-	-
<b>Closing Balance</b>	<b>1,151.42</b>	<b>(249.90)</b>

The following table provides the details of income tax assets and liabilities as on March 21, 2025 & March 31, 2024

Particulars	(₹ in lakhs)	
	March 31, 2025	March 31, 2024
Income Tax Assets	1,151.42	-
Income Tax Liabilities	-	(249.90)
<b>Net Current income tax assets/ (liabilities) at the end</b>	<b>1,151.42</b>	<b>(249.90)</b>

**22. REVENUE FROM OPERATIONS**

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of Products	2,15,879.94	2,25,373.93
Other Operating Revenue		
Export Benefits/Incentives Received	682.86	475.06
Scrap sales & Others	802.69	842.15
<b>Total</b>	<b>2,17,365.49</b>	<b>2,26,691.14</b>

**23. OTHER INCOME**

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividend income	1.11	0.11
Interest income	1,204.32	239.90
Miscellaneous income	151.68	178.29
<b>Total</b>	<b>1,357.10</b>	<b>418.30</b>

**24. COST OF MATERIALS CONSUMED**

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw Material Consumption	1,30,815.69	1,41,675.01
Packing Materials	2,413.53	2,381.14
Freight Inward	1,969.46	2,002.02
Clearing & Forwarding	634.95	598.77
<b>Total</b>	<b>1,35,833.63</b>	<b>1,46,656.95</b>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**25. EMPLOYEE BENEFITS EXPENSE**

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, Wages and Bonus (Mfg)	6,238.37	5,871.05
Staff Welfare Expenses (Mfg)	71.71	114.44
Salaries and Bonus (Adm)	810.69	787.52
Provident Fund Contribution	263.25	242.36
Staff Welfare Expenses	4.33	4.80
Directors' Remuneration	1,136.90	1,078.24
<b>Total</b>	<b>8,525.25</b>	<b>8,098.41</b>

Note : Refer Note 41 for Details of remuneration to directors.

**26. FINANCE COST**

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on Term Loans	1,196.24	577.83
Interest on Working Capital	1,722.98	2,386.05
Interest on Others (Including Ind AS 116 Interest)	48.61	52.26
<b>Total</b>	<b>2,967.84</b>	<b>3,016.13</b>

Note : Borrowing cost is capitalised during the year of ₹ 1177.29 lakhs (Previous Year ₹ 1204.15 lakhs)

**27. DEPRECIATION AND AMORTISATION**

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on Property, Plant & Equipment	4,654.29	4,550.24
Amortisation on Lease Assets	115.02	207.15
Amortisation on Intangible Assets	9.60	9.58
<b>Total</b>	<b>4,778.90</b>	<b>4,766.96</b>

**28. OTHER EXPENSES**

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Manufacturing Expenses</b>		
Processing Charges	2,230.80	2,151.56
Labour Charges	5,721.04	5,475.07
Insurance Expenses	559.45	538.50
Lease Expenses	23.60	6.00
Power & Fuel	14,600.37	14,807.19
Stores & Spares	3,332.83	3,485.35
Repairs & Maintenance - Building	251.42	193.37
- Plant & Machinery	1,524.08	1,586.35
Research & development (refer note no:31)	557.20	523.43
Water Charges	293.31	345.81

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Laboratory Expenses	361.95	352.74
Other Factory Expenses	3,171.22	3,220.26
<b>Sub Total (a)</b>	<b>32,627.27</b>	<b>32,685.64</b>
<b>Office &amp; Administration Expenses</b>		
Books & Periodicals	0.05	0.13
Auditors' Remuneration	13.94	12.33
Conveyance Expenses	28.88	34.69
Legal & Professional Charges	389.92	369.77
Membership & Subscriptions	4.75	5.56
Printing & Stationery	22.26	20.91
Postage, Telegram & Telephone	16.32	15.10
Office Electricity Charges	11.42	10.51
Insurance Charges	49.70	41.28
Repairs & Maintenance - Others	33.56	58.65
Entertainment Expenses	0.83	1.09
Miscellaneous Expenses	48.94	29.80
Vehicle Expenses	16.77	11.37
Travelling Expenses - Directors	9.84	16.62
- Others	41.69	60.03
Directors' Sitting Fees	16.45	14.25
Investment written off	-	29.17
<b>Sub Total (b)</b>	<b>705.32</b>	<b>731.24</b>
Note : Refer Note 42 for Details of payment to Auditors.		
<b>Selling &amp; Distribution</b>		
Advertisement & Sales Promotion	68.92	108.41
Freight & Forwarding -Export	2,685.90	2,068.26
Freight & Forwarding - Local	1,261.52	1,103.32
Commission Expenses	1,311.39	1,053.04
Insurance Expenses	153.17	144.57
Postage & Telegram	14.88	16.15
Other Export Expenses	238.47	151.54
Provision for Doubtful debts	342.55	146.81
<b>Sub Total (c)</b>	<b>6,076.80</b>	<b>4,792.10</b>
<b>Finance Cost</b>		
Bank Charges (d)	252.55	304.51
<b>Non Operative Expenses</b>		
Donations	2.33	1.19
CSR Expenditure	443.45	544.71
<b>SubTotal (e)</b>	<b>445.78</b>	<b>545.90</b>
Note : Refer Note 45 for information on Corporate Social Responsibility Expenses		
<b>Total (a+b+c+d+e)</b>	<b>40,107.72</b>	<b>39,059.38</b>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**
**29. EARNING PER SHARE:**

Particulars	(₹ in lakhs, except share data)	
	Current Year	Previous Year
Net Profit available for Equity Shareholders	15,731.49	14,188.27
Total Comprehensive Income	15,844.37	14,326.96
Number of Equity Shares (Nos.)	9,12,70,000	9,19,35,000
Basic & Diluted EPS (after extraordinary items) (₹)	17.18	15.35
Nominal value per share (₹)	10.00	10.00

**30. CONTINGENT LIABILITIES AND COMMITMENTS:**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
<b>(i) Contingent Liabilities</b>		
In respect of bank guarantees issued and L/C opened by the Company's bankers	11,845.71	13,109.67
Demand in respect of additional income tax disputed in appeal (not acknowledged as debt)	9,238.24	9,238.24
Demand in respect of additional Excise, custom duty, service tax, sales tax, GST fine & disputed in appeal(not acknowledged as debt)	4,655.10	875.69
Liability for duty on raw material imported under advance license benefit scheme against which export obligation remained to be fulfilled	103.94	120.27
Liability for Maharashtra Pollution Control Board	879.35	879.35
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,340.19	2,437.54

**31. DISCLOSURE REGARDING SCIENTIFIC RESEARCH & DEVELOPMENT EXPENDITURE**

YEAR	(₹ lakhs)	
	RECURRING EXPENDITURE	CAPITAL EXPENDITURE
FY 2024-25	557.20	232.62*
FY 2023-24	523.43	57.36

\*Major Capital Expenditures in the item Water LCMS with Accessories and HPLC/UPLC.

**32. SEGMENT REPORTING (IND- AS 108)**

Ind AS 108 establishes standards for the way that company reports information about operating segment and related disclosure about products and geographical areas.

**I. BASIS FOR SEGMENTATION**

The operations of the Company are limited to one segment i.e Manufacturing of API (Active Pharmaceutical Ingredients). The products being sold under this segment are of similar nature and comprises of pharmaceutical intermediary products only. The Company's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information adjustments, etc.) on a periodic basis.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**II. GEOGRAPHICAL SEGMENTS AS SECONDARY SEGMENTS**

(₹ in lakhs)

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Segment Revenue</b>		
a) Out of India	76,920.62	74,922.56
b) India	1,40,444.87	1,51,768.58
<b>Total</b>	<b>2,17,365.49</b>	<b>2,26,691.14</b>

**33. RELATED PARTY DISCLOSURES AS PER IND AS 24**

**A. Name and Relationship of the Related Parties:**

**(1) Subsidiary – Wholly owned & Subsidiary Company**

Name of the Company	Country of Incorporation	Proportion of Ownership Interest
<b>Wholly Owned Subsidiary Company</b>		
Pinnacle Life Science Private Ltd	India	100%
Aarti Speciality Chemicals Limited	India	100%
<b>Subsidiary Company</b>		
Pinnacle Chile SPA	Chile	95%
<b>- Step down subsidiary</b>		
Pharma GO SPA	Chile	95%

**(2) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of such individual.**

- Individuals

Shri. Chandrakant V. Gogri	Chairman Emeritus
Shri. Rajendra V. Gogri	Promoter
- Relatives of Individuals

Smt. Jaya C. Gogri	Shri. Mirik R Gogri
Smt. Arti R. Gogri	Shri. Renil R. Gogri
Shri. Mulraj C. Gala	Smt. Hetal Gogri Gala
Smt. Indira M. Dedhia	Smt. Dollar Dedhia
Smt. Pooja Renil Gogri	

**(3) Key Management personnel along with their relatives have significant influence.**

- Key Management Personnel

Shri. Prakash M. Patil	Chairman, Managing Director & Chief Executive Officer
Shri. Harshit M. Savla	Jt. Managing Director
Shri. Rashesh C. Gogri	Managing Director
Shri. Harit. P. Shah	Whole-time Director
Shri. Uday M. Patil	Whole-time Director
Shri. Adhish P. Patil	Chief Financial Officer
Shri. Rushikesh Deole	Company Secretary & Compliance Officer
Shri. Juan Fidel Gomez Barrera	Director of Subsidiary
Shri Parth S. Shah	Whole-time Director of Subsidiary

- Relatives of Key Management Personnel

Smt. Priti P. Patil	Smt. Seema H. Savla
Shri. Arun M. Patil	Smt. Bhoomi H. Savla
Dr. Vikas M. Patil	Shri. Vishwa H. Savla
Shri. Sameer P. Shah	Smt. Jayashree H. Shah
Smt. Arati T. Sankhe	Smt. Manisha R. Gogri
Smt. Reshmi Vanjara	Smt. Kalika A. Mishra
Shri. Tushar Sankhe	Shri. Amit Mishra
Smt. Kalpana Sankhe	Shri. Aashay R. Gogri
Shri. Aarnav R. Gogri	Smt. Richie Gandhi
Shri. Jigar Solanki	Shri. Jay M. Savla
Smt. Jigna Shah	Smt. Kalpana H. Chheda
Smt. Vandana U. Patil	Shri. Tejas U. Patil
Smt. Riya T. Patil	Smt. Snehal T. Sahu
Shri. Pradeep S. Sahu	Shri Maahir H. Shah

**(4) Enterprise/firms with whom transactions have taken place and over which controlling individuals have significant influence.**

- Aarti Industries Ltd.
- Pinnacle Life Science Private Ltd
- Aarti Life Science LLP.
- Aarti Speciality Chemicals Limited
- Aarti Pharmalabs Limited
- Alchemie Gases & Chemicals Pvt Ltd
- Alchemie Finechem Private Limited
- Pinnacle Chile SpA

**Transaction with the Related Parties:**

Sr. No.	Particulars	Relationship	FY 2024-25 ₹ In lakhs	FY 2023-24 ₹ In lakhs
<b>a)</b>	<b>Sale of Goods</b>			
	Pinnacle Life Science Private Ltd	Wholly Owned Subsidiary	3,555.59	6,290.83
	Aarti Industries Ltd	Entities in which some of the directors are interested	0.00	0.03
	Aarti Pharmalabs Ltd	Entities in which some of the directors are interested	15.25	5.61
	Aarti Life Science LLP	Entities in which some of the directors are interested	00.00	14.93
<b>b)</b>	<b>Dividend/Rent Income from Pinnacle Life Science Pvt Ltd</b>	Wholly Owned Subsidiary	31.14	25.41
<b>c)</b>	<b>Purchase of Goods Traded</b>			
	Aarti Industries Ltd	Entities in which some of the directors are interested	1,261.28	928.93
	Aarti Pharmalabs Ltd	Entities in which some of the directors are interested	184.41	193.76
	Alchemie Finechem Pvt. Ltd	Entities in which some of the directors are interested	115.19	92.68

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

Sr. No.	Particulars	Relationship	FY 2024-25 ₹ In lakhs	FY 2023-24 ₹ In lakhs
<b>d)</b>	<b>Manufacturing Expenses</b>			
	Pinnacle Life Science Private Ltd	Wholly Owned Subsidiary	49.85	28.99
	Aarti Life Science LLP	Entities in which some of the directors are interested	96.00	96.00
	Alchemie Gases & Chemicals Pvt Ltd	Entities in which some of the directors are interested	17.55	30.90
<b>e)</b>	<b>Other Expenses/Reimbursement exp.</b>			
	Pinnacle Life Science Private Ltd	Wholly Owned Subsidiary	13.36	4.85
	Pinnacle Chile Spa	Subsidiary	35.18	34.97
	Aarti Industries Ltd	Entities in which some of the directors are interested	76.25	49.00
<b>f)</b>	<b>Finance Cost</b>			
	Prakash M Patil	KMP	21.85	21.90
	Harshit M Savla	KMP	8.50	9.69
<b>g)</b>	<b>Employee Benefit and Office &amp; Administration Expenses</b>			
	Prakash M Patil	Director	293.92	278.48
	Harshit M Savla	Director	268.74	255.42
	Harit. P. Shah	Director	268.74	255.42
	Uday M Patil	Director	36.75	33.51
	Rashesh C Gogri	Director	268.74	255.42
	Adhish Patil	KMP	122.64	115.79
	Vikas Patil	Relative of KMP	27.97	21.81
	Rushikesh Deole	KMP	14.84	11.67
	Arun Patil	Relative of KMP	29.95	29.08
	Tejas Patil	Relative of KMP	7.67	7.12
	Jaun Fidel Gomez Barrera	KMP of Subsidiary	(2.20)	0.00
<b>h)</b>	<b>Closing Balance</b>			
	<b>Balance Receivable</b>			
	Pinnacle Life Science Private Ltd	Wholly Owned Subsidiary	1,698.48	1,589.36
	Pinnacle Chile SpA	Subsidiary	103.47	68.28
	Aarti Life Science LLP	Entities in which some of the director are interested	00.00	12.25
	<b>Balance Payable</b>			
	Aarti Life Science LLP	Entities in which some of the directors are interested	5.12	3.96
	Alchemie Gases & Chemicals Pvt Ltd	Entities in which some of the directors are interested	1.74	2.28
	Aarti Industries Ltd	Entities in which some of the directors are interested	308.05	219.72
	Alchemie Finechem Pvt Ltd	Entities in which some of the directors are interested	00.00	26.35
	Aarti PharmaLabs Ltd	Entities in which some of the directors are interested	25.83	35.48
	Prakash M Patil	KMP	257.00	257.00
	Harshit M Savla	KMP	100.00	100.00

1. Transactions are Net of Taxes

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**34. ADDITIONAL INFORMATION**

**a. Licensed capacity installed capacity and production**

Class of Goods	* Licensed	Units	Year	Installed	Production	Captive
Pharmaceutical	----	MT	FY 2024-25	61,053	44,915	11,621
		MT	FY 2023-24	57,129	41,116	9,864

\* As license is not required Licensed Capacity not given.

\*\* Increase in Installed capacity mainly due to increase in specialty chemicals capacity.

**b. Purchase of trading items(Net):**

	Current Year	Previous Year
Quantity in MT	6,321.49	3,852.00
Amounts (₹ in lakhs)	4,434.20	3,586.29

**c. Value of Raw materials and spares consumed**

	Current Year	Previous Year
Raw Material:		
Indigenous		
Percentage %	40.91	36.94
Amount (₹ In lakhs)	53,515.13	52,330.42
Imported		
Percentage %	59.09	63.06
Amount (₹ In lakhs)	77,300.56	89,344.59
Stores and spares		
Indigenous		
Percentage %	100.00	100.00
Amount (₹ In lakhs)	3,332.83	3,485.35

**d. C.I.F Value of Imports**

	Current Year	Previous Year
Raw Material	71,858.48	82,386.48
Capital Goods	266.79	600.20

**e. Expenditure in Foreign Currency**

	Current Year	Previous Year
Commission	882.82	503.69
Professional / Technical Service & others	153.97	122.43
Foreign Bank Charges	118.01	116.33
Travelling Expenses	43.06	67.32
Sales Promotion	19.47	32.54
Interest on F.C. Loan	0.00	29.31

**f. Earnings in Foreign Exchange**

	Current Year	Previous Year
F.O.B. Value of Exports	67,576.67	67,284.01

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

### 35. FAIR VALUE MEASUREMENTS:

#### Financial Instrument by Category

(₹ in lakhs)

Particulars	As at March 31, 2025				As at March 31, 2024			
	Carrying	Level	Level	Level	Carrying	Level	Level	Level
	Amount	1	2	3	Amount	1	2	3
<b>Financial Asset</b>								
<b>At Amortised Cost</b>								
Trade Receivables	70,172.11	-	-	-	64,395.47	-	-	-
Cash & Cash Equivalent	328.05	-	-	-	271.78	-	-	-
Bank Balance Other than Cash and Cash Equivalents	129.43				110.34			
Other Financial Assets	1,503.42	-	-	-	1,131.77	-	-	-
<b>At FVTOCI</b>								
Investment	4,239.69	-	4,239.69	-	2,996.72	-	2,996.72	-
<b>Financial Liabilities</b>								
<b>At Amortised Cost</b>								
Borrowings	51,391.25	-	-	-	47,285.17	-	-	-
Trade Payables	37,311.01	-	-	-	39,329.21	-	-	-
Other Financial Liabilities	2,159.00	-	-	-	2,759.47	-	-	-

The financial instruments are categorised into two levels based on the inputs used to arrive at fair value measurements are described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observed for the asset or liability, either directly or indirectly.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### 36. CAPITAL MANAGEMENT:

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total capital. Debt is calculated as loans and borrowings plus lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Debt (A)	51,557.14	47,471.53
Total Equity (B)	1,25,135.11	1,17,520.75
Gearing Ratio (A/B)	0.41	0.40

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

### 37. FINANCIAL RISK MANAGEMENT:

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

#### Company has exposure to following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### I. Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and mutual funds, foreign exchange transactions and other financial instruments.

#### Credit risk management.

To manage the credit risk, the Company follows an adequate credit control policy and also has an external credit insurance cover with ECGC policy & HDFC ERGO General Insurance Company Limited. The requirement of assessing the impairment loss on trade receivables does not arise, since the collectability risk is mitigated. Bank balances are held with banks and majority of other security deposits are placed majorly with government/statutory agencies.

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Provision	226.34	195.89
Add:- Additional provision made	342.55	94.18
Less: Provision written off	0.00	0.00
Less : Provision Reversed	99.17	63.73
Closing Provisions	469.72	226.34

#### II. Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

#### Liquidity Risk Management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

#### As at March 31, 2025

#### Maturities of non-derivative financial liabilities

(₹ in lakhs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	37,311.01		-	37,311.01
Other financial liabilities	1,977.10	16.01	-	1,993.11
<b>Total</b>	<b>39,288.11</b>	<b>16.01</b>	<b>-</b>	<b>39,304.12</b>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

As at March 31, 2024

**Maturities of non-derivative financial liabilities**

Particulars	(₹ in lakhs)			
	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	39,329.21	-	-	39,329.21
Other financial liabilities	2,556.12	16.99	-	2,573.11
<b>Total</b>	<b>41,885.34</b>	<b>16.99</b>	<b>-</b>	<b>41,902.33</b>

**III. Market Risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices– will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities are expose to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

**Foreign currency risk**

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in exports and imports which is majorly in US dollars. Hence, to combat the foreign currency exposure, the Company follows a policy wherein the net sales are hedged By forward Contract.

**38. SECURED BORROWING FROM BANKS:**

a.

Bank Name	(₹ lakhs)			
	As at March 31, 2025	As at March 31, 2024	Instalment Within 1 Year	Future Subsequent Years
SVC Co-op Bank Limited	0000.00	2413.66	0000.00	000.00
Kotak Mahindra Bank limited	27187.50	25000.00	3750.00	23437.50
HDFC Bank Ltd	765.00	2167.50	765.00	000.00

Name Of The Lender	Basis for ROI	Sanctioned Amount	(₹ lakhs)	
			As at March 31, 2025	Year of Last Instalments Due
HDFC Bank Ltd	(Fixed)	5,100.00	765.00	FY 2025-26
Kotak Mahindra Bank Ltd	(Repo+Spread)	8,370.66	6,278.00	FY 2027-28
Kotak Mahindra Bank Ltd	(Repo+Spread)	1,629.34	1,222.00	FY 2027-28
Kotak Mahindra Bank Ltd	(Repo+Spread)	5,000.00	4,687.50	FY 2028-29
Kotak Mahindra Bank Ltd	(Repo+Spread)	15,000.00	15,000.00	FY 2030-31
<b>Total</b>		<b>35,100.00</b>	<b>27,952.50</b>	

Note : Spread applicable as mutually agreed at the time of disbursement.

Note:

(ai) Above term loans are secured by pari-passu first charge by way of mortgage of immovable properties and hypothecation of moveable fixed assets, both present and future situated at MIDC Boisar, viz Plot No N-198, G-60, E21, E22, E-1, K-40, K-41 E120, E9/3, E9/4, W-60(B), W61(B), W62(A), W71(B), W72(B)W73(B), T-150 and MIDC Turbhe Plot No D-277 & D-278 in Maharashtra and at GIDC, Sarigam, Bhilad- Gujarat Viz. Plot No 2902, 2904, 211, 213, 2601, 2602, 2603.

(aii) Term Loan from HDFC Bank Ltd is also secured by way of pari-passu second charge on current assets of the Company both present and future.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

b. Loans from Scheduled Banks Payable on Demand of ₹ **17,481.75 lakhs** (Previous Year ₹ 13,097.02 lakhs) are secured by pari-passu first charge by way of hypothecation of Company's raw materials stock, stock-in-process, finished goods, packing materials, stores & spares, book debts, and all other current assets including goods in transit governed by documents of title and also pari-passu second charge by way of mortgage of immovable properties and hypothecation of movable fixed assets. both present and future situated at MIDC Boisar, Maharashtra viz. Plot No N-198, G-60, E21, E22, E-1, K-40, K-41 E120, E9/3, E9/4, W-60(B), W61(B), W62(A), W71(B), W72(B)W73(B), T-150 and MIDC Turbhe Plot No. D-277 & D-278. GIDC, Bhilad, Sarigam- Gujarat viz. Plot No. 2902, 2904, 211, 213, 2601, 2602, 2603.

**39. CAPITAL MANAGEMENT:**

The Company has foreign exchange exposure because of its trade related (export/import) fund related function. The Company uses forward contracts, Options and Swaps to hedge against its foreign exchange exposures relating to underlying transactions. The Company does not enter into any derivatives instruments for trading or speculation purposes. During the year ended March 31, 2025, the Company had hedge in aggregate an amount of ₹ **33,341.09/- lakhs** (previous year ₹ 43,076.23/-lakhs) out of its annual trade related operations (export& import) aggregating to ₹ **1,41,502.68/- lakhs** (previous year ₹1,51,282.69/-lakhs) after considering natural hedge.

40. Sales /Income from Operation include export benefits amounting to ₹ **682.85/-lakhs** (previous year ₹ 475.05/-lakhs)

**41. DIRECTORS REMUNERATION:**

Particulars	(₹ In lakhs)	
	Current Year	Previous Year
Salary to Managing Directors and whole time Directors	323.96	297.64
Bonus/Leave Travel Allowance/House Rent Allowance/Medical/Leave Salary	66.21	60.16
Commission payable to Directors	671.26	651.80
Contribution to Provident Fund	1.08	1.08
Superannuation fund scheme	74.39	67.56
<b>Total Remuneration</b>	<b>1,136.90</b>	<b>1,078.24</b>

**42. AUDITORS' REMUNERATION INCLUDES**

Particulars	(₹ in lakhs)	
	Current Year	Previous Year
Statutory Audit	12.79	12.32
Certification	1.15	0.00
<b>Total</b>	<b>13.94</b>	<b>12.32</b>

**43. RECONCILIATION OF EFFECTIVE TAX RATE**

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

Particulars	(₹ in lakhs)	
	Current Year	Previous Year
Accounting profit before income taxes	19,875.43	19,248.27
Statutory income tax rate (%)	25.168	25.168
Computed expected tax (benefit)/expenses	5,002.25	4,844.40
Timing difference in depreciable assets	(297.15)	(56.30)
Other Non-deductible expenses for tax purpose	112.19	137.39
Other deductible Items for tax purpose	(1,023.35)	34.50
Deferred Tax recognised (net)	350.00	100.00
Income tax expense reported in the statement of profit and loss	4,143.94	5,060.00
<b>Effective Income Tax Rate</b>	<b>20.85</b>	<b>26.29</b>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**44. EMPLOYEE BENEFITS:**

**a) Defined Benefit Plan**

The employee's gratuity fund scheme managed by Life Insurance of India and Aditya Birla Sun Life Insurance Company Ltd is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	(₹ in lakhs)	
	Gratuity (Funded) Current Year	Gratuity (Funded) Previous Year
<b>a. Reconciliation of Opening and Closing balances of Defined Benefit Obligation</b>		
Defined Benefit Obligation at beginning of the Year	2,117.90	1,958.67
Current/Past Service Cost	104.14	96.29
Interest Cost	152.91	146.90
Actuarial(gain)/ loss	119.37	32.82
Benefits Paid	(155.22)	(116.79)
Defined Benefit Obligation at year end	2,339.10	2,117.90
<b>b. Reconciliation of opening and closing balances fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	2,034.39	1,735.58
Expected return of plan assets	(9.06)	61.47
Interest Income	146.88	130.17
Actuarial gain/ (loss)	0.00	0.00
Employer Contribution	84.46	223.96
Benefits Paid	(155.22)	(116.79)
Fair value of plan assets at year end	2,101.45	2,034.39
Actual return on plan assets	(9.06)	61.47
<b>c. Reconciliation of fair value of assets and obligations</b>		
Fair value of plan assets	2,101.45	2,034.39
Present value of obligation	(2,339.10)	(2,117.90)
Amount Recognised	(237.65)	(83.51)
<b>d. Expenses recognised during the year</b>		
Current/Past Service cost	104.14	96.29
Interest cost	6.03	16.73
Expected return on plan assets	0.00	0.00
Actuarial(gain)/ loss	128.43	(28.65)
Net Cost	6.03	16.73
L.I.C Group Gratuity (Cash Accumulation) Policy, and Aditya Birla Sun Life Insurance Company Ltd. Group Gratuity Policy	71.71% Invested with L.I.C. & 28.29% ABSLCL	74.95% Invested with L.I.C. & 25.05% ABSLCL
<b>e. Actuarial assumptions</b>		
Mortality Table(L.I.C.)	-	-
	<b>2012-14</b>	<b>2012-14</b>
	<b>(Ultimate)</b>	<b>(Ultimate)</b>
Discount rate (per annum)	6.82%	7.22%
Expected rate of return on plan assets (per annum)	6.82%	7.22%
Rate of escalation of in Salary (per annum)	5.00%	5.00%
The estimate of rate of escalation in salary considered in Actuarial valuation, take into account inflation, seniority, promotion, other relevant factors' including supply and Demand in the employment market. The above information is certified by the actuary		

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**b) Leave Encashment :**

Leave Encashment liability amounting to ₹ 397.84 lakhs previous year (₹ 317.58 lakhs) has been provided in the Accounts for the year.

**45. AS PER SECTION 135 OF THE COMPANIES ACT 2013, DETAILS OF AMOUNT TO BE SPENT ON CORPORATE SOCIAL RESPONSIBILITY ARE AS BELOW.**

	(₹ in lakhs)	
Particulars	Current Year	Previous Year
Gross Amount to be spent on CSR Activity	440.72	538.28
Amount spent during the year :	443.45	544.71
<b>Projects :</b>		
- Education and Skill development	55.43	370.99
- Healthcare Facilities	152.50	73.11
- Tribal Welfare	0.00	25.00
- Conservation of natural resources and maintaining quality of soil, air and water	92.21	0.92
- Rural development.	58.11	0.00
- Livestock Development	0.00	41.69
- Medical Grant	0.00	2.50
- Women Empowerment Welfare	0.00	30.00
- Public Infrastructure	7.94	0.50
- Support Weaker section of the Society	77.26	0.00
<b>Total CSR Expenses</b>	<b>443.45</b>	<b>544.71</b>
Previous year excess spent	8.98	2.55
Excess/(shortfall) during the year	11.71	8.98
Total of previous year shortfalls		-

**46. DISCLOSURE FOR MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (THE ACT) ARE GIVEN AS FOLLOWS:**

	(₹ in lakhs)	
	Current Year	Previous Year
A Principal amount and the interest due on the above.	729.54	899.94
B Interest paid during the year beyond the appointed day.	-	-
C Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
D Amount of interest accrued and remaining unpaid at the end of the year.	-	-
E Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act.	-	-

The above information regarding Micro enterprises and small enterprises has been determined on the basis of information available with the Company. No interest has been accrued on delay payments, if any.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

### 47. ADDITIONAL STATUTORY INFORMATION:

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part 1 of Division II of Schedule III of the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

#### a. Ratios:

Ratio	Current year	Previous year	% Variance
<b>Current ratio (in times)</b> (Current Assets/ Current Liabilities)	1.67	1.73	(3.47)
<b>Debt-Equity ratio (in times)</b> (Debt consists of borrowings and lease liabilities/ Shareholder's Equity)	0.41	0.40	2.50
<b>Debt service coverage ratio (in times)</b> (Net Profit after taxes + Depreciation + Interest on loan)/(Interest on loan and lease payments + Long term principal repayments)	2.44	3.16	(22.78)
<b>Return on equity ratio (in %)</b> (Net profit after tax/ Average Shareholder's equity)	12.97	12.39	4.68
<b>Inventory Turnover Ratio (in %)</b> (Cost of goods sold/ Average Inventories)	4.39	4.28	2.57
<b>Trade receivables turnover ratio (in times)</b> (Net Credit Sales/ Average trade receivables)	3.81	3.70	2.97
<b>Trade payables turnover ratio (in times)</b> (Net Credit Purchase/ Average trade payables)	5.00	5.24	(4.58)
<b>Net capital turnover ratio (in times)</b> (Net Sales/ Average working capital (i.e. Total current assets less Total current liabilities))	3.26	3.11	4.82
<b>Net profit ratio (in %)</b> (Net Profit after tax/ Net Sales)	7.24	6.26	15.65
<b>Return on capital employed (in %)</b> (Earning before interest and taxes)/ (Tangible Net Worth + Total Debt + Deferred tax Liability)	12.85	12.97	(0.93)
<b>Return on investment (in %)</b> (Income generated from invested funds/ Average Investments)	0.00	0.00	0.00

#### Note:

- The Debt Service Coverage Ratio has declined compared to expectations, mainly because of lower margin realisation stemming from reduced market pricing and subdued demand conditions.
  - There is no significant change (i.e. change of 25% more as compared to the FY 2023-24) in the other key financial ratios.
  - Debit-Equity ratio for FY 2024-25 stood 0.41x largely owing to ongoing capex.
- b. The quarterly returns of statement file by the Company during the year with bank are in agreement with books of accounts of the Company.
- c. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- d. The Company do not have any transactions with companies struck off.
- e. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not granted any loans and advances in the nature of loans to promoters, directors, KMP, or related parties
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- The Company has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

48. Figures of the previous year have been regrouped and rearranged wherever necessary.

### AS PER OUR REPORT OF EVEN DATE

#### For GOKHALE & SATHE

Chartered Accountants

Firm Registration No.: 103264W

Sd/-

**CA Ravindra More**

(Partner)

Membership No. 153666

Place: Mumbai

Date: May 06, 2025

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

**Prakash M. Patil**

(Chairman, Managing Director & CEO)

DIN : 00005618

Sd/-

**Adhish P Patil**

(Chief Financial Officer)

Sd/-

**Harshit M. Savla**

(Jt. Managing Director)

DIN : 00005340

Sd/-

**CS Rushikesh Deole**

(Company Secretary)

ICSI M.NO.F12932

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
**AARTI DRUGS LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

## OPINION

We have audited the accompanying Consolidated financial statements of **Aarti Drugs Limited** (the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including the statement on Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year ended on that date and notes to the consolidated financial statements (including summary of the material accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025 and its consolidated profit, and consolidated total comprehensive income,

consolidated changes in equity and its consolidated cash flows for the year ended on that date.

## BASIS FOR OPINION

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

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Response
1	<p><b>Direct and Indirect Tax receivables and contingent liabilities pertaining to tax matters under dispute.</b></p> <p>The Group has reflected Rs. 5,258.89 lakhs as demand in respect of additional Excise, Customs Duty, Service Tax, GST etc. as on 31 March 2025 (Rs. 1,057.35 lakhs as on 31 March 2024).</p> <p>Further, the Group is reflecting demand from Income Tax Department disputed in appeal to the tune of Rs. 9,238.24 lakhs on 31 March 2025 (Rs. 9,238.24 lakhs as on 31 March 2024).</p>	<p>Principle audit procedures, performed by us -</p> <p>We have carried out the validation of the information provided by the management by performing the following procedures:</p> <ol style="list-style-type: none"> <li>Evaluating the reasonableness of the underlying assumptions.</li> <li>Examining the relevant orders and supporting documents on record.</li> <li>Relying on relevant external evidence available including applicable judicial pronouncements and industry practices.</li> </ol>

# INDEPENDENT AUDITOR'S REPORT (CONTD.)

Sr. No.	Key Audit Matters	Auditor's Response
	<p>Contingent liabilities as defined in Ind AS 37 require assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgement by the management. The ultimate recoverability of receivables is based on outcome of those proceedings and require inputs from subject specialists, management judgement and therefore required significant audit attention.</p> <p>Refer note no. 30: contingent liabilities not provided for to the standalone financial statements.</p>	<ol style="list-style-type: none"> <li>Getting representations from the management wherever necessary.</li> <li>For contingent liabilities of subsidiary companies, we have relied upon the audit reports by respective component auditors.</li> </ol>
2	<p><b>Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment.</b></p> <p>The carrying value of property, plant and equipment (including capital work in progress) as on 31 March 2025 of Rs. 85,625.49 Lakhs (as on 31 March 2024 of Rs. 80,815.88 Lakhs) includes Rs. 11,082.71 Lakhs capitalised / transferred from capital work in progress during the year (Rs. 18,425.98 Lakhs for FY 2024).</p> <p>Cost Recognition of Property, Plant and Equipment as specified in IndAS 16 is based on completion of asset construction activities and management assessment and judgement that the asset is capable of operating in the manner intended.</p> <p>The asset capitalisation is the outcome of various procurements, approvals from operations experts in the Company and judgements by the management and therefore, required significant audit attention.</p> <p>Refer Note 1: Property, Plant and Equipment in Notes to the standalone financial statements.</p>	<p>Our audit procedures, amongst others, include the following -</p> <ol style="list-style-type: none"> <li>Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.</li> <li>We assessed group's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment with reference to Indian Accounting Standard 16: Property, Plant and Equipment.</li> <li>We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment.</li> <li>We have relied upon the observations of internal auditors of physical verification of Property, Plant and Equipment.</li> <li>We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23: Borrowing Costs.</li> <li>Ensuring adequacy of disclosures in the standalone financial statements of group's components.</li> <li>We have relied upon audit reports of component auditors for subsidiary companies.</li> <li>We have relied upon management assessment about capex project being ready for its intended use and hence capitalisation of the same.</li> </ol>

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information to the extent made available for our verification as on date of this report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors of the companies included in the Group are also responsible for overseeing the Company's financial reporting process.

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### OTHER MATTERS

- I. Financial Results of Subsidiaries not audited by us.

We did not audit the financial statements/financial information of 1 foreign subsidiary, whose financial statements/financial information reflect total assets of Rs. 6,174.34 Lakhs as at 31 March 2025, and total

revenues of Rs. 4,521.39 Lakhs and total net loss after tax of Rs. 123.04 Lakhs and cash outflow (net) of Rs. 246.75 Lakhs for the year ended 31 March 2025 as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of Sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Our opinion is not modified in respect of the above matters.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with respective underlying books of accounts of holding company and its subsidiaries maintained for the purpose of preparation of the consolidated financial statements maintained for the purpose of preparation of the Consolidated Financial Statements.

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer note 30 to the consolidated financial statements.
  - The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Holding Company and its subsidiary companies.
  - (a) The Management of the Holding Company and its subsidiaries which are companies incorporated in India, whose Financial Statements have been audited under the Act, have represented that, to the best of its knowledge and belief, other than disclosed in note no 40(g) to the consolidated financial statements, no funds have been advanced or loaned or invested

- (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective Management of the Holding Company and its subsidiaries which are companies incorporated in India, whose Financial Statements have been audited under the Act, have represented, that, to the best of its knowledge and belief, other than disclosed in note no 40(i) to the consolidated financial statements, no funds have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India, whose Financial Statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in note no 11.6 to the standalone financial statements,
- The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
  - The Holding Company has not proposed final dividend in the previous year; hence Section 123 of the Act, is not applicable in this regard.
- vi. Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, and proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 2023.

Based on our examination which included test checks, the Company and its Indian subsidiaries have used accounting softwares for maintaining books of account which have a feature of recording audit trail (edit log) facility. However, in the absence of any control report showing operations of audit trail feature throughout the year, we are unable to comment on the same, except for one of the subsidiary companies wherein it is operated throughout the year and is not tampered with. Further, the feature of recording audit trail was not enabled at the application layer of the accounting software used for maintaining general ledgers for

master fields and database level to log any direct changes for the accounting software used for maintaining the books of accounts.

In addition, in the absence of any control reports showing the records of any instances of tampering of the audit trail feature and preservation of such audit trail (edit logs) as mentioned above, we are unable to comment whether the audit trail feature has been tampered with and whether the same has been preserved.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries included in the consolidated financial statements, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For Gokhale & Sathe**  
Chartered Accountants  
FRN: - 103264W

**Ravindra More**  
Partner  
Membership No. 153666  
UDIN: - 25153666BMLYIM1841

Place: - Mumbai  
Date: - 6 May 2025

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Drugs Limited of even date)

Report on the Internal Financial Controls under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")

### OPINION

We have audited internal financial controls with reference to consolidated financial statements of Aarti Drugs Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (together referred to as "the Group") as of 31 March 2025 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company and its subsidiaries, which are incorporated in India, have, in all material respects, an adequate internal financial and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### MANAGEMENTS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITORS' RESPONSIBILITY

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

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

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to consolidated financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial

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

### OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to financial statements of subsidiary companies, to the extent applicable, are based on the corresponding reports of the auditors of such company.

Our opinion is not modified in respect of this matter.

**For Gokhale & Sathe**  
Chartered Accountants  
FRN: - 103264W

**Ravindra More**  
Partner  
Membership No. 153666  
UDIN: - 25153666BMLYIM1841

Place: - Mumbai  
Date: - 6 May 2025

## CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2025

Particulars	Note No	(₹ in lakhs)	
		As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plan and Equipment	1	85,625.48	80,815.88
Right of use Assets	1.2	270.28	175.05
Capital work - in - progress	1.3	27,414.57	22,522.67
Intangible Assets	1.4	714.99	117.89
Intangible Assets under development	1.5	5,603.80	3,564.53
Financial Assets			
Investments	2	2,241.27	1,997.41
Other Non- Current Assets	3	1,761.93	1,970.37
<b>Total Non- Current Assets</b>		<b>1,23,632.32</b>	<b>1,11,163.80</b>
<b>Current Assets</b>			
Inventories	4	47,292.83	48,589.23
Financial Assets			
(i) Trade Receivable	5	75,117.58	70,455.36
(ii) Cash and Cash Equivalents	6	457.72	674.27
(iii) Bank Balances Other than (ii) above	7	298.35	268.88
(iv) Loan	8	75.77	23.66
(v) Other Financial Assets	9	1,505.34	1,133.81
Current Tax Assets (Net)		1,000.13	-
Other current assets	10	8,087.77	10,926.79
<b>Total Current Assets</b>		<b>1,33,835.50</b>	<b>1,32,071.99</b>
<b>TOTAL</b>		<b>2,57,467.82</b>	<b>2,43,235.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital	11	9,127.00	9,193.50
Other Equity	12	1,27,772.85	1,18,961.35
<b>Total Equity Attributable to Equity Holders of the Company</b>		<b>1,36,899.85</b>	<b>1,28,154.85</b>
<b>Non- Controlling Interests</b>		<b>34.43</b>	<b>40.58</b>
<b>Total Equity</b>		<b>1,36,934.28</b>	<b>1,28,195.42</b>
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Financial Liabilities			
(i) Borrowings	13	28,400.01	27,532.92
(ii) Lease Liabilities		165.06	91.40
(ii) Other financial liabilities	14	16.01	16.99
Provisions	15	432.50	274.10
Deferred tax liability (Net)	16	7,823.28	7,570.70
<b>Total of Non current liabilities</b>		<b>36,836.86</b>	<b>35,486.11</b>
<b>Current liabilities</b>			
Financial Liabilities			
(i) Borrowings	17	32,824.25	28,708.73
(ii) Lease Liabilities		117.75	94.96
(iii) Trade Payables	18		
Dues of micro enterprises and small enterprises		1,180.28	1,397.65
Dues of creditors other micro enterprises and small enterprises		40,433.73	41,151.34
(iv) Other Financial Liabilities	19	2,022.96	2,632.51
Other current liabilities	20	6,688.74	5,155.59
Provisions	21	428.96	295.43
Current Tax Liabilities (Net)		-	118.05
		<b>83,696.68</b>	<b>79,554.27</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,57,467.82</b>	<b>2,43,235.80</b>
<b>Summary of Material Accounting Policies and Other Explanatory Information</b>	<b>29-41</b>		

### AS PER OUR REPORT OF EVEN DATE.

#### For GOKHALE & SATHE

Chartered Accountants

Firm Registration No.: 103264W

Sd/-

**CA Ravindra More**

(Partner)

Membership No. 153666

Place: Mumbai

Date: May 06, 2025

#### For and on Behalf of the Board of Directors

Sd/-

**Prakash M. Patil**

(Chairman, Managing Director & CEO)

DIN : 00005618

Sd/-

**Adhish P Patil**

(Chief Financial Officer)

Sd/-

**Harshit M Savla**

(Jt. Managing Director)

DIN : 00005340

Sd/-

**CS Rushikesh Deole**

(Company Secretary)

ICSI M.NO.F12932

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2025

Particulars	Note No	(₹ in lakhs)	
		Year Ended March 31, 2025	Year Ended March 31, 2024
<b>I Revenue from Operations</b>	22	2,38,703.03	2,52,857.65
<b>II Other Income</b>	23	1,636.04	403.01
<b>III Total Revenue (I + II)</b>		<b>2,40,339.07</b>	<b>2,53,260.65</b>
<b>IV Expenses :</b>			
(a) Cost of materials consumed	24	1,43,830.27	1,57,198.19
(b) Purchase of stock-in-trade		8,434.21	8,022.90
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		1,946.11	2,551.14
(d) Employee Benefits Expense	25	11,209.84	10,233.69
(e) Finance cost (Interest)	26	3,587.27	3,351.50
(f) Depreciation and Amortisation Expense	27	5,577.68	5,144.72
(g) Other Expenses	28	44,576.55	43,205.73
<b>Total Expenses (IV)</b>		<b>2,19,161.93</b>	<b>2,29,707.87</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>21,177.14</b>	<b>23,552.78</b>
<b>VI Exceptional Items</b>			
<b>VII Profit before tax (V - VI)</b>		<b>21,177.14</b>	<b>23,552.78</b>
<b>VIII Tax Expenses :</b>			
Provision for Taxation - Current Year		5,173.58	5,956.42
- Earlier Year		(1,056.17)	-
Provision for Deferred Tax		250.03	437.28
<b>Total tax expenses (VIII)</b>		<b>4,367.44</b>	<b>6,393.71</b>
<b>IX Profit / (Loss) for the period (IX - XII)</b>		<b>16,809.70</b>	<b>17,159.07</b>
<b>X Other Comprehensive Income (Net of Tax)</b>			
<b>Item that will not to be reclassified to statement of Profit and Loss</b>			
Fair value changes on Investments, net		208.99	117.21
Remeasurement of defined benefit Liability/Assets, net		(112.24)	17.01
Foreign currency translation reserve		62.40	(128.02)
<b>Total Other Comprehensive Income, net</b>		<b>159.15</b>	<b>6.20</b>
<b>XI Total Comprehensive Income for the Year (IX+X)</b>		<b>16,968.85</b>	<b>17,165.27</b>
<b>XII Profit attributable to :</b>			
Owner of the Company		16,815.85	17,141.82
Non- Controlling Interest		(6.15)	17.25
<b>XIII Total Comprehensive Income attributable to :</b>			
Owner of the Company		16,971.89	17,154.42
Non- Controlling Interest		(3.03)	10.85
<b>Earnings per Equity Shares (EPS) (In ₹)</b>	29		
Basic/Diluted		18.35	18.56
<b>Summary of Material Accounting Policies and Other Explanatory Information</b>	<b>29-41</b>		

### AS PER OUR REPORT OF EVEN DATE.

#### For GOKHALE & SATHE

Chartered Accountants

Firm Registration No.: 103264W

Sd/-

**CA Ravindra More**

(Partner)

Membership No. 153666

Place: Mumbai

Date: May 06, 2025

#### For and on Behalf of the Board of Directors

Sd/-

**Prakash M. Patil**

(Chairman, Managing Director & CEO)

DIN : 00005618

Sd/-

**Adhish P Patil**

(Chief Financial Officer)

Sd/-

**Harshit M Savla**

(Jt. Managing Director)

DIN : 00005340

Sd/-

**CS Rushikesh Deole**

(Company Secretary)

ICSI M.NO.F12932

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

### A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at April 01, 2024	Changes in equity share capital due to prior period errors	Restated balance as at April 01, 2024	Changes in equity share During Current Year	Balance as at March 31, 2025
9,193.50	-	9,193.50	(66.50)	9,127.00
Balance as at April 01, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 01, 2023	Changes in equity share During Current Year	Balance as at March 31, 2024
9,260.00	-	9,260.00	(66.50)	9,193.50

Notes- 1. Refer Note No. 11.3(a)

2. Refer Note No. 11.3(b)

3. Refer Note No. 11.5 for the changes in the promoters holding

### B. OTHER EQUITY

(₹ in lakhs)

Particulars	Other Equity Reserve and Surplus					Other Comprehensive Income	Total Equity Attributable to Equity Holder of the Company	Non-Controlling Interest	Total Equity
	Capital Reservec	Capital Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation reserve				
Opening Balance as at April 01, 2023	628.27	361.98	6,055.21	1,02,053.49	50.60	833.92	1,09,983.47	23.33	1,10,006.80
Transfer to Other Reserve from Retain Earning	-	-	1,418.83	(1,418.83)	-	-	-	-	-
Profit for the Year	-	-	-	17,141.82	-	-	17,141.82	17.25	17,159.07
Dividend Paid	-	-	-	(919.35)	-	-	(919.35)	-	(919.35)
Buyback of shars	-	66.50	(5,985.00)	-	-	-	(5,918.50)	-	(5,918.50)
Tax on Buyback	-	-	-	(1,332.30)	-	-	(1,332.30)	-	(1,332.30)
Fair value change on Investment, net	-	-	-	-	-	117.21	117.21	-	117.21
Remeasurment of defined benefit Liabiliy/ Assets, net	-	-	-	-	-	17.01	17.01	-	17.01
Foreign Currency Translation	-	-	-	-	(128.02)	-	(128.02)	-	(128.02)
<b>Balance as at March 31, 2024</b>	<b>628.27</b>	<b>428.48</b>	<b>1,489.04</b>	<b>1,15,524.84</b>	<b>(77.42)</b>	<b>968.14</b>	<b>1,18,961.35</b>	<b>40.58</b>	<b>1,19,001.92</b>
Transfer to Other Reserve from Retain Earning	-	-	1,573.15	(1,573.15)	-	-	-	-	-
Profit for the Year	-	-	-	16,815.85	-	-	16,815.85	(6.15)	16,809.70

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ in lakhs)

Particulars	Other Equity Reserve and Surplus					Other Comprehensive Income	Total Equity Attributable to Equity Holder of the Company	Non-Controlling Interest	Total Equity
	Capital Reservec	Capital Redemption Reserve	General Reserve	Retained Earnings	Foreign Currency Translation reserve				
Dividend Paid	-	-	-	(912.70)	-	-	(912.70)	-	(912.70)
Buyback of shars	-	66.50	(1,489.04)	(4,495.96)	-	-	(5,918.50)	-	(5,918.50)
Tax on Buyback	-	-	-	(1,332.30)	-	-	(1,332.30)	-	(1,332.30)
Fair value change on Investment, net	-	-	-	-	-	208.99	208.99	-	208.99
Remeasurment of defined benefit Liabiliy/ Assets, net	-	-	-	-	-	(112.24)	(112.24)	-	(112.24)
Foreign Currency Translation	-	-	-	-	62.40	-	62.40	-	62.40
<b>Balance as at March 31, 2025</b>	<b>628.27</b>	<b>494.98</b>	<b>1,573.15</b>	<b>1,24,026.59</b>	<b>(15.02)</b>	<b>1,064.89</b>	<b>1,27,772.85</b>	<b>34.43</b>	<b>1,27,807.28</b>

### ASPEROURREPORTOFEVENDATE.

For GOKHALE & SATHE

Chartered Accountants

Firm Registration No.: 103264W

Sd/-

**CA Ravindra More**

(Partner)

Membership No. 153666

Place: Mumbai

Date: May 06, 2025

For and on Behalf of the Board of Directors

Sd/-

**Prakash M. Patil**

(Chairman, Managing Director & CEO)

DIN : 00005618

Sd/-

**Adhish P Patil**

(Chief Finanacial Officer)

Sd/-

**Harshit M Savla**

(Jt. Managing Director)

DIN : 00005340

Sd/-

**CS Rushikesh Deole**

(Company Secretary)

ICSI M.NO.F12932

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

(₹ in lakhs)

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax and Exceptional Items	21,177.14	23,552.78
<b>ADJUSTMENT FOR:</b>		
Depreciation & Amortisation	5,577.68	5,144.72
Provision for Doubtful debts /Bad debts	372.22	189.58
Unrealised Foreign Exchange (Gain)/Loss (Net)	25.10	(182.66)
Interest Paid	3,587.27	3,351.50
Interest Received	(1,219.91)	(249.55)
(Gain)/Loss on Sale of Mutual fund	(27.06)	-
Dividend Received	(1.29)	(0.11)
Capex w/off	123.17	-
Investment W/off	-	29.17
Profit on Sale of Assets	(3.04)	18.34
<b>Operating Profit before Working Capital Changes</b>	<b>29,611.28</b>	<b>31,853.77</b>
Trade & Other Receivable	3,434.97	16,107.03
Changes in Inventories	1,296.40	3,424.58
Trade & Other Payable	(4,372.58)	(9,253.12)
<b>Cash generated from operation</b>	<b>29,970.07</b>	<b>42,132.27</b>
Direct Taxes Paid	(5,511.69)	(6,239.95)
<b>Net Cash Flow from Operating Activities</b>	<b>24,458.38</b>	<b>35,892.32</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets / Capital Work in Progress/ Advances/R&D	(17,716.14)	(22,633.45)
Sale of PPE	4.80	18.72
(Gain)/Loss on Sale of Mutual fund	27.06	-
Interest Received	1,219.91	249.55
Dividend Received	1.29	0.11
<b>Net Cash Flow from Investing Activities</b>	<b>(16,463.08)</b>	<b>(22,365.08)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	7,024.00	14,818.50
Repayment of Long Term Borrowings	(7,760.83)	(4,593.60)
Proceeds/(Repayment) from Short Term Borrowings	4,092.39	(12,453.35)
Buy Back of shares	(5,985.00)	(5,985.00)
Buyback Tax Paid	(1,332.30)	(1,332.30)
Dividend Paid	(906.06)	(926.73)
Interest Paid	(3,344.04)	(3,130.83)
<b>Net Cash Flow from Financing Activities</b>	<b>(8,211.85)</b>	<b>(13,603.31)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(216.54)</b>	<b>(76.07)</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(₹ in lakhs)

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Opening Cash and Cash Equivalents</b>	<b>674.27</b>	<b>750.34</b>
<b>Closing Cash and Cash Equivalents</b>	<b>457.72</b>	<b>674.27</b>
<b>Reconciliations of Cash and Cash Equivalents</b>		
Balance with Banks	146.71	443.23
Cash in Hand	19.09	26.17
Cheques in Hand	291.92	204.87
<b>Balance as per Cash Flows Statement</b>	<b>457.72</b>	<b>674.27</b>

Notes:

- Figures in brackets indicate outflows
- Fixed Deposits with bank amounting to ₹ 241.41 lakhs (previous year ₹ 218.58 lakhs) under lien are considered as cash and cash equivalents.
- Previous year figures have been regrouped/ rearranged to confirm to the current years presentation wherever necessary.

### AS PER OUR REPORT OF EVEN DATE.

#### For GOKHALE & SATHE

Chartered Accountants

Firm Registration No.: 103264W

Sd/-

**CA Ravindra More**

(Partner)

Membership No. 153666

Place: Mumbai

Date: May 06, 2025

Sd/-

**Prakash M. Patil**

(Chairman, Managing Director &amp; CEO)

DIN : 00005618

Sd/-

**Adhish P Patil**

(Chief Financial Officer)

Sd/-

**Harshit M Savla**

(Jt. Managing Director)

DIN : 00005340

Sd/-

**CS Rushikesh Deole**

(Company Secretary)

ICSI M.NO.F12932

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

### CORPORATE INFORMATION:

Aarti Drugs Limited ("the Group") is a public limited group incorporated and domiciled in India. Its equity shares are listed on Bombay Stock Exchange and National Stock Exchange. The registered office of Group is located at Plot No N-198, M.I.D.C, Tarapur, Village-Pamtermbhi, Dist. Palghar, Maharashtra - 401506 and is incorporated under the provisions of the Companies Act applicable in India.

The List of Companies which are included in the Consolidated Financial Statements are follows:

Name of the Group	Country of Incorporation	Proportion of Ownership Interest (%)	
		As on March 31, 2025	As on March 31, 2024
<b>Wholly Owned Subsidiary</b>			
Pinnacle Life Science Private Ltd.	India	100%	100%
Aarti Speciality Chemicals Ltd.	India	100%	100%
<b>Subsidiary Group</b>			
Pinnacle Chile SpA.	Chile	95%	95%
<b>- Step down Subsidiary Company</b>			
Pharma GO SpA.	Chile	95%	-

The group is primarily involved in Manufacturing and Marketing of Active Pharmaceutical Ingredients (API), Pharma Intermediate, Specialty Chemicals and Formulations (Finished Dosage Forms). The group caters to both domestic and International markets.

The financial statements have been authorised for issue by the Board of Directors at their meeting held on May 06, 2025

### Note: 1 Material Accounting Policies and Accounting Estimates and Judgements

#### 1) Basis of preparation:

##### Statement of Compliance

These financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 including presentation and disclosure requirements of Division II of Schedule III of the Act as amended from time to time.

Accordingly, the Group has prepared these Financial Statements which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss for the year ended March 31, 2025, the Statement of Cash Flows for the year ended March 31, 2025 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements')

#### Classification of Assets and Liabilities:

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The Statement of Cash flows have been prepared under Indirect Method.

#### Basis of Measurement

The financial statements have been prepared on a historical cost convention on the accrual basis, except for certain financial instruments that are measured at fair value, viz employee benefit plan assets.

#### Functional and presentation currency

The financial statements are presented in Indian Rupees which is the functional currency of the group and all values are rounded to the nearest lakhs, except when otherwise indicated.

#### Use of estimates and Judgements:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, Judgement & Assumptions. These estimates, judgements & assumption affect the application of accounting policies and the reported

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

amounts of assets & liabilities, the disclosures of contingent assets & liability at the date of the financial statement & reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The following are areas involving critical estimates and judgements:

Judgements:

- Leases
- Estimation of income tax payable and income tax expense in relation to an uncertain tax position
- Provisions and Contingencies

Estimates:

- Impairment
- Accounting for Defined benefit plans
- Useful lives of property, plant and equipment and intangible assets - Fair Valuation of Financial instruments
- Valuation of inventories

#### Principles of Consolidation:

- (i) The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements.
- (ii) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company and Subsidiary Companies drawn up to the same reporting date i.e March 31, 2025. Subsidiary Companies are all the entities over which the Group has control. Subsidiary companies are consolidated on the date on which control is transferred to the Group. The Group re assesses whether or not it controls an investee if facts and circumstances indicate that there are one or more changes to elements of control described above.

- (iii) In case of Foreign Subsidiary revenue items are consolidated at the average rate prevailing during the period. All Assets (except Fixed Assets) and liabilities are converted at the rates prevailing at the end of the year. In case of Fixed Assets the same is consolidated at the rate applicable in the year of acquisition of the said assets. Any exchange difference arising on consolidation is recognised as Translation difference in Reserves & Surplus.

#### (iv) Process of Consolidation

- a) Combine like items of assets, liabilities, other equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

(v) Non Controlling Interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance sheet separately.

(vi) As far as possible the consolidated financial statements have been prepared using uniform Accounting Policies for like transactions and other events in similar circumstances. Differences in Accounting Policies if any will be disclosed separately.

### (2) Revenue recognition:

#### Revenue from contract with customer

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

(i) **Sale of goods:** Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations. The Group recognises revenue from goods sold and services rendered at Transaction Price which is the amount of consideration the Group expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding the amounts collected on behalf of a third party. The Transaction price is net of discounts, sales incentives, rebates granted, returns, sales taxes, GST and duties and any other recoverable taxes.

Generally, in case of domestic sales, performance obligations are satisfied when the goods are dispatched or delivery is handed over to

transporter, revenue from export of goods is recognised at the time of Bill of lading or airway bill or any other similar document evidencing delivery thereof.

(ii) **Interest Income:** Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) **Dividend income:** Dividend income is recognised when the right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

(iv) **Export benefits:** Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### 3) Property, plant and equipment (PPE):

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of PPE comprises its purchase price (including the costs of materials / components, cost of acquisition, installation or construction) net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and such other incidental costs that may be associated with acquisition or creation of the asset ready for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the same is depreciated separately based on their specific

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

useful lives. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

Capital expenditure on property, plant and equipment for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

An item or part of PPE is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss as and when the asset is derecognised.

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

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### Research and Development:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:-

- development costs can be measured reliably;-
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the group intends to and has sufficient resources to complete development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

#### Depreciation:

Depreciable amount of all items of property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation for Property, plant and equipment are provided on straight line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013.

Leasehold Land is amortised over the tenure of lease, Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively; if appropriate an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

#### Impairment

The Group assesses at each reporting the carrying amounts of its property, plant and equipment, intangible

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Impairment loss, if any, is provided to the extent that 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 the 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.

### Non-current assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach), which include unobservable inputs. Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured

at the lower of carrying amount before the non-current asset and disposal group was classified as "Held for Sale" and its recoverable amount at the date of the subsequent decision not to sell. Recoverable amounts of assets reclassified from "Held for Sale" have been estimated using the Management's assumptions.

### 4) Inventories:

Raw materials, packing materials, store & spares, Traded goods and Work in progress are valued at the lower of cost and net realisable value. The cost of Raw materials, packing materials, store & spares and traded goods includes all cost of purchase, duties and taxes (other than those subsequently recoverable from the tax authorities) and all other cost incurred in bringing the inventory to its present location and conditions. Cost is arrived on moving stock on FIFO basis.

Finished goods are valued at lower of cost and net realisable value. The cost of finished goods and Work in progress have been computed to include all cost of purchases, cost of conversion, appropriate share of fixed production overheads based on normal operating capacity and other related cost incurred in bringing the inventories to their present condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Slow and non-moving material, obsolesces, defective inventory are provided for and valued at net realisable value.

Goods and material in transits are valued at cost incurred upto to the date of balance sheet.

### 5) Retirement and other employee benefits:

#### Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

#### Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs. Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value plan assets.

### 6) Foreign Currency Transactions:

Transaction denominated in foreign currencies is recorded at the exchange rate that approximates the actual rate prevailing at the date of the transaction. Monetary item denominated in foreign currency remaining unsettled at the year end are translated at year end rates. Differences arising on settlement or conversion of monetary items are recognised in statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transactions. premium in case of forward contracts is dealt with in the Profit and Loss

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Account proportionately over the period of contracts. The exchange differences arising on settlement/ translation are dealt with in the Statement of Profit and Loss.

### 7) Leases (as a lessee):

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following: –

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

### 8) Income Taxes:

Income tax expense comprises of current tax expense and deferred tax expenses.

Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### Current income tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

#### Deferred tax:

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognised for all taxable temporary differences.

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 asset to be recovered.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

### 9) Borrowing Costs:

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

### 10) Provisions and Contingent Liabilities and Contingent Assets

#### Provisions:

Provisions for legal claims, chargeback and sales returns are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

#### 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 group 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 or a reliable estimate of the amount cannot be made.

#### Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements

### 11) Financial assets, financial liabilities, equity instruments and impairment of financial assets

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

financial assets. The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in other comprehensive income.

#### Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

#### Equity Investments

All equity investments (excluding the investments in Subsidiaries) in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

#### Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment loss, if any.

#### Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities (including loans and borrowings, bank overdrafts and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an

integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

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

#### De-recognition of Financial Instruments:

The Group derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognise such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

A Financial liability (or a part of a financial liability) is derecognised from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss

#### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received net of direct issue cost.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

### Impairment of Financial Assets:

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all Financial Assets subsequent to initial recognition other than financial assets measured at fair value through profit and loss (FVTPL). The Group 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 financial assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used. The impairment losses and reversals are recognised in Statement of Profit and Loss. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

### 12) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors in case of a group, and, by the corresponding approving authority in case of any other entity for issue.

Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

### 13) Cash and cash equivalents

For the purpose of presentation in the Balance sheet, Cash and Cash equivalents comprises cash at bank and on hand and other short-term, highly liquid investments with an original maturity (or with an option to or can be readily converted or liquidated into cash) of three months or less, which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usages.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank and on hand and 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.

### 14) Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

### 1. PROPERTY, PLANT AND EQUIPMENTS (CONSOLIDATED)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on April 01, 2024	Addition	Deduction	As on March 31, 2025	As on April 01, 2024	Addition	Deduction	As on March 31, 2025	As on March 31, 2025	As on March 31, 2024
<b>TANGIBLES ASSETS</b>										
BUILDING	22,571.36	1,616.48	-	24,187.84	6,910.83	743.12	-	7,653.95	16,533.89	15,660.53
FURNITURE	1,549.04	256.23	-	1,805.27	907.07	89.59	-	996.66	808.61	641.98
LAND	9,376.65	104.44	-	9,481.09	100.30	100.56	-	200.87	9,280.22	9,276.35
OFFICE EQUIPMENTS	287.49	57.15	-	344.64	243.51	13.28	-	256.79	87.85	43.98
PLANT & MACHINERY	1,03,787.93	8,028.25	45.24	1,11,770.95	48,887.77	4,282.77	42.98	53,127.56	58,643.39	54,900.16
VEHICLES	703.49	46.28	37.14	712.63	410.61	66.78	36.28	441.11	271.52	292.88
<b>TOTAL</b>	<b>1,38,275.96</b>	<b>11,082.71</b>	<b>82.38</b>	<b>1,48,302.41</b>	<b>57,460.08</b>	<b>5,296.11</b>	<b>79.25</b>	<b>62,676.93</b>	<b>85,625.49</b>	<b>80,815.88</b>

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on April 01, 2023	Addition	Deduction	As on March 31, 2024	As on April 01, 2023	Addition	Deduction	As on March 31, 2024	As on March 31, 2024	As on March 31, 2023
<b>TANGIBLES ASSETS</b>										
BUILDING	19,324.48	3,246.87	-	22,571.36	6,266.08	644.74	-	6,910.83	15,660.53	13,058.40
FURNITURE	1,097.17	451.87	-	1,549.04	848.64	58.43	-	907.07	641.98	248.54
LAND	9,376.65	-	-	9,376.65	-	100.30	-	100.30	9,276.35	9,376.65
OFFICE EQUIPMENTS	261.52	25.97	-	287.49	233.43	10.08	-	243.51	43.98	28.09
PLANT & MACHINERY	89,156.98	14,701.26	70.31	1,03,787.93	44,904.23	4,016.79	33.26	48,887.77	54,900.16	44,252.74
VEHICLES	703.49	-	-	703.49	343.27	67.34	-	410.61	292.88	360.22
<b>TOTAL</b>	<b>1,19,920.29</b>	<b>18,425.98</b>	<b>70.31</b>	<b>1,38,275.96</b>	<b>52,595.65</b>	<b>4,897.68</b>	<b>33.26</b>	<b>57,460.08</b>	<b>80,815.88</b>	<b>67,324.64</b>

Note :

- Plant & Machinery addition includes Capital Expenditure incurred on R & D of ₹ 3,235.96 lakhs (previous year ₹ 1177.13 lakhs)
- Note :Borrowing cost is capitalised during the year of ₹ 1,278.80 lakhs (Previous Year ₹ 1,626.29 lakhs)
- Property, Plant and Equipment pledged as Security – Refer Note No. 38 (ai) for information on Property, Plant and Equipment pledged as security.
- The Company has not revalued its Property,Plant and Equipment during year.
- Refer Note No: 31 for R & D Capital Expenditures

#### 1.1. DETAILS OF TITLE DEED NOT HELD IN THE NAME OF COMPANY

Particulars	Description of item of property	Gross carrying value (₹ in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/director	Property held since which date
PPE	Land - E 106	0.74	Effective Chemical Pvt Ltd	No	February 26, 1988
PPE	Land - E 105	0.80	Rupal Chemicals	No	June 06, 1986
PPE	Land - S 34	1.87	Star Aluminium Industries	No	November 06, 1992
PPE	Land - S 33	1.71	Avez Wire Industries Pvt Ltd.	No	June 11, 1993

Note : Leaseholds land are in the name of erstwhile entities, which were merged with the Company through the court scheme, leasehold rights are deemed to be transferred to the Company.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**1.2. RIGHT OF USE ASSETS/LEASE LIABILITY**

**Changes in the carrying value of right of use assets**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	175.05	218.64
Additions during the year	218.49	163.56
Amortisation	(123.26)	(207.15)
<b>Closing Balance</b>	<b>270.28</b>	<b>175.05</b>

**Movement in lease liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	186.35	239.53
Finance cost accrued during the year	120.50	163.56
Payment of lease liabilities	(140.97)	(216.74)
<b>Closing Balance</b>	<b>165.88</b>	<b>186.35</b>

**Break Up of current and Non current lease liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	80.91	94.96
Non- current lease liabilities	84.97	91.40
<b>Total</b>	<b>165.89</b>	<b>186.36</b>

(₹ in lakhs)

	Amount in Movement in lease liabilities		Total
	Less than 1yr	1-5 yrs	
<b>As at March 31, 2025</b>			
Current lease liabilities	-	80.91	80.91
Non- current lease liabilities	84.97	-	84.97
<b>Total</b>	<b>84.97</b>	<b>80.91</b>	<b>166.89</b>
<b>As at March 31, 2024</b>			
Current lease liabilities	-	94.96	94.96
Non- current lease liabilities	91.40	-	91.40
<b>Total</b>	<b>91.40</b>	<b>94.96</b>	<b>186.36</b>

**1.3. Capital Work in Progress**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	26,087.20	21,035.03
Capitalised	(6,436.20)	(18,081.98)
Additions during the year	13,367.36	23,134.15
<b>Closing Balance</b>	<b>33,018.36</b>	<b>26,087.20</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**CWIP Ageing Schedule:**

(₹ in lakhs)

	Amount in CWIP for a period of				Total
	Less than 1yr	1-2 yrs	2-3 yrs	More than 3 yrs	
<b>As at March 31, 2025</b>					
Project in progress :	13,810.26	10,467.83	6,491.01	2,249.27	33,018.36
Projects Temporarily Suspended :	-	-	-	-	-
<b>Total</b>	<b>13,810.26</b>	<b>10,467.83</b>	<b>6,491.01</b>	<b>2,249.27</b>	<b>33,018.36</b>
<b>As at March 31, 2024</b>					
Project in progress :	15,032.07	9,055.72	951.25	1,048.16	26,087.20
Projects Temporarily Suspended :	-	-	-	-	-
<b>Total</b>	<b>15032.07</b>	<b>9055.72</b>	<b>951.25</b>	<b>1048.16</b>	<b>26087.20</b>

**Note :**

1. There is no CWIP which has exceeded the approved budget or initial plan.

**1.4. INTANGIBLE ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(a) PROCESS DEVELOPMENT (R &amp; D)</b>		
Opening Balance	64.28	40.07
Additions during the year	740.57	39.10
Amortisation	(130.98)	(14.89)
Closing Balance	673.86	64.28
<b>(b) COMPUTER SOFTWARE</b>		
Opening Balance	53.61	38.85
Additions during the year	14.82	39.76
Amortisation	(27.32)	(24.99)
Closing Balance	41.12	53.61
<b>Total (a+b)</b>	<b>714.98</b>	<b>117.89</b>

**Note :**

1. There are no intangible assets under development
2. Intangible assets under development include
3. The Group has not revalued its Intangible assets during year

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**2. NON CURRENT INVESTMENTS**

Name of the Company	No. of Shares/Units	(₹ in lakhs)		
		As at March 31, 2025 (₹ in lakhs)	No. of Shares/Units	As at March 31, 2024 (₹ in lakhs)
<b>Investments - (Unquoted) in Equity</b>				
<b>Shares of Other Companies (Valued at FVTOCI)</b>				
Perfect Enviro Control Systems Ltd.	2,40,200	20.49	2,40,200	18.76
The Shamrao Vitthal Co- op Bank Ltd.	100	0.03	100	0.03
The Saraswat Co - op Bank Ltd.	10,100	1.01	10,100	1.01
Shivalik Solid Waste Management Ltd	2,500	0.50	2,500	0.50
Tarapur Environment Protection Society	68,188	89.73	68,188	90.84
Aarti Biotech Ltd.	1,200	0.04	1,200	0.04
Huanggang Yinhe Aarti Pharmaceutical Co. Ltd.*	234	2,129.48	234	1,886.24
<b>TOTAL</b>		<b>2,241.27</b>		<b>1,997.41</b>
<b>Aggregate amount of unquoted investments</b>		<b>2,241.27</b>		<b>1,997.41</b>

\*Face Value of 1 share = 10,000 RMB

# Although Company held more than 20% of shares but does not exercise significant influence over the Company. Therefore, it has not been included in the consolidated financial statements.

**3. OTHER NON- CURRENT ASSETS**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, Considered Good</b>		
Capital Advances	1,680.26	1,880.43
Deposits	81.68	89.94
<b>TOTAL</b>	<b>1,761.93</b>	<b>1,970.37</b>

**4. INVENTORIES**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Raw Materials (incl.In- transit stock)	17,712.78	18,327.49
Packing Materials	502.64	519.33
Work in process	11,679.07	12,812.69
Finished Goods (incl.In- transit stock)	12,798.49	13,610.99
Stores & Spares	1,542.09	2,025.94
Stock in Trade	3,057.76	1,292.80
<b>TOTAL</b>	<b>47,292.83</b>	<b>48,589.23</b>

Note :

1. Mode of valuation of Inventories – Refer note 1.4 of Significant Accounting Policies
2. Refer Note no. 38b for information on Inventories pledged as security by the Group

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**5. TRADE RECEIVABLE**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
<b>Unsecured</b>		
- considered good	75,117.58	70,455.36
- considered doubtful	558.79	296.73
	<b>75,676.37</b>	<b>70,752.09</b>
Less: Provision for Doubtful Debts	558.79	296.73
<b>TOTAL</b>	<b>75,117.58</b>	<b>70,455.36</b>

Note :

1. Refer Note 37 for information about credit risk and market risk of trade receivables.
2. Refer note no. 38b for information on Trade Receivables pledged as security by the Group.
3. There are no debts due by Directors or other Officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any Director is the partner or a Director or a Member.

**Ageing of trade receivables**

Particulars	As at March 31, 2025					
	Outstanding for following periods from invoice date					
	Less than 6 m	6m t o 1yr	1-2 year	2-3 year	More than 3yr	Total (₹ in lakhs)
Undisputed Trade Receivable- Considered Goods	72,364.76	1,459.06	445.18	389.40	898.45	75,556.85
Undisputed Trade Receivable- Credit impaired						0.00
Disputed Trade Receivable-Credit impaired			57.17	42.89	19.46	119.52
<b>Total Debtors</b>	<b>72,364.76</b>	<b>1,459.06</b>	<b>502.35</b>	<b>432.29</b>	<b>917.91</b>	<b>75,676.37</b>
Less: Allowanace for Credit Loss	-	-	(57.17)	(42.89)	(458.73)	(558.79)
<b>Net Debtors</b>	<b>72,364.76</b>	<b>1,459.06</b>	<b>445.18</b>	<b>389.40</b>	<b>459.18</b>	<b>75,117.58</b>

**Ageing of trade receivables**

Particulars	As at March 31, 2024					
	Outstanding for following periods from invoice date					
	Less than 6 m	6m t o 1yr	1-2 year	2-3 year	More than 3yr	Total (₹ in lakhs)
Undisputed Trade Receivable- Considered Goods	66,417.74	1,893.44	1,279.71	792.48	225.19	70,608.56
Undisputed Trade Receivable- Credit impaired						0.00
Disputed Trade Receivable-Credit impaired	0.00	0.00	68.14	2.25	73.15	143.54
<b>Total Debtors</b>	<b>66,417.74</b>	<b>1,893.44</b>	<b>1,347.85</b>	<b>794.73</b>	<b>298.33</b>	<b>70,752.09</b>
Less: Allowanace for Credit Loss		-	(68.14)	(124.27)	(104.32)	(296.73)
<b>Net Debtors</b>	<b>66,417.74</b>	<b>1,893.44</b>	<b>1,279.71</b>	<b>670.46</b>	<b>194.01</b>	<b>70,455.36</b>

Above balances of trade receivables include balances with certain related parties (Refer Note No. 33f)

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**6. CASH AND CASH EQUIVALENTS**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with Scheduled Banks :		
- Current Accounts	146.71	443.23
Cheques on Hand	291.92	204.87
Cash on Hand	19.09	26.17
<b>TOTAL</b>	<b>457.72</b>	<b>674.27</b>

Note : There are no other repatriation restrictions with regards to cash and cash equivalents as at the end of the reporting period.

**7. BANK BALANCES OTHER THAN ABOVE**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance in Deposit Accounts	241.41	218.58
Earmarked balance - unpaid dividend	56.94	50.30
<b>TOTAL</b>	<b>298.35</b>	<b>268.88</b>

Note : The amount due and outstanding to be credited to Investor Education Protection Fund during the year, is transferred by the Group within stipulated time.

**8. LOAN**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, Considered Good</b>		
Loans & Advances - Employees & others	75.77	23.66
<b>TOTAL</b>	<b>75.77</b>	<b>23.66</b>

Note : There are no loans which have significant increase in credit risk and which are credit impaired

**9. OTHER FINANCIAL ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Deposit	1,458.20	1,088.86
Insurance claim receivable	47.15	44.95
<b>TOTAL</b>	<b>1,505.34</b>	<b>1,133.81</b>

**10. OTHER CURRENT ASSETS**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Advances recoverable	1,521.83	927.29
Prepaid Expenses	345.09	278.41
Other Recoverable	834.78	426.72
Balances with Statutory/ Govt. Authority	5,386.06	9,294.36
<b>TOTAL</b>	<b>8,087.77</b>	<b>10,926.79</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**11. EQUITY SHARE CAPITAL**

(₹ in lakhs, except share data)

Particulars	No. of Shares	As at March 31, 2025	No. of Shares	As at March 31, 2024
Authorised Share Capital				
Equity shares of ₹ 10/- each	12,00,00,000	12,000.00	12,00,00,000	12,000.00
Issued, Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid up	9,12,70,000	9,127.00	9,19,35,000	9,193.50
		<b>9,127.00</b>		<b>9,193.50</b>

**11.1. Right Attached to Equity Shares**

The Company has only one class of equity shares with voting rights having a par value of ₹ 10/- per share. The Company declares and pays dividends in Indian Rupees. Any Interim dividend paid is recognised on the approval by the Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

**11.2. The details of Equity Shares outstanding during last 5 years**

No. of Equity shares outstanding	Financial Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Equity Shares at the beginning of the year	919.35	926.00	926.00	932.00	233.00
Issue of Bonus shares	-	-	-	-	699.00
Buyback of Shares	(6.65)	(6.65)	-	(6.00)	-
Equity shares at the end of the year	912.70	919.35	926.00	926.00	932.00

**11.3. Notes on Issued, Subscribed and Paid up Equity Share Capital**

- During the Financial 2024-25, the Company has completed buyback of 6,65,000 equity shares of face value ₹ 10/- each at a price of ₹ 900/- per share on September 24, 2024 the number of shares post buyback stands reduced to 9,12,70,000 of ₹ 10/- each. Accordingly the paid up capital also stands reduced to ₹ 9,127 lakhs.
- During the Financial 2023-24, the Company has completed buyback of 6,65,000 equity shares of face value ₹ 10/- each at a price of ₹ 900/- per share on August 24, 2023 the number of shares post buyback stands reduced to 9,19,35,000 of ₹ 10/- each. Accordingly the paid up capital also stands reduced to ₹ 9,193.5 lakhs.
- During the Financial 2021-22, the Company has completed buyback of 6,00,000 equity shares of face value ₹ 10/- each at a price of ₹ 1000/- per share on May 25, 2021 the number of shares post buyback stands reduced to 9,26,00,000 of ₹ 10/- each. Accordingly the paid up capital also stands reduced to ₹ 9,260 lakhs.
- During the Financial 2020-21, the Company has allotted 6,99,00,000 Bonus Equity Shares of ₹ 10/- each fully paid up on October 05, 2020 in the proportion of 3 Equity Shares for every 1 Equity Share held by the Equity Shareholders of the Company as on the record date of October 01, 2020

**11.4 Details of shareholders holding more than 5% shares**

Name of the shareholders	As at March 31, 2025		As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Prakash M Patil	85,04,913	9.32	84,93,205	9.24	85,58,928	9.24

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**
**11.5. Disclosures of shareholding of Promoters**

Promoter Name	As at March 31, 2025		As at March 31, 2024		Change in percentage of shareholding from March 31, 2024 to March 31, 2025	As at March 31, 2023		Change in percentage of shareholding from March 31, 2023 to March 31, 2024
	No of Shares	% held	No of Shares	% held		No of Shares	% held	
Chandrakant Vallabhaji Gogri	17,10,097	1.87	17,23,444	1.87	0.00	17,36,777	1.88	0.00
Prakash Moreshwar Patil	85,04,913	9.32	84,93,205	9.24	0.08	85,58,928	9.24	0.00
Rajendra Vallabhaji Gogri	1,01,022	0.11	4,75,089	0.52	(0.41)	7,76,191	0.84	(0.32)
Harshit Manilal Savla	43,23,269	4.74	43,57,019	4.74	0.00	43,90,733	4.74	0.00
Arti Rajendra Gogri	1,37,781	0.15	2,01,964	0.22	(0.07)	4,17,525	0.45	(0.23)
Jaya Chandrakant Gogri	15,64,023	1.71	15,76,230	1.71	0.00	15,88,422	1.72	0.00
Rashesh Chandrakant Gogri	42,38,874	4.64	42,71,964	4.65	0.00	43,05,016	4.65	0.00
Hetal Gogri Gala	27,87,240	3.05	28,08,997	3.06	0.00	28,30,731	3.06	0.00
Manisha Rashesh Gogri	1,86,763	0.20	1,88,220	0.20	0.00	1,89,675	0.20	0.00
Aarnav Rashesh Gogri	1,86,365	0.20	1,87,820	0.20	0.00	1,89,273	0.20	0.00
Aashay Rashesh Gogri	8,75,891	0.96	8,82,728	0.96	0.00	8,89,558	0.96	0.00
Renil Rajendra Gogri	5,97,957	0.66	11,48,442	1.25	(0.59)	14,24,377	1.54	(0.29)
Mirik Rajendra Gogri	6,41,814	0.70	12,05,222	1.31	(0.61)	19,97,952	2.16	(0.85)
Indira Madan Dedhia	1,93,444	0.21	1,94,952	0.21	0.00	2,11,124	0.23	(0.02)
Priti Prakash Patil	40,16,315	4.40	40,47,669	4.40	0.00	40,78,989	4.40	0.00
Adhish Prakash Patil	11,41,079	1.25	11,41,217	1.24	0.01	11,50,046	1.24	0.00
Prakash M. Patil (HUF)	1,61,557	0.18	1,62,818	0.18	0.00	1,64,078	0.18	0.00
Uday Moreshwar Patil	50,252	0.06	50,637	0.06	0.00	51,022	0.06	0.00
Arun Moreshwar Patil	72,864	0.08	73,432	0.08	0.00	74,000	0.08	0.00
Vikas Moreshwar Patil	34,143	0.04	34,409	0.04	0.00	34,675	0.04	0.00
Kalika Amit Mishra	25,164	0.03	25,360	0.03	0.00	25,556	0.03	0.00
Arati Tushar Sankhe	1,72,702	0.19	1,75,691	0.19	0.00	1,77,000	0.19	0.00
Seema Harshit Savla	35,02,175	3.84	35,29,511	3.84	0.00	45,67,514	4.93	(1.09)
Vishwa Harshit Savla	9,39,907	1.03	9,47,243	1.03	0.00	9,54,571	1.03	0.00
Bhoomi Harshit Savla	9,95,164	1.09	10,02,932	1.09	0.00	0	0.00	1.09
Harshit M. Savla (HUF)	5,866	0.01	5,911	0.01	0.00	5,956	0.01	0.00
Jay Manilal Savla	2,42,060	0.27	2,71,195	0.29	(0.03)	2,93,447	0.32	(0.02)
Kenisha Savla	10,817	0.01	16,924	0.02	(0.01)	10,000	0.01	0.01
Hriman Savla	10,817	0.01	16,924	0.02	(0.01)	10,000	0.01	0.01
Jigna Hireen Shah	4,52,597	0.50	4,56,130	0.50	0.00	4,59,633	0.50	0.00
Aashyav Business Trust (Alabhya Trusteeship Private Limited)	13,68,429	1.50	13,79,112	1.50	0.00	13,89,783	1.50	0.00
Paridhi Business Trust (Saswat Trusteeship Private Limited)	5,86,471	0.64	5,91,049	0.64	0.00	5,95,622	0.64	0.00
Gogri Finserv Pvt. Ltd.	34,63,971	3.80	34,91,012	3.80	0.00	35,18,025	3.80	0.00
Anushakti Enterprise Private Limited	23,92,696	2.62	24,11,374	2.62	0.00	24,30,032	2.62	0.00
Tulip Family Trust (Gloire Trusteeship Services Private Limited)	9,18,806	1.01	9,25,977	1.01	0.00	9,33,140	1.01	0.00
Orchid Family Trust (Relacion Trusteeship Services Private Limited)	9,07,077	0.99	9,14,157	0.99	0.00	9,21,228	0.99	0.00
Alchemie Finserv Pvt. Ltd.	20,13,410	2.21	20,29,127	2.21	0.00	20,44,827	2.21	0.00
Safechem Enterprises Private Limited	5,58,745	0.61	5,63,105	0.61	0.00	12,22,662	1.32	(0.71)
Aarti Life Science LLP	13,369	0.01	13,473	0.01	0.00	13,577	0.01	0.00

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
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Promoter Name	As at March 31, 2025		As at March 31, 2024		Change in percentage of shareholding from March 31, 2024 to March 31, 2025	As at March 31, 2023		Change in percentage of shareholding from March 31, 2023 to March 31, 2024
	No of Shares	% held	No of Shares	% held		No of Shares	% held	
Dilesh Roadlines Pvt Ltd	48,8730	0.54	4,92,545	0.54	0.00	4,96,356	0.54	0.00
Alchemie Financial Services Limited	38,544	0.04	38,845	0.04	0.00	39145	0.04	0.00
Aarti Industries Limited	0	-	0	-	0.00	0	0.00	0.00
<b>Total</b>	<b>5,06,33,180</b>	<b>55.48</b>	<b>5,25,23,075</b>	<b>57.13</b>	<b>(1.65)</b>	<b>5,51,67,166</b>	<b>59.58</b>	<b>(2.45)</b>

**11.6. Dividends:**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(i) Dividend paid during the year</b>		
Final dividend for the year ended March 31, 2024 of ₹ 0 (previous year: ₹ 0) per fully paid share	0	0
Interim Dividend for FY 2024-25 of ₹ 1/- (previous year: ₹ 1/-) per fully paid share	912.70	919.35
<b>(ii) Dividends not recognised at the end of the reporting period</b>	<b>0</b>	<b>0</b>

**12. OTHER EQUITY**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Reserve	628.27	628.27
Capital Redemption Reserve	494.98	428.48
General Reserve	1573.15	1,489.04
Retained Earnings	1,24,026.59	1,15,524.84
Foreign Currency Translation reserve	(15.02)	(77.42)
Other Comprehensive Income	1,064.89	968.14
Non- Controlling Interest	34.43	40.58
<b>TOTAL</b>	<b>1,27,807.28</b>	<b>1,19,001.92</b>

**13. NON CURRENT BORROWINGS**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Term loans</b>		
<b>Secured borrowings</b>		
From Scheduled Banks (refer note 38a)	28,043.01	27,175.92
<b>Loans &amp; advances from related parties</b>		
From Directors - Unsecured	357.00	357.00
From Other - Unsecured	-	-
<b>TOTAL</b>	<b>28,400.01</b>	<b>27,532.92</b>

**Note :**

- Refer Note 38a for details of terms of repayment
- Refer Note 38ai for pledged security for the Borrowings.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**
**14. OTHER FINANCIAL LIABILITIES**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Trade Deposits	16.01	16.99
<b>TOTAL</b>	<b>16.01</b>	<b>16.99</b>

**15. LONG TERM PROVISION**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Provision for Employee benefits	432.50	274.10
<b>TOTAL</b>	<b>432.50</b>	<b>274.10</b>

**16. DEFERRED TAX LIABILITIES (NET)**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Deferred Tax (Net)		
Deferred Tax Liability		
i) On Fiscal allowances on Fixed Assets	7,574.94	7,324.91
Deferred Tax Assets		
i) On employee benefit obligation	(134.66)	(102.34)
ii) On investment fair value changes	383.00	348.13
Fair value of Investment / remeasurement of defined benefit liability/Assets	248.34	245.79
<b>Total</b>	<b>7,823.28</b>	<b>7,570.70</b>

**17. SHORT TERM BORROWINGS**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
<b>Loans repayable on demand</b>		
<b>From Banks</b>		
Secured Borrowings (refer note 38b)	21,583.50	17,220.47
Unsecured borrowings	5,600.00	4,250.00
Current Maturity of Loan Term Debts	5,640.75	7,238.25
<b>TOTAL</b>	<b>32,824.25</b>	<b>28,708.73</b>

Note :

- The quarterly returns or statements filed by the Company during the year with the banks are in agreement with books of account of the Group.
- Refer Note 38b for Pledged security information and details of terms of repayment.

**18. TRADE PAYABLES**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Trade payables of Goods, Services & Expenses		
Due to micro enterprises and small enterprises	1,180.28	1,397.65
Due to others	40,433.73	41,151.34
<b>TOTAL</b>	<b>41,614.02</b>	<b>42,548.99</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**
**Ageing of trade payable**

Particulars	As at March 31, 2025				
	<1 year	1-2 year	2-3 year	More Than 3 yr	Total (₹ In lakhs)
Undisputed dues-MSME	1,180.28	-	-	-	1,180.28
Undisputed dues-Others	40,433.73	-	-	-	40,433.73
<b>Total</b>	<b>41,614.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,614.02</b>

Particulars	As at March 31, 2024				
	<1 year	1-2 year	2-3 year	More Than 3 yr	Total (₹ In lakhs)
Undisputed dues-MSME	1,397.65				1,397.65
Undisputed dues-Others	41,151.34				41,151.34
<b>Total</b>	<b>42,548.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,548.99</b>

Note :

- Refer Note 46d for Relationship with struck off companies.

**19. OTHER FINANCIAL LIABILITIES**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on Loans	243.23	220.67
Project Creditors	1,779.74	2,411.84
<b>TOTAL</b>	<b>2,022.96</b>	<b>2,632.51</b>

**20. OTHER CURRENT LIABILITIES**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Unpaid Dividend	56.94	50.30
Other Payable - Duties & Taxes	187.31	201.71
Advance from customers	3,441.31	2,147.56
Other Payables	3,003.18	2,756.02
<b>TOTAL</b>	<b>6,688.74</b>	<b>5,155.59</b>

Note :

- Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.

**21. SHORT TERM PROVISION**

Particulars	(₹ in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Provision for Employee benefits	428.96	295.43
<b>TOTAL</b>	<b>428.96</b>	<b>295.43</b>

Note : Current Tax Assets (Net) / Current Tax (Liabilities) (Net)

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

(₹ in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	(118.05)	(423.30)
Add : Taxes paid (Net)	5,235.60	6,261.67
Less : Current Tax payable for the year	(4,117.41)	(5,956.42)
Add/Less : Assessment Completed /Mat Adjustments	-	-
<b>Closing Balance</b>	<b>1,000.14</b>	<b>(118.05)</b>

The following table provides the details of income tax assets and liabilities as on March 31, 2025 & March 31, 2024

(₹ in lakhs)

Particulars	March 31, 2025	March 31, 2024
Income Tax Assets	1,000.14	
Income Tax Liabilities		(118.05)
<b>Net Current income tax assets/ (liabilities) at the end</b>	<b>1,000.14</b>	<b>(118.05)</b>

**22. REVENUE FROM OPERATIONS**

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of Products/services	2,36,892.76	2,50,887.08
Other Operating Revenue		
Export Benefits/Incentives Received	851.00	715.78
Scrap sales & Others	959.27	1,254.79
<b>Total</b>	<b>2,38,703.03</b>	<b>2,52,857.65</b>

**23. OTHER INCOME**

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Dividend	1.29	0.11
Interest	1,239.64	249.55
Miscellaneous Income	395.11	153.35
<b>Total</b>	<b>1,636.04</b>	<b>403.01</b>

**24. COST OF MATERIALS CONSUMED**

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw Material Consumption	1,36,287.30	1,49,941.57
Packing Materials	4,886.32	4,645.46
Freight Inward	2,021.71	2,012.39
Clearing & Forwarding	634.95	598.77
<b>Total</b>	<b>1,43,830.27</b>	<b>1,57,198.19</b>

**25. EMPLOYEE BENEFITS EXPENSE**

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries,Wages and Bonus (Mfg)	7,878.49	7,229.95
Labour Welfare Expenses	71.71	114.44
Salaries and Bonus (Admin)	1,727.67	1,448.71
Provident Fund Contribution	263.25	242.36
Staff Welfare Expenses	24.53	24.28
Directors' Remuneration	1,244.19	1,173.95
<b>Total</b>	<b>11,209.84</b>	<b>10,233.69</b>

Note : Refer Note 34 for Details of remuneration to directors.

**26. FINANCE COST**

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on Term Loans	1,481.31	613.49
Interest on Working Capital	2,057.34	2,685.75
Interest on Others (Including Ind AS 116 Interest)	48.61	52.26
<b>Total</b>	<b>3,587.27</b>	<b>3,351.50</b>

Note : Borrowing cost is capitalised during the year of ₹ 1287.80 lakhs (Previous Year ₹ 1626.26 lakhs)

**27. DEPRECIATION AND AMORTISATION**

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on Property, Plant & Equipment	5,453.06	4,897.69
Amortisation on Lease Assets	115.02	207.15
Amortisation on Intangible Assets	9.60	39.89
<b>Total</b>	<b>5,577.68</b>	<b>5,144.72</b>

**28. OTHER EXPENSES**

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Manufacturing Expenses</b>		
Processing Charges	2,451.74	2,569.56
Labour Charges	6,003.80	5,793.54
Insurance Expenses	605.78	581.47
Lease Expenses	23.60	6.00
Power & Fuel	14,888.60	15,067.65
Stores & Spares	3,429.66	3,650.90
Repairs & Maintenance - Building	282.79	240.58
- Plant & Machinery	1,613.63	1,624.17

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

(₹ in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Research & development (refer note no:31)	1,304.20	834.50
Water Charges	293.31	345.81
Laboratory Expenses	361.95	352.74
Other Factory Expenses	3,540.56	3,561.40
<b>SubTotal (a)</b>	<b>34,799.61</b>	<b>34,628.31</b>
<b>Office &amp; Administration Expenses</b>		
Books & Periodicals	0.05	0.13
Auditors' Remuneration	18.36	15.97
Conveyance Expenses	35.04	44.43
Legal & Professional Charges	765.16	551.87
Membership & Subscriptions	6.01	7.17
Printing & Stationery	22.26	20.91
Postage, Telegram & Telephone	20.27	18.56
Office Electricity Charges	19.42	17.31
Insurance Charges	51.45	41.48
Repairs & Maintenance - Others	33.56	58.65
Entertainment Expenses	0.83	1.09
Miscellaneous Expenses	435.09	316.38
Vehicle Expenses	16.77	11.37
Travelling Expenses - Directors	42.62	48.22
- Others	211.11	210.96
Directors' Sitting Fees	16.45	14.25
Investment written off	-	29.17
Loss on sale of Assets	-	18.34
<b>Sub Total (b)</b>	<b>1,694.47</b>	<b>1,426.25</b>
Refer Note 35 for Details of payment to Auditors.		
<b>Selling &amp; Distribution</b>		
Advertisement & Sales Promotion	179.14	232.97
Freight & Forwarding -Export	3,535.99	2,897.16
Freight & Forwarding - Local	1,261.52	1,103.32
Commission Expenses	1,485.37	1,340.02
Insurance Expenses	153.17	144.57
Postage & Telegram	14.88	16.15
Other Export Expenses	261.91	195.40
Bad Debts & other written off	372.22	189.58
<b>Sub Total (c)</b>	<b>7,264.20</b>	<b>6,119.18</b>
<b>Bank Charges (d)</b>	<b>316.49</b>	<b>437.30</b>
<b>Non Operative Expenses</b>		
Donations	2.33	1.89
CSR Expenditure	499.45	592.81
<b>SubTotal (e)</b>	<b>501.78</b>	<b>594.70</b>
<b>Total (a+b+c+d+e)</b>	<b>44,576.55</b>	<b>43,205.73</b>

**29. EARNING PER SHARE:**

(₹ in lakhs, except share data)

Particulars	Current Year	Previous Year
Net Profit available for Equity Shareholders	16,815.85	17,141.82
Total Comprehensive Income	16,971.89	17,154.42
Number of Equity Shares (Nos.)	9,12,700.00	9,19,350.00
Basic & Diluted EPS (after extraordinary items) (₹)	18.35	18.56
Nominal value per share (₹)	10.00	10.00

**30. CONTINGENT LIABILITIES AND COMMITMENTS:**

(₹ in lakhs)

Sr. No.	Particulars	On the Parent Company March-25	On the Subsidiary Companies March-25	On the Parent Company March-24	On the Subsidiary Companies March-24
a.	In respect of bank guarantees issued & L/C opened by the Company's bankers	11,845.71	803.11	13,109.67	408.74
b.	Demand in respect of additional income tax disputed in appeal (not acknowledged as debt)	9,238.24	0.00	9,238.24	0.00
c.	Demand in respect of additional Excise, custom duty, service tax, sales tax, GST, fine & penalty in appeal (not acknowledged as debt)	4,655.10	603.79	875.69	181.66
d.	Liability for duty on raw material imported under advance license benefit scheme against which export obligation remained to be fulfilled	103.94	39.96	120.27	39.96
e.	Liability for Maharashtra Pollution Control Board	879.35	-	879.35	-
f.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,340.19	1,184.40	2,437.54	770.11

**31. DISCLOSURE REGARDING SCIENTIFIC RESEARCH & DEVELOPMENT EXPENDITURE**

(₹ lakhs)

YEAR	RECURRING EXPENDITURE	CAPITAL EXPENDITURE
2024-25	1,304.20	3,235.96
2023-24	834.50	1,193.79

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

### 32. SEGMENT REPORTING (IND- AS 108)

Ind AS 108 establishes standards for the way that group reports information about operating segment and related disclosure about products and geographical areas.

#### I. BASIS FOR SEGMENTATION

The operations of the group are limited to one segment i.e Development, Manufacturing and Marketing of Active Pharmaceutical Ingredients (API), Pharma Intermediate, Specialty Chemicals Formulations (Finished Dosage Forms).The products being sold under this segment are of similar nature and comprises of pharmaceutical intermediary products only. The group's Chief Operating Decision Maker (CODM) reviews the internal management reports prepared based on an aggregation of financial information adjustments, etc.) on a periodic basis.

#### II. GEOGRAPHICAL SEGMENTS AS SECONDARY SEGMENTS

(₹ in lakhs)

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Segment Revenue</b>		
a) Out of India	86,533.09	86,288.16
b) India	1,52,169.94	1,66,569.49
<b>Total</b>	<b>2,38,703.03</b>	<b>2,52,857.65</b>

### 33. RELATED PARTY DISCLOSURE UNDER (IND-AS 24)

#### A. Name and Relationship of the Related Parties:

(1) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of such individual.

##### • Individuals

Shri. Chandrakant V. Gogri	Chairman Emeritus
Shri. Rajendra V. Gogri	Promoter

##### • Relatives of Individuals

Smt. Jaya C. Gogri	Shri. Mirik R Gogri
Smt. Arti R. Gogri	Shri. Renil R. Gogri
Shri. Mulraj C. Gala	Smt. Hetal Gogri Gala
Smt. Indira M. Dedhia	Smt. Dollar Dedhia
Smt. Pooja Renil Gogri	

(2) Key Management personnel along with their relatives have significant influence.

##### • Key Management Personnel

Shri. Prakash M. Patil	Chairman, Managing Director & Chief Executive Officer
Shri. Harshit M. Savla	Jt. Managing Director
Shri. Rashesh C. Gogri	Managing Director
Shri. Harit. P. Shah	Whole-time Directors
Shri. Uday M. Patil	Whole-time Directors
Shri. Adhish P. Patil	Chief Financial Officer
Shri. Rushikesh Deole	Company Secretary & Compliance Officer
Shri. Juan Fidel Gomez Barrera	Director of Subsidiary
Shri Parth S. Shah	Whole-time Director of Subsidiary

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

#### • Relatives of Key Management Personnel

Smt. Priti P. Patil	Smt. Seema H. Savla
Shri. Arun M. Patil	Smt. Bhoomi H. Savla
Dr. Vikas M. Patil	Shri. Vishwa H. Savla
Shri. Sameer P. Shah	Smt. Jayashree H. Shah
Smt. Arati T. Sankhe	Smt. Manisha R. Gogri
Smt. Reshmi Vanjara	Smt. Kalika A. Mishra
Shri. Tushar Sankhe	Shri. Amit Mishra
Smt. Kalpana Sankhe	Shri. Aashay R. Gogri
Shri. Aarnav R. Gogri	Smt. Richie Gandhi
Shri. Jigar Solanki	Shri. Jay M. Savla
Smt. Jigna Shah	Smt. Kalpana H. Chheda
Smt. Vandana U. Patil	Shri. Tejas U. Patil
Smt. Riya T. Patil	Smt. Snehal T. Sahu
Shri. Pradeep S. Sahu	Shri Maahir H. Shah

(3) Enterprise/firms with whom transactions have taken place and over which controlling individuals have significant influence.

- Aarti Industries Ltd.
- Aarti Life Science LLP
- Aarti Pharmed Labs Limited
- Alchemie Gases & Chemicals Pvt Ltd
- Alchemie Finechem Private Limited

#### Transaction with the Related Parties:

Sr. No.	Particulars	Relationship	FY 2024-25 ₹ In lakhs	FY 2023-24 ₹ In lakhs
a)	<b>Sale of Goods</b>			
	Aarti Industries Ltd	Entities in which some of the directors are interested	0.00	0.03
	Aarti Pharmed Labs Ltd	Entities in which some of the directors are interested	15.25	5.61
	Aarti Life Science LLP	Entities in which some of the directors are interested	00.00	14.93
b)	<b>Purchase of Goods Traded</b>			
	Aarti Industries Ltd	Entities in which some of the directors are interested	1,261.28	928.93
	Aarti Pharmed Labs Ltd	Entities in which some of the directors are interested	1,84.41	193.76
	Alchemie Finechem Pvt. Ltd	Entities in which some of the directors are interested	115.19	92.68
c)	<b>Manufacturing Expenses</b>			
	Aarti Life Science LLP	Entities in which some of the directors are interested	96.00	96.00
	Alchemie Gases & Chemicals Pvt Ltd	Entities in which some of the directors are interested	17.55	30.90

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
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Sr. No.	Particulars	Relationship	FY 2024-25 ₹ In lakhs	FY 2023-24 ₹ In lakhs
d)	<b>Finance Cost</b>			
	Prakash M Patil	KMP	21.85	21.90
	Harshit M Savla	KMP	8.50	9.69
e)	<b>Employee benefits and Office &amp; Administration Expenses</b>			
	Prakash M Patil	Director	293.92	278.48
	Harshit M Savla	Director	268.74	255.42
	Harit. P. Shah	Director	268.74	255.42
	Uday M Patil	Director	36.75	33.51
	Rashesh C Gogri	Director	268.74	255.42
	Adhish Patil	KMP	122.54	115.79
	Vikas Patil	Relative of KMP	27.97	21.81
	Vishwa Savla	Relative of KMP	89.91	95.71
	Rushikesh Deole	KMP	14.84	11.67
	Arun Patil	Relative of KMP	29.95	29.08
	Tejas Patil	Relative of KMP	7.67	7.12
	Jaun Fidel Gomez Barrera	KMP of Subsidiary	(2.20)	0.00
f)	<b>Closing Balance :</b>			
	<b>Balance Receivable:</b>			
	Aarti Life Science LLP	Entities in which some of the director are interested	00.00	12.25
	<b>Balance Payable:</b>			
	Aarti Life Science LLP	Entities in which some of the directors are interested	5.12	3.96
	Alchemie Gases & Chemicals Pvt Ltd	Entities in which some of the directors are interested	1.74	2.28
	Aarti Industries Ltd	Entities in which some of the directors are interested	308.05	219.72
	Alchemie Finechem Pvt Ltd	Entities in which some of the directors are interested	00.00	26.35
	Aarti PharmaLabs Ltd	Entities in which some of the directors are interested	25.83	35.48
	Prakash M Patil	KMP	257.00	257.00
	Harshit M Savla	KMP	100.00	100.00

1. Transactions are Net of Taxes

**34. DIRECTORS REMUNERATION:**

Particulars	(₹ in lakhs)			
	By the Parent Company March 31, 2025	By the Subsidiary Company March 31, 2025	By the Parent Company March 31, 2024	By the Subsidiary Company March 31, 2024
Salary to Managing Directors and whole time Directors	323.96	61.90	297.64	41.73
Bonus/Leave Travel Allowance/House Rent Allowance/Medical/Leave Salary	66.21	45.39	60.16	53.98
Commission payable to Directors	671.26	0.00	651.80	0.00
Contribution to Provident fund	1.08	0.00	1.08	0.00
Superannuation fund scheme	74.39	0.00	67.56	0.00
<b>Total Remuneration</b>	<b>1,136.90</b>	<b>107.29</b>	<b>1,078.24</b>	<b>95.71</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**35. AUDITORS' REMUNERATION INCLUDES**

Particulars	Statutory Audit		Certification		Total	
	March-25	March-24	March-25	March-24	March-25	March-24
<b>By the Parent Company</b>	12.79	12.32	1.15	0.00	13.94	12.32
<b>By the Subsidiary Company</b>						
Pinnacle Life Science Pvt.Limited	4.22	3.65	0.00	0.00	4.22	3.65
Aarti Speciality Chemicals Limited	0.20	0.20	0.00	0.00	0.20	0.20

**36. RECONCILIATION OF EFFECTIVE TAX RATE**

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

Particulars	Current Year	Previous year
Accounting profit before income taxes	21,177.14	23,552.78
Statutory income tax rate (%)	25.168	25.168
Computed expected tax (benefit)/expenses	5,329.86	5,927.76
Timing difference in depreciable assets	(396.61)	(123.60)
Other Non deductible expenses for tax purpose	126.29	149.67
Other deductible Items for tax purpose	(942.13)	2.59
Deferred Tax recognised (net)	250.03	437.28
Income tax expense reported in the statement of profit and loss	4367.44	6392.71
Effective Income Tax Rate	20.62	27.15

**37. DETAILS OF FINANCIAL STATEMENT OF SUBSIDIARIES:**

Name of the Subsidiary	(₹ in lakhs)	(₹ in lakhs)	(CLP in lakhs)	(CLP in lakhs)
	Pinnacle Life Science Private Ltd	Aarti Speciality Chemicals Ltd	Pinnacle Chile SPA	Pharma GO SPA
The financial year of Subsidiary ended on	March 31, 2025	March 31, 2025	March 31, 2025	March 31, 2025
Reporting currency	₹	₹	CLPESOS	CLPESOS
a-Share Capital	778.28	42.00	3,489.82	10.00
b- Other Equity	13,676.02	(37.52)	2,251.64	0.00
c- Debts & other Liability	18,191.33	0.05	62,856.98	259.94
Total Liability (a+b+c)	32,653.63	4.53	68,598.44	269.94
Total Assets	32,653.63	4.53	68,598.44	269.94
Total Income	25,634.72	0.00	49,321.50	0.00
Profit/(loss) Before Tax	1,536.57	(0.37)	(1,306.87)	0.00
Tax Expenses	223.50	0.00	0.00	0.00
Profit/(Loss) after Tax	1,536.07	(0.37)	(1,306.87)	0.00

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)**

Name of the Subsidiary	(₹ in lakhs)	(₹ in lakhs)	(CLP in lakhs)
	Pinnacle Life Science Private Ltd	Aarti Speciality Chemicals Ltd	Pinnacle Chile SPA
The financial year of Subsidiary ended on	March 31, 2024	March 31, 2024	March 31, 2024
Reporting currency	₹	₹	CLPESOS
a-Share Capital	778.28	42.00	3,489.82
b- Other Equity	11,387.08	(37.16)	3,558.51
c- Debts & other Liability	16,633.68	00.19	55,826.69
Total Liability (a+b+c)	28,799.04	5.03	62,875.02
Total Assets	28,799.04	5.03	62,875.02
Total Income	31,475.67	0.00	79,595.26
Profit/(loss) Before Tax	4,550.82	(0.63)	4,822.64
Tax Expenses	1,194.50	0.00	1,392.08
Profit/(Loss) after Tax	3,356.32	(0.63)	3,430.56

Disclosure of additional information pertaining to the parent, subsidiary and joint venture companies as per Schedule III of the Companies Act, 2013.

Name of Entities	(₹ in lakhs)							
	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of consolidated total comprehensive income	Amount (₹ in lakhs)
<b>Holding Company</b>								
Aarti Drugs Ltd	91.41%	1,25,135.11	93.59%	15,731.49	70.93%	112.88	93.37%	15,844.37
<b>Indian Subsidiaries</b>								
1. Pinnacle Life Science Private Limited	10.56%	14,462.30	7.81%	1,313.07	(10.13%)	(16.13)	7.64%	1,296.94
2. Aarti Speciality Chemical Limited	0.00%	4.48	0.00%	(0.37)	0.00%	-	0.00%	(0.37)
<b>Foreign Subsidiary</b>								
1. Pinnacle Chile SpA	0.38%	517.22	(0.73%)	(123.04)	39.21%	62.40	(0.36%)	(60.65)
<b>Other</b>								
(a) Adjustments arising out of consolidation	(2.33%)	(3,184.87)	(0.66%)	(111.44)		-	(0.66%)	(111.44)
(b) Non-controlling Interest	(0.03%)	(34.43)		-		-		-
<b>Total</b>		<b>1,36,899.80</b>		<b>16,809.70</b>		<b>159.15</b>		<b>16,968.85</b>

**38. SECURED BORROWING FROM BANKS:**

a.

Bank Name	(₹ in lakhs)			
	As at March 31, 2025	As at March 31, 2024	Installment FY 2025-26	Due for Subsequent Years
SVC Co-op Bank Limited	0.0	2,413.66	0000.00	000.00
Kotak Mahindra Bank Limited	27,187.50	25,000.00	3,750.00	2,3437.50
HDFC Bank Ltd	765.00	2,167.50	765.00	000.00
Axis Bank Limited	2,374.00	2,090.00	440.00	1,934.00
Hongkong & Shanghai Banking Corporation Limited	3,357.26	2,743.02	685.75	2,671.51

Name Of The Lender	Basis for ROI	Sanctioned Amount	(₹ in lakhs)	
			O/s as on March 31, 2025	Year of Last Installment Due
HDFC Bank Ltd	(Fixed)	5,100.00	765.00	FY 2025-26
Kotak Mahindra Bank Ltd	(Repo+Spread)	8,370.66	6,278.00	FY 2027-28
Kotak Mahindra Bank Ltd	(Repo+Spread)	1,629.34	1,222.00	FY 2027-28
Kotak Mahindra Bank Ltd	(Repo+Spread)	5,000.00	4,687.50	FY 2028-29
Kotak Mahindra Bank Ltd	(Repo+Spread)	15,000.00	15,000.00	FY 2030-31
Axis Bank Ltd	(Repo+Spread)	2,300.00	1,650.00	FY 2028-29
Axis Bank Ltd	(Repo+Spread)	4,700.00	724.00	FY 2030-31
Hongkong & Shanghai Banking Corporation	(T Bill+Spread)	3,000.00	2,057.26	FY 2027-28
Hongkong & Shanghai Banking Corporation	(T Bill+Spread)	4,000.00	1,300.00	FY 2030-31
<b>Total</b>		<b>49,100.00</b>	<b>33,683.76</b>	

Note : Spread applicable as mutually agreed at the time of disbursement.

Note:

(i) Above term loans are secured by pari-passu first charge by way of mortgage of immovable properties and hypothecation of moveable fixed assets, both present and future situated at MIDC Boisar, viz Plot No N-198, G-60, E21,E22,E-1, K-40, K-41 E120, E9/3, E9/4, W-60(B), W61(B),W62(A),W71(B),W72(B)W73(B), T-150 and MIDC Turbhe Plot No D-277 & D-278 in Maharashtra and at GIDC, Sarigam, Bhilad- Gujarat Viz. Plot No 2902, 2904, 211, 213, 2601,2602,2603 & Baddi- Himachal Pradesh.

(ii) Term Loan from HDFC Bank Ltd is also secured by by way of pari-passu second charge on current assets of the Company both present and future.

b. Loans from Scheduled Banks Payable on Demand of ₹ 21,583.50 lakhs (Previous Year ₹ 17,220.47 lakhs) are secured by pari-passu first charge by way of hypothecation of Company's raw materials stock, stock-in-process, finished goods, packing materials, stores & spares, book debts, and all other current assets including goods in transit governed by documents of title and also pari-passu second charge by way of mortgage of immovable properties and hypothecation of movable fixed assets. both present and future situated at MIDC Boisar, Maharashtra viz. Plot No N-198, G-60, E21, E22, E-1, K-40, K-41 E120, E9/3, E9/4, W-60(B), W61(B),W62(A),W71(B),W72(B) W73(B),T-150 and MIDC Turbhe Plot No. D-277 & D-278.GIDC, Bhilad, Sarigam- Gujarat viz. Plot No. 2902, 2904, 211,213, 2601,2602,2603.& Baddi- Himachal Pradesh.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

39. The Company has foreign exchange exposure because of its trade related (export/import) fund related function. The Company uses forward contracts, Options and Swaps to hedge against its foreign exchange exposures relating to underlying transactions. The Company does not enter into any derivatives instruments for trading or speculation purposes. During the year ended March 31, 2025, the Company had hedge in aggregate an amount of ₹ 33,341.09/-lakhs (previous year ₹ 43,076.23/-lakhs) out of its annual trade related operations (export& import) aggregating to ₹ 1,41,502.68/- lakhs (previous year ₹ 1,51,282.69/-lakhs) after considering natural hedge

### 40. ADDITIONAL STATUTORY INFORMATION:

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part 1 of Division II of Schedule III of the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

#### a. Ratios:

Ratio	Current year	Previous year	% Variance
<b>Current ratio (in times)</b> (Current Assets/ Current Liabilities)	1.60	1.66	(3.61)
<b>Debt-Equity ratio (in times)</b> (Debt consists of borrowings and lease liabilities/ Shareholder's Equity)	0.45	0.44	2.27
<b>Debt service coverage ratio (in times)</b> (Net Profit after taxes + Depreciation + Interest on loan)/(Interest on loan and lease payments + Long term principal repayments)	2.54	3.52	(27.84)
<b>Return on equity ratio (in %)</b> (Net profit after tax/ Average Shareholder's equity)	12.68	13.87	(8.58)
<b>Inventory Turnover Ratio (in %)</b> (Cost of goods sold/ Average Inventories)	3.66	3.72	(1.61)
<b>Trade receivables turnover ratio (in times)</b> (Net Credit Sales/ Average trade receivables)	3.87	3.80	1.84
<b>Trade payables turnover ratio (in times)</b> (Net Credit Purchase/ Average trade payables)	4.83	5.03	(3.98)
<b>Net capital turnover ratio (in times)</b> (Net Sales/ Average working capital (i.e. Total current assets less Total current liabilities))	3.40	3.33	2.10
<b>Net profit ratio (in %)</b> (Net Profit after tax/ Net Sales)	7.04	6.79	3.68
<b>Return on capital employed (in %)</b> (Earning before interest and taxes)/ (Tangible Net Worth + Total Debt + Deferred tax Liability)	12.43	14.18	(12.34)
<b>Return on investment (in %)</b> (Income generated from invested funds/ Average Investments)	0.00	0.01	(100.00)

#### Note :

- The Debt Service Coverage Ratio has declined compared to expectations, mainly because of lower margin realisation stemming from reduced market pricing and subdued demand conditions.
- There is no significant change (i.e. change of 25% more as compared to the FY 2023-24) in the other key financial ratios.
- Debit-Equity ratio for FY 2024-25 stood 0.45x largely owing to ongoing capex.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (CONTD.)

- The quarterly returns of statement file by the Company during the year with bank are in agreement with books of accounts of the Company.
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not granted any loans and advances in the natures of loans to promoters, directors, KMP or related parties
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The Company has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

41. Figures of the previous year have been regrouped and rearranged wherever necessary.

### AS PER OUR REPORT OF EVEN DATE

#### For GOKHALE & SATHE

Chartered Accountants  
Firm Registration No.: 103264W

Sd/-  
**CA Ravindra More**  
(Partner)  
Membership No. 153666

Place: Mumbai  
Date: May 06, 2025

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
**Prakash M. Patil**  
(Chairman, Managing Director & CEO)  
DIN : 00005618

Sd/-  
**Adhish P Patil**  
(Chief Financial Officer)

Sd/-  
**Harshit M Savla**  
(Jt.Managing Director)  
DIN : 00005340

Sd/-  
**CS Rushikesh Deole**  
(Company Secretary)  
ICSI M.NO.F12932



Aarti Drugs Limited

**AARTI DRUGS LIMITED**

**CIN:** L37060MH1984PLC055433

**Regd. Off:** Plot No. N-198, M.I.D.C. Tarapur, Village - Pamtembhi, Tal. and Dist. Palghar, Maharashtra - 401 506.

**Phone:** 022-2401 9025, **Fax:** 022-2407 3462

**Website:** www.aartidrugs.co.in, **Email:** investorrelations@aartidrugs.com

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FORTIETH (40<sup>TH</sup>) ANNUAL GENERAL MEETING OF THE MEMBERS OF AARTI DRUGS LIMITED ("COMPANY") WILL BE HELD ON WEDNESDAY, THE 24<sup>TH</sup> DAY OF SEPTEMBER 2025 AT 11:00 AM (IST) THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM"), TO TRANSACT THE FOLLOWING BUSINESS;

**ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors' and the Auditors' thereon.
- To appoint a Director in place of Shri Harshit Manilal Savla (DIN: 00005340), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

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

**Revision in the terms & conditions of appointment of Executive Directors:**

"RESOLVED THAT, pursuant to Sections 196, 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the recommendations of the Nomination and Remuneration Committee of the Board and the Board of Directors, and subject to such other approvals, consents and permissions as may be required, consent of the members of the Company be and is hereby accorded for revision in the terms of appointment pertaining to ceiling limit of fixed salary (remuneration)

of Executive Directors, as detailed below, effective from April 01, 2025 and continuing for the remainder of their respective tenures.

(₹ in lakhs Per Annum)	
Name of Director	Ceiling limit of fixed salary (remuneration) w.e.f. April 01, 2025
Shri Prakash M. Patil	150
Shri Rashesh C. Gogri	150
Shri Harshit M. Savla	150
Shri Harit P. Shah	150

- The above remuneration includes Basic Salary, Bonus, Medical Allowance, LTA and Leave Encashment
- The Board of Directors shall be empowered to consider and approve revision in the annual salary, based upon the recommendation of the Nomination and Remuneration Committee and within overall ceiling as prescribed above."

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorised to determine the manner in which performance linked incentives/ bonus (profit related commission), aggregating up to 3.2% of the Net Profit as calculated in accordance with the provisions of section 198 of the Companies Act, 2013, that can be paid on a quarterly basis to the above mentioned Executive Directors in addition to fixed salary payable to them.

**RESOLVED FURTHER THAT** except for the modifications as stated hereinabove, all other terms & conditions of the appointment, as previously approved by the Members of the Company and which are not dealt with in this resolution, shall remain unchanged and continue to be effective.

### NOTICE (CONTD.)

**RESOLVED FURTHER THAT** the Executive Directors and Key Managerial Personnel be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**Appointment of Secretarial Auditor for the period of 5 Consecutive Financial Years:**

"RESOLVED THAT in accordance with the provisions of Section 204 and all other applicable provisions of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), applicable SEBI Circulars and on the basis of the recommendation of the Audit Committee and the Board of Directors of the Company, the consent of the members be and is hereby accorded for the appointment of M/s. Mehta & Mehta, Practicing Company Secretary having Firm Registration No. P1996MH007500 (PR No. 3686/2023) as Secretarial Auditors of the Company for a term of five consecutive years, commencing from Financial Year 2025-26, at such remuneration and on such terms as may be mutually agreed upon between the Board of Directors and the Secretarial Auditors;

**RESOLVED FURTHER THAT** approval of the members is hereby accorded to the Board to avail or obtain from the Secretarial Auditor, such other services or certificates, reports, or opinions which the Secretarial Auditors may be eligible to provide or issue under the Applicable Laws at a remuneration to be determined by the Board;

**RESOLVED FURTHER THAT** the Board of Directors or any of the Key Managerial Personnel of the Company, (including its committees thereof), be and is hereby

authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

- To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

**Ratification of remuneration of Cost Auditors for FY 2025-26**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 4,00,000/- (Rupees Four lakhs only) per annum plus tax as applicable and reimbursement of out of pocket expenses at actual to be paid to GMVP & Associates LLP, Cost Accountant (Firm Reg. No.:- 000910), being the Cost Auditor appointed by the Board of Directors based on the recommendations of the Audit Committee of the Company, for the conduct of the Audit of cost records and related books maintained by the Company, for the Financial Year 2025-26 be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Executive Directors & Key Managerial Personnel be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Registered Office:**  
Plot No. N-198, MIDC Tarapur,  
Village - Pamtembhi,  
Tal. and Dist. Palghar,  
Maharashtra - 401 506  
Date : July 18, 2025

**By Order of the Board**  
  
Sd/-  
Rushikesh Deole  
**Company Secretary**  
ICSI M.No. F12932

**NOTICE (CONTD.)**
**NOTES:**

1. The Ministry of Corporate Affairs (MCA) vide its circular dated September 19, 2024, read together with circulars dated September 25, 2023, December 08, 2022, May 05, 2022, December 14, 2021, January 13, 2021, May 05, 2020, April 13, 2020 and April 08, 2020 (collectively referred to as MCA Circulars) and the Securities and Exchange Board of India vide its circulars dated October 03, 2024, read together with circulars dated October 07, 2023, January 05, 2023, May 13, 2022, January 15, 2021 and May 12, 2020 (collectively referred to as SEBI Circulars) have permitted the holding of the Annual General Meeting (AGM) through VC / OAVM, without physical presence of the members at a common venue till September 30, 2025. In compliance with the provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and MCA Circulars, the 40<sup>th</sup> AGM of the Company is being held through VC / OAVM. The members can attend and participate in the AGM through VC/OAVM.
2. Pursuant to the above referred MCA Circulars, the facility, to appoint a proxy to attend and cast vote, for the members is not available for this AGM. However, the body corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
3. In line with MCA Circulars read with circulars issued by Securities Exchange Board of India (SEBI) vide SEBI/HO/CFD/PoD-2 dated October 03, 2024 (hereinafter referred to as "SEBI Circular for AGM"), the Notice of 40<sup>th</sup> AGM along with the Annual Report for FY 2024-25 is being sent only through electronic mode to those members whose email addresses are registered with the Company's Registrar & Share Transfer Agents, MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) ("RTA") / Depositories. A letter containing the web link, along with the exact path to access the complete details of the Annual Report, is being sent to shareholders who have not registered their email address with the Company's RTA or DP. The physical copies of such statements and Notice of AGM will be dispatched only to those shareholders who request for the same.
4. Members may note that the Notice of the 40<sup>th</sup> AGM along with the Annual Report for FY 2024-25 has also been made available for download on the website of the Company at <https://www.aartidrugs.co.in/>. The

Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

5. Since the AGM is being held through VC / OAVM, physical attendance of shareholders has been dispensed with. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Pursuant to Section 113 of the Act, Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) attending the meeting through VC / OAVM are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorisation shall be sent to the scrutiniser by email through its registered email address to [jpc@mehta-mehta.in](mailto:jpc@mehta-mehta.in)/ [ronak@mehta-mehta.com](mailto:ronak@mehta-mehta.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).
7. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 01, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 02, 2020, had fixed March 31, 2021, as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In terms of the SEBI Circular dated July 02, 2025, the shareholders are hereby informed that a Special Window has been opened for re-lodgment of transfer deeds, which were lodged prior to the deadline of April 01, 2019 and rejected / returned/ not attended due to deficiency in the documents/ process or otherwise. The re-lodgment window shall remain open for a period of six months i.e. from July 07, 2025 till January 06, 2026. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members are requested to intimate changes, if any, pertaining to

**NOTICE (CONTD.)**

8. their name, postal address, email address, mobile/ phone numbers, PAN, mandates, nominations and bank details etc., to their Depository Participants ("DPs") in case shares are held by them in electronic form and to the MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) in Form ISR-1 in case the shares are held by them in physical form. Members can contact the Company or the Company's Registrars and Transfer Agents, MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on the Company's website <https://www.aartidrugs.co.in/>
8. Shareholders desirous of receiving communication from the Company in electronic form may register their email addresses with their respective depository participants. Further, shareholders are also requested to approach their depository participant to register their email address in their demat account details as per the process defined by the respective depository participant. Members, who hold shares in physical form, are requested to provide their email addresses to the M/s. MUFG Intime India Private Limited (formerly known as "Link Intime India Private Limited") by sending an e-mail at [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com) or to the Company at [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com).
9. As per the provisions of Section 72 of the Act, the facility for making nominations is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website <https://www.aartidrugs.co.in/>. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to M/s. MUFG Intime India Private Limited (formerly known as "Link Intime India Private Limited"), in case the shares are held in physical form. Further, if members desire to opt-out/ cancel the nomination and to record a fresh nomination, are requested to submit Form ISR-3 (in case of shares held in physical form) or SH-14 (in case of shares held in electronic mode).
10. SEBI has mandated listed companies to issue securities in dematerialised form only while processing service requests for the issue of duplicate securities certificates; claims from unclaimed suspense accounts; renewal/ exchange of securities certificates;

endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; and transmission and transposition. In this regard, members are requested to make requests in Form ISR-4. It may be noted that the service request can be processed only, if the respective folio is KYC Compliant.

11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s. MUFG Intime India Private Limited (formerly known as "Link Intime India Private Limited"), the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making the requisite changes.
12. In the case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
13. During the year, the Company has transferred the unclaimed amount of the Final Dividend for the year 2016-17 to the Investor Education and Protection Fund as required under Sections 124 and 125 of the Companies Act, 2013.
14. The Company has uploaded the information in respect of the Unclaimed Dividends, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors Section" on the Website of the Company viz. <https://www.aartidrugs.co.in/>.
15. The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 contain provisions for the transfer of all shares in respect of which dividend has not been paid and claimed by the shareholders for seven consecutive years or more in the name of Demat Account of the Investor Education and Protection Fund (IEPF) Authority. The Company has communicated individually, to the concerned shareholders whose shares are liable to be transferred to the Demat Account of IEPF Authority under the said rules and also notice for the same was published in Financial Express in (English) and Pratahkal (Marathi) published from Mumbai for taking appropriate action(s). The Company has uploaded full details of such shareholders and shares due for transfer to the Demat Account of IEPF Authority on its website at <https://www.aartidrugs.co.in/> under "Investors Section."



**NOTICE (CONTD.)**

16. Attention of the members is invited to the provisions of Section 124(6) of the Companies Act, 2013 with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time ("IEPF Rules"), which inter alia requires the Company to transfer the equity shares, on which the dividend has remained unpaid and unclaimed for a continuous period of seven years, to IEPF. The said Shares, once transferred to IEPF can be claimed after following due procedure prescribed under the IEPF Rules.
17. To register an email address for all future correspondence and update the bank account details, please follow the below process:

<b>Physical Holding</b>	<p>Send a request to M/s. MUFG Intime India Private Limited (formerly known as "Link Intime India Private Limited") at <a href="mailto:rnt.helpdesk@in.mpms.mufg.com">rnt.helpdesk@in.mpms.mufg.com</a>:</p> <p>To register e-mail address, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN and AADHAR (self-attested scanned copy of both PAN card and Aadhar card)</p> <p>To update bank account details, please send the following additional documents/ information followed by the hard copies:</p> <ol style="list-style-type: none"> <li>a) Name of the bank and branch address</li> <li>b) Type of bank account i.e., savings or current</li> <li>c) Bank account no. allotted after implementation of core banking solutions</li> <li>d) 9-digit MICR code no., and</li> <li>e) 11-digit IFSC code</li> <li>f) Original cancelled cheque bearing the name of the first shareholder, failing which a copy of the bank passbook / statement attested by bank</li> </ol>
<b>Demat Holding</b>	Please contact your DP and follow the process advised by your DP

18. Since the AGM will be held through VC / OAVM, the Route Map does not form part of the Notice. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business at item nos. 3 to 5 above is annexed hereto and forms part of the Notice.
19. Relevant documents referred to in the Notice, Register of Directors / Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Companies Act 2013 and Register of Contracts maintained under Section 189 of the Companies Act 2013 and other relevant registers are open for inspection by the members at the registered office of the Company on all working days during 11:00 AM to 1:00 PM. Members can request the same by sending an email to [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com) till the date of the AGM.
20. Members seeking any information with regard to Financial Statements or any matters to be placed at the AGM, are requested to write to the Company at least 5 days before the date of AGM through email at [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com). The same will be replied by the Company suitably.
21. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income is taxable in the hands of shareholders effective April 01, 2020 and the Company is required to deduct tax at source from dividend paid to the members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and the amendments thereof. In general, to enable compliance with TDS requirements, members are requested to complete and / or update their Residential status, PAN, Category with their depository participants ("DPs") or in case shares are held in physical form, with the Company / Registrars and Transfer Agents ("RTA").
22. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

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Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).

**23. Voting through Electronic Means:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and circulars issued by the Ministry of Corporate Affairs from time to time the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.

The members, whose names appear in the Register of Members /list of Beneficial Owners as on **Wednesday, September 17, 2025** are entitled to vote on the resolutions, set forth in this Notice. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the 'cut-off date' of **Wednesday, September 17, 2025**. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **Wednesday, September 17, 2025** may obtain the login ID and password by sending a request at [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com) and/ or [evoting@nsdl.com](mailto:evoting@nsdl.com). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in Demat mode and who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in Demat mode."

The Board of Directors of the Company have appointed Mr. Ronak Kalathiya, Practicing Company Secretary (Membership No. ACS 37007) and failing him Ms. Monali Bhandari, Practicing Company Secretary (Membership No. ACS 27091) as the Scrutiniser to scrutinise the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.

The Scrutiniser shall, immediately after the conclusion of voting at the Meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and at the meeting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 2 working days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.

The results along with the Scrutinisers Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited and National Stock Exchange of India Limited.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on Sunday, September 21, 2025 and ends on Tuesday, September 23, 2025. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 17, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 17, 2025.**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

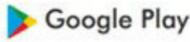
**A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**NOTICE (CONTD.)**

**NOTICE (CONTD.)**

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>For OTP based login you can click on <a href="https://eservices.nSDL.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nSDL.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience. <b>NSDL Mobile App is available on</b>       </li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing Myeasi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nSDL.com">evoting@nSDL.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

**NOTICE (CONTD.)**

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open

the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).

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- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting."
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to [jpc@mehta-mehta.in](mailto:jpc@mehta-mehta.in) / [ronak@mehta-mehta.com](mailto:ronak@mehta-mehta.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](https://www.evoting.nsdl.com) or call on : 022 - 4886 7000 or send a request to Shri Amit Vishal, Senior Manager, NSDL 022-2499 4360 or email at [amitv@nsdl.com](mailto:amitv@nsdl.com) or Ms. Pallavi Mhatre, Manager, NSDL, 022-2499 4545 or email at [pallavid@nsdl.com](mailto:pallavid@nsdl.com) or at [evoting@nsdl.com](mailto:evoting@nsdl.com)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com). If

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you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**

- Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

- The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:-**

- Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see a link of "VC/OAVM" placed under the "Join meeting" menu against the Company name. You are requested to click on the

VC/OAVM link placed under the Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com). The same will be replied by the Company suitably. Members who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request from their registered email ID mentioning their name, demat account number/ folio number, PAN, mobile number at [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com) at least 5 days before the date of AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- Members can raise questions at the AGM through a chat box and they are requested to frame their questions precisely.
- Once the Member clicks the link for VC/ OAVM in shareholder/members login where the EVEN of Company will be displayed, Members will be able to view AGM VC/OAVM proceedings along with the chat box. The questions raised by the Members will be replied to by the Company suitably.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 3**

The Nomination and Remuneration Committee of the Board in its meeting held on May 06, 2025, has evaluated the performance of the Executive Directors and in accordance with Company's performance and Industry norms, recommended revision in the terms of appointment (remuneration) as stated in the table below:

(₹ in lakhs Per Annum)	
Name of Director	Ceiling limit of fixed salary (remuneration) w.e.f. April 01, 2025
Shri Prakash M. Patil	150
Shri Rashesh C. Gogri	150
Shri Harshit M. Savla	150
Shri Harit P. Shah	150

© The above remuneration includes Basic Salary, Bonus, Medical Allowance, LTA and Leave Encashment. It is clarified that the actual remuneration shall be within the above ceiling limits and may vary from year to year, based on the approvals of the Board of Directors and the Nomination and Remuneration Committee.

All other terms and conditions remain unchanged. In line with the regulatory requirements, subject to approval of the members, revised remuneration of Executive Directors shall be effective from April 01, 2025 and will continue till the remainder of their respective tenures.

Your Directors recommend the said resolution for your approval as an Ordinary Resolution.

Shri Prakash M. Patil, Shri Rashesh C. Gogri, Shri Harshit M. Savla and Shri Harit P. Shah are interested in said resolution. The relatives of Shri Prakash M. Patil, Shri Rashesh C. Gogri, Shri Harshit M. Savla and Shri Harit P. Shah may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

**ITEM NO. 4**

As per provisions of Section 204 of the Act and related Rules read with Regulation 24 A of the Listing Regulations and the SEBI vide its Notification dated December 31, 2024, companies are required to obtain members approval for appointment of Secretarial Auditors to conduct Secretarial Audit of the listed Company for a period of five (5) years. Further, such Secretarial Auditor must be a peer reviewed

and should not have incurred any of the disqualifications as specified by the SEBI.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, had approved and recommended the appointment of M/s. Mehta & Mehta, (Firm Registration No P1996MH007500) (PR No.3686/2023), Company Secretaries, as the Secretarial Auditors of the Company for a term of 5 (five) consecutive years commencing from FY 2025-26 up to FY 2029-30, subject to ratification of remuneration by the Board from time to time.

M/s. **Mehta & Mehta** is a reputed corporate legal and secretarial advisory firm with over 25 years of experience, co-founded by Shri Atul Mehta and Ms. Dipti Mehta. The firm has a strong PAN India presence with its headquarters in Mumbai. **Secretarial Audit is one of the firm's** flagship services, backed by a seasoned team of professionals with extensive experience in conducting audits for listed and unlisted entities across diverse sectors. The firm was honoured with the **Best Secretarial Audit Report Award by ICSI** for its exemplary work. In addition to Secretarial Audit, Mehta & Mehta provides a comprehensive suite of services including SEBI and company law compliance, due diligence, corporate and financial restructuring, IPO advisory, fund compliance for AIFs, PMS, and mutual funds, as well as ESG and CSR implementation.

M/s. Mehta & Mehta have provided confirmation that they have subjected themselves to the peer review process of the ICSI and holds a valid peer review certificate. They have also confirmed that they are not disqualified from being appointed as Secretarial Auditors, that they have no conflict of interest.

The proposed fee to be paid to M/s. Mehta & Mehta is ₹ 4,00,000/- (Rupees Four Lakh per annum plus applicable taxes and other out-of-pocket expenses )

The remuneration to be paid to Secretarial Auditors for the remaining term i.e. from FY 2027 to FY 2030 shall be decided by the Board of Directors based on the recommendation of the Audit Committee.

Their audit approach and fee structure have been evaluated and found to be appropriate, aligning well with the Company's requirements.

The Board in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with M/s. Mehta and Mehta.

The Board recommends the Ordinary Resolution at Item No. 4 for approval of Members.

**ANNEXURE TO THE NOTICE (CONTD.)**

**ITEM NO. 5**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, a proposal for appointment of Cost Auditor for Financial Year 2025-26 was recommended by the Audit Committee to the Board. The Board thereby re-appointed GMVP & Associates LLP, Cost Accountant (Firm Reg. No.: 000910), as Cost Auditor for the conduct of the Audit of the cost records and related books maintained by the Company, at a remuneration of ₹ 4,00,000/- (Rupees Four lakhs only) per annum plus tax as applicable and reimbursement of out of pocket expenses at actual to be paid for the Financial Year 2025-26. GMVP & Associates LLP has confirmed their eligibility for appointment as Cost Auditor.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the Members. Hence this resolution is put for the consideration of the members.

Your Directors recommend the said resolution for your approval as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

**Registered Office:**

Plot No. N-198, MIDC Tarapur,  
Village - Pamtembhi,  
Tal. and Dist. Palghar,  
Maharashtra - 401 506  
Date : July 18, 2025

**By Order of the Board**

Sd/-  
**Rushikesh Deole**  
Company Secretary  
ICSI M.No. F12932

**ANNEXURE - A**

As required by Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2) as laid down by ICSI, additional information relating to the particulars of Director who are proposed to be re-appointed are given below:

<b>Name of Director</b>	<b>Shri Harshit M. Savla</b>
Director Identification Number (DIN)	00005340
Date of Birth and Age	November 19, 1962 61 years
Date of appointment on the Board	January 02, 1987
Qualifications	B.Com
Terms & conditions of appointment or re-appointment	To be re-appointed as a Director liable to retire by rotation.
Brief profile including expertise and experience	He is a Commerce Graduate having more than 38 years of experience in Finance, Exports and Administration. He played a crucial role in expanding the API and Formulation business of the Company
Remuneration last drawn (in FY 2024-25)	Please refer to Corporate Governance Report
Remuneration proposed to be paid	Within the ceiling limit as mentioned in the resolution number 3 of this notice and other terms of appointment shall be as approved by the members in the Annual General Meeting dated September 4, 2021
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	No relationship exist with any other Directors/KMP
No. of Board Meetings attended	7
Directorship held in other Companies	Pinnacle Life Science Private Limited Aarti Ventures Private Limited Crystal Millennium Realtors Private Limited Aarti Vikas & Seva Mission Panbai Welfare Foundation Radiant Gruh Private Limited Aarti Speciality Chemicals Limited
Memberships/ Chairmanships of Committees in other listed Companies	Nil
Names of Listed Companies from which the Director has resigned in the past three years	Nil
Number of Shares held in Aarti Drugs Limited	43,23,269





**Aarti Drugs Limited**

Mahendra Industrial Estate,  
Ground Floor, Road No. 29,  
Plot No. 109-D, Sion (East),  
Mumbai - 400 022, Maharashtra  
Tel No.: +91 22-2401 9025  
Fax: +91 22 2407 3462/+91 22 2407 0144  
Website: [www.aartidrugs.co.in](http://www.aartidrugs.co.in)