



# Aarti Drugs Limited

Manufacturers of : Bulk Drugs & Chemicals

**Corporate Office :** Mahendra Industrial Estate,  
Ground Floor, Plot No. 109-D, Road No. 29,  
Sion (East), Mumbai - 400 022. (India)  
Tel : 022-2407 2249 / 2401 9025 (30 Lines)  
Fax.: 022-2407 3462 / 2407 0144  
Email: admin@aartidrugs.com  
website: www.aartidrugs.com  
CIN No.:L37060MH1984PLC055433

Ref: ADL/SE/2023-24/10  
April 29, 2023

To,  
Listing/ Compliance Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
**BSE CODE: 524348**

To,  
Listing/ Compliance Department  
**National Stock Exchange of India Limited,**  
“Exchange Plaza”, Plot No. C/1,  
G Block Bandra - Kurla Complex,  
Bandra (East),  
Mumbai – 400051  
**NSE CODE: AARTIDRUGS**

Dear Sir/Madam,

**Ref:** Compliance of Regulation 33 and Regulation 30 of SEBI (LODR) Regulations, 2015.  
**Sub:** Audited Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2023.

We wish to inform you that Board of Directors at its Meeting held on **Saturday, April 29, 2023**, approved the Audited Financial Results of the Company (Standalone and Consolidated) for the Quarter and Year ended March 31, 2023. In this regards we enclose;

- i. Statement showing the Financial Results (Standalone and Consolidated),
- ii. Statement of Assets and Liabilities (Standalone and Consolidated),
- iii. Cash Flow Statement (Standalone and Consolidated)
- iv. Auditor's Report on the Financial Results (Standalone and Consolidated),
- v. Declaration in respect of Audit reports with unmodified opinion for the Financial Year ended March 31, 2023

Further, please note that the Company has already made necessary arrangement to publish the same in the Newspapers as required under the SEBI (LODR) Regulations, 2015.

Meeting of the Board of Directors commenced at 12:00 Noon and concluded at 6:30 PM

Kindly take the same on record.  
Thanking you,

Yours faithfully,  
**FOR AARTI DRUGS LIMITED**

  
**RUSHIKESH DEOLE**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
ICSI M. No.: A54527





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**AARTI DRUGS LIMITED**

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH' 2023

(Rs. in lakhs except for share data)

Sr. No.	Particulars	Standalone					Consolidated				
		Quarter Ended		Year Ended			Quarter Ended		Year Ended		
		31st Mar 2023	31st Dec 2022	31st Mar 2022	31st Mar 2023	31st Mar 2022	31st Mar 2023	31st Dec 2022	31st Mar 2022	31st Mar 2023	31st Mar 2022
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	
I	Revenue from operations	69,641	62,553	64,148	2,49,797	2,25,117	74,241	66,396	69,427	2,71,605	2,48,865
II	Other income	93	97	62	223	477	87	101	296	219	1,132
III	Total Income ( I + II )	69,734	62,650	64,210	2,50,020	2,25,595	74,328	66,497	69,723	2,71,825	2,49,996
IV	Expenses :										
	(a) Cost of materials consumed	43,539	40,146	43,686	1,70,244	1,52,456	44,640	41,505	47,108	1,76,897	1,66,636
	(b) Purchase of stock-in-trade	743	1,375	1,512	4,701	5,831	2,164	2,505	2,379	12,129	10,857
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4,467	2,367	(1,198)	(672)	(7,794)	4,747	2,281	(1,723)	(175)	(8,608)
	(d) Employee benefits expense	2,110	1,915	1,807	7,499	6,932	2,546	2,367	2,152	9,202	8,264
	(e) Finance costs	835	912	584	3,253	2,006	863	936	591	3,329	2,075
	(f) Depreciation and amortisation expense	1,168	1,187	1,188	4,729	4,739	1,250	1,262	1,255	5,032	5,005
	(g) Other expenses	9,930	9,852	9,932	39,784	35,874	10,788	10,672	10,911	42,992	38,772
	Total expenses (IV)	62,792	57,753	57,510	2,29,539	2,00,045	67,000	61,530	62,673	2,49,407	2,23,001
V	Profit before exceptional items and tax (III - IV)	6,942	4,896	6,700	20,481	25,550	7,328	4,968	7,050	22,418	26,995
VI	Exceptional items	-	-	-	-	-	-	-	-	-	-
VII	Profit before tax (V - VI)	6,942	4,896	6,700	20,481	25,550	7,328	4,968	7,050	22,418	26,995
VIII	Tax Expenses :										
	Provision for taxation - Current	1,775	1,350	1,750	5,325	6,550	1,889	1,407	1,882	5,886	6,974
	- MAT credit	-	-	-	-	-	-	-	-	-	-
	- Earlier year	-	-	-	-	-	-	-	-	-	-
	Provision for deferred taxation	(150)	(125)	(350)	(125)	(500)	(179)	(106)	(364)	(103)	(478)
	Total tax expenses (VIII)	1,625	1,225	1,400	5,200	6,050	1,710	1,301	1,518	5,782	6,496
IX	Profit / (Loss) for the Year ( VII - VIII )	5,317	3,671	5,300	15,281	19,500	5,618	3,667	5,532	16,636	20,500
X	Other Comprehensive Income										
	Item that will not be reclassified to statement of Profit and Loss										
	Fair value changes on Investments, net	(54)	-	174	(54)	174	(54)	-	174	(54)	174
	Remeasurement of defined benefit Liability/Assets, net	(87)	-	(108)	(87)	(108)	(95)	-	(106)	(95)	(106)
	Total Other Comprehensive Income, net	(142)	-	66	(142)	66	(150)	-	69	(150)	69
XI	Total Comprehensive Income for the Year (IX+X)	5,175	3,671	5,366	15,139	19,566	5,468	3,667	5,601	16,486	20,568
XII	Weighted average number of equity shares used for computing earning per share (face value of Rs.10 each)	9,260	9,260	9,260	9,260	9,260	9,260	9,260	9,260	9,260	9,260
	Profit attributable to :										
	Owner of the Company	5,317	3,671	5,300	15,281	19,500	5,609	3,668	5,534	16,631	20,504
	Non- Controlling Interest	-	-	-	-	-	8.83	-1.52	-2.13	4.84	-4.28
	Total Comprehensive Income attributable to :										
	Owner of the Company	5,175	3,671	5,366	15,139	19,566	5,459	3,668	5,603	16,481	20,572
	Non- Controlling Interest	-	-	-	-	-	8.83	(1.52)	(2.13)	4.84	(4.28)
XIII	Earning per equity share ( in Rs.) (not annualised)										
	(1) Basic	5.74	3.96	5.72	16.50	21.04	6.07	3.96	5.97	17.97	22.12
	(2) Diluted	5.74	3.96	5.72	16.50	21.04	6.07	3.96	5.97	17.97	22.12

Notes :

- The above results for the quarter and Year ended 31st March, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 29th April, 2023.
- Company has only one business segment i.e. pharmaceuticals.
- Figures for the previous Quarter have been regrouped or rearranged wherever necessary.
- The aforesaid Audited Financial Results will be uploaded on the Company's website www.artidrugs.com and will also be available on the website of BSE Limited www.bseindia.com and the National Stock Exchange of India Limited www.nseindia.com for the benefit of the shareholders and investors.

Place: Mumbai  
Date: 29th April' 2023

For AARTI DRUGS LIMITED

Prakash M. Patil  
(Chairman, Managing Director&CEO)





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AARTI DRUGS LIMITED				
STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MAR' 2023				
Particulars	Standalone		(Rs. in lakhs)	
	31st Mar 2023	31st Mar 2022	31st Mar 2023	31st Mar 2022
<b>ASSETS</b>				
<b>1 Non - Current Assets</b>				
Property, Plant and Equipment	63,199	64,526	67,325	68,569
Right of use Assets	219	409	219	409
Capital work - in - progress	16,075	5,962	21,035	7,674
Intangible assets	31	7	79	15
Financial Assets				
Investments	2,862	2,803	1,880	1,948
Other Non- Current Assets	2,211	2,426	2,367	2,844
<b>Total Non- Current Assets</b>	<b>84,596</b>	<b>76,133</b>	<b>92,905</b>	<b>81,459</b>
<b>2 Current Assets</b>				
Inventories	47,773	48,846	51,629	52,594
Financial Assets				
(i) Trade receivable	80,168	71,164	86,484	74,990
(ii) Cash and cash equivalents	268	221	896	2,233
(iii) Other Current Financial Assets	1,160	1,166	1,221	1,264
Other current assets	5,585	5,922	9,005	8,256
<b>Total Current Assets</b>	<b>1,34,953</b>	<b>1,27,319</b>	<b>1,49,235</b>	<b>1,39,337</b>
<b>Non current Asset held for sale</b>	-	-	-	-
<b>TOTAL ASSETS</b>	<b>2,19,550</b>	<b>2,03,452</b>	<b>2,42,140</b>	<b>2,20,796</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1 EQUITY</b>				
Share Capital	9,260	9,260	9,260	9,260
Other Equity	1,02,170	87,957	1,09,983	94,376
<b>Total Equity Attributable to Equity Holders of the Company</b>	<b>1,11,430</b>	<b>97,217</b>	<b>1,19,243</b>	<b>1,03,636</b>
<b>Non- Controlling Interests</b>	-	-	23.33	-5.97
<b>Total Equity</b>	<b>1,11,430</b>	<b>97,217</b>	<b>1,19,267</b>	<b>1,03,630</b>
<b>LIABILITIES</b>				
<b>2 Non-current liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings	16,189	11,833	20,468	13,850
(ii) Lease Liability	40	188	40	188
(iii) Other financial liability	1,244	956	1,244	956
Provisions	711	786	727	923
Deferred tax liabilities (Net)	6,837	7,004	7,097	7,243
<b>Total of Non current liabilities</b>	<b>25,020</b>	<b>20,767</b>	<b>29,575</b>	<b>23,160</b>
<b>3 Current liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings	37,120	39,655	40,184	39,984
(ii) Lease Liability	199	260	199	260
(iii) Trade payables				
Dues of micro enterprises and small enterprises	1,362	1,325	2,078	1,603
Dues of creditors other micro enterprises and small enterprises	40,540	40,295	45,948	45,265
Provisions	263	259	437	371
Other current liabilities	3,616	3,675	4,451	6,523
<b>Total of current liabilities</b>	<b>83,099</b>	<b>85,468</b>	<b>93,298</b>	<b>94,006</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,19,550</b>	<b>2,03,452</b>	<b>2,42,140</b>	<b>2,20,796</b>

Place: Mumbai  
Date: 29th April' 2023



For AARTI DRUGS LIMITED

*Prakash M. Patil*

Prakash M. Patil  
(Chairman, Managing Director&CEO)



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AARTI DRUGS LIMITED					
CASH FLOW STATEMENT AS AT 31ST MAR' 2023 (Rs. in lakhs)					
S.No	Particulars	Standalone		Consolidated	
		31st Mar 2023	31st Mar 2022	31st Mar 2023	31st Mar 2022
<b>A.</b>	<b>Cash Flow from Operating Activities</b>				
	Net Profit before Tax and Exceptional Items	20,481	25,550	22,418	26,996
	<b>ADJUSTMENT FOR:</b>				
	Depreciation & Amortisation	4,729	4,739	5,032	5,005
	Provision for Doubtful debts /Bad debts	-	76	76	169
	Unrealised Foreign Exchange (Gain)/Loss (Net)	(61)	159	(131)	121
	Interest Paid	3,253	2,006	3,619	2,058
	Interest Received	(67)	(65)	(70)	(72)
	Dividend Received	(0)	(238)	(0)	(160)
	Assets w/off	-	-	-	-
	Gain on Sale of Mutual fund	-	-	-	-
	Profit on Sale of Assets	(11)	(2)	(11)	(2)
	<b>Operating Profit before Working Capital Changes</b>	<b>28,324</b>	<b>32,226</b>	<b>30,933</b>	<b>34,114</b>
	Trade & Other Receivable	(8,647)	(21,708)	(9,354)	(19,387)
	Changes in Inventories	1,074	(9,809)	582	(11,063)
	Trade & Other Payable	960	11,291	(2,774)	11,715
	<b>Cash generated from operation</b>	<b>21,711</b>	<b>11,999</b>	<b>19,388</b>	<b>15,379</b>
	Direct Taxes Paid	(5,483)	(8,009)	(5,967)	(8,338)
	<b>Net Cash Flow from Operating Activities</b>	<b>16,228</b>	<b>3,990</b>	<b>13,420</b>	<b>7,041</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>				
	Purchase of Fixed Assets / Capital Work in Progress/ Advances	(13,054)	(12,687)	(16,467)	(15,197)
	Sale of PPE	-	2	-	2
	Investments	(127)	(154)	(0)	-
	Interest Received	67	65	70	72
	Dividend Received	0	238	0	160
	<b>Net Cash Flow from Investing Activities</b>	<b>(13,114)</b>	<b>(12,536)</b>	<b>(16,397)</b>	<b>(14,964)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities</b>				
	Proceeds from Long Term Borrowings	3,736	(2,704)	5,998	(687)
	Proceeds from Unsecured Loans & from Scheduled Bank	(2,596)	21,456	140	20,282
	Capital Proceeds	-	-	76	-
	Buy Back of shares	-	(6,000)	-	(6,000)
	Buyback Tax	-	(1,384)	-	(1,384)
	Dividend Paid	(940)	(951)	(940)	(951)
	Dividend Tax Paid	-	-	-	-
	Interest Paid	(3,253)	(2,006)	(3,619)	(2,058)
	<b>Net Cash Flow from Financing Activities</b>	<b>(3,054)</b>	<b>8,411</b>	<b>1,654</b>	<b>9,203</b>
	<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>61</b>	<b>(135)</b>	<b>(1,323)</b>	<b>1,280</b>
	Opening Cash and Cash Equivalents	149	284	2,161	881
	Closing Cash and Cash Equivalents	210	149	838	2,161

Place: Mumbai  
Date: 29th April' 2023



For AARTI DRUGS LIMITED

*Prakash M. Patil*  
Prakash M. Patil  
(Chairman, Managing Director&CEO)

# KIRTANE & PANDIT LLP

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF AARTI DRUGS LIMITED

### Report on the audit of the Standalone Financial Results

#### Opinion

We have audited the accompanying standalone quarterly financial results of Aarti Drugs Limited ("the company") for the quarter ended March 31, 2023 and the year-to-date results for the period from April 01, 2022 to March 31, 2023, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended March 31, 2023 as well as the year-to-date results for the period from April 01, 2022 to March 31, 2023.

#### Basis for Opinion

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

#### Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year-to-date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Kirtane & Pandit LLP - Chartered Accountants

Bengaluru | Hyderabad | Mumbai | Nashik | Pune

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Regd. Office: 5th Floor, Wing A, Gopal House, S.No. 127/1B/1, Plot-A1, Opp. Harshal Hall, Pune - 411 029, India | T: +91 20 67295100, 25433104, 8764 | F: +91 20 25447603 | www.kirtanepandit.com

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

**For Kirtane & Pandit LLP  
Chartered Accountants  
FRN: 105215W/W100057**

*Kanetkar*

**Aditya A. Kanetkar  
Partner  
M No. 149037**



**UDIN: 23149037 BGUGHQ1639**

Place: Mumbai.  
Date: April 29, 2023

# KIRTANE & PANDIT LLP

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF AARTI DRUGS LIMITED

### Report on the audit of the Consolidated Financial Results

#### Opinion

We have audited the accompanying Statement of Consolidated Financial Results of Aarti Drugs Limited ("Holding company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group") for the quarter ended March 31, 2023 and for the period from April 01, 2022 to March 31, 2023 ("the Statement"), being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements/ financial information of subsidiaries, the Statement:

- a. includes the results of the following entities:
  - i. Pinnacle Life Science Private Limited (Wholly-owned Subsidiary Company)
  - ii. Aarti Speciality Chemicals Limited (Wholly-owned Subsidiary Company)
  - iii. Pinnacle Chile SPA (Subsidiary Company)
- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net profit) and other comprehensive income and other financial information for the Group for the quarter ended and for period ended March 31, 2023.

#### Basis for Opinion

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



Kirtane & Pandit LLP - Chartered Accountants

Bengaluru | Hyderabad | Mumbai | Nashik | Pune

## **Management's Responsibilities for the Consolidated Financial Results**

These consolidated financial results have been prepared on the basis of the annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated financial results by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matters**

We did not audit the interim financial information of 2 subsidiaries include in the Consolidated Financial Results, whose interim Financial Statements / Financial Results / Financial Information reflect total assets of ₹ 23,520.85 Lakhs as at March 31, 2023, total revenue of ₹ 6,005.19 Lakhs and ₹ 28,672.42 Lakhs for the quarter and period ended March 31, 2023 respectively, total net profit after tax of ₹ 266.79 Lakhs and ₹ 1,602.40 Lakhs for the quarter and period ended March 31, 2023 respectively, and net cash flow of ₹ 336.87 Lakhs for period ended March 31, 2023 as considered in the Consolidated Financial Results. These interim Financial Statements / Financial Results / Financial Information have been audited by other auditors. The independent auditors' reports on interim Financial Statements / Financial Results / Financial Information of these entities have been furnished to us and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.



The Consolidated Financial Results include the interim Financial Results of a Subsidiary Company which have not been audited by their auditors, whose interim Financial Statements / Financial Results / Financial Information reflect total assets of ₹ 3,097.47 Lakhs as at March 31, 2023, total revenue of 922.48 and 1,047.89 for the quarter and period ended March 31, 2023 respectively, total net Profit of ₹ 176.66 Lakhs and ₹ 96.79 Lakhs for the quarter and period ended March 31, 2023 respectively, and net cash flow of ₹ 271.55 Lakhs for period ended March 31, 2023 as considered in the Consolidated Financial Results. The unaudited interim Financial Statements / Financial Results / Financial Information have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of this Subsidiary Company is based solely on such unaudited interim Financial Statements / Financial Results / Financial Information. In our opinion and according to the information and explanations given to us by the Board of Directors, the interim Financial Statements / Financial Results / Financial Information are not material to the Group.

Our opinion on the Consolidated Financial Results 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 Results / Financial Information certified by the Board of Directors.

**For Kirtane & Pandit LLP,  
Chartered Accountants  
FRN: 105215W/W100057**

*Aditya A. Kanetkar*

**Aditya A. Kanetkar  
Partner  
M No. 149037**



**UDIN: 23149037BGUGHR 2720**

Place: Mumbai  
Date: April 29, 2023



# Aarti Drugs Limited

**Manufacturers of : Bulk Drugs & Chemicals**

**Corporate Office :** Mahendra Industrial Estate,  
Ground Floor, Plot No. 109-D, Road No. 29,  
Sion (East), Mumbai - 400 022. (India)  
Tel .: 022-2407 2249 / 2401 9025 (30 Lines)  
Fax.: 022-2407 3462 / 2407 0144  
Email: admin@aartidrugs.com  
website: www.aartidrugs.com  
CIN No.:L37060MH1984PLC055433

Ref: ADL/SE/2023-24/11  
April 29, 2023

To,  
Listing/ Compliance Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
**BSE CODE: 524348**

To,  
Listing/ Compliance Department  
**National Stock Exchange of India Limited,**  
“Exchange Plaza”, Plot No. C/1,  
G Block Bandra - Kurla Complex,  
Bandra (East),  
Mumbai – 400051  
**NSE CODE: AARTIDRUGS**

Dear Sir/Madam,

**Ref:** Compliance of Regulation 33 of SEBI (LODR) Regulations, 2015.

**Sub:** Declaration in respect of Audit Reports with un-modified opinion for the Financial Year ended March 31, 2023.

We hereby confirm and declare that the Statutory Auditors of the Company M/s. Kirtane & Pandit LLP, Chartered Accountants (FRN: 105215W/W100057) have issued the Audit Report with un-modified opinion in respect of Annual Audited Standalone and Consolidated Financial Results for the Financial Year ended March 31, 2023.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
**FOR AARTI DRUGS LIMITED**

**RUSHIKESH DEOLE**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
ICSI M. No.: A54527

