



**November 7, 2023**

To,  
Listing/ Compliance Department  
**BSE LTD.**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**SCRIP CODE: 543748**

Dear Sir/Madam,

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

**Sub:** Outcome of the Board Meeting - Audited Financial Results for the quarter and half year ended September 30, 2023.

**Ref:** Regulation 30 and 33 of SEBI (LODR) Regulations, 2015

We wish to inform you that the Board of Directors at their meeting held today i.e. **Tuesday, November 7, 2023**, inter alia considered and approved the Audited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2023, upon recommendation of the Audit Committee.

Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, we enclose the following;

- Statement showing the Financial Results,
- Statement of Assets and Liabilities,
- Cash Flow Statement,
- Auditor's Report on the Financial Results.

The meeting of the Board of Directors commenced at 11:30 a.m. and concluded at 6.20 p.m.

The above information is also available on the website of the Company: [www.aartipharmalabs.com](http://www.aartipharmalabs.com)

Please take the same on your records.

Thanking you,

Yours faithfully,  
**For AARTI PHARMALABS LIMITED**

NIKHIL NATU  
**COMPANY SECRETARY**  
ICSI M. NO. A27738

Encl: a/a

**AARTI PHARMALABS LIMITED**

[www.aartipharmalabs.com](http://www.aartipharmalabs.com) | CIN : L24100GJ2019PLC110964 | Email : [info@aartipharmalabs.com](mailto:info@aartipharmalabs.com)

Admin Office : 204, Udyog Kshetra, 2nd Floor, Mulund - Goregaon Link Road, Mulund (W), Mumbai, PIN - 400 080, Maharashtra, INDIA, T : +91 22 67976666 | F : +91 22 25653234  
Regd. Office : Plot No. 22-C/1 & 22-C/2, 1st Phase, G.I.D.C., Vapi 396 195, District - Valsad, Gujarat, INDIA, T : +91 260 2400467, +91 99099 94655

	Particulars	Standalone Result					
		3 Months Ended			6month ended		Year Ended
		30th Sept 2023	30th Jun 2023	30th Sept 2022	30th Sept 2023	30th Sept 2022	31st Mar 2023
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	
1	INCOME						
	a) Revenue from Operations (Net)	35,614	35,814	40,450	71,428	77,765	151,125
	b) Other Income	0	486	124	486	124	128
	<b>Total Income</b>	<b>35,614</b>	<b>36,300</b>	<b>40,574</b>	<b>71,914</b>	<b>77,889</b>	<b>151,253</b>
2	EXPENSES						
	a) Cost of Materials Consumed	19,688	19,364	24,516	39,052	49,488	89,945
	b) Purchases of Stock-in-Trade	0	1,401	9	1,401	931	970
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(611)	(1,929)	(1,736)	(2,540)	(7,326)	(9,122)
	d) Employee Benefits Expense	2,984	3,153	2,959	6,137	5,833	12,216
	e) Finance Costs	382	403	552	785	957	2,049
	f) Depreciation and Amortisation Expenses	1,632	1,544	1,455	3,176	2,696	5,577
	g) Other Expenses	6,174	6,151	6,675	12,325	12,942	26,283
	<b>Total Expenses</b>	<b>30,248</b>	<b>30,087</b>	<b>34,431</b>	<b>60,335</b>	<b>65,520</b>	<b>127,917</b>
3	<b>Profit/(Loss) before Exceptional Items and Tax (1-2)</b>	<b>5,367</b>	<b>6,213</b>	<b>6,143</b>	<b>11,580</b>	<b>12,369</b>	<b>23,336</b>
4	Exceptional Items					0	
5	<b>Profit/(Loss) before Tax (3-4)</b>	<b>5,367</b>	<b>6,213</b>	<b>6,143</b>	<b>11,580</b>	<b>12,369</b>	<b>23,336</b>
6	TAX EXPENSES*						
	a) Current Year Tax	1,036	1,100	1,325	2,136	2,600	5,213
	c) MAT Credit Utilised/(Entitlement)		0	0			0
	c) Deferred Tax	150	350	225	500	450	950
	<b>Total Tax Expenses</b>	<b>1,186</b>	<b>1,450</b>	<b>1,550</b>	<b>2,636</b>	<b>3,050</b>	<b>6,163</b>
7	<b>Net Profit/(Loss) from Ordinary Activities after Tax (5-6)</b>	<b>4,181</b>	<b>4,763</b>	<b>4,593</b>	<b>8,944</b>	<b>9,319</b>	<b>17,173</b>
8	Exceptional Items (Net of Tax Expense Rs.)					0	
9	<b>Net Profit/(loss) for the period (7-8)</b>	<b>4,181</b>	<b>4,763</b>	<b>4,593</b>	<b>8,944</b>	<b>9,319</b>	<b>17,173</b>
10	Profit/(loss) for the period attributable to						
	a) Owners of the Company	4,181	4,763	4,593	8,944	9,319	17,173
	b) Non Controlling Interest		0		0	0	0
11	OTHER COMPREHENSIVE INCOME				0		
	a. Items that will be reclassified to Statement of Profit and Loss	(62)	117	48	55	20	(70)
	b. Items that will Not be reclassified to Statement of Profit and Loss				0		
12	<b>Total Comprehensive Income for the period (10+11)</b>	<b>4,118</b>	<b>4,880</b>	<b>4,641</b>	<b>8,998</b>	<b>9,339</b>	<b>17,103</b>
13	Earnings per Equity share:						
	(1) Basic	4.61	5.26	5.07	9.87	10.28	18.95
	(2) Diluted	4.61	5.26	5.07	9.87	10.28	18.95
14	Paid-up Equity Share Capital (Face Value of Rs. 5/-each)	4,531	4,531	4,531	4,531	4,531	4,531
15	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year						139,327

The Financial Results have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2 The above results for the quarter ended and half year ended Sept 2023, have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 7th November, 2023

3 The Company has identified only one segment i.e. Pharmaceuticals as reporting segment based on the information reviewed by Chief Operating Decision Maker (CODM).

4 The aforesaid financial results are available on the Company's website at [www.aartipharmalabs.com](http://www.aartipharmalabs.com) and are also available on the website of BSE limited [www.bseindia.com](http://www.bseindia.com) & the National Stock Exchange of India Limited [www.nseindia.com](http://www.nseindia.com)

Place : Mumbai  
Date : 7th November, 2023

  
Hetal Gogri  
Vice Chairperson & Managing Director  
DIN: 00005499



## AARTI PHARMALABS LIMITED

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Particulars	Consolidated Result					
	3 Months Ended			6month ended		Year Ended
	30th Sept 2023 (Audited)	30th Jun 2023 (Audited)	30th Sept 2022 (Audited)	30th Sept 2023 (Audited)	30th Sept 2022 (Audited)	31st Mar 2023 (Audited)
<b>1 INCOME</b>						
a) Revenue from Operations (Net)	43,980	45,836	53,117	89,815	98,855	194,523
b) Other Income	98	48	127	147	129	232
<b>Total Income</b>	<b>44,078</b>	<b>45,884</b>	<b>53,245</b>	<b>89,962</b>	<b>98,984</b>	<b>194,755</b>
<b>2 EXPENSES</b>						
a) Cost of Materials Consumed	22,189	22,007	28,403	44,196	54,945	101,430
b) Purchases of Stock-in-Trade	3,520	4,865	9,976	8,385	15,758	28,082
c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(484)	220	(4,809)	(264)	(10,301)	(12,536)
d) Employee Benefits Expense	3,160	3,325	3,129	6,485	6,170	12,969
e) Finance Costs	389	417	563	806	987	2,105
f) Depreciation and Amortisation Expenses	1,814	1,720	1,657	3,534	3,034	6,254
g) Other Expenses	6,796	6,932	7,442	13,728	14,701	30,374
<b>Total Expenses</b>	<b>37,384</b>	<b>39,486</b>	<b>46,360</b>	<b>76,870</b>	<b>85,294</b>	<b>168,678</b>
<b>3 Profit/(Loss) before Exceptional Items and Tax (1-2)</b>	<b>6,694</b>	<b>6,398</b>	<b>6,884</b>	<b>13,092</b>	<b>13,690</b>	<b>26,077</b>
<b>4 Exceptional Items</b>						
<b>5 Profit/(Loss) before Tax (3-4)</b>	<b>6,694</b>	<b>6,398</b>	<b>6,884</b>	<b>13,092</b>	<b>13,690</b>	<b>26,077</b>
<b>6 TAX EXPENSES*</b>						
a) Current Year Tax	1,402	1,352	1,555	2,754	2,976	5,912
c) MAT Credit Utilised/(Entitlement)		0	0			0
c) Deferred Tax	113	337	220	449	421	817
<b>Total Tax Expenses</b>	<b>1,515</b>	<b>1,688</b>	<b>1,775</b>	<b>3,203</b>	<b>3,397</b>	<b>6,729</b>
<b>7 Net Profit/(Loss) from Ordinary Activities after Tax (5-6)</b>	<b>5,180</b>	<b>4,709</b>	<b>5,109</b>	<b>9,889</b>	<b>10,293</b>	<b>19,349</b>
<b>8 Exceptional Items (Net of Tax Expense Rs.)</b>						
<b>9 Net Profit/(loss) for the period (7-8)</b>	<b>5,180</b>	<b>4,709</b>	<b>5,109</b>	<b>9,889</b>	<b>10,293</b>	<b>19,349</b>
<b>10 Profit/(loss) for the period attributable to</b>						
a) Owners of the Company	5,180	4,709	5,109	9,889	10,293	19,349
b) Non Controlling Interest		0				0
<b>11 OTHER COMPREHENSIVE INCOME</b>						
a. Items that will be reclassified to Statement of Profit and Loss	(373)	388	48	15	20	(345)
b. Items that will Not be reclassified to Statement of Profit and Loss						
<b>12 Total Comprehensive Income for the period (10+11)</b>	<b>4,807</b>	<b>5,097</b>	<b>5,157</b>	<b>9,904</b>	<b>10,313</b>	<b>19,004</b>
<b>13 Earnings per Equity share:</b>						
(1) Basic	5.72	5.20	5.64	10.91	11.36	21.35
(2) Diluted	5.72	5.20	5.64	10.91	11.36	21.35
<b>14 Paid-up Equity Share Capital (Face Value of Rs. 5/-each)</b>	<b>4,531</b>	<b>4,531</b>	<b>4,531</b>	<b>4,531</b>	<b>4,531</b>	<b>4,531</b>
<b>15 Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year</b>						<b>151,317</b>

The Financial Results have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The above results for the quarter ended and half year ended Sept 2023, have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 7th November, 2023

The Company has identified only one segment i.e. Pharmaceuticals as reporting segment based on the information reviewed by Chief Operating Decision Maker (CODM).

The aforesaid financial results are available on the Company's website at [www.aartipharmalabs.com](http://www.aartipharmalabs.com) and are also available on the website of BSE limited [www.bseindia.com](http://www.bseindia.com) & the National Stock Exchange of India Limited [www.nseindia.com](http://www.nseindia.com)

Place : Mumbai  
Date : 7th November, 2023

For AARTI PHARMALABS LIMITED

Hetal Goga, Gala

Vice Chairperson & Managing Director  
DIN: 00005499



Sr. No -	Particulars	Standalone		Consolidated	
		As at 30th Sept 2023	As at 31st Mar 2023	As at 30th Sept 2023	As at 31st Mar 2023
<b>A</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-Current Assets</b>				
	(a) Property, Plant and Equipment	85,424	84,708	93,079	92,274
	(b) Capital work-in-progress	8,939	6,223	8,939	6,220
	(c) Right to use Assets	1,277	114	1,277	114
	(d) Goodwill			178	178
	(e) Other Intangible assets	19	18	19	18
	(f) Intangible assets under Development	6,084	3,967	6,084	3,967
	(g) Financial Assets				
	(i) Investments				
	(a) Investment in Subsidiary & Joint Control	1,352	1,352		
	(b) Investments (Others )	2,916	2,916	3,559	3,552
	(ii) Other Financial Assets	1,103	883	1,164	944
	(h) Other Non-Current Assets	354	249	354	249
	<b>Total Non-Current Assets</b>	<b>107,468</b>	<b>100,430</b>	<b>114,653</b>	<b>107,517</b>
<b>2</b>	<b>Current Assets</b>				
	(a) Inventories	56,095	53,768	60,255	60,204
	(b) Financial Assets				
	(i) Investments			4,516	3,818
	(f) Trade Receivables	35,950	36,161	42,465	44,005
	(ii) Cash and Cash Equivalents	1,849	1,311	2,453	2,493
	(iii) Bank Balance Other than (ii) above	8	7	8	7
	(iv) Loans	585	585	712	710
	(v) Other Current Financial Assets	4,526	3,347	4,909	3,581
	(c) Other Current Assets	890	718	932	758
	(d) Current Tax Assets (Net)	418	0	418	
	<b>Total Current Assets</b>	<b>100,319</b>	<b>95,897</b>	<b>116,668</b>	<b>115,576</b>
	<b>TOTAL ASSETS</b>	<b>207,787</b>	<b>196,327</b>	<b>231,321</b>	<b>223,093</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Equity</b>				
	(a) Equity Share Capital	4,531	4,531	4,531	4,531
	(c) Other Equity	148,325	139,327	161,221	151,317
	(d) Non Controlling Interest				
	<b>Total Equity</b>	<b>152,856</b>	<b>143,858</b>	<b>165,752</b>	<b>155,849</b>
<b>2</b>	<b>Liabilities</b>				
	<b>Non-Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings			19	18
	(f) Lease Liabilities	1,003	53	1,003	53
	(iii) Provisions	0	0	304	132
	(b) Deferred Tax Liabilities (Net)	7,385	6,885	8,333	7,884
	(c) Other Non-Current Liabilities				
	<b>Total Non-Current Liabilities</b>	<b>8,388</b>	<b>6,938</b>	<b>9,659</b>	<b>8,087</b>
	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(f) Borrowings	20,339	20,671	20,371	21,378
	(f) Lease Liabilities	324	44	324	
	(ii) Trade Payables due to				
	- Micro and Small Enterprises	823	1,265	823	1,265
	- Other Than Micro and Small Enterprises	22,576	20,710	31,630	33,410
	(iii) Others Financial Liabilities	1,450	1,429	1,531	1,692
	(b) Provisions	1,032	1,121	1,231	1,121
	(c) Current Tax Liabilities ( Net )	0	290		290
	<b>Total Current Liabilities</b>	<b>46,543</b>	<b>45,531</b>	<b>55,910</b>	<b>59,157</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>207,787</b>	<b>196,327</b>	<b>231,321</b>	<b>223,093</b>

Place : Mumbai  
Date : 7th November ,2023

For AARTI PHARMALABS LIMITED

Hetal Gogri Gata  
Vice Chairperson & Managing Director  
DIN: 00005498



**AARTI PHARMALABS LIMITED**

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AARTI PHARMALABS LIMITED ( Formerly Known as Aarti Organics Limited )  
 Cash Flow Statement for the Half Year Ended 30th September, 2023

(Rs in Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		As at 30th Sept 2023	As at 30th Sept 2022	As at 30th Sept 2023	As at 30th Sept 2022
<b>A.</b>	<b>Cash Flow from Operating Activities:</b>				
	Net Profit before Tax and Exceptional/Extraordinary Items	11,580	12,369	13,092	13,690
	<u>Adjustments for:</u>				
	Finance Costs	785	957	806	987
	Depreciation and Amortisation Expenses	3,175	2,696	3,534	3,034
	Dividend Income	(465)	(124)	0	0
	Interest income			(22)	(5)
	Profit on Sale of Assets/Investments			(39)	
	<b>Operating Profit before Working Capital Changes</b>	<b>15,075</b>	<b>15,898</b>	<b>17,371</b>	<b>17,705</b>
	<u>Adjustments for:</u>				
	(Increase)/Decrease in Trade and Other Receivables	(1,463)	(2,448)	(710)	(4,079)
	(Increase)/Decrease in Inventories	(2,327)	(8,566)	(51)	12,418
	Increase/(Decrease) in Trade Payables and Other Current Liabilities	1,442	8,070	(1,892)	(11,490)
	<b>Cash Generated from Operations</b>	<b>12,727</b>	<b>12,954</b>	<b>14,718</b>	<b>14,554</b>
	Direct Taxes Paid	(2,844)	(1,355)	(3,044)	(1,701)
	<b>Net Cash Flow from Operating Activities (A)</b>	<b>9,883</b>	<b>11,600</b>	<b>11,674</b>	<b>12,853</b>
<b>B.</b>	<b>Cash Flow from Investing Activities:</b>				
	Addition to Property, Plant & Equipment/Capital WIP	(6,405)	(5,925)	(6,969)	(6,068)
	Investments under Intangible assets under Development	(2,117)		(2,117)	
	(Increase)/Decrease in Other Investments			(665)	(876)
	Dividend & Interest Income from Subsidiary Companies	465	124	0	0
	Interest income			22	5
	<b>Net Cash Flow from Investing Activities (B)</b>	<b>(8,058)</b>	<b>(5,802)</b>	<b>(9,729)</b>	<b>(6,939)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities:</b>				
	Proceeds/(Repayment) of Borrowings	(332)	(4,902)	(1,007)	(6,050)
	Finance Costs	(731)	(957)	(752)	(987)
	Lease liability payment	(172)		(172)	
	Finance Costs on lease liability	(54)		(54)	
	Dividend Paid				(117)
	<b>Net Cash Flow from Financing Activities (C)</b>	<b>(1,288)</b>	<b>(5,859)</b>	<b>(1,985)</b>	<b>(7,149)</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>538</b>	<b>(60)</b>	<b>(40)</b>	<b>(1,234)</b>
	Cash and Cash Equivalents (Opening Balance)	1,311	5,650	2,493	8,327
	<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>1,849</b>	<b>5,590</b>	<b>2,453</b>	<b>7,093</b>

Place : Mumbai  
 Date : 7th November, 2023

For AARTI PHARMALABS LIMITED

Hetal Gogoi  
 Vice Chairman & Managing Director  
 DIN: 00005499



**AARTI PHARMALABS LIMITED**

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**gokhale & sathe (regd.)**

chartered accountants  
304/308/309, Udyog Mandir No. 1,  
7-C, Bhagoji Keer Marg,  
Mahim, Mumbai 400 016

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## **Independent Auditors' Report**

### **To Board of Directors of Aarti Pharmalabs Limited Report on Audit of Standalone Audited Financial Results**

#### **Opinion**

We have audited the accompanying standalone financial results of Aarti Pharmalabs Limited ("the Company") for the quarter ended 30 September 2023 and year-to-date results for the period from 1 April 2023 to 30 September 2023 ("the financial results") 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 financial results:

1. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
2. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS-34") prescribed under section 133 of the Companies Act 2013 read with relevant rules thereunder and other accounting principles generally accepted in India of the net profit and total other comprehensive income, and other financial information of the Company for quarter ended 30 September 2023 and year-to-date results for the period from 1 April 2023 to 30 September 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 SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act 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.





**gokhale & sathe (regd.)**

chartered accountants  
304/308/309, Udyog Mandir No. 1,  
7-C, Bhagoji Keer Marg,  
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### **Management's Responsibilities for the Standalone Financial Results**

These quarterly 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 standalone 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 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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

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

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

### **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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.





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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the Board of Directors in terms of 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 standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial results.

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.





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



Tejas Parikh  
Partner  
Membership No. 123215  
UDIN: - 23123215BGQLIW3511  
Date: 7 November 2023  
Place: Mumbai



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## **Independent Auditors' Report**

### **To Board of Directors of Aarti Pharmalabs Limited Report on Audit of Consolidated Audited Financial Results**

#### **Opinion**

We have audited the accompanying consolidated financial results of Aarti Pharmalabs Limited ("the Holding Company") and wholly owned subsidiary companies and jointly controlled entity (the Holding Company together with its subsidiaries and jointly controlled entity referred as "the Group") for quarter ended 30 September 2023 and year-to-date results for the period from 01 April 2023 to 30 September 2023 ("the consolidated financial results") 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 financial results:

1. includes the results of the following entities:
  - a. **Subsidiaries**
    - i. Aarti USA Inc
    - ii. Aarti Pharmachem Limited
  - b. **Jointly Controlled Entity**
    - i. Ganesh Polychem Limited
2. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
3. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS-34") prescribed under section 133 of the Companies Act 2013 read with relevant rules thereunder and other accounting principles generally accepted in India of the consolidated net profit and consolidated total other comprehensive income and other financial information of the Group for quarter ended 30 September 2023 and year-to-date results for the period from 01 April 2023 to 30 September 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 SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in





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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 Consolidated Financial Results**

These quarterly consolidated financial results have been prepared on the basis of the interim financial statements.

The Holding Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the consolidated net profit and consolidated 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 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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

In preparing the consolidated financial results, the respective management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies 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 management and the Board of Directors either intends to liquidate their respective companies 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 Company's 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:





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- 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 management and the Board of Directors in terms of 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 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 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 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. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

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





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We communicate with those charged with governance of the Holding Company and such other companies 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**

#### **I. Financial Results of Subsidiaries/Jointly Controlled Entity not audited by us.**

The Consolidated Financial Results include the audited Financial Results of 2 subsidiaries and 1 jointly controlled entity whose financial results reflect total assets of Rs 25,336 lakhs as on 30 September 2023, total revenues of Rs.8,604 Lakhs and Rs.18,873 Lakhs (before consolidation adjustments), total net profit after tax of Rs.858 Lakhs and Rs.1,343 Lakhs (before consolidation adjustments) and total comprehensive income of Rs. 547 Lakhs and Rs. 1302 Lakhs (before consolidation adjustments) for the quarter ended 30 September 2023 and for the period 01 April 2023 to 30 September 2023 respectively, and cash outflow (net) of Rs. 577 Lakhs for the period 01 April 2023 to 30 September 2023 as considered in the Consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the Management, and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion is not modified in respect of above matters.

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

Tejas Parikh  
Partner

Membership No. 123215

UDIN: 23123215BGQLIX5106

Date: 7 November 2023

Place: Mumbai

