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**INDEPENDENT AUDITORS' REPORT ON THE AUDIT OF THE QUARTERLY AND YEAR TO DATE STANDALONE FINANCIAL RESULTS.**

**To**  
**The Board of Directors of**  
**Aarti Pharmed Labs Limited (formerly known as Aarti Organics Limited)**

**Opinion**

We have audited the accompanying statement of financial results of **Aarti Pharmed Labs Limited (formerly known as Aarti Organics Limited) ("the Company")** for the quarter ended 31st March, 2022 ("the statement"), and year to date results for the period from 1<sup>st</sup> April, 2021 to 31st March, 2022, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("the listing regulations").

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

- i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the loss and other financial information for the quarter ended 31st March, 2022 as well as the year to date results for the period from 1<sup>st</sup> April, 2021 to 31st March, 2022.

**Basis of Opinion**

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

**Management Responsibilities for the Standalone Financial Results**

These quarterly financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Accounting standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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

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

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

### **Auditors' Responsibilities for the Audit of the Standalone Financial Results**

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

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

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

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

For **Jatin Vora & Associates**

**Chartered Accountants**

**Registration No. 118024W**

Jatin

Sundarji Vora

Digitally signed by  
Jatin Sundarji Vora  
Date: 2022.05.20  
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**(CA Jatin S. Vora)**

**Proprietor**

**Membership No. 103866**

**UDIN: 22103866AJFZZY8734**

Place: Mumbai

Date: 20<sup>th</sup> May, 2022

**AARTI PHARMALABS LIMITED ( Formerly Known As Aarti Organics Limited )**

Balance Sheet as at 31st March, 2022

(Amount in Rs)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
Non-Current Assets			
Property, Plant and Equipment		NIL	NIL
Capital Work-in-Progress		NIL	NIL
Intangible Assets		NIL	NIL
Financial Assets			
Investments		NIL	NIL
Other Non-Current Assets		NIL	NIL
Total Non-Current Assets		NIL	NIL
Current Assets			
Inventories		NIL	NIL
Financial Assets			
Trade Receivables		NIL	NIL
Cash and Cash Equivalents	1	14,68,399	25,00,000
Others Current Financial Assets		NIL	NIL
Other Current Assets	2	1,12,772	NIL
Total Current Assets		15,81,171	25,00,000
<b>TOTAL ASSETS</b>		<b>15,81,171</b>	<b>25,00,000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	3	25,00,000	25,00,000
Other Equity	4	(10,04,089)	(2,32,711)
Total Equity		14,95,911	22,67,289
<b>LIABILITIES</b>			
Non-Current Liabilities			
Financial Liabilities			
Borrowings		NIL	NIL
Other Financial Liabilities	5	NIL	1,86,751
Deferred Tax Liabilities (Net)		NIL	NIL
Total Non-Current Liabilities		-	1,86,751
Current Liabilities			
Financial Liabilities			
Borrowings		NIL	NIL
Trade Payables Due to:			
Micro and Small Enterprises		NIL	NIL
Other Than Micro and Small Enterprises		39,300	25,960
Other Current Liabilities	6	45,960	20,000
Provisions		NIL	NIL
Total Current Liabilities		85,260	45,960
Total Liabilities		85,260	2,32,711
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,81,171</b>	<b>25,00,000</b>

Summary of Significant Accounting Policies and other  
Explanatory Information

1-7

As per our report of even date

For Jatin Vora &amp; Associates

Chartered Accountants

FRN No. : 118024W

Jatin S. Vora

Proprietor

Membership No. : 103866

UDIN : 22103866AJFZZY8734

Place: Mumbai

Date: 20th May 2022



For Aarti Pharmalabs Limited

Rashesh C. Gogri

Director

DIN: 00066291



Chetan Gandhi

Director

DIN: 06843850

**AARTI PHARMALABS LIMITED ( Formerly Known As Aarti Organics Limited )**

Statement of Profit and Loss for the period ended 31st March, 2022

(Amount in Rs)

Particulars	Note No.	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
REVENUE			
Revenue from Operations		-	-
Other Income		15,900	-
Total Revenue		15,900	-
EXPENSES			
Cost of Materials Consumed (Incl. Packing Material, Fuel, Stores & Spares)		-	-
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade		-	-
Employee Benefits Expense		-	-
Finance Costs		1,618	-
Depreciation and Amortisation Expenses		-	-
Other Expenses	7	7,85,660	45,960
Total Expenses		7,87,278	45,960
PROFIT BEFORE TAX		(7,71,378)	(45,960)
TAX EXPENSES			
Current Year Tax		-	-
Deferred Tax		-	-
Total Tax Expenses		-	-
PROFIT AFTER TAX		(7,71,378)	(45,960)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(7,71,378)	(45,960)
Earnings Per Equity Share (EPS) (in Rs)			
Basic/Diluted		-3.09	-0.18
Summary of Significant Accounting Policies and other Explanatory Information	1-7		

As per our report of even date  
For Jatin Vora & Associates  
Chartered Accountants  
FRN No. : 118024W

Jatin S. Vora  
Proprietor  
Membership No. : 103866  
UDIN : 22103866AJFZZY8734  
Place: Mumbai  
Date: 20th May 2022



For Aarti Pharmalabs Limited

Rashesh C. Gogri  
Director  
DIN: 00066291



Chetan Gandhi  
Director  
DIN: 06843850



**AARTI PHARMALABS LIMITED ( Formerly Known As Aarti Organics Limited )****Cash Flow Statement for the year ended 31st March, 2022**

(Amount in Rs)

Particulars	31.03.2022	31.03.2021
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before extraordinary items and tax	-7,71,378	-45,960
<b>Change in current Assets &amp; Liabilities</b>		
Adjustments for increase / (decrease) in operating liabilities:		
Other Current Assets & Current liability	-2,60,223	45,960
Net Cash inflow/(out flow) from Operating Activites (A)	-10,31,601	0
<b>B. Cash Flow from Investing Activities</b>		
Capital WIP	NIL	NIL
Net Cash inflow/(outflow) from Investing activities (B)	NIL	NIL
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares	NIL	NIL
Proceeds/(Repayment) of Other Borrowings	NIL	NIL
Net Cash inflow/(out flow) from Financing Activites (C)	-	-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	-10,31,601	0
Cash and Cash equivalent as at the commencement of the period	25,00,000	25,00,000
Cash and Cash equivalent as at the End of the period	14,68,399	25,00,000

**Note:**

(i) Cash and Cash equivalent is Cash and Bank Balances as per Balance Sheet.

As per our report of even date

For Jatin Vora &amp; Associates

Chartered Accountants

FRN No. : 118024W

Jatin S. Vora

Proprietor

Membership No. : 103866

UDIN : 22103866AJFZZY8734

Place: Mumbai

Date: 20th May 2022



For Aarti Pharmalabs Limited

Rashesh C. Gogri

Director

DIN: 00066291



Chetan Gandhi

Director

DIN: 06843850


**AARTI PHARMALABS LIMITED ( Formerly Known As Aarti Organics Limited )**

Statement of Changes in Equity for the Period ended 31st March, 2022

A. EQUITY SHARE CAPITAL		(Amount in Rs)
As at 1st April, 2020		25,00,000
Changes in equity share capital during the year 2020-21		NIL
As at 31st March, 2021		25,00,000
Changes in equity share capital during the year 2021-22		NIL
As at 31st March, 2022		25,00,000

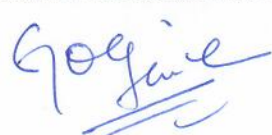
B. OTHER EQUITY			(Amount in Rs)
Particulars	Other Equity	Total Other Equity	
	Reserves and Surplus		
	Retained Earnings		
As at 1st April, 2020	(1,86,751)	(1,86,751)	
Profit/Loss for the year 20-21	(45,960)	(45,960)	
Balance as at 31st March, 2021	(2,32,711)	(2,32,711)	
Profit/Loss for the year 21-22	(7,71,378)	(7,71,378)	
Balance as at 31st March, 2022	(10,04,089)	(10,04,089)	

As per our report of even date  
For Jatin Vora & Associates  
Chartered Accountants  
FRN No. : 118024W

  
Jatin S. Vora  
Proprietor  
Membership No. : 103866



For Aarti Pharmalabs Limited

  
Rashesh C. Gogri  
Director  
DIN: 00066291

  
C.B. Gandhi  
Chetan Gandhi  
Director  
DIN: 06843850

UDIN : 22103866AAIZSS9398  
Place: Mumbai  
Date: 20th May 2022



**1 Significant Accounting Policies:****a Accounting Convention**

The Company has prepared the balance sheet as per Ind AS by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS and applying Ind AS in measurement of Recognised assets and liabilities.

**b Use of Estimates**

The preparation of financial statements requires the management estimates and assumptions to be made that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

**c Cash flow statement**

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

**Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**d Taxes on Income**

i. Provision for current tax is determined on the basis of taxable income for the period as per the provisions of Income Tax Act, 1961.

ii. Deferred tax for the year is recognized, on timing differences, being difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

**e Revenue Recognition****Sale of goods**

No Sales / Income for the Year

**f Earnings per Share:**

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

**g Provisions and Contingencies:**

A provision is recognized when the company has legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate the amount of the obligation. A contingent liability is disclosed when the company has possible or present obligation where it is not certain that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.





**AARTI PHARMALABS LIMITED ( Formerly Known As Aarti Organics Limited )**
**1 CASH AND CASH EQUIVALENTS:**

Particulars	(Amount in Rs)	
	As at 31st March, 2022	As at 31st March, 2021
Cash on hand	NIL	NIL
Bank Balance in Current Account	14,68,399	25,00,000
Bank Balance in Deposit Account	NIL	NIL
<b>TOTAL</b>	<b>14,68,399</b>	<b>25,00,000</b>

**2 Other Current Assets:**

Particulars	(Amount in Rs)	
	As at 31st March, 2022	As at 31st March, 2021
Balance with Statutory Authority	1,12,772	-
<b>TOTAL</b>	<b>1,12,772</b>	<b>-</b>

**3 EQUITY SHARE CAPITAL:**

Particulars	No. of Shares	As at 31st March, 2022	No. of Shares	As at 31st March, 2021
Authorised Share Capital Equity Shares of 10/- each	5,00,000	50,00,000	5,00,000	50,00,000
Issued, Subscribed & Paid up Equity Shares of 10/- each fully paid up	2,50,000	25,00,000	2,50,000	25,00,000
<b>TOTAL</b>	<b>2,50,000</b>	<b>25,00,000</b>	<b>2,50,000</b>	<b>25,00,000</b>

**Reconciliation of the number of Shares outstanding as on 31st March 2022**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Equity Shares at the beginning of the year	2,50,000	2,50,000
Equity Shares issued during the year	NIL	NIL
Equity Shares at the end of the year	2,50,000	2,50,000

**Details of shareholders holding more than 5% shares:**

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% held	No. of Shares	% held
Aarti Industries Limited	2,50,000	100	2,50,000	100

**The details of Equity Shares outstanding during last 5 years:**

Particulars	Financial Year				
	2021-22	2020-21	2019-20	2018-19	2017-18
No. of Equity Shares outstanding	2,50,000	2,50,000	2,50,000	-	-



## 4 OTHER EQUITY:

Particulars	(Amount in Rs)	
	As at 31st March, 2022	As at 31st March, 2021
Profit and Loss Account		
Opening balance	(2,32,711)	(1,86,751)
Addition:		
Net Profit/(Loss) for the year	(7,71,378)	(45,960)
Closing Balance	<u>(10,04,089)</u>	<u>(2,32,711)</u>

Particulars	(Amount in Rs)	
	As at 31st March, 2022	As at 31st March, 2021
5 OTHER FINANCIAL LIABILITIES:		
Loans & Advances from Related Parties	-	1,86,751
TOTAL	<u>-</u>	<u>1,86,751</u>

Particulars	(Amount in Rs)	
	As at 31st March, 2022	As at 31st March, 2021
6 OTHER CURRENT LIABILITIES:		
Other Current Liabilities & Provisions	45,960	20,000
TOTAL	<u>45,960</u>	<u>20,000</u>



**AARTI PHARMALABS LIMITED ( Formerly Known As Aarti Organics Limited )**

Particulars	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
7 OTHER EXPENSES:		
Office Administrative Expenses:		
Rates & Taxes	637600	-
Misc. Expenses/Charges/Gst Exp	6750	3,960
Legal & Professional Charges	99310	-
Auditor Remuneration	42000	42,000
Total	7,85,660	45,960
AUDITOR'S REMUNERATION:		
Audit Fees	20000	20000
Other Fees	22000	22000
TOTAL	42,000	42,000





## 8 EARNINGS PER SHARE

Particulars	(Amount in Rs)	
	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Profit after tax as per statement of profit and loss	-7,71,378	-45,960
Weighted average number of equity shares for basic EPS (in No.)	2,50,000	2,50,000
Weighted average number of equity shares for diluted EPS (in No.)	2,50,000	2,50,000
Face value of equity shares (in Rs.)	10	10
Earnings per share Basic (in Rs.)	-3.09	-0.18
Earnings per share Diluted (in Rs.)	-3.09	-0.18

## 9 RELATED PARTIES DISCLOSURES

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

## I Holding Company

1	Aarti Industries Limited	
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## II List if Director / KMP

1	Rajendra V. Gogri	Director
2	Rashesh C. Gogri	Director
3	Hetal Gogri Gala	Director
4	Narendra J. Salvi	Director
5	Chetan Bipin Gandhi	Director
6	Nikhil P. Natu	KMP

## III Details relating to parties referred to in item I above.

(Amount in Rs)

		2021-22	2020-21
Rent Payments to Shri Chandrakant V. Gogri	Relatives of Director	Rs 637600/-	Nil

10 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

11 In the opinion of the Board, except as otherwise stated, the Current Assets and Loans and Advances have a value on realization at least equal to amounts at which they are stated in the Balance Sheet.





**AARTI PHARMALABS LIMITED ( Formerly Known As Aarti Organics Limited )**

**a Change of Name**

During the Year Company has change its name from Aarti Organics limited to Aarti Pharmalabs limited and same is approved at ROC. Necessary changes has been incorporate in all places including MOA & AOA.

**b Change of Registered Office**

During the Year Company has changed its Registered Office to Plot No. 22/C/1 & 22/C/2, 1st Phase, G.I.D.C. Vapi, District Valsad Gujarat – 396195 and same is approved at ROC.

**c Scheme of Arrangement**

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

Scheme is pending for approval of NCLT, Ahmedabad, Gujarat.

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

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

Details of Assets & Liability of Aarti Industries limited Demerged Pharma Undertaking to be Transferred to Company is as below

Particular	Rs in Crore Amt
Property, Plant and Equipment	789.69
Investments	32.71
Trade Receivable	256.89
Inventories	336.23
Other Current & Non-Current Assets ( Incl Cash & Cash Equivalents )	721.56
Total Assets	2137.08
Trade Payables	-170.47
Other Current & Non-Current Liability	-71
Borrowings ( In the Ratio of Net Assets Transferred )	-725.68
Total Liability	-967.14
Excess of Assets over Liabilities	1169.94

