

Removed page no 3:- blank page

Wordings attendance slip from index on page no 2



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23



BOARD OF DIRECTORS

Mihir Rajesh Ghatalia
Nimit Rajesh Ghatalia
Chetan Kiritbhai Mehta
Lalit Radhakrishna Tulsiani
Anil Mandal
Archana Pramod Wani

Chairman & Managing
Director Executive Director
Independent Director
Independent Director
Independent Director
Woman Director

KEY MANAGERIAL PERSONNEL

Mira Mihir Ghatalia
Preeti Paresh Rathi

Chief Financial Officer
Company Secretary

REGISTERED OFFICE

E-34, M.I.D.C.,
Tarapur, Boisar,
Dist.Thane.
Pincode – 401506

HEAD OFFICE

107, Sahakar Bhavan,
340/348, Narshi Natha Street,
Narshi Natha Street,
Masjid, Mumbai - 400 009.

WORKS

E-34, M.I.D.C
Tarapur,Boisar,
Dist. Palghar.
Pincode - 401506

BANKER

Bank of Baroda
Andheri (West), Mumbai

AUDITORS

Motilal & Associates LLP.
304, Orchid Plaza,
S.V. Road, Boriwali West
Mumbai - 400092

CONTENTS

Particulars
Board of Director's
Notice
Director's Report
Secretarial Audit Report
Conservation of Energy & Etc
Management Discussion and Analysis
Corporate Governance
Auditor's Report
Balance Sheet
Profit & Loss Account
Cash Flow Statement
Notes forming Accounts



NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF AAREY DRUGS & PHARMACEUTICALS LIMITED WILL BE HELD ON TUESDAY 05TH SEPTEMBER, 2023 BY OAVM MEANS AT 11:00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31st March, 2023, the Balance sheet as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mihir Ghatalia (DIN: 00581005), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Increase in Authorised Share Capital and consequential alteration of Capital Clause of the Memorandum of Association

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 61 read with Sections 13, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing is Rs. 25,50,00,000/- (Rupees Twenty five crores fifty Lakhs Only) divided into 2,55,00,000 (Two crores fifty five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each, to Rs. 35,50,00,000/- (Rupees Thirty five Crores fifty Lakhs Only) divided into 3,55,00,000 (Three Crore Fifty Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) ranking *pari passu* in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company.



FURTHER RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, the consent of the Members of the Company be and is hereby accorded, for alteration of Clause V of the Memorandum of Association of the Company by substituting in its place and stead the following:-

“V. The Authorized Share Capital of the Company is Rs. 35,50,00,000/- (Rupees Thirty five crores fifty lakhs only) divided into 3,55,00,000 (Three Crore Fifty five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each with rights, privileges and conditions attaching thereto as may be determined by the Board of Directors of the Company at the time of issue, with power to increase and reduce the capital for the Company and to attach thereto respectively such preferential deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by the Board of Directors of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the resolution of the Board of Directors of the Company.

RESOLVED FURTHER THAT approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

4. Issue Upto 50,00,000 Equity Shares on a Preferential Basis:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED** THAT pursuant to the provisions of Sections 42, 62(1)(c) and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “SEBI ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI LODR Regulations”) and the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeover) Regulations,



2011 as amended as amended from time to time, the listing agreement entered into by the Company with BSE Limited (the “Stock Exchange”) on which the equity shares of the Company having face value of Rs. 10/- each (“Equity Shares”) are listed, the Foreign Exchange Management Act, 1999, the Foreign Exchange (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000 and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs, the Securities and Exchange Board of India (“the SEBI”) and/or any other competent authorities (hereinafter referred to as “Applicable Regulatory Authorities”) from time to time to the extent applicable and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to such approvals, consents and permissions as may be necessary or required and subject to such conditions as may be imposed or prescribed while granting such approvals, consents and permissions, which the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to mean and include one or more Committee(s) constituted by the Board to exercise its powers including the powers conferred by this Resolution), is hereby authorised to accept, the consent and approval of the Members of the Company (“Members”) be and is hereby accorded to the Board to create, issue, offer and allot upto 50,00,000 (Fifty Lakhs) Equity Shares of the Company, having face value of Rs. 10/- (Rupees Ten Only) each, at a price as determined as on the Relevant Date i.e. 04th August, 2023 in accordance with Regulation 164 of the ICDR Regulations and applicable law, to proposed allottees as mentioned in the explanatory statement (hereinafter referred to as the 'Proposed Allottees') by way of a preferential issue and in such manner and on such terms and conditions, as may be deemed appropriate by the Board at its absolute discretion but subject to applicable laws and regulations, including the provisions of Chapter V of the SEBI ICDR Regulations, 2018 and the Companies Act, 2013.

FURTHER RESOLVED THAT in accordance with Chapter-V and Regulation 161 of the ICDR Regulations, the "Relevant Date", for determining the minimum price of the Equity Shares to be allotted to the Proposed Allottees, on a preferential basis, is 04th August, 2023, being the date which is 30 (Thirty) days prior to the date of this Annual General Meeting i.e 05th September, 2023.

FURTHER RESOLVED THAT, if required, price determined for preferential issue shall be subject to appropriate adjustments in accordance with the provisions of Regulation 166 of the ICDR Regulations.



RESOLVED FURTHER THAT without prejudice to the generality of the above Resolution, the issue of the Equity Shares to Proposed Allottees under the Preferential Issue shall be subject to the following terms and conditions apart from others as prescribed under applicable laws:

- a) The Equity Shares to be issued and allotted shall be fully paid up and rank *pari passu* with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting powers) from the date of allotment thereof, be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.
- b) The Equity Shares to be allotted shall be locked-in for such period as specified in the provisions of Chapter V of the SEBI ICDR Regulations and will be listed on the Stock Exchange subject to receipt of necessary regulatory permissions and approvals.
- c) The Equity Shares shall be allotted in dematerialised form within a period of Fifteen (15) days from the date of passing of the Special Resolution by the Members, ***provided that*** where the allotment of the Equity Shares is subject to receipt of any approval or permission from Applicable Regulatory Authorities, the allotment shall be completed within a period of Fifteen (15) days from the date of receipt of last of such approvals or permissions.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Equity Shares, subject to the provisions of the Act and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation, issuing clarifications, resolving all questions of doubt, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the Preferential Issue) and to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the Members and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity



Shares and listing thereof with the Stock Exchange as appropriate and utilisation of proceeds of the Preferential Issue, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.

FURTHER RESOLVED THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any Committee of Directors or any Director(s) or executive(s) / officer(s) of the Company subject to the provisions of the Companies Act, 2013 read with rules made thereunder and to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary to give effect to the aforesaid resolutions and all the actions that may be taken by the Board or Committee duly constituted for this purpose in this connection be and are hereby ratified and confirmed in all respects."

5. Issue of 50,00,000 Convertible Warrants on Preferential basis

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Sections 23(1)(b), 42, 62(1)(c) of the Companies Act, 2013 read with the rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force) (“the Act”) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (“ICDR Regulations”), including the provisions of Chapter V of the ICDR Regulations, SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time (“Listing Regulations”) SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011 and any amendment thereof and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities (including regulatory or statutory authorities) including SEBI & Stock Exchange(s), institutions or bodies as may be required, and subject to such conditions and modifications, as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which terms shall be deemed to include any Committee(s) which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by



this resolution) and subject to any other alteration(s), modification(s), condition(s), correction(s), change(s) and variation(s) that may be decided by the Board in its absolute discretion, the consent of the members of the Company be and is hereby accorded to create, offer, issue and allot, from time to time in one or more tranches, up to 50,00,000 (Fifty Lakhs Only) Convertible Warrants on preferential basis, in one or more tranches, entitling the Warrant Holder to apply for and get allotted one equity share of the face value of Re. 10/- each fully paid-up against every Warrant held (hereinafter referred to as the “Warrants”), within a period of 18 (Eighteen) months from the date of allotment of Warrants, in such manner, at such a price as may be arrived at in accordance with the ICDR Regulations or other applicable laws in this respect, to the below-mentioned proposed allottees (Promoters / Promoters Group Members / Non-Promoters), in such manner and on such terms and conditions as may be determined by the Board in accordance with ICDR Regulations or any other provisions of the law as may be prevailing as on date:

Sr. No.	Name	Category	No. of warrants
1.	Rajesh Pranlal Ghatalia	Promoter	400000
2.	Bina Rajesh Ghatalia	Promoter	400000
3.	Mihir Rajesh Ghatalia	Promoter	400000
4.	Nimit Rajesh Ghatalia	Promoter	400000
5.	Mira Mihir Ghatalia	Promoter	400000
6.	Ekta Nimit Ghatalia	Promoter	400000
7.	Mihir Rajesh Ghatalia (HUF)	Promoter	400000
8.	Priti Chetan Mehta	Non Promoter	200000
9.	Archana Pramod Wani	Non Promoter	400000
10.	Worth Investment and Trading Company Limited	Promoter group	400000
11.	Enam Organics India Limited	Promoter group	400000
12.	Suraj Tradelinks Private Limited	Promoter group	400000
13.	Nimit Impex Private Limited	Promoter group	400000

RESOLVED FURTHER THAT the “Relevant Date” pursuant to regulation 161 of ICDR Regulations in relation to the abovementioned Preferential Issue of Warrants is 04th August, 2023, being the date, which is 30 days prior to the date on which the Resolution will be passed by the Members of the Company at this Annual General Meeting i.e. Tuesday, 05th September, 2023.

RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid Warrants to the proposed allottees and equity shares resulting from the exercise of the entitlement of the said warrants, shall be subject to applicable guidelines, notifications, rules and regulations and on the



terms and conditions given herein below:

1. Amount payable on allotment of warrants shall be 25% of the price per warrant and the amount payable before the date of conversion of warrants into Equity Shares would be 75% of the total consideration.
2. The said Warrants shall be issued and allotted to the allottees within a period of 15 days from the date of passing of this resolution **provided that** in case the allotment of the said Warrants is pending on account of pendency of any approval or permission by any regulatory authority or the Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last such approval or permissions.
3. The Equity Shares allotted on conversion of the Warrants shall rank *pari-passu* in all respects (including voting powers and the right to receive dividend), with the existing equity shares of the Company from the date of allotment thereof and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
4. The tenure of warrants shall not exceed 18 (Eighteen) months from the date of allotment of the warrants.
5. The proposed allottee (s) of Warrants shall be entitled to exercise option to convert warrants, in one or more tranches for allotment of one Equity Share of face value of Rs. 10/- (Rupees Ten Only) for every warrant, within a period of 18 (eighteen) months from the date of allotment of such warrants.
6. The said Warrants by themselves until exercise of conversion option and Equity Shares allotted, does not give to the Warrant holder any rights with respect to that of the Shareholders of the Company.
7. The Warrants and the Equity Shares being allotted pursuant to exercise of such Warrants shall be subject to a lock-in for such period as specified under applicable provisions of SEBI (ICDR) Regulations.



8. The Warrants proposed to be issued shall be subject to appropriate adjustment, if during the interim period, the Company makes any issue of equity shares by way of capitalization of profits or reserves, upon demerger / realignment, rights issue or undertakes consolidation / sub-division / re-classification of equity shares or such other similar events or circumstances requiring adjustments as permitted under SEBI (ICDR) Regulations and all other applicable regulations from time to time.
9. The Equity Shares arising from the exercise of the Warrants will be listed on Stock Exchanges where the equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be and shall *inter-alia* be governed by the regulations and guidelines issued by the SEBI or any other statutory authority.
10. The consideration for allotment of Warrants and/or Equity Shares arising out of exercise of such Warrants shall be paid to the Company from the bank account of the respective Proposed Warrant Allottee.
11. In the event the Warrant Holder do not exercise Warrants within the Warrant Exercise Period, the Warrants shall lapse and the amount paid shall stand forfeited by the Company.
12. The Warrants and/or Equity Shares issued pursuant to the exercise of the Warrants shall be locked-in as prescribed under the SEBI ICDR Regulations from time to time.

RESOLVED FURTHER THAT the members be and is hereby authorised to accept any modification(s) or modify the terms of issue of warrants, subject to the provisions of the Act and ICDR Regulations, without being required to seek any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to vary, modify or alter any of the relevant terms and conditions, including size of the preferential issue, the number of equity shares to be allotted, finalising the terms of agreement(s) and other related document(s), if any, to be executed including amendments thereto, provide any clarifications related to offer, issue and allotment of Equity



Warrants and Equity Shares, listing of Equity Shares on Stock Exchanges and authorise to preparation, execution and entering into arrangement /agreements, offer letter, letter of allotment, all writings, instruments and such other documents (including documents in connection with appointment of agencies, intermediaries and advisors), utilisation of proceeds of issue and further to authorise all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) or authorised signatory/ies of the Company and generally to do all such acts, deeds and things as may be required in connection with the aforesaid resolution including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and to appoint/engage any registrar, depositories, professionals, advisors, bankers, consultants and advocates and to finalise their fees / charges and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and further authorised to make requisite filing with concerned regulatory / government authorities / depository(ies), Stock Exchanges and/or any other regulatory authorities to give effect to this resolution and further to take all others steps which may be incidental, consequential, relevant or ancillary in this connection.

RESOLVED FURTHER THAT all action(s) taken by the Board or Committee(s) thereof, any Director(s) or Officer(s) or any other authorised signatory/ies of the Company in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FINALLY THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter referred to above or contemplated in the foregoing resolutions are hereby approved, ratified and confirmed in all respects.”

6. Increase in Borrowing Power of Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“the Companies Act”), as amended from time



to time, read with the applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and the Articles of Association of the Company and other applicable laws and regulations, consent of the Members be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to borrow from time to time, all such money(ies) as may be deemed requisite for the purpose of business of the Company, from Banks, financial institutions, non-banking finance companies, co-operative banks, insurance companies, pension funds, investment institutions and their subsidiaries, mutual funds, trusts and other bodies corporate (hereinafter referred to as the ("Lending Agencies"), whether by way of advances, loans, inter corporate deposits, facilities of any other nature, Commercial Papers, issue of debentures/ bonds, rupee term loans/foreign currency loans and/or other instruments or otherwise, which together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid up share capital, free reserves, that is to say, reserves not set apart for any specific purpose and securities premium, provided that the total amount so borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed the sum of **Rs. 300 Crores** (Rupees Three Hundred Crores only)."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds and things including fixing the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may in its absolute discretion deem fit, necessary, proper, desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) as aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

7. Creation of Charge over the Assets of the Company :

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (the "Companies Act"), as amended from time to time, read with applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and the Articles of Association of the Company and other applicable laws and regulations, consent of the Members be and is hereby granted to the Board of



Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to create mortgage, charge and/or hypothecation, in addition to the existing mortgages, charges and hypothecation created by the Company as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events, in favour of banks, financial institutions, non-banking finance companies, co-operative banks, insurance companies, pension funds, investment institutions and their subsidiaries, mutual funds, trusts and other bodies corporate (hereinafter referred to as the "Lending Agencies") or trustees for the holders of debentures/bonds and/or other instruments or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments (hereinafter referred to as the "Borrowings") provided that the total amount of Borrowings together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the trustees under the trust deed and to the Lending Agencies under their respective agreements/loan agreements/security trustee agreements to be entered into by the Company in respect of the said Borrowings for which the charge is created shall not exceed **Rs. 300 Crores** (Rupees Three Hundred Crores only)."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise with such Lending Agencies/trustees, the terms and conditions and the documents for creating the aforesaid mortgage or charge and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions or the documents and to do and execute all such documents as may be necessary and to do such acts, deeds, matters and things and take all such steps as may be necessary or desirable to give effect to the above Resolution."

8. Approval of loan by the Company in terms of provision of section 185 of the Companies act 2013:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 185 and other applicable provisions if any of the Companies Act, 2013 including any statutory modifications or re – enactments thereof for the time being in force read with the relevant rules framed thereunder and subject to such



approvals consent sanction and permission as may be necessary, consent of the members be and is hereby accorded to give loan to below mentioned :-

Sr. No.	Name of the Party	Maximum Amount in Rs.
1.	Enam Organics India Limited	3,00,00,00,000
2.	Worth Investment and Trading Co Limited	3,00,00,00,000
3.	Nimit Impex Private Limited	3,00,00,00,000
4.	Suraj Tradelinks Private Limited	3,00,00,00,000
5.	Aaradhana Energy Private Limited	3,00,00,00,000
6.	Aarey Pharma Park Private Limited	3,00,00,00,000

To be utilised for the business activities of the borrowing Company a Company in which the director(s) of the Company is interested in”

“**FURTHER RESOLVED THAT** for the purpose of giving effect to the forgoing resolution, the Board of Directors of the Company (herein referred to as the “Board”, which term shall be deemed to include any committee thereof) be and is hereby authorized to negotiate, finalise and agree the terms and conditions of the aforesaid loan and to take all necessary steps to execute all such documents, deeds, instruments and writings and to do all such acts deeds and things in order to comply with the legal and procedural formalities and to so all such acts deeds, or things incidental or expedient thereto, as the board may think fit and suitable.

9. Consent of Members to increase in the limits applicable for making investments /extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate;



(ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of **Rs. 300 Crores** (Rupees Three Hundred Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

By order of the Board of Directors
For **AAREY DRUGS AND PHARMACEUTICALS LIMITED**

REGISTERED OFFICE
E-34, MIDC, BOISAR,
TARAPUR, DIST. THANE

Date: 10th August, 2023
Place: Mumbai

Preeti Paresh Rathi
Company Secretary & Compliance Officer
Membership No.: A61313

NOTES:

1. The Ministry of Corporate Affairs, Government of India (the "MCA") in terms of the General Circular No.14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20 2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 02/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022 (the "MCA Circulars") and SEBI vide its circulars dated May 12, 2020 and January 15, 2021, May 13, 2022 and and January 5, 2023 on "Additional relaxation in relation to compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015- COVID-19 pandemic" (SEBI Circulars), has permitted Companies to conduct their Annual General Meeting through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of the Members at a common venue, subject to the fulfilment of conditions as specified in the MCA Circulars. In compliance with the provisions of the Companies Act, 2013



and MCA Circulars, SEBI Circulars, the AGM of the Company is being held through VC / OAVM.

2. In accordance with Secretarial Standard on General Meetings SS-2 issued by the Institute of Company Secretaries of India (ICSI) read with clarifications/Guidance on applicability of SS-2 dated April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at 111, Maker Chamber III, 223, Nariman Point, Mumbai – 400021 which shall be the deemed venue of the AGM.

3. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with and there is no provision for appointment of proxy. Accordingly, the facility for appointment of proxies by the Members under section 105 of the Companies Act, 2013 will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. The Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e- voting. The said Resolution/ Authorization shall be sent to the Company Secretary or authorised representative of the Company at e-mail id: secretarial@mukeshbabu.com.

5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

6. Quorum: The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

7. In terms of the MCA circulars, the financial statements (including Board's report, Auditor's report and other documents required to be attached therewith) / Annual Report for the financial year 2022-23 and AGM Notice are being sent to the shareholders whose email addresses are registered with the Company or with the depository participant/ depository. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website.

8. As per the MCA Circulars, the Shareholders may also note that the Company would not be sending the Annual Report for the financial year 2022-23 and AGM notice by post to the shareholders whose email address is not registered with the Company or depository participants/depository. However as per SEBI Circular dated May 13, 2022, the Company shall send the physical copy of the Annual Reports to all the Shareholders who have registered their request for the same.



9. The Register of Members and the Share Transfer Books of the Company will remain closed from 30th August 2023 to 05th September 2023 (both days inclusive).

10. Mr. Virendra G Bhatt. Practicing Company Secretary (Membership No.1157/ COP No.124), has been appointed as the Scrutinizer to conduct the e-voting process and voting at the AGM through VC/OAVM process in a fair and transparent manner.

The Scrutinizer shall, immediately after conclusion of the voting at AGM, first unblock the votes cast during the AGM, thereafter unblock the votes through e-voting

11. In case the shareholder's email Id is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, all communications from the Company shall be sent electronically including Annual Report, log in details for e- voting etc. on such registered email address.

In case the shareholder has not registered his/her/their email addresses with the Company/its RTA/Depositories, the following instructions to be followed:

i. Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in;

PROCEDURE FOR JOINING THE AGM THROUGH VIDEO CONFERENCING OR OTHER AUDIO-VISUAL MEANS ("VC/ OAVM"):

12. Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

- a. The Members will be able to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
- b. The Members are requested to participate on first come first served basis as participation through VC/ OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.



- c. Members can log in and join 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time. Participation is restricted up to 1,000 members only.

PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

13. Open the internet browser and launch the URL:

<https://instameet.linkintime.co.in>

➤ Select the “Company” and ‘EventDate’ and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

• Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

• Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

• Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting)

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.



5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.



In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

14. THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- i) The voting period begins on 01st September, 2023 and ends on 04th September, 2023 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August may cast their vote electronically. The e-voting module shall be disabled by Link Intime for voting thereafter.
- ii) Pursuant to SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.
- iii. Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.
- iv. Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none">1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access



	<p>the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <ol style="list-style-type: none">3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none">1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to



	<p>enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.



Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
--	--

LOGIN METHOD FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL FORM.

Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

User ID: Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company.

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10-digit Permanent Account Number (PAN). (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
DOB	Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
Bank Details	Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

*Shareholders holding shares in NSDL form, shall provide ‘D’ above

Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%*), at least one numeral, at least one alphabet and at least one capital letter).

Click “confirm” (Your password is now generated).

3. Click on ‘Login’ under ‘SHARE HOLDER’ tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.

Cast your vote electronically:



1. After successful login, you will be able to see the notification for e- voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e- voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain



minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participant's website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".



STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No.: 3

The existing Authorised Capital of the Company is Rs. 25,50,00,000/- (Rupees Twenty five Crores Fifty Lakhs Only) divided into 2,55,00,000 (Two crores fifty five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) Section 61 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force, the "Companies Act") provides that a Limited Company having a share capital may, if so authorized by its Articles of Association, with the consent of its Members, alter the conditions of its Memorandum of Association so as to increase its share capital by such amount as it thinks expedient by issuing new shares.

In view of this, the Company proposes to increase the existing Authorised Equity Capital from Rs. 25,50,00,000/- (Rupees Twenty five Crores Fifty Lakhs Only) divided into 2,55,00,000 (Two crores fifty five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each, to Rs. 35,50,00,000/- (Rupees Thirty five Crore fifty Lakhs Only) by creation of additional 1,00,00,000 (One Crore) Equity Shares of face value of Rs. 10/- each.

Consequently, Clause V of the Memorandum of Association would also require alteration so as to reflect the changed Authorised Share Capital.

The proposal for increase in Authorised Share Capital and amendment of Memorandum of Association of the Company requires approval of Members at a General Meeting.

The draft Memorandum of Association after incorporating the proposed change is available for inspection at the registered office of the Company during business hours on all working days excluding Saturdays and Sundays between 11.00 am to 1.00 pm upto the date of the meeting.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

The consent of the Members is, therefore, being sought for passing the aforesaid resolution of the notice as an **Ordinary Resolution**.



Item No.: 04

In terms of Section 62(1)(c) read with Sections 42 of the Companies Act, 2013 and Rules made thereunder (the "Act"), and in accordance with provisions of Chapter V - "Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "ICDR Regulations"), as amended, and on the terms and conditions and formalities as stipulated in the Act and the ICDR Regulations, a Company can undertake preferential issue / private placement only after obtaining prior approval of the Shareholders by way of Special Resolution. Accordingly, the Company proposes to issue and allot fully paid-up 50,00,000 Equity Shares having face value of Rs. 10/- (Rupees Ten Only) each at or above the minimum price as determined as on Relevant Date, in accordance with Regulation 164 of the SEBI (ICDR) Regulations, 2018

The details in relation to the Preferential Issue as required under the SEBI ICDR Regulations and the Act read with the rules issued thereunder, are set forth below:

(i) Particulars of the Preferential Issue including date of passing of Board resolution:

The Board of Directors at its Meeting held on 10th August, 2023, had, subject to the approval of the Members and such other approvals as may be required, approved the issuance of up to 50,00,000 Equity Shares at a price of Rs. 36.10/- per Equity Share, to proposed allottees, for cash consideration, on a preferential basis.

(ii) Kinds of securities offered and the price at which security is being offered

Up to 50,00,000 Equity Shares of the Company, at a price of Rs. 36.10/- (including a premium of Rs. 26.10/-) per Equity Share aggregating up to Rs. 18,05,00,000/- such price being not less than the minimum price as on the Relevant Date determined in accordance with the provisions of Chapter V of the SEBI ICDR Regulations.

(iii) Objects of the Preferential Issue and aggregate amount proposed to be raised

The Company proposes to raise an amount aggregating up to Rs. 18,05,00,000 /- through the Preferential Issue. The proceeds of the Preferential Issue will be utilized for Meeting future funding requirements and other general corporate purposes of the Company.



(iv) Relevant Date

In terms of the provisions of Chapter V of the SEBI ICDR Regulations, relevant date for determining the floor price for the Preferential Issue is 04th August, 2023, being the date 30 days prior to the date of this Annual General Meeting (“AGM”).

(v) Basis on which the price has been arrived at and justification for the price (including premium, if any).

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited (hereinafter referred to as the “Stock Exchange”). The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and BSE has been considered for determining the floor price in accordance with the SEBI ICDR Regulations.

In terms of the applicable provisions of the SEBI ICDR Regulations, the floor price at which the Equity Shares shall be issued is Rs. 36.10/- per Equity Share, as per National Stock Exchange of India Limited where the trading volume is greater than in BSE Limited.

(vi) Intent of the Promoters, directors or key managerial personnel of the Company to subscribe to the Preferential Issue; contribution being made by the Promoters or Directors either as part of the Preferential Issue or separately in furtherance of the objects

The Equity Shares shall be issued to the Promoter of the Company and also to Non-Promoters. All Promoters and two Directors has indicated their intention to subscribe to the Preferential Issue under the Preferential Issue or otherwise contribute to the Preferential Issue or separately in furtherance of the so objects specified herein above.

(vii) Time frame within which the Preferential Issue shall be completed

As required under the SEBI ICDR Regulations, the Equity Shares shall be allotted by the Company within a period of 15 days from the date of passing of this Resolution, *provided that* where the allotment of the proposed Equity Shares is pending on account of receipt of any approval or permission from any regulatory or statutory authority, the allotment shall



be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.

(viii) Principal terms of assets charged as securities

Not applicable.

(ix) Shareholding pattern of the Company before and after the Preferential Issue

The pre issue and post issue shareholding pattern of the Company after considering the preferential issue to be made to Proposed Allottees is provided hereunder:

Sr no.	Category	Pre – Issue as of June, 2023		Post – Issue*	
		Number of Equity Shares	% of Shareholding	Number of Equity Shares	% of Shareholding
A	Shareholding of Promoter and Promoter Group	12702923	50.04	19203923*	54.27**
1	Promoter and Promoter Group	12702923	50.04	19203923	54.27
	Sub Total (A)	12702923	50.04	19203923	54.27
B	Non Promoters Shareholding				
1	Institutions	996240	3.92	996240	2.82
2	Non Institutions	10912543	42.99	13567913	38.34
3	Bodies Corporate	258897	1.02	1002527	2.83
4	Others	514081	2.03	614081	1.74
	Sub- Total (B)	12681761	49.96	16180761	45.73
	GRAND TOTAL [(A)+(B)]	25384684	100	35384684	100
*Total Including warrants					
**% including warrants					

(x) The Class or Classes of persons to whom the allotment is proposed to be made:

The allotment is proposed to be made to the Promoters of the Company as well as Non-Promoters as mentioned in the list of Proposed Allottee.



(xi) **The Identity of the Proposed Allottees, maximum number of Equity Share proposed to be issued and the Percentage of Pre and Post issue capital that may be held by the Proposed Allottees:**

Details of proposed Allottees for issue of equity shares:

Proposed Allottees	Natural Person who ultimately controls the Proposed Allottee	Maximum no of Equity Shares to be allotted	Pre- Issue Shareholding as on 30 th June 2023		Post – Issue Shareholding (*)	
			No of shares	%	No of shares	%
Riddhi Trade Solutions Private Limited	Ms. Kavita Sharma	50000	0	0	50000	0.14
Rakesh V Shah Huf	Rakesh V Shah	100000	0	0	100000	0.28
Shefali Sameer Bhujbal	Shefali Sameer Bhujbal	40000	0	0	40000	0.11
Chanchal Rakesh Kabra	Chanchal Rakesh Kabra	30000	0	0	30000	0.08
Rextar Plus Services Private Limited	Narendra Kumar Rai	50000	0	0	50000	0.14
Prachi Amit Shah	Prachi Amit Shah	25000	0	0	25000	0.07
Marygold Health And Education Private Limited	Ravi Narain Rai	50000	0	0	50000	0.14
Vikas Malu	Vikas Malu	50000	0	0	50000	0.14
Jigar Arvind Shah	Jigar Arvind Shah	50000	0	0	50000	0.14
Varun Anil Parakh	Varun Anil Parakh	50000	0	0	50000	0.14
Sagar Dattatraya Meghe	Sagar Dattatraya Meghe	50000	0	0	50000	0.14
Sangeeta Arvind Nighojkar	Sangeeta Arvind Nighojkar	75000	0	0	75000	0.21
Vedaputi Narasimhan Devadoss	Vedaputi Narasimhan Devadoss	50000	0	0	50000	0.14
Rajan Dental Institute Pvt Ltd	Rajan Gunaseelan	50000	0	0	50000	0.14
Black Hawk Properties Pvt Ltd	Harit Kartik Parekh	380000	0	0	380000	1.07
Watco Chennai Real Estate Pvt Ltd	Anjali Talwar	100000	0	0	100000	0.28
Vijaykumar B	Vijaykumar B	150000	0	0	150000	0.42



Shah	Shah					
Priti V Shah	Priti V Shah	150000	0	0	150000	0.42
Sumit Malhotra	Sumit Malhotra	100750	0	0	100750	0.28
Trisha Malhotra	Trisha Malhotra	100800	0	0	100800	0.28
Karan Monomer Private Limited	Bharat Himatlal Shah	63630	0	0	63630	0.18
Manisha Anil Bajaria	Manisha Anil Bajaria	200000	0	0	200000	0.57
Viraj Anil Bajaria	Viraj Anil Bajaria	100000	50000	0.19	150000	0.42
Chirag Jitendra Bajaria	Chirag Jitendra Bajaria	103790	50000	0.19	153790	0.43
Riya Shah	Riya Shah	40000	0	0	40000	0.11
Shlok Shah	Shlok Shah	61000	0	0	61000	0.17
Jasmine Nanavati	Jasmine Nanavati	50000	44680	0.17	94680	0.26
Preyash Nanavati	Preyash Nanavati	153030	0	0	153030	0.43
Dinesh Matalia	Dinesh Matalia	76000	0	0	76000	0.21
Rajesh Pranlal Ghatalia	Rajesh Pranlal Ghatalia	100000	3451	0.01	103451	0.29
Bina Rajesh Ghatalia	Bina Rajesh Ghatalia	251000	4003584	15.77	4254584	12.02
Mihir Rajesh Ghatalia	Mihir Rajesh Ghatalia	100000	2835888	11.17	2935888	8.3
Nimit Rajesh Ghatalia	Nimit Rajesh Ghatalia	100000	1150000	4.53	1250000	3.53
Mira Mihir Ghatalia	Mira Mihir Ghatalia	250000	690000	2.72	940000	2.66
Ekta Nimit Ghatalia	Ekta Nimit Ghatalia	250000	0	00	250000	0.71
Mihir Rajesh Ghatalia (Huf)	Mihir Rajesh Ghatalia	150000	0	0	150000	0.42
Priti Chetan Mehta	Priti Chetan Mehta	100000	20737	0.08	120737	0.34
Chetan Kiritbhai Mehta	Chetan Kiritbhai Mehta	50000	300000	1.18	350000	0.99
Worth Investment & Trading Company Limited	Mihir Rajesh Ghatalia	250000	0	0	250000	0.71
Enam Organics India Limited	Mihir Rajesh Ghatalia	250000	0	0	250000	0.71
Suraj Tradelinks Private Limited	Nimit Rajesh Ghatalia	200000	2010000	7.92	2210000	6.25
Nimit Impex Private Limited	Nimit Rajesh Ghatalia	200000	2010000	7.92	2210000	6.25
Chirag Hasmukh Zatakia	Chirag Hasmukh Zatakia	100000	0	0	100000	0.28
Vishal Hasmukh Zatakia	Vishal Hasmukh Zatakia	100000	0	0	100000	0.28

*%includes warrants also.



(xii) Identity of the natural persons who are the ultimate beneficial owners of the Equity Shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post Preferential Issue capital that may be held by them and change in control, if any, in the Company consequent to the Preferential Issue:

The Equity Shares are proposed to be allotted to Proposed Allottees as mentioned above in point (xi). Details of shareholding prior to and after the proposed Preferential Issue, are also provided in point (xi) above.

Sr. No.	Name of the Proposed Allottee	Name of the Ultimate Beneficial Owner	Pre issue Equity Shareholding		Number of warrants / Equity shares proposed to be issued	Post issue equity holding (After allotment of Equity shares and exercise/conversion of warrants)	
			Number of Equity shares	%		Number of Equity shares	%
<u>1.</u>	Riddhi Trade Solutions Private Limited	Ms. Kavita Sharma	0	0	50000	50000	0.14
<u>2.</u>	Rakesh V Shah HUF	Mr. Rakesh V. Shah	0	0	100000	100000	0.28
<u>3.</u>	Rextar Plus Services Private Limited	Narendra Kumar Rai	0	0	50000	50000	0.14
<u>4.</u>	Marygold Health And Education Private Limited	Ravi Narain Rai	0	0	50000	50000	0.14
<u>5.</u>	Rajan Dental Institute Pvt Ltd	Rajan Gunaseelan	0	0	50000	50000	0.14
<u>6.</u>	Black Hawk Properties Private Limited	Harit Kartik Parekh	0	0	380000	380000	1.07
<u>7.</u>	Watco Chennai Real Estate Pvt Ltd	Anjali Talwar	0	0	100000	100000	0.28
<u>8.</u>	Karan Monomer Private Limited	Bharat Himatlal Shah	0	0	63630	63630	0.18
<u>9.</u>	Worth Investment & Trading Company Limited	Mihir Rajesh Ghatalia	0	0	250000	250000	0.71



<u>10</u>	Enam Organics India Limited	Mihir Rajesh Ghatalia	0	0	250000	250000	0.71
<u>11</u>	Suraj Tradelinks Private Limited	Nimit Rajesh Ghatalia	2010000	7.92	200000	2210000	6.25
<u>12</u>	Nimit Impex Private Limited	Nimit Rajesh Ghatalia	2010000	7.92	200000	2210000	6.25

(xiii) undertaking that the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.

(xiv) undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

(xv) **The Change in control, if any, in the Company that would occur consequent to the preferential offer:**

There shall be no change in management or control of the Company pursuant to the proposed issue. However, the percentage of shareholding, will change in accordance with the change in the shareholding patterns set in the point (xi).

(xvi) Lock-in Period

The Equity Shares shall be locked-in for such period as specified under Regulations 167 and 168 of the SEBI ICDR Regulations.

(xvii) Undertakings:

- a) None of the Company, its Directors or Promoter have been declared as wilful defaulter as defined under the SEBI ICDR Regulations. None of its Promoters and Directors are fugitive economic offender as defined under the SEBI ICDR Regulations.
- b) The Company is eligible to make the Preferential Issue to its Promoter as well as Non-Promoter under Chapter V of the SEBI ICDR Regulations.



- c) As the Equity Shares have been listed for a period of more than twenty-six weeks as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable.

(xviii) Certificate from Statutory Auditors:

The certificate from Statutory Auditors of the Company certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI ICDR Regulations shall be made available for inspection by the Members during the meeting.

(xix) Other Disclosures:

- a) During the period from 01st April, 2022 until the date of Notice of this AGM, the Company has not made any preferential issue of Equity Shares.
- b) Report of the registered Valuer is not required under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014 for the proposed Preferential Issue obtained by the Company.
- c) Neither Promoter nor any member of the promoter group of the Company including Proposed Allottees have sold or transferred any Equity Shares during the Six Months preceding the Relevant Date.

In accordance with the provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI ICDR Regulations, approval of the Members for issue and allotment of the said Equity Shares to Proposed Allottees is being sought by way of a Special Resolution as set out in the said item of the Notice. Issue of the Equity Shares pursuant to the Preferential Issue would be within the Authorised Share Capital of the Company after increase of the Authorised Share Capital.

Mr. Mihir Ghatalia, Director; Mr. Nimit Ghatalia, Director; Mrs. Bina Ghatalia, Chief Finance Officer and their relatives and Mr. Chetan Mehta and his relatives are concerned or interested in the above referred resolution to the extent of their shareholding in the Company and the proposed allotment.



None of the other Directors, Key Managerial Personnel of the Company their relatives other than specified above, are in any way concerned or interested, financially or otherwise, in the above referred resolution except to the extent of their individual shareholding in the Company.

The Board of Directors believes that the proposed Preferential Issue is in the best interest of the Company and its Members and, therefore, recommends the Special Resolution at Item No.: 04 of the accompanying Notice for approval by the Members of the Company.

Item No.: 05

The Board of Directors of the Company at their Meeting held on Thursday, 10th August, 2023 had approved the issue of Warrants and accordingly proposes to issue and allot in aggregate and upto 50,00,000 (Fifty Lakhs) Convertible Warrants (“Warrants”) each convertible into or exchangeable for One (1) Equity Share of face value of Rs. 10/- each (“the Equity Shares”) at a price (including the warrant subscription price and the warrant exercise price) of Rs. 36.10/- each aggregating to Rs. 18,05,00,000/- (Rupees Eighteen Crores five Lakh only) to the following allottees:

Name	Number of warrants	PAN
Rajesh PranalGhatalia	400000	AACPG2313G
Bina Rajesh Ghatalia	400000	AACPG2311E
Mihir Rajesh Ghatalia	400000	ALSPG4792Q
Nimit Rajesh Ghatalia	400000	BBCPG4901J
Mira MihirGhatalia	400000	ANVPM1817F
EktaNimitGhatalia	400000	AOQPB4660R
Mihir Rajesh Ghatalia(HUF)	400000	AAAOHM2105A
Priti Chetan Mehta	200000	AJUPM6193R
Archana Pramod Wani	400000	AAMPW0271B
Aarey Drugs and Pharmaceuticals Limited	400000	AAACA5253A
Enam Organics India Limited	400000	AADCE1806E
Suraj Tradelinks Private Limited	400000	AAOCS1028B
Nimit Impex Private Limited	400000	AADCN2610H

The details of the issue and other particulars as required in terms of the Act and ICDR Regulations in relation to the aforesaid Special Resolution are given as under:

1. Objects of the Preferential Issue:



The Company as a part of its financial strategy proposes to offer, issue and allot Convertible Warrants to its Promoter/Non Promoter/Promoter group member on preferential basis, for infusing additional funds in the Company which may be employed in the business of the Company and/or may be used to augment the funding needs for re-structuring/settlement of liabilities/debts and/or such other appropriate arrangements and/or understanding with Bankers and/or other Creditors and/or investment in technology and/or for general corporate purposes which shall enhance the business of the Company and for any other purpose as may be decided and approved by the Board.

2. The total number of securities to be issued and pricing:

The Board intends to offer, issue and allot up to 50,00,000 (Fifty Lakhs) Convertible Warrants, on preferential basis, to the proposed allottees at Rs 36.10/- each warrant convertible into or exchangeable for one (1) Equity Share of face value Rs. 10/- (Rupees 10 only).

3. Basis on which the price has been arrived at:

Since the shares of the Company are frequently traded, Accordingly, the minimum issue price has been calculated on the basis of stock exchange where the highest trading volume in respect of equity shares of the Company has been recorded during the preceding 90 days prior to the relevant date.

4. Relevant Date:

The relevant date as per Regulation 161 (a) of ICDR Regulations for determining the minimum price for the preferential issue of warrants is 04th August, 2023 which is a date 30 days prior to the date on which the resolution is deemed to be passed.

5. Proposal / Intention of Promoters, Director or Key Managerial Personnel (s) to subscribe the offer:

All the allottees are Promoter / of Promoter group except Priti Chetan Mehta and Archana Wani

6. The shareholding pattern of the Company before the proposed issue and after the proposed conversion of warrants into equity as follows:

Sr. No.	Name of the Proposed Allottees	Category	Pre-Pref. Holding		Max. No. of Shares proposed to be issued and allotted	Post-Pref. Holding*	
			Number of Shares	% of Shares		Number of Shares	% of Shares



1	Rajesh Pranal Ghatalia	Promoter	3451	0	400000	403451	1.14
2	Bina Rajesh Ghatalia	Promoter	4003584	15.77	400000	4403584	12.44
3	Mihir Rajesh Ghatalia	Promoter	2835888	11.17	400000	3235888	9.14
4	Nimit Rajesh Ghatalia	Promoter	1150000	4.53	400000	1550000	4.38
5	Mira Mihir Ghatalia	Promoter	690000	2.72	400000	1090000	3.08
6	Ekta Nimit Ghatalia	Promoter	0	0	400000	400000	1.13
7	Mihir Rajesh Ghatalia (HUF)	Promoter	0	0	400000	400000	1.13
8	Priti Chetan Mehta	Non Promoter	20737	0.08	200000	220737	0.62
9	Archana Pramod Wani	Non Promoter	0	0	400000	400000	1.13
10	Worth Investment & Trading Company Limited	Promoter group	0	0	400000	400000	1.13
11	Enam Organics India Limited	Promoter group	0	0	400000	400000	1.13
12	Suraj Tradelinks Private Limited	Promoter group	2010000	7.92	400000	2410000	6.81
13	Nimit Impex Private Limited	Promoter group	2010000	7.92	400000	2410000	6.81

7. The proposed time within which the issue or allotment shall be completed:

As required under ICDR Regulations, Convertible Warrants shall be issued and allotted by the Company within a period of Fifteen (15) days from the date of passing of this resolution provided that where the issue and allotment of the said Warrants is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or statutory authority, the issue and allotment shall be completed within a period of Fifteen (15) days from the date of receipt of last such approval.

8. Identity of proposed allottees who are the ultimate beneficial owners of equity shares proposed to be allotted and / or who ultimately control the proposed allottees:



Sr. No.	Name of the Proposed Allottee	Name of the Ultimate Beneficial Owner	Pre issue Equity Shareholding		Number of warrants / Equity shares proposed to be issued	Post issue equity holding (After allotment of Equity shares and exercise/conversion of warrants)	
			Number of Equity shares	%		Number of Equity shares	%
1.	Mihir Rajesh Ghatalia (HUF)	Mihir Rajesh Ghatalia	-	-	400000	400000	1.13
2.	Worth Investment and Trading Company Limited	Mihir Rajesh Ghatalia	-	-	400000	400000	1.13
3.	Enam Organics India Limited	Mihir Rajesh Ghatalia	-	-	400000	400000	1.13
4.	Suraj Tradelinks Private Limited	Nimit Rajesh Ghatalia	2010000	7.92	400000	2410000	6.81
5.	Nimit Impex Private Limited	Nimit Rajesh Ghatalia	2010000	7.92	400000	2410000	6.81

9. No. of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price: no warrants issued during the year.

10. **Valuation for consideration other than cash:** Not applicable

11. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer: Not applicable

12. **Lock-in period:**

The Equity Shares will be subject to applicable lock-in and transfer restrictions stipulated under Regulations 167 and 168 of the ICDR Regulations.

13. **Listing:**

The Company will make an application to the Stock Exchanges at which the existing shares are already listed, for listing of the equity shares being issued on conversion of Warrants. Such Equity Shares, once allotted, shall rank pari-passu with the existing equity shares of the Company in all respects, including dividend.



14. Auditors Certificate:

The Certificate from Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements contained in the ICDR Regulations.

15. Other Disclosures / Undertakings:

The Company hereby undertakes that:

- It would re-compute the price of the securities specified above in terms of the provisions of ICDR Regulations, where it is so required;
- If the amount payable, if any, on account of the re-computation of price is not paid within the stipulated in ICDR regulations the above warrants shall be continued to be locked in till such amount is paid by the allottees;
- All the equity shares held by the proposed allottees in the company are in dematerialized form only;
- No person belonging to the promoters/promoter group have sold/transferred any equity shares of the Company during the 90 trading days preceding the relevant date.
- No person belonging to the promoters / promoter group has previously subscribed to any equity share / warrants of the company but failed to exercise them and
- It is hereby confirmed that neither the Company nor its Directors and to the Company's Knowledge any of its Promoters is a wilful defaulter.

16. Other Disclosures:

In accordance with the provisions of the Companies Act, 2013 read with applicable rules thereto and relevant provisions of the ICDR Regulations, approval of the members for the issue and allotment of the said convertible warrants to the above mentioned allottees is being sought by way of a special resolution as set out in the said items of the notice. The issue of equity shares upon the conversion of the warrants would be within the Authorised Share Capital of the Company.

The Board of Directors believe that the proposed preferential issue is in the best interest of the Company and its Members and therefore, recommends the Special Resolution as specified under item no. 5 of the accompanying notice for the approval of the members of the company.



Except Lalit Tulsiani, Anil Mandal all Directors of the Company and their relatives, being a part of the proposed allottee, are, in any way concerned or interested, financially or otherwise, in the above referred resolutions.

Item Nos.: 6 and 7

Taking into account the business operations and ambitious future growth plans of the Company and to cater to the working capital needs, it is proposed to enhance the borrowing limits to enable the Board of Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 300 Crores (Rupees Three Hundred Crores only).

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/hypothecation on the Company's assets in favour of the lenders/ holders of securities / trustees for the holders of the said securities . As the documents to be executed between the lenders/security holders/ trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charges/mortgages/hypothecations for an amount not exceeding Rs. 300 Crores (Rupees Three Hundred Crores only).

Accordingly, the Board of Directors of your Company recommends the passing of the resolutions contained in item nos. 6 and 7 of the accompanying Notice of the Annual General Meeting as Special Resolutions.

Nature of concern or interest of Directors:

None of the directors and/or key managerial personnel of your Company and their relatives are concerned or interested, financially or otherwise, in the above resolutions.

Item No.: 8

As per Section 185 of the Companies Act, 2013 a Company may advance any loan represented by book debt , or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director is interested subject to the condition that : a) a special resolution is passed by the company in general meeting b) loans are utilized by the borrowing company for its principal business activities.

The loan amount upto Rs 300 crores will be used by the borrowing company for its principal business activities only.



Therefore the said Special Resolution is proposed for approval of members under item no 8 of the notice.

Item No.: 9

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate from time to time, in compliance with the applicable provisions of the Act.

The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting.

In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for enhancing the said limits. Hence, the Special Resolution at Item No.9 of the Notice, notwithstanding the fact that the same exceeds the limits provided under Section 186 of the Act.

Accordingly, the Board of Directors of your Company recommends the passing of the resolutions contained in item no. 9 of the accompanying Notice of the Annual General Meeting as Special Resolutions.

Nature of concern or interest of Directors:

None of the directors and/or key managerial personnel of your Company and their relatives are concerned or interested, financially or otherwise, in the above resolutions.

DETAILS OF DIRECTOR SEEKING REAPPOINTMENT (who retire by rotation)IN THE FORTHCOMING ANNUAL GENERAL MEETING:

Sr. No.	Name of the Director	Mr. Mihir Ghatalia
1.	Director Identification Number	00581005



2.	Date of Birth	01/11/1983
3.	Date of first appointment on the Board	02/08/2004
4.	Educational Qualification	BE Mechanical Engineer
5.	Experience (including expertise in specific functional areas) / Brief Resume	Mr. Mihir Ghatalia is a BE Mechanical Engineer and has experience in business.
6.	Directorships held in other companies (excluding foreign companies)	1. Worth Investment and Trading Limited 2. Enam Organics India Limited
7.	Memberships / Chairmanships of Committees in company	-
8.	Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Brother of Nimit Ghatalia
9.	No. of shares held in the Company either by self or as a beneficial owner	2835888
10.	Name of listed entities from which the person has resigned in the past three years (excluding foreign Companies)	NIL
11.	Number of meetings of the Board attended during the year	9
12.	Remuneration last drawn & sought to be paid	6000000

By order of the Board of Directors
For **AAREY DRUGS AND PHARMACEUTICALS LIMITED**

REGISTERED OFFICE
E-34, MIDC, BOISAR,
TARAPUR, DIST. THANE

Date: 10th August, 2023
Place: Mumbai

Preeti Paresh Rathi
Company Secretary & Compliance Officer



DIRECTORS REPORT

To,

The Shareholders,

Your Directors have pleasure in presenting the Thirty Third Annual Report together with Audited Accounts for the year-ended 31st March, 2023.

FINANCIAL RESULTS:

(Rs in lakh)

Particular	31st March, 2023	31st March, 2022
Income	42168.56	49542.75
Expenditure	41567.59	48539.05
(Loss)/ Profit Before Exceptional Item & Tax	600.96	1003.71
Profit Before Tax	600.96	1003.71
(Less)/ Add: Tax Expenses	(223.86)	(348.23)
Balance Carried To Balance Sheet	377.11	655.48

REVIEW OF OPERATIONS & FUTURE OULLOOK

Our company is manufacturing the following intermediates- Mono Methyl Urea, Die Methyl Urea. Ortho Para Nitro Anisole, 2 Bromomethyl 1,3 Dioxalane & Uracile & in Active Pharma Ingredients the company is involved in manufacturing Metformin HCL, Mefenamic Acid & Doxophylline. Besides we intend to increase capacity of all the products based upon the demand of the product and also plans to do backward & forward integration of products such as DMA-HCL, Ortho chloro benzoic acid and further API's like theophylline. Necessary steps has been initiated.

DIVIDEND

Your directors do not recommend any dividend for the year ended 31st March, 2023.

DEPOSITS



The Company has not accepted the deposits from the public as per the Section in accordance with the provisions of Section 73 and 76, and other applicable provisions of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

TRANSFER TO RESERVE:

Your Company has not transferred any amount to the General Reserves during the year under review.

CHANGES IN SHARE CAPITAL, IF ANY:

During the financial year, Company has increased the Authorized Share Capital of the Company from existing is Rs. 25,00,00,000/- (Rupees Twenty five crores only) divided into 2,50,00,000 (Two crores Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten only) each, to Rs 25,50,00,000/- (Rupees Twenty five crores Fifty Lakh only) divided into 3,50,00,000 (Three crores Fifty Lakh) Equity Shares of Rs.10/- (Rupees Ten only)

SUBSIDIARY / HOLDING COMPANY, ETC.:

The Company does not have any Subsidiary, Holding Company, Associate or Group Venture Company.

VIGIL MECHANISM

Pursuant to the requirements laid down under Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, the Company has well laid down Vigil Mechanism. The details of the same are provided in the Report on Corporate Governance forming part of this Annual Report. During the year, the Company did not receive any complaint under Vigil mechanism.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Board of Directors of the Company has constituted Corporate Social Responsibility (CSR) Committee. Corporate Social Responsibility (CSR) is a good way of conducting business by which corporate entities visibly contribute to the society. The essence of CSR is to integrate the economic, environment and social objectives of the company's operations and growth. CSR is the process by which the



organization thinks about and evolves its relationship with the society and demonstrates its commitment by giving back to the society for the resources it used.

The Composition, particulars of Meeting held and attendance thereat are mentioned in the Corporate Governance Report forming part of the Annual Report.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

During the year, the Company has spent Rs. 16,35,315/- on CSR activities. The Company has identified focus areas of engagement which have been enumerated in the Annual Report on CSR Activities attached as **Annexure-A**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March 2023, the Board consists of six members, two of whom are Executive Directors and 3 are Independent Directors and one is Non-Executive Directors.

Pursuant to the provisions of Section 203 of the Act, Mihir R Ghatalia Managing Director, Mrs. Mira Ghatalia, Chief Financial Officer and Mrs. Preeti Rathi, Company Secretary are the Key Managerial Personnel of the Company as on the date of this Report.

INTER-SE RELATIONSHIP BETWEEN DIRECTORS:

Mihir R Ghatalia Managing Director and Nimit R Ghatalia Director are relatives (siblings). Apart from this none of the Directors of the Company are in any way related to each other.

DIRECTORS RESPONSIBILITY STATEMENT

As referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors hereby confirm:

- a) that in preparation of the Annual Accounts for the year ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures , if any;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair



view of the state of affairs of the company at the end of financial year ended 31st March, 2023 and the profit/(Loss) of the Company for the year under review;

- c) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act ,2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts for the year ended 31st March, 2023 have been prepared on a “going concern basis”
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) they devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ANNUAL RETURN

Annual Return as provided under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, is available on the website of the Company at <http://www.aareydrugs.com/pdf/annual-return/MGT-7.pdf>

AUDITORS

M/s. Motilal & Associates, Chartered Accountants (Firm Registration No: 106584W) were appointed as Statutory Auditors of the Company at the 30th Annual General Meeting held on 28th December, 2020 for a term of five consecutive years from the conclusion of that Annual General Meeting to until the conclusion of 35th Annual General Meeting of the Company.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report pursuant to the provisions of Section 204 for the financial year 2022-23 was obtained from M/s. Virendra Bhatt& Associates, Practicing Company Secretaries, which is annexed hereto as **Annexure B**.

The Board has re-appointed M/s. Virendra Bhatt& Associates, Practicing Company Secretaries as the Secretarial Auditors of the Company for the financial year 2023-24.

MEETINGS

During the financial year 2022-23, 09 (nine) meetings of the Board of Directors and 09 (nine) meetings of the Audit Committee were held. Details of these meetings and other Committees of the



Board/General Meeting are given in the Report on Corporate Governance forming part of this Annual Report.

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTOR

All the Independent Directors of the Company have furnished a declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfill the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Companies Act, 2013

PERFORMANCE EVALUATION AND ITS CRITERIA:

The Board of Directors carried out an evaluation of its own performance, of the Board, Committees and of the individual Directors pursuant to the provisions of the Act and Corporate Governance requirements as prescribed by the Listing Regulations.

The performance of the Board and its Committees was evaluated by the Board after seeking inputs from the Board / Committee Members based on criteria such as composition of the Board / Committees and structure, effectiveness of the Board / Committee processes, providing of information and functioning etc. The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors based on criteria such as attendance in Board / Committee meetings, contribution in the meetings like preparedness on issues to be discussed etc.

The Independent Directors at its separate meeting held on 24th February, 2023 reviewed the performance of Non-Independent Directors and performance of the Board as a whole, performance of the Chairman of the Company taking into account the views of Executive and Non-executive Directors and assessed the quality, quantity and timeliness of flow of information to the Board to perform their duties effectively and reasonably.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The details of Loans given, Guarantees given and Investments made, if any and covered under the provisions of Section 186 of the Act, read with Companies (Meetings of Board and Its Powers) Rules, 2014 are given in the notes to the Financial Statements forming part of this Annual Report.



COMMITTEES OF THE BOARD

The details of the powers, functions, composition and meetings of the Committees of the Board held during the year are given in the Report on Corporate Governance section forming part of this Annual Report.

AUDIT COMMITTEE

The details pertaining to the composition, terms of reference, etc. of the Audit Committee of the Board of Directors of the Company and the meetings thereof held during the financial year are given in the Report on Corporate Governance section forming part of this Annual Report. The recommendations of the Audit Committee were accepted by the Board of Directors of the Company from time to time.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is produced as a part of the Annual Report along with the Auditors statement on its compliance.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company has made the necessary disclosures in this Report in terms of Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in **Annexure C** and forms part of this report.

INTERNAL FINANCIAL CONTROL SYSTEM

The Board is responsible for establishing and maintaining adequate internal financial control as per Section 134 of the Act.

Your Company has in place an adequate system of internal controls to ensure compliance with various policies, practices and statutes. It has procedures covering all financial and operating functions and processes. These have been designed to provide a reasonable assurance with regards to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses and compliance with regulations. Key controls have been tested during the year and corrective and preventive actions are taken for any weakness.

CHANGE IN THE NATURE OF BUSINESS (IF ANY):

There is no material change in the type of business the Company is carrying.



DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS(IF ANY):

The Directors of your Company confirm that no frauds or instances of mis-management were reported by the Statutory Auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

MATERIAL CHANGES AND COMMITMENT:

Except as disclosed elsewhere in the Report, there have been no material changes and commitment affecting the financial position of your Company, which have occurred between the end of the financial year of the Company and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS:

No significant and material order has been passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

PARTICULARS OF RELATED PARTY TRANSACTIONS:

All transactions entered into with related parties during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188(1) of the Act. Suitable disclosures as required by the Indian Accounting Standards (IndAS-24) have been made in the notes to the Financial Statements. The Board has a policy for related party transactions which has been uploaded on the Company's website_ <http://www.aareydrugs.com/pdf/2-Related-Party-Transaction.pdf>

There were no material Related Party Transactions during the year. Accordingly, Form No. AOC-2, prescribed under the provisions of Section 134 (3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transactions, which are not "not at arm's length basis" and also which are "material and arm's length basis", is not provided as an annexure to this Report as it is not applicable.

PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.



Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy who are also provided training about the Act.

During the year under review, no complaint was received.

POLICIES AND DISCLOSURE REQUIREMENTS:

In terms of provisions of the Act and the Listing Regulations, the Company has adopted all the applicable policies. The policies are available on the website of the Company at <http://www.aareydrugs.com/financial.html>

All Directors and Senior Management Personnel have affirmed their adherence to the provisions of the Code of Conduct during the financial year 2022-23.

The Company's policy on Directors' appointment, remuneration and other matters provided in Section 178(3) of the Act forms part of Nomination and Remuneration Policy and has been disclosed in the Corporate Governance Report.

CORPORATE GOVERNANCE & VIGIL MECHANISM:

A separate Corporate Governance Report on compliance with Corporate Governance requirements as required under Regulation 34(3) read with Schedule V to the Listing Regulations forms part of this Annual Report. The same has been reviewed and certified by Mr. Virendra G. Bhatt, Practising Company Secretary, the Secretarial Auditors of the Company and Compliance Certificate in respect thereof is attached as Certificate of Corporate Governance.

RISK MANAGEMENT:

The Company has its Risk Management Plan & Policy in place which is also displayed on the website of the Company. In the opinion of the Board, during the financial year 2022-23, no elements of risk which may threaten the existence of the Company were noticed by the Board. The Committee monitors the risk management plan and ensures its effectiveness. The details of Committee are set out in the Corporate Governance Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a separate section, forming part of this Report.



PROMOTERS:

The Promoter Group's holding in the Company as on 31st March, 2023 was 50.04% of the Company's paid up Equity Capital. The members may note that the shareholding and other details of Promoters has been provided in Annual Return.

DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS UNDER SECTION 148 OF THE COMPANIES ACT, 2013:

During the year under review, Maintenance of cost records under section 148 of Companies Act, 2013 is not applicable to the Company as the Company did not carry on any activity as specified in Table A and B of Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

EMPLOYEES:

There were no employees coming under the purview of Section 197(12) of the Act read with Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the rules frame there under.

REMUNERATION:

As per Section 197 of the Companies Act, 2013, the ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year:

Name of the Director	Ratio to Median employees
Mihir R Ghatalia, Managing Director	5:3

DISCLOSURE UNDER SECTION 164

None of the Directors of the company are disqualified for being appointed as Directors as specified under section 164 of the Companies Act, 2013.

ACKNOWLEDGEMENTS

Your Directors wish to place on record, the appreciation for the continued support of the customers, Bankers and Suppliers. Your Directors acknowledge and thank the employees for their valuable contribution and involvement.

For and on behalf of the Board of Directors



Mihir R. Ghatalia
Chairman and Managing Director

Place: Mumbai
Date: 29th May, 2023

Annexure-B

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2022-23

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or Programs.	The Company has done various CSR activities in the areas of promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
2	Composition of Committee	1) Chetan Mehta- Chairperson 2) Mihir Ghatalia_ - Member 3) Lalit Tulisiani_ - Member
3	Average Net Profit of the Company for the last 3 Fy's	Rs. 81765792.33/-
4	Prescribed CSR Expenditure (2% of the amount mentioned in item 3 above)	Rs. 1635315.85/-
5	Details of CSR spent during the Financial Year a. Total amount spent for the Financial year. b. Amount unspent, if any. c. Manner in which the amount spent during the financial year.	Rs. 81765792/- NIL As per the Table of Amount spent on CSR activities mentioned below.
6	Reason for not spending the amount earmarked.	-



Details of amount spent on CSR activities during the financial year 2022-23.

Sr. No.	CSR Project or activity identified	Sector in which the project is covered (Clause No. of Schedule VII to the Companies Act, 2013).	Project or Program (1) Local area or other (2) specify the State and District where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the Projects or Programs Sub heads: (1) Direct Expenditure on Projects or Programs (2) Overheads
	Company has given the amount to be spent in Corporate Social Responsibility activities as mentioned in the Companies Act, 2013 to RK HIV And AIDS RESEARCH AND CARE CENTRE			Rs 16,00,000/-	Rs 35316/-

**For and on behalf of the board
Aarey Drugs and Pharmaceuticals Limited**

**Place: Mumbai
Date: 29th May, 2023**

**Chetan Mehta
Chairperson
DIN: 01639366**



ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE – B

Form No.: MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2023

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

To,
The Members,
Aarey Drugs and Pharmaceuticals Limited

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

Based on my verification of the Company's statutory registers, papers, minute books, forms and returns filed with the Registrar of Companies ("ROC"), soft copy of the various records sent over mail as provided by the Company and other relevant records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 ("audit period"), has prima facie complied with the statutory provisions listed hereunder:

I have examined the statutory registers, papers, minute books, forms and returns filed with the ROC and other relevant records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;



- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment-applicable only to the extent of Foreign Direct Investments and Overseas Direct Investments;
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March, 2023:-

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;



- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vii) I further report that, I rely on the Compliance Report of various laws placed before me by the Company.
- (viii) I have also examined compliance with the applicable clauses of the following and I am of the opinion that the Company has prima facie complied with the applicable provisions:
- (a) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.
- (b) The Listing agreements entered into by the Company with Stock Exchange read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

During the audit period, I am of the opinion that the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except the following:

- i. *The Company has maintained the Structural Digital Database internally on excel till they installed the software in November, 2022.*
- ii. *One Independent Director of the Company along with his relative is holding securities of the Company in excess of permissible limit under Regulation 16 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, further the Company has given loan to Independent Director and due to that, the composition of Board, Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee are not in accordance with the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and various sections of the Companies Act, 2013.*



- iii. *The Company / Promoter has delayed in filing of the disclosure under Regulation 31(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for one day.*
- iv. *The Company has delayed in filing of the Annual Secretarial Compliance Report under Regulation 24A of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the National Stock Exchange of India Limited (“NSE”).*
- v. *The Company has not complied with provisions of the Prevention of Sexual Harassment (PoSH) Act, 2013.*

I further report that:-

1. I have not examined the Financial Statements, Financial books like Foreign Currency Transactions, Related Party Transactions, Borrowings, Loans, including reconciliation of Bank Statements etc. and related financial Act like Income Tax, Sales Tax, Value Added Tax, Goods and Services Tax, ESIC, Provident Fund, Professional Tax, for these matters, I rely on the report of statutory auditors and their observations, if any, and notes on accounts in Financial Statement for the year ended 31st March, 2023.
2. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.
3. As per the information provided, the Company has prima facie given adequate notice to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.
4. I was informed and I observed from the minutes of the Board and Committee Meetings that all the decisions at the Meetings were prima facie carried out unanimously.



5. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. The management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/files required by the concerned authorities and internal control of the concerned department.
7. During the audit period, the Company had filed Forms required to be filed within prescribed time and one with additional fees.
8. I have not verified financial statements, financial books and statutory dues under various finance acts and for these matters I rely on the Audited Financial Statements.
9. I further report that during the audit period, there were no instances of:
 - i. Public/ Rights/debentures/ sweat equity, etc.;
 - ii. Issue of equity shares under Employee Stock Option Scheme;
 - iii. Redemption / Buy- Back of securities;
 - iv. Major decisions taken by the Members in pursuance to the Section 180 of the Companies Act, 2013 which would have major bearing on the Company's affairs;
 - v. Merger / amalgamation / reconstruction etc.;
 - vi. Foreign Technical Collaborations.

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.



3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of Company.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Date: 29th May, 2023

Place: Mumbai

UDIN: A002209E000424939

Ms. I. Javeri
Practicing Company Secretary
ACS No.: 2209 / COP No.: 7245
Peer Review Cert. No.: 2922/2023



ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE-C

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY :

a) Energy conservation measures taken :

- i) The company has been strictly observing and monitoring the power consumption.
- ii) The grinding operation with keeping the automatic regular of feeds has been maintained to minimize power consumption.

iii) Dual Fuel Burner was installed.

b) Impact of above measures:

High power factor above 0.9 and optimization of the grind ability has been maintained.

B. POWER AND FUEL CONSUMPTION :

Particulars	2022-2023	2021-2022
(i) Electricity Purchased:		
Units (KWH)	9,63,711 KWH	9,18,285 KWH
Total Amount (Rs.)	97,49,290	82,32,094
Rate/ Unit (Rs.)	10.116	10.23
(ii) Own generation		
a) Through diesel generator	3300 KWH	8580 KWH
Units per ltr. Of diesel Oil	3.3KWH	3.3 KWH
Cost/unit	28.21	28.1
b) Through steam turbine/ generator		



Unit	NIL	NIL
Unit per ltr. Of fuel oil/ gas	NIL	NIL
Cost/ Unit	NIL	NIL
(III) Coal		
Quantity (tones)	115.270	835.675 MT
Total Cost	13,71,165	96,29,174
Average rate	11895.25/MT	11522.63/MT
(iv) Furnance Oil/ Diesel		
Quantity (m.t.)		NIL
Total Amount (Rs.)		NIL
Average Rate (Rs.)		NIL
(v) Others/ Internal generation (Biomass Briquette)		
Quantity	946.040 M.T.	50.560 MT
Total Cost	95,86,435	476894
Rate/ unit	9626.562/MT	9437.84/MT

C. ACTUAL PRODUCTION :

	Quantity (in MTS) 2022-2023	Quantity (in MTS) 2021-2022
Total Production	348.535 MT	351.688 MT
RESEARCH & DEVELOPMENT (R & D):		



i) Specific areas in which R & D is conducted By the company:		
Benefits derived as a result of above R &D :		
Further Plan of Action :		
Management Review		
Expenditure on R&D :		
	2022-2023	2021-2022
a) Capital	----- --	----- -
b) Recurring	----- --	----- -
Total		
c) Total R&D Expenditure as a Percentage of total turnover		

D. TECHNOLOGY, ABSORPTION, ADAPTION AND INNOVATION :

	2022-2023	2021-2022
	(Rs.)	(Rs.)
a) Efforts, in brief, made towards technology Absorption, adaption and innovation		
b) Benefits derived as a result of the above		
	2022-2023	2021-2022
	(Rs.)	(Rs.)
c) In case of imported technology (imported during the last 5 years reckoned from the		



beginning of the financial year)		
1.Technology import		
2.Year of import		
3.Has technology ben fully absorbed		
4.If not fully absorbed, areas where this has not Taken place, Reasoms there for and future Plans of action		

E. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2022-2023	2021-2022
	(Rs.)	(Rs.)
Activities relating to exports ; initiative taken		
To increase exports ;development of new		
Exports markets for products and services;and export plans;		
Total Foreign Exchange used	2170.33 Lakh	300980106
Total Foreign Exchange earned (F.O.B.)	236.63 Lakh	9279097

For and on behalf of the Board of Directors

Mihir R Ghatalia
Chairman and Managing Director

Place: Mumbai
Date: 29th May, 2023



MANAGEMENT DISCUSSION AND ANALYSIS

This report contains statements, which may constitute “forward looking statements” within the meaning of the applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of the future events. Actual results could differ materially from those expressed or implied. Important factors that could impact the Company’s performance include, among others, economic conditions affecting the demand / supply and price conditions in the markets in which the company operates, changes in the Government policies, regulations, tax laws, other statutes and incidental factors.

The Company undertakes no obligations to update or revise forward-looking statements on the basis of any subsequent developments, information or events.

GENERAL REVIEW

The Company is in the API / Bulk Drugs manufacturing and offers a range of products for diverse industrial applications. The Company maintains its head office in Masjid, Mumbai and the plant in Tarapur, Maharashtra.

SIGNIFICANT FINANCIAL EVENTS OF THE YEAR

The Company’s Sales from trading activities is Rs.360.83Cr. This has been mainly possible due to the efforts put in to achieve growth. The increased sales also reflect the improved performances of the company.

The paid-up equity share capital stood at Rs. 25.38Cr. The Earnings per Share were Rs.1.49 As the company is going for expansion hence dividend not recommended.

RESOURCES AND LIQUIDITY

Primary liquidity needs have been to finance working capital needs. To fund these, the company relied on internal accruals and borrowings.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains effective internal controls, systems and procedures for management of its business. As a part of this process, system and procedures are regularly reviewed and strengthened. The internal controls systems cover the accounting, production and administration functions. The Company has appointed an outside internal audit agency to further assess the systems and provide valuable feedback on the systems and areas of improvement of the same. The Company has a proper



and adequate system to ensure that all assets are safeguard and protected against loss, theft, unauthorized use and damage from improper use.

HUMAN RESOURCES / DEVELOPMENT

The Company has a large pool of talented and knowledgeable personnel. The Company offers several in-house training programs to its personnel. This is aimed at continuous development and improvement of the company's talent pool. Over 15 in-house training Programs were conducted during the year. Industrial relations at the plant remained cordial throughout the year.

OUTLOOK

The industry sector under which the company operates has been posting healthy growth rates over the years. The market for the product mix is expanding at above 6% per annum. These factors provide opportunities for the company to continue to return impressive growth and returns for all stakeholders.



CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company believes in adopting the best corporate governance practices and protecting rights and interests of stakeholders. We further believe that the shareholders have the right to know the complete information on the Board of Directors and the management, their interest in the organization as well as governance practice to be followed by them.

Corporate Governance is concerned with creation of long term value of shareholders while also balancing interest of other stakeholders' viz. Employees, Creditors, Government and the Society at large. Corporate Governance is crucial as it builds confidence and trust, which eventually leads to a more stable and sustained resources flow and long term partnership with its investors and other stakeholders.

2. BOARD OF DIRECTORS

a) Composition:

The composition of the Board, details of other directorships, committee positions as on 31st March, 2023 and attendance of Directors at the Board Meetings and at the Annual General Meeting ('AGM') held during the year under review are given in the table below:

Name of Directors	Designation	Directorship in other public Limited Companies #	Other Companies Committee	
			Membership	Chairperson
Mr. Mihir R Ghatalia	Chairman and Managing Director	2	1	Nil
Mr. Chetan K Mehta	Non Executive Independent Director	0	0	0
Mr. Lalit Tulsiani	Non Executive Independent Director	1	1	2
Mrs. Archana Wani	Non Independent Non	1	1	Nil



	Executive Director			
Mr. Nimit R Ghatalia	Executive Director	2	2	Nil
Mr. Anil Mandal	Non Executive Independent Director	2	2	1

The number of Directorships excludes Directorships in Private Limited Companies

As required by the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) & the SEBI Listing Regulations, none of the Directors hold Directorship in more than 20 public companies, membership of Board Committees (Audit Committees/ Stakeholders Relationship Committee) in excess of 10 and Chairmanship of Board Committees as aforesaid in excess of 5

Names of the listed entities where the said persons are Directors and the category of their directorship are as follows:

Name of Directors	Name of Listed Entities in which he is Director	Category of Directorship
Mr. Mihir R Ghatalia	Worth Investment and Trading Company Limited	Executive Director
Mr. Anil Mandal	Worth Investment and Trading Company Limited	Independent Non Executive Director
Mr. Lalit Tulsiani	Worth Investment and Trading Company Limited	Independent Non Executive Director
Mrs. Archana Wani	Worth Investment and Trading Company Limited	Non Independent Non Executive
Mr. Nimit R Ghatalia	Worth Investment and Trading Company Limited	Executive Director
Mr. Chetan K Mehta	NIL	NIL



b) Number and date of Board Meetings held:

Nine Board Meetings were held during the Financial Year 2022-23. The dates on which meetings were held are 30/05/2022, 13/08/2022, 09/09/2022, 14/11/2022, 16/12/2022, 04/01/2023, 23/01/2023, 08/02/2023 and 30/03/2023.

Name of Directors	No. of Board Meeting Held	No. of Board Meeting attended	Attendance at last AGM
Mr. Mihir R Ghatalia	9	9	Yes
Mr. Chetan K.Mehta	9	9	Yes
Mr. Lalit Tulsiani	9	9	Yes
Mrs. Archana Wani	9	9	Yes
Mr. Nimit R Ghatalia	9	9	Yes
Mr. Anil Mandal	9	9	Yes

The meetings of the Board of Directors are scheduled well in advance and the folder containing agenda for the meeting with detailed review of all aspects of the Company business, including Performance of the Company, Employee relations, details of Investments, Capital Expenditure, etc. is circulated to all the Directors before 7 days of the date of Board Meeting. It also highlights important matters discussed at the Audit Committee, Share Transfer Committee & Investor Grievance Committee of the Board.

c) Disclosure of relationship between directors inter-se:

Mr. Mihir Ghatalia, Managing Director, is brother of Mr. Nimit Ghatalia, Director except this, there are no inter –se relationships and Mr. Rajesh Ghatalia is father of the Directors.

d) Skills/expertise/competence of the Board of Directors:-

The Board of Directors possess relevant skills, expertise and competence for the effective functioning of the Company.

Srno	Name	of	Leadership	Pharma	Accounting	Strategy &	Sales and other
------	------	----	------------	--------	------------	------------	-----------------



	Directors		expertise	experience	Planning	development
1	Mr. Mihir R Ghatalia	✓	✓		✓	
2	Mr. Nimit R Ghatalia				✓	✓
3	Mr. Chetan K Mehta			✓	✓	
4	Mr. Lalit Tulsiani	✓	✓	✓	✓	
5	Mrs. Archana Wani		✓	✓	✓	✓
6	Mr. Anil Mandal				✓	✓

e) Number of shares and convertible instruments held by Non- executive Directors:

As on 31st March, 2023 Mr. Lalit Tulsiani holds 840 shares and Mr. Chetan Mehta holds 300000 shares in the Company.

f) Web link where details of familiarisation programmes imparted to independent directors is disclosed.

The details of the Familiarisation Programme for ID's are available on <http://www.aareydrugs.com/pdf/5.%20Familiarisation%20Programmes.pdf>

All the directors including Independent Directors are well qualified, experienced and renowned persons. The Board has identified the skills/ expertise/ competencies required for effective functioning of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors full the conditions specified in section 149(6) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management.

Further, a separate meeting of the Independent Directors was held on 24th February, 2023. All the Independent Directors were present at the said meeting.



3. AUDIT COMMITTEE

a) Composition:

As on 31st March, 2023 the Composition of Audit Committee comprised of Mr. Mihir Rajesh Ghatalia, Mr. Chetan Kirit Mehta and Mr. Lalit Radhakrishna Tulsiani.

b) Meeting and Attendance during the year:

During the financial year 2022-23 the Audit Committee met nine times i.e. on 30/05/2022, 13/08/2022, 09/09/2022, 14/11/2022, 16/12/2022, 04/01/2023, 23/01/2023, 08/02/2023 and 30/03/2023. The attendance of the members at the meetings are as under:

Name of Members	Category	Designation	No. of Meetings Attended
Mr. Chetan K. Mehta	Non-Executive-Independent	Chairman	9
Mr. Mihir R Ghatalia	Chairman & Managing Director	Member	9
Mr. Lalit Tulsiani	Non-Executive-Independent	Member	9

Audit Committee reviews in their meetings & recommends to the Board matters relating to the following terms of reference

(i) Terms of reference

Pursuant to the SEBI Listing Regulations and Section 177 of the Act, the role of the Audit Committee broadly covers as under:

Financial Reporting and other Financial Matters

- Oversight of Company's Financial Reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Reviewing with the management, quarterly Unaudited Financial Statements and Annual Audited Financial Statements & Auditors' Report thereon before submission to the Board for approval. Review of Annual Financial Statements inter alia includes reviewing



changes in Accounting Policies.

- Reviewing management discussion and analysis of financial condition and results of operations;
- Scrutiny of inter-corporate loans & investments;
- Monitoring the performance of the unlisted subsidiaries by reviewing their financial statements including the investments made by them; and

Audit & Auditors, Internal Controls

- Recommending the appointment, remuneration and terms of appointment/re-appointment, if required, replacement or removal of auditors, fixation of audit fees and payment for any other services rendered by the other capacity;
- Recommending appointment and remuneration of Cost Auditors;
- Review and monitor the Auditor's independence and performance and effectiveness of audit process;
- Reviewing the adequacy of internal audit function and internal control systems including internal financial controls; and discussion with Internal Auditors any significant findings and follow-up thereon; and
- Reviewing significant audit findings from the statutory and internal audits.

Other Matters

- Approval of all Related Party Transactions;
- Evaluation of Internal Financial Controls and Risk Management Systems;
- Appointment of CFO; and
- Reviewing the functioning of Whistle Blower Mechanism.
- The Audit Committee has all the powers as specified in Regulation 18 of the SEBI Listing Regulations to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary and pursuant to Section 177 of the Act.

4. NOMINATION AND REMUNERATION COMMITTEE

a) Brief Description of terms of reference:

(i) Terms of Reference

The terms of reference of Nomination and Remuneration Committee ('NRC'), inter alia, includes the following:

- Identification of persons who are qualified to become Directors and who may be appointed



at Senior Management position in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

- Recommendation for fixation and revision of remuneration packages of Managing Director and Executive Directors to the Board for review and approval;
- Formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of every Director and carry out performance evaluation of Directors;
- Devising a policy on diversity of board of directors;
- Extension or continuation of term of appointment of the Independent Director, on the basis of the report of performance evaluation of the Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management. the weblink thereto is <http://www.aareydrugs.com/pdf/Nomination-and-Remuneration-Policy.pdf>

b) Composition:

As on 31st March, 2023 the Nomination and Remuneration Committee comprised of Mr. Chetan Mehta, Mrs. Archana Wani and Mr. Lalit Tulsiani.

c) Meeting and attendance during the year:

During the financial year the Nomination and Remuneration Committee met one time i.e on 22/09/2022. The attendance of the members at the meetings are as under.

Name of Members	Category	Designation	No of meetings attended
Mr. Lalit Tulsiani	Non-Executive-Independent	Chairman	1
Mr. Chetan K. Mehta	Non-Executive-Independent	Member	1
Mrs. Archana Wani	Non-Executive-Independent	Non Member	1

d) Performance evaluation criteria for independent directors:

The NRC lays down the criteria for performance evaluation of Directors. The criteria for performance evaluation covers parameters such as decision taken in the interest of the organization objectively; assisting the Company in implementing the Corporate Governance; monitoring performance of



organization based on agreed goals & financial performance; fulfillment of the independence criteria as prescribed and their independence from the management; and active participation in the affairs of the Company as Board/Committee Members.

5. REMUNERATION OF DIRECTORS:

Name of Directors	Salary	Perquisites or Allowances	Contribution to PF & others	Sitting Fees	Total
Mr. Mihir R Ghatalia	600000 p.a.	450975.31 p.a.	-	-	1050975.31 p.a.
Mr. Chetan K Mehta	-	-	-	-	-
Mr. Lalit R Tulsiani	-	-	-	-	-
Mrs. Archana Wani	-	-	-	-	-
Mr. Nimit R Ghatalia	300000 p.a.	477587 p.a.	-	-	777587 p.a.
Mr. Anil Mandal	-	-	-	-	-

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a. The Committee comprises of the following members

Name of the Director	Category	Designation
Mrs. Archana Wani	Non-Executive- Non-Independent	Chairperson
Mr. Mihir R Ghatalia	Managing Director	Member



Mr. Chetan K Mehta	Non-Executive- Independent	Member
--------------------	----------------------------	--------

Name of Members	Category	Designation	No of meetings attended
Mrs. Archana Wani	Non-Executive- Non-Independent	Chairperson	3
Mr. Mihir R Ghatalia	Managing Director	Member	3
Mr. Chetan K Mehta	Non-Executive- Independent	Member	3

The Stakeholders Relationship Committee met 3 times during the year under review. The said meetings were held on 20/09/2022, 18/10/2022 and 10/01/2023.

7. COPORATE SOCIAL RESPONSIBILITY COMMITTEE:-

a.)Composition:

As on 31st March 2023 the Composition of Corporate Social Responsibility Committee comprised of Mr. Mihir Rajesh Ghatalia, Mr. Chetan Kiritbhai Mehta and Mr. Lalit Radhakrishna Tulsiani

b) Meeting and attendance during the year

During the Financial year 2022-23 the Corporate Social Responsibility Committee met one time i.e as on 04/01/2023

Name of the Director	Category	Designation
Mr. Chetan K Mehta	Non-Executive- Non-Independent	Chairman
Mr. Mihir R Ghatalia	Managing Director	Member
Mr. Lalit Tulsiani	Non-Executive- Independent	Member



Name of Members	Category	Designation	No of meetings attended
Mr. Chetan K Mehta	Non-Executive-Independent	Chairman	1
Mr. Mihir R Ghatalia	Managing Director	Member	1
Mr. Lalit Tulsiani	Non-Executive-Independent	Member	1

b. Name & Designation of Compliance Officer: Mrs. Preeti Paresh Rathi
107, Sahakar Bhavan,
Narshi Natha Street 340348,
Masjid Bunder,
Mumbai- 400009
PhNo:- 022-62872900

c. Number of Shareholder Complaints received during the year 2022-23: **3**

d. Number of Complaints not solved to satisfaction: **Nil**

e. Number of pending complaints: **NIL**

7. GENERAL BODY MEETINGS

Details of last three Annual General Meetings:

The day, date, time and location of the AGMs held during the last three years, and the special resolution(s) passed thereat by e-voting and poll, are as follows:

Year	AGM/EGM	Date	Time	Venue	Special Resolution Passed
31 st March, 2022	AGM	30/09/222	9:15A.M	E-34, MIDC, Tarapur, Boisar, Thana - 401506	Nil



31 st March, 2021	AGM	11/09/2021	9:15A.M	E-34, MIDC, Tarapur, Boisar, Thana - 401506	1) Issue upto 20,00,000 Equity Shares on Preferential Basis
31 st March, 2020	AGM	28/12/2020	9:15A.M	E-34, MIDC, Tarapur, Boisar, Thana - 401506	1) Re- appointment of Mr. Chetan Mehta as Independent Director.

During the year ended 31st March, 2023 no resolution proposed to be passed through postal ballot.

8. MEANS OF COMMUNICATION

- a) The Annual and Quarterly results are submitted to the Stock Exchanges in accordance with the Listing Regulation.
- b) The results of the Company are published in one English daily newspaper [Active Times (English)] and one Marathi newspaper [Mumbai Lakshadeep (Vernacular)]
- c) The Company's website www.aareydrugs.com contains the information pertaining to the Company that it is in compliance with the SEBI Listing Regulations.

9. GENERAL SHAREHOLDERS INFORMATION

- a) Annual General Meeting:
- Date & Time : Tuesday, 05th September, 2023 at 11:00 a.m by OAVM means
- b) **Financial Year and Tentative Financial Calendar:**
1st April, 2023 to 31st March, 2024

QUARTER RELEASE DATE	TENTATIVE AND SUBJECT TO CHANGE
1 ST Quarter ending 30 th June	On or before 14 th August,2023
2 nd Quarter ending 30 th September	On or before 14 th November,2023
3 rd Quarter ending 31 st December	On or before 14 th February,2024



4 th Quarter ending 31 st March	On or before 30 th May, 2024
---	---

Book Closure Date: 30th August 2023 to 05th September 2023 (both days inclusive)

- c) **Dividend Payment date:** The Board has not recommended any dividend on Equity Shares of the Company for the year ended 31st March, 2023.
- d) **Equity Shares Listed :** BSE Limited (BSE) and National Stock Exchange of India Limited
- e) **Listing Fees:** The Company has paid the Listing fees for the financial Year 2022-23.
- f) **Stock code: 524412 and AAREYDRUGS**
- g) **ISIN: INE198H01019**
- h) The monthly high and low shares prices during the year at BSE are as under

MONTH	HIGH	LOW
April –2022	51	42
May -2022	44.9	33.70
June –2022	37.65	28.50
July-2022	38.50	32.20
August-2022	41.45	33.60
September-2022	43.75	36.10
October-2022	42.85	36.00
November-2022	40.05	35.80
December-2022	44.70	37.10
January-2023	39.55	33.60
February-2023	35.20	27.25
March-2023	30.25	21.90

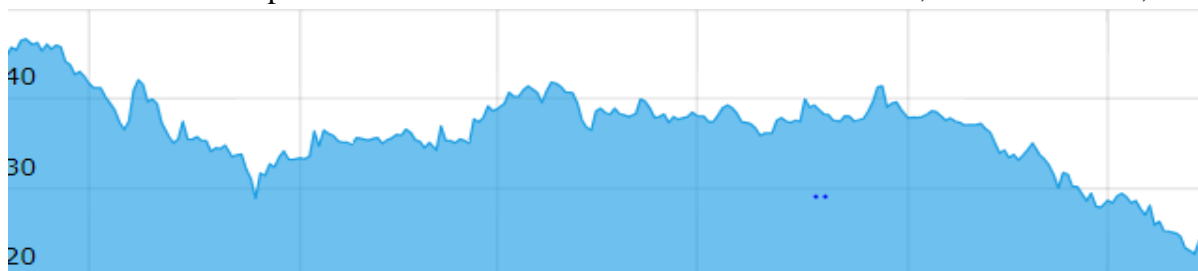
The monthly high and low shares prices during the year at NSE are as under



MONTH	HIGH	LOW
April -2022	51.25	41.25
May -2022	45	33.70
June -2022	37	28.25
July-2022	38.70	32.30
August-2022	41.50	33.55
September-2022	43.90	36.20
October-2022	42.75	35.85
November-2022	40.20	35.70
December-2022	44.80	36.85
January-2023	39.40	36.00
February-2023	35.60	27.40
March-2023	30.20	22.00

i) **Trading of Securities:** The Securities of the Company were not suspended from trading at any time during the financial year 2022-23.

j) Performance in comparison to broad-based indices such as BSE sensex, NSE Sensex etc;





k) Registrar and Share Transfer Agent: LINK INTIME INDIA PRIVATE LIMITED.

C-101, 247 Park, LBS Marg,
Vikhroli (W), Mumbai-400083
Fax No. : 022 49186060
E-Mail : rnt.helpdesk@linkintime.co.in

l) Share Transfer System:

All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to Registrar and Transfer Agents. Stakeholders Relationship Committee is authorized to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the officers of the Company. The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations, and files a copy of the same with the Stock Exchanges.

m) Distribution of Shareholding as at 31st March, 2023

SHAREHOLDING OF NOMINAL SHARES	Shareholders		Share Amount (Rs)	
	Nos.	%	Rs.	%
1-500	15188	84.61	1825107	7.19
501-1000	1321	7.36	1058289	4.17



1001-2000	681	3.79	1048137	4.13
2001-3000	258	1.43	662448	2.61
3001-4000	123	0.69	440793	1.74
4001-5000	106	0.59	502757	1.98
5001-10000	152	0.85	1137948	4.48
100001 & above	122	0.68	18709205	73.70

**n) Dematerialization of Shares and Liquidity:
As at 31st March, 2023**

Total No. of Fully paid up shares	Shares in demat form	Percentage (%)	Shares in physical form	Percentage (%)
25384684	24863765	97.94%	520919	2.05%

m) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any Global Depository Receipts (GDR), American Depository Receipts (ADR). The Company has 10,00,000 outstanding Convertible Warrants.

n) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities :

No such risks or activities to report during the Financial year under review.

o) Plant Location: E-34, M.I.D.C., Tarapur, Boisar, Thane – 401506

p) Address For Correspondence: 107, Sahakar Bhavan, Narshi Natha Street 340/348, Masjid Bunder, Mumbai- 400009

q) Credit Ratings: Ratings assigned in the FY 2021-22 as ACUITE BBB/ Outlook: Stable from ACUITE Ratings and Research.

10. DISCLOSURES:



a) Related Party Transactions: Transactions with related parties are disclosed in notes to accounts annexed to the financial statements. The policy on dealing with Related Party Transaction is available on Company's website.

b) Vigil Mechanism, Whistle Blower Policy, and affirmation that no Personnel has been denied access to the Audit Committee: The Company has established a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of code of conduct or ethics policy. The policy is available on <http://www.aareydrugs.com/pdf/4.%20Whistle%20Blower%20Vigil%20Mechanism.pdf>

c) Adoption of mandatory and non-mandatory requirements: The Company has complied with all mandatory requirements as contained in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

e) Web – link for policy determining ‘material’ subsidiaries: The Company does not have any subsidiary as defined under the Companies Act, 2013, but the Company has adopted the policy which is available on the website <http://www.aareydrugs.com/pdf/4.%20Whistle%20Blower%20Vigil%20Mechanism.pdf>.

d) Web link where policy on dealing with related party transactions:

There were no materially significant related party transactions with the promoters, Directors etc that may have potential conflicts with the interest of the company at large. The web link is <http://www.aareydrugs.com/pdf/2-Related-Party-Transaction.pdf>

e) Certificate from Company Secretary In Practice on Non-Disqualification Of Directors of the Company: certificate from a Company Secretary in practice is annexed herewith as a part of report in Annexure D that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

f) Acceptance of Recommendation from the Committee: During the financial year, the Board of Directors of the Company has accepted all the recommendation of all the committees.

g) Total fees for all services paid to the Statutory Auditors: The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is Rs 3.28 Lakh.

h) Disclosures in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition And Redressal) Act, 2013:

a. number of complaints filed during the financial year - Nil



- b. number of complaints disposed of during the financial year - Nil
- c. number of complaints pending as on end of the financial year - Nil

i) Compliance of the requirement of Corporate Governance Report: During the Financial year 2022-23, the Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

j) Disclosures with respect to demat suspense account/ unclaimed suspense account: The Company does have 20 securities lying in demat/unclaimed suspense account arising out of unclaimed shares as at 31st March, 2023, as of now three reminder under regulation 39(4) of SEBI (LODR) has been sent

For and on behalf of Board of Directors
Mihir Ghatalia
Chairman & Managing Director
DIN: 00581005



CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members,
Aarey Drugs and Pharmaceuticals Limited

1. The Corporate Governance Report prepared by Aarey Drugs and Pharmaceuticals Limited (“the Company”), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) with respect to Corporate Governance for the financial year ended 31st March, 2023. This certificate is required by the Company for annual submission to the Stock exchanges and to be sent to the members of the Company.

MANAGEMENT’S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR’S RESPONSIBILITY

4. My responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations referred to in paragraph 1 above.



5. I have conducted the audit in accordance with the applicable Auditing Standards prescribed by the Institute of Company Secretaries of India. These standards require that the Auditor to comply with the statutory requirements and plan and perform the audit to obtain reasonable assurance about the compliance with applicable laws and maintenance of records.

6. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedure includes, but not limited to, verification of secretarial records and obtained necessary representations and declarations from the Directors including Independent Directors of the Company.

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

OPINION

8. Based on the procedures performed by me as referred in paragraph 6 and 7 above and according to the information and explanations given to me, I am of the opinion that the Company has prima facie complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year financial ended 31st March, 2023, referred to in paragraph 1 above.

OTHER MATTERS AND RESTRICTION ON USE

9. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

10. This Certificate is addressed and provided to the Members of the Company solely for the



purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without my prior consent in writing. I have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

Date: 29th May, 2023

Place: Mumbai

Virendra G. Bhatt

Practicing Company Secretary

ACS No.: 1157 / COP No.: 124

Peer Review Cert. No.: 1439/2021

UDIN: A001157E000402349



CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To, The Board of Directors

AAREY DRUGS & PHARMACEUTICALS LTD

I, Mira Mihir Ghatalia, the undersigned, in our respective capacities as Chief Financial Officer of Aarey Drugs & Pharmaceuticals Limited (“the Company”), to the best of my knowledge and belief certify that:

- (a) I have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2023 and based on our knowledge and belief, I state that:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company’s code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (i) Significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over financial reporting.

Mira Mihir Ghatalia
Place: Mumbai
Chief Financial Officer

Date: 29th May, 2023



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Aarey Drugs and Pharmaceuticals Limited
E-34, M.I.D.C., Tarapur,
Boisar, Thane, Maharashtra – 401506

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Aarey Drugs and Pharmaceuticals Limited** (hereinafter referred to as “the Company”), having CIN: L99999MH1990PLC056538 and having registered office at E-34, M.I.D.C., Tarapur, Boisar, Thane - 401506, Maharashtra, India, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs:

Sr. No.	Name of the Directors	DIN	Date of Appointment at current Designation	Original Date of Appointment
1.	Mihir Rajesh Ghatalia	00581005	09/02/2018	02/08/2004
2.	Chetan Kiritbhai Mehta	01639366	02/06/2008	02/06/2008
3.	Lalit Radhakrishna Tulsiani	01652630	28/12/2020	02/12/2004



4.	Archana Pramod Wani	03121886	28/12/2020	17/04/2020
5.	Nimit Rajesh Ghatalia	07069841	28/12/2020	01/07/2020
6.	Anil Mandal	08291619	28/12/2020	14/11/2018

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

Date: 16th May, 2023

Virendra G. Bhatt

Place: Mumbai

Practicing Company Secretary

ACS No.: 1157 / COP No.: 124

UDIN: A001157E000316725

Peer Review Cert. No.: 1439/2021



DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors M/S Aarey Drugs & Pharmaceuticals Limited

Dear Sir,

I undertake to comply with the conditions laid down in sub-clause of clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the company, its promoter, its directors, senior management or its holding company, its subsidiary and associates as named in the annexure thereto which may affect my independence as director on the board of the company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the board level or at one level below the board and also have not been executive of the company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

- (i) the statutory audit firm or the internal audit firm that is associated with the company and
- (ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the company i.e., owning two percent or more of the block of voting shares.

Thanking You,

Yours Faithfully,

- 1) Chetan K Mehta
- 2) Lalit R Tulsiani
- 3) Anil Mandal

Date: 29.05.2023

Place: Mumbai



INDEPENDENT AUDITOR'S REPORT

To the Members of AAREY DRUGS & PHARMACEUTICALS LTD

Report on the Audit of the Financial Statements

We have audited the Financial Statements of **AAREY DRUGS & PHARMACEUTICALS LTD** (“the Company”), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a Summary of Significant Accounting Policies and Other Explanatory Information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit/loss, changes in equity and its cash flows for the year ended on that date.

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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

1. We draw attention to Note 3.1 of the Financial Statements submitted to the stock exchange, which states that the Company has added Plant and Machinery in its Fixed Asset Schedule that is not in the state to be used as on Balance sheet date. Therefore, depreciation has not been charged upon the same. The Depreciation on the same would be charged from the day such Plant and Machinery is completely installed and will be available to use to the Company. The Management has verified the same and provided information and explanation to us in relation to the same and we have relied on the said information and representation.



2. We draw your attention to Note 36 of Balance sheet which states that Closing Balances are relied upon as per books of accounts wherever the confirmations from debtors, creditors, Loans and Advances are not available. Debtors and Creditors Balances are subject to Confirmation. Debtors & Creditors Balances are as per Management representation and relied upon by the auditors.

Our opinion is not modified in respect to the said matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matter to be communicated in our report.

PARTICULARS	AUDITOR'S RESPONSE
<p>1. Statutory liabilities</p> <p>The Company has various tax litigations pending before various authorities, the outcomes of which are material but not practicable for the Company to estimate the timings of cash outflows.</p>	<p>For legal, regulatory and tax matters our procedures included examining external legal opinions obtained by management; meeting with regional and local management and examining relevant Group correspondence; discussing litigations with the Company's legal counsel and tax head; assessing management's conclusions through understanding precedents set in similar cases; and circularization, where appropriate, of confirmations to third party legal representatives regarding certain material cases.</p> <p>We also involved our internal tax specialists to gain an understanding and to determine the level of exposure for tax litigations of the Company.</p>



	<p>The outcomes of these tax litigations remain uncertain, and as of the date of our audit report, the Company has been unable to reliably estimate the timing of any cash outflows that may result from these litigations. The ultimate resolution of these matters may result in material adjustments to the financial statements in future periods.</p> <p>In light of the above, we examined the level of provisions recorded in financial statements.</p>
--	--

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Motilal & Associates LLP

(Formerly Known as Motilal & Associates)

Chartered Accountants

ICAI FRN : 106584W/W100751

M H Jain

Partner

Mem. No. 036811

Place : Mumbai

Date : 29th May ,2023

UDIN : 23036811BGZVEJ4383



ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **AAREY DRUGS & PHARMACEUTICALS LTD** of even date)

(i)

a)

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any Intangible assets therefore maintenance of its records is not required.

b) The Company has a regular programme for physical verification of its Property, Plant and equipment by which its Property, Plant and equipment are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its Property, Plant and equipment. According to the information and explanations given to us, no material discrepancies were noticed on verification of the Property, Plant and equipment.

c) According to the information and explanations given to us, the title deeds of all the immovable properties included in financial statements are held in the name of the Company.

d) The Company has not revalued its Property, Plant and its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Therefore, reporting under the said clause is not required.

e) According to the information and explanations given to us, there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii)

(a) The management has conducted physical verification of inventory at reasonable intervals during the year and the coverage and procedure of such verification done by the management is appropriate. No material discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such physical verification.



(b) According to the information and explanations given to us, the Company has been sanctioned working capital limit in excess of 5 crore rupees in aggregate, from banks or financial institutions on the basis of security of current assets. There is difference between quarterly statements filed with banks and books of accounts.

Month	Stock as per signed Stock statement submitted to bank	Stock as per Books of accounts	Difference	Reasons
June 2022	88,514,746	136,173,269	47,658,523	The stock at customs bonded warehouse and catalyst given for job-work was not considered in the signed stock statement submitted to the bank as it was not known while preparing stock statements.
Sept 2022	159,148,626	205,034,781	45,886,155	The stock at customs bonded warehouse and catalyst given for job-work was not considered in the signed stock statement submitted to the bank as it was not known while preparing stock statements.
Dec 2022	205,587,067	219,467,651	13,880,584	The stock at customs bonded warehouse and catalyst given for job-work was not considered in the signed stock statement submitted



				to the bank which subsequently added therefore, stock increases in Book of Accounts.
--	--	--	--	--

- (iii) According to the information and explanations given to us, the Company has granted unsecured loans, to various companies, firms, and other parties.
- (a)
- a. According to the information and explanations given to us the Company does not have any subsidiaries, joint ventures and associates hence not commented upon.
- b. The aggregate amount during the year amounts to Rs 12,60,86,300./- and balance outstanding at the balance sheet date amounts to Rs. 3,99,85,900 /- with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates.
- (b) According to information and explanations given to us and based on the audit procedures performed by us, the terms and conditions of the loans granted to the Parties is interest free however, they are prejudicial to the company's interest as loan amount is material. The company has provided loans to independent director (Chetan K Mehta) of Rs. 1,23,48,000 without interest and loan of to Worth Investment and Trading Co Ltd without interest.
- (c) No schedule of repayment of principal and payment of interest has been stipulated. Therefore we cannot comment on the same.
- (d) The amount is not overdue for more than 90 days since it is repayable on Demand.
- (e) According to information and explanation and reasons given to us there are no such loans which are renewed or extended during the year and there are no fresh loans granted to settle the overdues of existing loans given to the same parties
- (f) According to information and explanation and reasons given to us , the company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment of amount aggregating to Rs . 201,621,776.92/-



Particulars	Promoters	Related Parties	Others
Aggregate amount of loans /advances in nature of loans - Repayable on demand	25,486,953.00	126,374,856.92	49,759,967.00
Percentage of loans / advances in nature of loans to the total loans	12.64%	62.68%	24.68%

- (iv) In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Section 185 and section 186 of the Companies Act in respect of grant of loans, making investment and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any deemed deposits as at 31st March, 2023 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) As per the information and explanation given to us, the maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company and hence not commented upon.
- (vii) (vii)
- a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Sales tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2023 for a period of more than six months from the date they became payable except for the following:

Name of the statute	Nature of Dues	Amount	Period to which amount relates	Due date	Date of payment
Income tax act,1961	TDS Interest and late	3,02,070	Prior years	Various Dates	Unpaid till date



	fees				
Income tax act,1961	Outstanding demand u/s 271(1)(c)	13,256	AY 2000-01	Various Dates	Unpaid till date
Income tax act,1961	Outstanding demand u/s 271(1)(c)	206	AY 2001-02	Various Dates	Unpaid till date
Income tax act,1961	FBT Dues	25,495	AY 2009-10	Various Dates	Unpaid till date
Income tax act,1961	Outstanding demand u/s 147	15,60,633	AY 2011-12	Various Dates	Unpaid till date
Income tax act,1961	Outstanding demand u/s 147	57,60,507	AY 2013-14	Various Dates	Unpaid till date
Income tax act,1961	Outstanding demand u/s 154	1,02,760	AY 2016-17	Various Dates	Unpaid till date
Income tax act,1961	Outstanding demand u/s 154	10,61,340	AY 2017-18	Various Dates	Unpaid till date
Income tax act,1961	Outstanding demand u/s 143(1)(a)	1,05,75,020	AY 2018-19	Various Dates	Unpaid till date
Income tax act,1961	Outstanding demand u/s 143(1)(a)	1,14,90,590	AY 2019-20	Various Dates	Unpaid till date
Income tax act,1961	Outstanding demand u/s 143(1)(a)	1,60,54,730	AY 2020-21	Various Dates	Unpaid till date



Income tax act,1961	Income tax liability	1,71,13,250	AY 2021-22	Various Dates	Unpaid till date
Income tax act,1961	TDS Interest and late fees	3,02,070	AY 2000-01	Various Dates	Unpaid till date
Income tax act,1961	Outstanding demand u/s 271(1)(c)	13,256	Several years	Various Dates	Unpaid till date

b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2023 on account of dispute are given below:

Name of the Statute	Nature of dues under section	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Outstanding demand u/s 250	31,36,130*	AY 2007-08	CIT (A)
Income Tax Act,1961	Outstanding demand u/s 143(3)	19,54,180**	AY 2008-09	CIT (A)
Income Tax Act,1961	Outstanding demand u/s 143(3)	1,15,50,010*#	AY 2008-09	High Court
Income Tax Act,1961	Outstanding demand u/s 254	87,77,290*#	AY 2009-10	High Court
Income Tax Act,1961	Outstanding	17,68,965**#	AY 2009-10	CIT (A)



	demand u/s 271(1)(c)			
Maharashtra Goods and service Tax Act, 2017	Demand Order u/s 73	8,62,09,504##	FY 2017-18	Joint Commissioners of State Tax. Appeal has been filed against the Assessment Order.
Goods and service Tax Act, 2017	Intimation of liability u/s 73(5)	8,32,251	FY 2021-22	Assistant Commissioners of State Tax and Maharashtra

u
es of In Note:
(*)Income Tax Department has filed an Appeal with ITAT against the order
of CIT-Appeal.

(**)The company has appealed against the demand of Rs. 19,54,180 in CIT(A) on
14/5/2022 hearing of which is yet to be done.

(*#) ITAT Order Passed, but department has filed appeal against the Tribunal
order with High Court.

(**#) 1st Appeal Filed with CIT

(##) Company has paid 10% PP & obtained absolute stay against demand.

a)

(viii) According to the information and explanations given to us no transactions were found that
were not recorded in the books of account but have been surrendered or disclosed as income
during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (ix)

(a) According to the information and explanations given to us and based on the audit procedures
performed by us the company has not defaulted in repayment of any loans or other
borrowings or in the payment of interest thereon to any lender.



- (b) According to the information and explanations given to us and based on the audit procedures performed by us, the company is not a declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and based on the audit procedures performed by us, the term loans were applied for the purpose for which the loans were obtained only.
- (d) According to the information and explanations given to us and based on the audit procedures performed by us, no instances were found where the funds raised on short term basis have been utilised for long term purposes.
- (e) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company and hence, not commented upon.
- (f) The Company does not have any subsidiaries, associates or joint ventures. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company and hence, not commented upon.
- (x)(x)
 - (a) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company and hence, not commented upon.
 - (b) The Company has not made preferential allotment during the year and hence, not commented upon.
- (xi)(xi)
 - (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



- (c) To the best of our knowledge and according to the information and explanations given to us no whistle-blower complaints, have been received during the year by the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Consequently, provisions of clause 3(xii) of the Order are not applicable to the Company and hence, not commented upon.
- (xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of related party transactions have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) (xiv)
- (a) The Company has an internal audit system in place which is sufficient with respect to its size and nature of the business.
- (b) The reports of the Internal Auditors for the period under audit were considered and no material observations were found in it.
- (xv) According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (xvi)
- (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities during the period under review.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The Company is not part of any group of companies therefore provisions of Paragraph 3(xvi)(d) is not applicable to the Company and hence not commented upon.



- (xvii) The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year. Hence, this clause is not applicable
- (xviii) There has been no resignation of the statutory auditors during the year under review.
- (xix) On the basis of information and explanations given to us and on basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx)
- (a) On the basis of information and explanations given to us, the Company does not have any unspent amount, hence not transferred any unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) On the basis of information and explanation given to us there is no amount remaining unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act.
- (xxi) The Company does not have any subsidiaries therefore reporting under Paragraph 3(xxi) is not applicable to the Company and hence not commented upon.

For Motilal & Associates LLP

(Formerly Known as Motilal & Associates)

Chartered Accountants

ICAI FRN : 106584W/W100751

M H Jain

Partner

Mem. No. 036811

Place : Mumbai

Date : 29th May 2023



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements section of our report to the members of **AAREY DRUGS & PHARMACEUTICALS LTD** of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of AAREY DRUGS & PHARMACEUTICALS LTD (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed



risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For Motilal & Associates LLP

(Formerly Known as Motilal & Associates)

Chartered Accountants

ICAI FRN : 106584W/W100751

M H Jain

Partner

Mem. No. 036811

Place : Mumbai

Date : 29th May, 2023



Notes To Accounts

1. Company Overview

Aarey Drugs & Pharmaceuticals Ltd (“the Company”) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956. The registered office of the Company is located at 107, Sahakar Bhavan, 340/348, Narshi Natha Street, Masjid, Mumbai 400009, Maharashtra. The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange of India

2. Significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarized below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

2.1. Compliance with Indian Accounting Standards

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 (“the Act”). The policies set out below have been consistently applied during the year presented.

For all periods up to and including the year ended 31 March 2017, the Company has prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (“Previous GAAP”).

2.2. Basis of Preparation and Presentation

Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the following:

- i. Certain financial assets and financial liabilities are valued at fair value;

Functional and Presentation Currency

The financial statements are presented in INR, which is also the Company’s functional currency and all amounts are rounded to the nearest thousand, unless otherwise stated.

Classification of Assets and Liabilities into Current/Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.



An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

2.3. Use of Estimates

The preparation of the financial statements is in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements

2.4. Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.



An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized.

2.5. Intangible Assets

Intangible assets are stated at acquisition cost and other cost incurred, which is attributable to preparing the asset for its intended use, less accumulated amortization and accumulated impairment losses, if any. The cost of intangible assets acquired in a business combination is recorded at fair value on the date of acquisition. Intangible assets are amortised on straight line basis over their estimated useful economic life not exceeding ten years. An item of Intangible Asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized. The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.6. Impairment of Assets

i. Financial Assets

The Company recognizes loss allowances using the expected credit losses (ECL) model for the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in such case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

ii. Non-Financial Assets

Intangible Assets and Property, Plant and Equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely



independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

iii. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

2.7. Financial Instruments

i. Investments and other financial assets

Initial recognition and measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

For purposes of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive



income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Equity investments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses for an equity investments, that is not held for trading, in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition

A financial asset is derecognised only when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and



there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

ii. **Financial Liabilities**

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings: Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates. They are subject to confirmation and reconciliation and consequential adjustments, if any.

Trade and other payable: These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are subject to confirmation and reconciliation and consequential adjustments, if any.

Derecognition



A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.8. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are inclusive of duty and net of discounts, returns and value added taxes and amount collected on behalf of third party. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met, as described below.

Revenue from sales of goods

Revenue from sale of goods is recognized when all the following conditions have been satisfied:

- i. The company has transferred to the buyer the significant risks and rewards of the ownership of the goods;
- ii. The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. The amount of revenue can be measured reliably;
- iv. It is probable that the economic benefits associated with the transaction will flow to the company; and
- v. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from Contract Income

Revenue from construction contracts is recognized by reference to the stage of completion of the construction activity as on Balance Sheet date, as measured by the proportion that contract cost incurred for work performed to date bear to the estimated total contract cost.

Where the outcome of the construction cannot be estimated reliably, revenue is recognized to the extent of the construction cost incurred if it is probable that they will be recoverable. In



the case of the contract defined with mile stones and assigned price for each mile stone, it recognize the revenue on transfer of significant risks and rewards which coincides with achievement of mile stone and its acceptance by the customers.

Provision is made for all losses incurred to the balance sheet date. Any further losses which are foreseen in bringing contracts to completion are also recognized.

Contract Revenue earned in excess of billing has been reflected in other current Assets and Billing in excess of contract revenue has been reflected under Current Liabilities in the Balance Sheet.

Other Revenue is recognized as follow:

i. Finance Income:

Finance income is recognised as it accrues using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payment or receipts over the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Finance income is included in other income in the profit & Loss Account.

ii. Dividend

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

2.9. Inventories

Traded Goods and finished goods have been valued at lower of cost and net realizable value(NRV). The cost shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials ,consumable stores and spares are valued at cost price . The cost shall comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Work in progress are valued at lower of cost and NRV have been valued at lower of cost and net realisable value. The cost of Work in progress shall comprise all costs incurred for production upto 31st March 2022 .

The company uses Weighted average basis for valuation of stock of finished goods and traded goods and FIFO basis for valuation of Raw materials.



NRV is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

2.10. Cash and Cash equivalents

Cash and cash equivalents include cash at bank and in hand and deposits held at call with banks. For the purpose of the cash flows statements, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.11. Income Tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.12. Employee Benefit Expense

Short-term / long term obligations

All employee benefits payable wholly within twelve months of rendering the service including performance incentives and compensated absences are classified as short term employee benefits. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are charged off to the Statement of



Profit and Loss/ Capital Work-in-Progress, as applicable. The employee benefits which are not expected to occur within twelve months are classified as long term benefits and are recognised as liability at the net present value.

Defined contribution plan

Contributions to defined contribution schemes such as provident fund, Employees State Insurance and Pension Plans are charged off to the Statement of Profit and Loss/ Capital s, as applicable, during the year in which the employee renders the related service.

2.13. Provisions, contingent liabilities and contingent assets

Provision

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

The Company has various tax litigations pending before various authorities, the outcome of which are material but not practicable for the Company to estimate the timings of cash outflows. .

Contingent Assets

Contingent assets is disclosed where an inflow of economic benefit is probable.

2.14. Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.



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

2.15. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit before 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.

2.16. Foreign Currency Transactions

Functional Currency

Financial statements of the Company's are presented in Indian Rupees (Rs.), which is also the functional currency.

Transactions and Translations

in a foreign currency and measured at fair value are translated at the Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. The monetary items such as debtors and creditors are valued at closing rate on 31st march 2023 at the rate of Rs 82.17 per dollar .

2.17. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain the ownership by



the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as Operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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

For Motilal & Associates LLP.
(Formerly Known as Motilal & Associates)
Limited
Chartered Accountants
ICAI FRN : 106584W/W100751

For and on Behalf of the Board of Directors
For Aarey Drugs And Pharmaceuticals

CIN: L99999MH1990PLC056538

M H Jain
Partner
Mem. No. 036811
Place : Mumbai
Date :29th May 2023

Mihir Rajesh Ghatalia <i>Managing Director</i> DIN:00581005	Nimit R. Ghatalia <i>Director</i> DIN: 07069841
---	---



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

Balance Sheet as at 31st March 2023

(Rupees in Lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	1,393.68	1,446.66
(b) Financial Assets			
(i) Investments	4	40.00	40.00
(ii) Loans and Advances	5	77.81	397.86
(iii) Other financial assets	6	560.38	750.68
Current assets			
(a) Inventories	7	2,881.92	1,368.39
(b) Financial Assets			
(i) Trade receivables	8	18,977.97	13,628.30
(ii) Cash and cash equivalents	9	70.58	19.19
(iii) Loans and Advances	10	901.24	2.00
(iv) Other financial assets	11	41.80	-
(c) Other current assets	12	4,187.06	6,863.80
Total Assets		29,132.45	24,516.88
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	2,538.47	2,538.47
(b) Other Equity	14	9,202.37	8,825.26
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	436.06	334.00
(b) Deferred tax liabilities (Net)	16	141.51	145.54
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	3,335.75	1,082.25
(ii) Trade Payables:-		-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	12,733.15	10,966.15
(iii) Other financial liabilities	19	0.47	0.47
(b) Other current liabilities	20	217.17	102.12
(c) Provisions	21	349.19	261.93
(d) Current Tax Liabilities	22	178.32	260.70
Total Equity and Liabilities		29,132.45	24,516.88

See accompanying notes forming Part of Financial Statement

2

For Motilal and Associates LLP
(Formerly Known as Motilal & Associates)
Chartered Accountants
ICAI FRN : 106584W/W100751

For Aarey Drugs and Pharmaceuticals Limited
(CIN : L99999MH1990PLC056538)

Motilal Jain
Partner
Membership No. 036811

Nimit R Ghatalia
Director
DIN: 07069841

Mihir R Ghatalia
Managing Director
DIN: 00581005

Date : 29th May 2023
Place : Mumbai

Mira M Ghatalia
CFO

Preeti Rathi
CS



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

Aarey Drugs and Pharmaceuticals Limited			
Statement of Profit and Loss for the year ended 31st March 2023			
(Rupees in Lakhs)			
Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
Revenue From operations	23	41,895.61	49,276.08
Other Income	24	272.94	266.68
Total Income		42,168.56	49,542.75
Expenses			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade	25	41,897.59	46,728.82
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	26	(1,513.52)	476.67
Employee benefits expense	27	81.02	97.50
Finance costs	28	286.71	203.71
Depreciation and amortization expenses	3	157.38	198.83
Other expenses	29	658.43	833.51
Total expenses		41,567.59	48,539.05
Profit/(loss) before exceptional items and tax		600.96	1,003.71
Exceptional Items		-	-
Profit/ (loss) before exceptions items and tax		600.96	1,003.71
Tax Expenses			
Short/(excess) provision for earlier years		49.57	98.31
Current Tax		178.32	260.70
Deferred Tax		(4.03)	(10.78)
Profit (Loss) for the period from continuing operations		377.11	655.48
Profit/(loss) from discontinued operations		-	-
Tax expenses of discontinued operations		-	-
Profit/(loss) from Discontinued operations (after tax)		-	-
Profit/(loss) for the period		377.11	655.48
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period Comprising Profit (Loss) and Other comprehensive Income for the period		377.11	655.48
Earnings per equity share (for discontinued operation)	41		
Basic		-	-
Diluted		-	-
Earning per equity share (for discontinued & continuing operation)			
Basic		1.49	2.72
Diluted		1.49	2.72
See accompanying notes forming Part of Financial Statement	2		
For Motilal and Associates LLP <i>(Formerly Known as Motilal & Associates)</i> Chartered Accountants ICAI FRN : 106584W/W100751		For Aarey Drugs and Pharmaceuticals Limited <i>(CIN : L99999MH1990PLC056538)</i>	
Motilal Jain <i>Partner</i>		Nimit R Ghatalia <i>Director</i> DIN: 07069841	Mihir R Ghatalia <i>Managing Director</i> DIN: 00581005
Membership No. 036811			
Date : 29th May 2023 Place : Mumbai		Mira M Ghatalia <i>CFO</i>	Preeti Rathi <i>CS</i>



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

AAREY DRUGS & PHARMACEUTICALS LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023			
	Particulars	Year ended 31st MARCH,2023	Year ended 31st MARCH,2022
A.	Cash Flow from Operating Activities		
	Net profit before Tax as per Profit & Loss Account	600.96	1,002.71
	Adjusted for:		-
	Depreciation	157.38	198.83
	Finance Cost	286.71	200.01
	Operating Profit before Working Capital Changes	1,045.05	1,401.54
	Adjusted for:		-
	(Increase)/ Decrease in Inventories	(1,513.52)	477.67
	(Increase)/ Decrease in Trade receivables	(5,349.67)	2,572.93
	(Increase)/ Decrease in Current Loans and advances	(899.24)	-
	(Increase)/ Decrease in Other Current assets	2,676.74	(3,789.67)
	Increase/ (Decrease) in Provision (non-current)	-	(180.80)
	Increase/ (Decrease) in Provision (current)	87.26	261.93
	Increase/ (Decrease) in current tax liabilities	(82.39)	94.30
	Increase/ (Decrease) in Trade Payables	1,767.00	(67.84)
	Increase/ (Decrease) in Short Term Borrowings	2,253.50	(385.47)
	Increase/ (Decrease) in Other Current Liabilities	115.05	89.44
	Increase/ (Decrease) in Other financial liabilities	-	(65.14)
		99.77	408.90
	Less: Taxes Paid	227.88	359.01
	Cash Flow from Operating Activities (A)	(128.11)	49.88
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(104.40)	(220.13)
	FD with Banks	-	-
	Sale of F.A.	-	0.46
	Maturity of deposits	190.30	-
	Investment in Fixed deposits	(41.80)	(238.85)
	Statutory deposits made	-	137.52
	Net Cash used in Investing Activities (B)	44.10	(321.00)
C.	Cash Flow from Financing Activities		
	Issue of Equity share Capital		
	Repayment Received from Long term loans & advances (asset)	320.05	-
	Long term loans and advances given	-	(397.86)
	Long term loans taken from banks	102.06	-
	Preferential issue of equity shares	-	823.20
	Finance Cost	(286.71)	(200.01)
	Right Issue Expense	-	-
	Premium on Issue of Shares	-	-
	Net Cash used in Financing Activities (C)	135.40	225.34
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	51.38	(45.78)
	Opening Balance of Cash and Cash Equivalents	19.19	64.97
		-	-
	Closing Balance of Cash and Cash Equivalents	70.58	19.19

Notes:

- 1 The above Cash flow Statement has been prepared under the "Indirect Method" set out in Ind AS-7 on Statement of Cash flow.
- 2 Previous year figures have been reclassified to confirm with current Year's presentation, wherever applicable.
- 3 This is the cashflows Statement referred to in our report of even date.

For Motilal and Associates LLP
(Formerly Known as Motilal & Associates)
Chartered Accountants
ICAI FRN : 106584W/W100751

For Aarey Drugs and Pharmaceuticals Limited
(CIN : L99999MH1990PLC056538)

Motilal Jain
Partner
Membership No. 036811

Nimit R Ghatalia
Director
DIN: 07069841

Mihir R Ghatalia
Managing Director
DIN: 00581005

Date : 29th May 2023
Place : Mumbai

Mira M Ghatalia
CFO

Preeti Rathi
CS



Statement of Changes in Equity for the year ended 31 March 2023				
Equity Share Capital				
For the year ended 31 March 2023				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
2,538.47	-	2,538.47	-	2,538.47
For the year ended 31 March 2022				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
2,338.47	-	0	200.00	2,538.47

Aarey Drugs and Pharmaceuticals Limited

Schedule forming part of Balance Sheet as at 31st March, 2023

Rs in lakhs

Note 4 : Investments

Particulars	As at 31st March, 2023	As at 31st March, 2022
Shares of Transmedia Software Ltd (unquoted investments carried at cost)	40	40
Total	40	40

Note 5 : Loans (Non - Current assets)

Particulars	As at 31st March, 2023	As at 31st March, 2022
loans to related parties	0.36	123.84
loans to other parties	77.45	274.02
Total	77.81	397.86



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

5.1	Particulars	As at 31st March, 2023	As at 31st March, 2022
	(a) Loans Receivables considered good - Secured	-	-
	(b) Loans Receivables considered good - Unsecured	77.81	397.86
	(c) Loans Receivables which have significant increase in Credit Risk	-	
	(d) Loans Receivables - credit impaired	-	
	Total	77.81	397.86

5.2 Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are :

- (a) Repayable on demand or
(b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Directors	0.36	0.46%

Note 6 : Other financial assets

Particulars	As at 31st March 2023	As at 31st March, 2022
Security Deposits	45.31	35.24
Bank deposits with more than 12 months maturity	0.84	239.69
Statutory Deposits	514.23	475.75
Total	560.38	750.68

Note 7 : Inventories

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw materials	710.18	491.96
Work-in-progress	174.72	25.58
Finished goods	1070.49	357.44
Stock-in-trade (in respect of goods acquired for trading)	926.52	493.41
Total	2,881.92	1,368

Note : The raw materials have been valued on FIFO basis and stock-in-trade and finished goods have been valued on weighted average basis



Note 8 : Trade Receivables

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables	18,977.97	13,628.30
Provisions for Expected credit loss	-	-
Debts due by Directors or other officers of the Company	-	-
Total	18,977.97	13,628.30

Note: The Company does not expects any credit loss based on the past experience hence provision for expected credit loss is not made.

8.1 Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	18,977.97	13,628.30
Trade Receivables which have significant increase in Credit Risk; and	-	-
Trade Receivables - credit impaired.	-	-
Total	18,978	13,628

Trade Receivables ageing schedule

	Outstanding for following periods from due date of			Total
	Less than 6 months	6 months - 1 year	More than 3 years	
Undisputed Trade receivables — considered good	17,039.78	1,938.19		18,977.97

Note 9 : Cash and Cash Equivalents

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash Balance	69.73	15.79
Bank balance with current a/c	0.85	3.40
Total	70.58	19.19

Note 10 : Loans (Current assets)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans to related parties	820.52	-
Other parties	80.73	2.00
Total	901.24	2

10.1 Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	901	2
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired.	-	-
Total	901	2



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

Note 11 : Other current financial assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed Deposits	41.80	-

Note 12 : Other Current Assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance to suppliers for Goods	3,636.02	4,243.24
Advance towards Expenses	246.27	547.15
Misc Expenditure not yet written off	2.65	2.65
Gst Paid under Protest	24.61	-
MVAT Refundable	0.61	10.32
Income tax Paid under protest (Appeal Deposit)	46.71	46.71
The Commissioner of Customs	2.83	2.83
DEPB- duty entitlement	0.96	0.96
	139.41	139.41
Excise/Custom Duty Receivable	2.72	2.72
Other Advances to creditors	-	1,819.40
TDS/TCS receivable	84.29	48.42
Total	4,187.06	6,863.80

Note 13 Equity Share Capital

(Rs. In lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of Shares	Amount	No of Shares	Amount
Authorised Share Capital :				
25,500,000 (P.Y. 25,000,000) Equity Shares of Rs. 10/- each	255.00	2,550.00	255.00	2,550.00
Issued, subscribed and fully paid, and subscribed but not fully paid;				
2,53,84,684 (P.Y. 2,33,84,684) Equity Shares of Rs. 10/- each fully paid up	253.85	2,538.47	253.85	2,538.47

Terms / Rights attached to equity

The Company has only one class of equity share having par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share held. All the equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and rights issue. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities in proportion to their shareholding.



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

Details of shareholders having more than 5% of the total equity shares of the Company								
Class of shares/Name of shareholder	As at 31st March 2023		As at 31st March 2022					
	No of Shares	% Held	No of Shares	% Held				
Mihir Rajesh Ghatalia	28.354	11.17	28.36	11.17				
Suraj Tradelinks Private Limited	20.100	7.92	20.10	7.92				
Nimit Impex Private Limited	20.100	7.92	20.10	7.92				
Bina Rajesh Ghatalia	40.036	15.77	35.04	13.80				
Total	108.59	42.78	104	40.81				
A reconciliation of the number of shares outstanding at the beginning and at the end of the								
Particulars	As at 31st March 2023		As at 31st March 2022					
	No of Shares	Amount	No of Shares	Amount				
Outstanding at the beginning of the year	0.00	0.03	233.85	2,338.47				
Add: Fresh Issue			20.00	200.00				
Outstanding at the end of the year	0	0	253.85	2,538.47				
Details of Shareholding of Promoters and Promoter Group								
SI No	Promoter Name	No. of Shares	% of total shar	% Change during the year				
1	Bina Rajesh Ghatalia	40.04	15.77	1.97				
2	Mihir Rajesh Ghatalia	28.35	11.17	-				
3	Nimit Rajesh Ghatalia	12	4.53	-				
4	Mira Mihir Ghatalia	6.9	2.72	-				
5	Rajesh Pranlal Ghatalia	3,451	0.01	1.16%				
6	Nimit Impex Private Limited	20.10	7.92	-				
7	Suraj Tradelinks Private Limited	20.10	7.92	-				
Note 14	Other Equity			(Rs in lakhs)				
For the year ended 31st March 2023								
Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Money received against share warrants	Total
			Capital Total Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings		
Balance at the beginning of the current reporting period	-	-	20.00	4,108.42		4,465.34	231.50	8,825.26
Changes in accounting policy or prior period errors	-	-						
Restated balance at the beginning of the current reporting period	-	-	20.00	4,108.42		4,465.34	231.50	8,825.26
Total Comprehensive Income for the current year	-	-				377.11		377.11
Any other change (to be specified)								
Balance at the end of the current reporting period	-	-	20.00	4,108.42	-	4,842.45	231.50	9,202.37



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

For the year ended 31st March 2022								
Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Money received against share warrants	Total
			Capital Total Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earn		
Balance at the beginning of the current reporting period	0	0	20.00	3,485.22	-	3,810.86	231.50	7,547.58
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	20.00	3,485.22	-	3,810.86	231.50	7,547.58
Total Comprehensive Income for the current year			-	-	-	654.48	-	654.48
Security premium on Preferential allotment done during the year	-	-		623.2				623.20
Balance at the end of the current reporting period	-	-	20.00	4,108.42	-	4,465.34	231.50	8,825.26

Note 15 : Long term Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Loan from Banks		
Additional Working Capital Term Loan (Secured with first charge on asset financed under the scheme having term of 4 years with 1 Year Moratorium Period and principal to be repaid in 36 equal monthly installments .Maximum Interest rate is 7.5% Per annum).	269.06	334.00
Working capital Term Loan (Secured with first charge on assets financed under the scheme and second charge with existing facilities in terms of cash flows and securities Having Maximum interest rate 9.25 % with moratorium period of 2 years and Principal to be repaid in 36 equal monthly installments after the moratorium period)	167.00	-
Total	436.06	334.00



15.1 Details regarding secured and unsecured loans

Particulars	As at 31 March 2023	As at 31 March 2022
Cash credit account (Hypothecation of stock of raw materils, WIP, Finished goods, Stores and spares , Packing Materials, Plant and Machinery and Book Debts) , Interest rate of 10.90% Collateral securities 1) Residential flat owned by Damyanti Ghatalia (relative of director) 2) Plant and machineries including equipments and building 3) Land and storage tanks owned by Enam Organics Ltd in Thane	1,749.81	1,027.17
Margin money with banks	4.21	4.21
Secured demand loan (exclusive hypothecation of entire current assets including stock and debtors) Collateral securities 1) Residential flat owned by Damyanti Ghatalia (relative of director) 2) Plant and machineries including equipments and building 3) Land and storage tanks owned by Enam Organics Ltd in Thane	-	10.86
Cash Credit account (Hypothecation of stock of raw materils, WIP, Finished goods, Stores and spares , Packing Materials, Plant and Machinery and Book Debts) interest rate of 10.30% Collateral securities 1) Personal Guarentee of Bina Ghatalia (Relative of Director) 2) Personal Guarentee of Mihir Ghatalia (Managing Director) 3) Factory Building 4) Personal Guarentee of Nimit Ghatalia (Director)	1,436.48	-
Secured Loans Total	3,190.50	1,042.25
Unsecured loans Total	145.25	40.00
TOTAL	3,375.75	1,082.25



15.2 Loans guaranteed by directors or other related parties

Particulars	As at 31 March 2023	As at 31 March 2022
Cash credit account With (Hypothecation of stock of raw materials, WIP, Finished goods, Stores and spares , Packing Materials, Plant and Machinery and Book Debts) Interest rate 10.90%)		
Collateral securities		
1) Residential flat owned by Damyanti Ghatalia (relative of director)		
2) Plant and machineries including equipments and building		
3) Land and storage tanks owned by Enam Organics Ltd in Thane		
	1,749.81	1,027.17
Secured demand loan with (exclusive hypothecation of entire current assets including stock and debtors)		
Personal Guarentee for the following loans is provided by		
1) Mihir Ghatalia (Managing Director)		
2)Chetan K Mehta (Independent Director)		
3)Damyanti Ghatalia (Relative of Director)		
4)M/s Enam Organics India Limited (Entity in which directors are substantially interested)		
	-	10.86
Cash Credit account (Hypothecation of stock of raw materils, WIP, Finished goods, Stores and spares , Packing Materials, Plant and Machinery and Book Debts) interest rate of 10.30%		
1) Personal Guarentee of Bina Ghatalia (Relative of Director)		
2) Personal Guarentee of Mihir Ghatalia (Managing Director)		
3) Factory Building		
4) Personal Guarentee of Nimit Ghatalia (Director)		
	1,436.48	
Total	3,186.29	1,038.04



Note 16 : Deferred tax liabilities (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Closing WDV as per Companies Act	1,393.68	1,446.66
Closing WDV as per Income tax Act	849.40	886.89
Difference	544.28	559.77
Tax @ 26%	141.51	145.54
		-
		-
Opening Deferred Tax Liabilities	145.54	156.32
Add: Amount to be provided during the year	(4.03)	(10.78)
Closing Deferred Tax Assets	141.51	145.54

Note 17 :Short term Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings		
Loans repayable on demand		
from bank	3,186.29	1,042.25
Margin Money	4.21	-
Loans from other parties	145.25	40.00
Total	3,335.75	1,082.25

Note 18 : Trade Payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,733.15	10,966.15
Total	12,733.15	10,966.15

Trade Payables ageing schedule

	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	
i) MSME	-	-	-	-	-	-
ii) Others	12,442.30	290.61	-	-	-	12,732.90
iii) Disputed Dues- MSME	-	-	-	-	-	-
iv) Disputed Dues- Others	-	-	-	-	-	-

Unbilled dues shall be disclosed separately



Note 19 : Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Dividend Payable	0.47	0.47
Total	0.47	0.47

Note 20 : Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
IGST Payable	2,788.15	1,522.09
SGST Receivable	(899.62)	(431.95)
CGST Receivable	(899.64)	(431.95)
TDS/TCS Payable	15.80	16.89
Employees Profession Tax	-	0.12
GST Payable	-	5.60
GST -Maharashtra	(236.55)	(196.88)
GST -Gujarat	(37.48)	(23.83)
ESIC payable	0.01	-
PF Payable	1.40	-
IGST -Import duty	(852.63)	(446.61)
Advances from Debtors	337.73	88.64
Total	217.17	102.12

Note 21 : Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for expenses	21.92	40.12
Provision for income tax (previous years)	327.27	221.80
Total	349.19	261.93

Note 22 : Current Tax Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for Income Tax	178.32	260.70
Total	178.32	260.70

23 Revenue from operations

Sr No.	Particulars	As at 31 March 2023	As at 31 March 2022
	Sale of goods	41,425.29	49,268.00
	Commission received	470.33	8.08
	TOTAL	41,895.61	49,276.08



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

24 Other income

Sr No.	Particulars	As at 31 March 2023	As at 31 March 2022
1	Interest Income against trade advances	259.22	190.77
2	Interest on late payment	2.82	1.98
3	Interest on custom duty	-	1.45
4	Interest from bank	1.27	6.66
5	Labour and job work	-	17.33
6	Storage income	9.55	32.75
7	Custom duty refund	-	0.14
8	Discount Income	0.07	0.26
9	Detention charges	-	0.06
10	Foreign exchange Gain	-	15.27
TOTAL		272.94	266.68

25 Purchases of Stock-in-Trade

Sr No.	Particulars	As at 31 March 2023	As at 31 March 2022
1	Purchases	41,267.08	46,134.58
2	Direct expenses	630.51	594.24
TOTAL		41,897.59	46,728.82

Note: The Purchases include both the Purchases for raw material and Traded Goods

26 Changes in inventories of finished goods, Stock-in -Trade and work in-progress

Sr No.	Particulars	As at 31 March 2023	As at 31 March 2022
1	Closing of finished goods	1070.49	357.44
2	Closing of stock-in-trade	926.52	493.41
3	Closing of work-in-progress	174.72	25.58
4	Closing stock of material	710.18	491.96
	Total	2,881.92	1,368.39
5	Opening of finished goods	357.44	267.48
6	Opening of stock-in-trade	493.41	1,122.98
7	Opening of work-in-progress	25.58	53.20
8	Opening stock of material	491.96	402.41
9	Others	-	-
	Total	1,368.39	1,846.06
TOTAL		(1,513.52)	477.671

27 Employee Benefits Expenses

Sr No.	Particulars	As at 31 March 2023	As at 31 March 2022
	Salaries and Wages	55.76	55.90
	Director Remuneration	9.00	9.00
	Directors perquisites	9.28	21.24
	Workmens and Staff Welfare Expenses	3.08	8.31
	Bonus	2.04	1.63
	Medical expenses	0.53	1.43
	Employer Contribution to ESIC	0.72	-
	PF admin Charges	0.61	-
TOTAL		81.02	97.504



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

28 Finance Costs

Sr No.	Particulars	As at 31 March 2023	As at 31 March 2022
	Processing charges	25.17	7.68
	Bank Charges	6.30	3.70
	Bank inspection charges	0.30	1.36
	LC discounting charges	0.92	9.67
	Bank Interest	207.11	149.54
	Interest on other loans	15.14	18.59
	Interest on Bank Loans	31.78	13.17
	TOTAL	286.71	203.71

29 Other Expenses

Sr No.	Particulars	As at 31 March 2023	As at 31 March 2022
	Advertisement	0.21	0.27
	Audit Fees (Refer note 30.1)	3.28	2.15
	Bad Debts	-	-
	Commission and Brokerage	76.52	143.83
	Listing Fees	3.10	23.65
	Warehouse Charges	3.31	13.69
	Postage & Courier	0.63	1.99
	Transportation Charges	114.58	160.64
	Notary/ Franking & Stamp Paper Charges	0.15	1.66
	Office Rent	48.79	53.23
	Air Conditioner Expenses	0.80	2.74
	Electricity expenses	3.46	3.58
	Computer Expenses	1.18	1.93
	Foreign exchange loss	44.86	11.37
	Telephone Expenses	1.13	2.66
	Discount Exp	0.40	2.23
	CSR Expenses	16.35	16.28
	Custodial fees	4.18	1.60
	Legal & Professional Charges	33.80	39.18
	MPCB Expense	-	0.02
	Share transfer and demat expenses	-	0.05
	Fees, license & subscription	0.48	0.65
	Technical services	-	2.77
	E-Voting charges	0.18	0.13
	Motor car expenses	4.76	13.10
	Printing & Stationary Exps.	1.51	3.32
	Insurance expenses	6.41	15.39
	Donation	5.50	18.09
	RTA Expenses	1.63	2.10
	Miscellaneous Expenses	-	0.02
	Office expenses	2.72	5.83
	Witten Back / Write Off	4.56	4.33
	Preferential and QIP Issue Exp	-	0.58
	Filing Fees	0.02	0.54
	Car Rent	-	15.00
	Stamp Duty Expenses	15.21	2.09
	Storage Exp	18.35	46.91
	Excise and Custom Duty	140.31	107.03



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

Import Expenses	26.74	31.26
Export Expenses	7.43	1.08
Clearing and Forwarding Charges	6.22	6.92
Loading and Unloading Exp	3.14	8.82
Food and Drugs license	0.10	0.12
Rates and Taxes paid or payable to Govt	10.16	4.23
Repairs & Maintainance	2.84	2.82
Sales promotion including publicity	25.38	38.64
Travelling Expenses	6.10	14.67
Diwali Expenses	0.63	2.05
Compensation to Death of Employee	5.00	-
Conveyance Expenses	0.21	2.03
GST- Maharashtra interest and penalty	6.12	0.26
TOTAL	658.43	833.51

30 Details of Payment to auditors

Particulars	As at 31 March 2023	As at 31 March 2022
Payments to the auditor as		
(a) Statutory Auditor	1.5	1.5
(b) Internal Auditor	-	
TOTAL	1.5	1.5

Note 30 Financial ratios

Sr. No	Particulars	31st March 2023	31st March 2022	% Change	Explanations
1	Current Ratio	1.60	1.73	-7.49%	NA
2	Debt-Equity Ratio	0.32	0.12	157.77%	Company has taken new loans during the year which led to reduction in profit due to high interest cost thus resulting in lower profit and shareholders equity
3	Debt Service Coverage Ratio	3.10	5.93	-47.77%	Company has taken new loans during the year
4	Inventory turnover Ratio	19.71	30.66	-35.70%	Due to reduction in sales there was increase in average inventory holding period.
5	Trade Receivables turnover Ratio	2.57	3.30	-22.22%	NA
6	Trade payables turnover Ratio	3.54	4.48	-21.07%	NA
7	Net capital turnover Ratio	4.14	5.12	-19.12%	NA
8	Net profit ratio	0.90%	1.33%	-32.33%	Due to high interest cost and reduced contribution margin on sales led to fall in net profit compared to last year
9	Return on Capital employed,	5.72%	9.45%	-39.43%	Due to new loans there was increase in capital employed, but due to low profit the overall rate of return on capital has been reduced
10	Return on equity	3.21%	5.77%	-44.32%	Company has taken new loans during the year which led to reduction in profit due to high interest cost thus resulting in lower profit and shareholders equity



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

Sr no.	Particulars	Numerator	Denominator
1	Current ratio		
	For calculation of current liabilities we have considered , current tax liabilities , other financial liabilities , current borrowings , current tax liabilities and for calculation of current assets we have considered inventories , financial assets and other current assets	Current assets	Current Liabilities
2	Debt-equity ratio		
	For calculation of total debt we have considered Non current Borrowings and current borrowings and for calculation of total equity we have considered Equity share capital and Other Equity	Borrowings	Total equity
3	Debt service coverage ratio		
	For calculation of Debt service coverage ratio ratio we have considered Earnings Before Interest and Tax and Finance Cost	EBIT	Finance Cost
4	Inventory Turnover ratio		
	For calculation of inventory turnover ratio we have considered average of closing stock and opening stock , revenue from operations	Turnover	Average inventory
5	Trade receivable turnover ratio		
	For calculation of trade receivable turnover ratio we have considered average of opening trade receivable and closing trade receivable revenue from operations	Turnover	Average Trade receivables
6	Trade payable turnover ratio		
	For calculation of trade payable turnover ratio we have considered average of opening trade payable and closing trade payables , revenue from operations	Turnover	Average Trade payables
7	Net capital turnover ratio		
	For calculation of net capital turnover ratio we have considered Working capital (Current assets - Current Liabilities) and revenue from operations	Turnover	Working Capital
8	Net Profit Ratio		
	For calculation of net profit ratio we have considered Profit after tax and revenue from operations	Net profit	Turnover
9	Return on capital employed		
	For calculation of return on capital employed ratio we have considered Profit after tax and revenue from operations	EBIT	Total debt + Total equity
10	Return on equity ratio		
	For calculation of return on equity ratio we have considered Profit after tax and Equity Share Capital and Other Equity	Profit after tax	Shareholders equity
Note 31	Corporate social responsibility		
	(a) Amount required to be spent by the company during the year		16.35
	(b) Amount of expenditure incurred		16.35
	(c) Nature of CSR activities	<i>donation made to approved institution</i>	
Note 32	Details of Crypto Currency or Virtual Currency		
	The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2021-22		
Note 33	MSME Dues		
	The Company does not have any information to come to the conclusion that the dues outstanding are towards MSME. There is no interest charged on the same.		



Note 34	<u>Disclosure of transactions with struckoff companies</u> The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year.
Note 35	<u>Gratuity and leave encashments</u> As certified by the Management there is no obligation in respect of gratuity and leave encashment during the year. The same is relied upon by the Auditor .
Note 36	<u>Debtors and creditors confirmations</u> Balances are relied upon as per books of accounts wherever the confirmations from debtors /creditors /Loans /Advances are not available. Debtors and Creditors Balances are subject to Confirmation. Debtors & Creditors Balances are as per Management Representation and relied upon by the Auditors.
Note 37	<u>Quarterly returns or statements of Current Assets filed by the company with banks</u> The company has filed quarterly statements of current assets with bank for availing overdraft facility which are in agreement with books of accounts of company except for the months of June 2022, Sept 2022, and Dec 2022 where closing stock is not in agreement with books of accounts .
Note 38	<u>Unhedged foreign currency exposure</u> The company has limited foreign currency exposure hence the impact on profit and loss is immaterial .
Note 39	<u>Reclassification of Previous year figures</u> Previous year figures have been regrouped and rearranged wherever necessary to confirm with the current year presentation.
Note 40	<u>Proceedings against the Company</u> No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
Note 41	<u>Wilful defaulter</u> The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
Note 42	<u>Utilization of Borrowed Funds</u> The Borrowed Funds from Banks and / or Financial Institutions have been utilized for the purpose for which it were Borrowed.
Note 43	<u>Creation of Charge</u> The Company does not have any pending creation of charge and satisfaction as well as registration with ROC
Note 44	<u>Intermediaries</u> The Company does not have any Intermediaries as on 31st March, 2023



Note 46	Earnings per share	Rs. In lakhs	
		As at 31 March 2023	As at 31 March 2022
	Particulars		
	Net Profit / (loss) after tax for the year (in Rs.)	377.11	655.48
	Profit / loss attributable to equity share holders (in Rs.)	377.11	655.48
	Weighted Average Number of equity shares outstanding during the year	253.85	240.75
	Basic and Diluted Earnings Per Share (Rs.)	1.49	2.72
	Face Value per Share (Rs.)	10.00	10.00
	Note : Basics Earnings Per Share and Diluted Earnings Per Share are same as the Company has no Dilutive Potential Equity Shares.		



Note 47	Financial Risk Management	(Rs. In lakhs)	
	The Company has exposure to the following risks arising from financial instruments:		
	<ul style="list-style-type: none"> • Credit risk ; • Liquidity risk ; and • Market risk 		
	<u>A. Credit risk</u>		
	Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables and loans) and from its financing activities (deposits with banks and other financial instruments).		
	<u>Credit risk management</u>		
	Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.		
	The Company's maximum exposure to credit risk as at 31 March,2023 and 2022 is the carrying value of each class of financial assets		
	<u>i Trade and other receivables</u>		
	Credit risk on trade receivables is limited based on past experience and management's estimate.		
	Ageing of trade and other receivables that were not impaired was as follows.		
	Carrying amount	As at 31 March 2023	As at 31 March 2022
	Neither Past due nor impaired	-	-
	Past due but not impaired	17,039.78	11,446.22
	Past due more than 180 days	1,938.19	2,093.45
	TOTAL	18,977.97	13,539.67
	<u>ii Cash and Cash Equivalents</u>		
	The Company held cash and bank balance with credit worthy banks of Rs. 70.58 lakhs /- at 31st March, 2023 , and (Rs. 19.19 lakhs /- at March 31, 2022). The credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks where credit risk is largely perceived to be extremely insignificant.		
	<u>B. Liquidity risk</u>		
	Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – trade payables and borrowings.		



Liquidity risk management				
<p>The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence.</p> <p>The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 31st March, 2023 and 31st March, 2022. This was the result of cash delivery from the business. Cash flow from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis. The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, are retained as cash and cash equivalents (to the extent required).</p>				
Maturities of non – derivative financial liabilities				
				(Amount in Rs.)
Particulars	As at 31 March 2023		As at 31 March 2022	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Financial Liabilities - Current				
i. Current Borrowings	3,336	-	1,082	-
ii. Trade payables	12,442	290.61	10,966	0.93
Total	15,778	291	12,048	0.93
C. Market risk				
<p>Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments. The Company is exposed to market risk primarily related to interest rate risk and the market value of the investments.</p>				
Currency Risk				
<p>The functional currency of the Company is Indian Rupee. Currency risk is not material, as the Company does not have any exposure in foreign currency.</p>				
Interest Rate Risk				
<p>Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.</p>				
Exposure to interest rate risk				
<p>According to the Company interest rate risk exposure is only for floating rate borrowings. Company does not have any floating rate borrowings on any of the Balance Sheet date disclosed in this financial statements.</p>				
Price Risk				
<p>Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in quoted instruments.</p>				
a) Fair value sensitivity analysis for fixed rate Instruments				
<p>The Company does not account for any fixed rate financial assets or financial liabilities at fair value through Profit or Loss. Therefore, a change in interest rates at the reporting date would not affect Profit or Loss.</p>				
b) Cash flow sensitivity analysis for variable rate Instruments				
<p>The company does not have any variable rate instrument in Financial Assets or Financial Liabilities.</p>				



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

Note 48	Fair value measurements	(Rs in lakhs)							
Financial instruments by category:									
As at 31 March 2023									
		Carrying Value			Fair Value hierarchy				
Particulars	FVTPL	FVTOCI	Cost	Total	Level 1	Level 2	Level 3	Total	
Financial Assets									
(i) Investments	-	-	40.00	40.00	-	-	-	-	
(ii) Trade Receivable	-	-	18,977.97	18,977.97	-	-	-	-	
(iii) Cash and Cash Equivalents	-	-	70.58	70.58	-	-	-	-	
(iv) Current and Non current Loans	-	-	979.05	979.05	-	-	-	-	
TOTAL	-	-	20,067.60	20,067.60	-	-	-	-	
Financial Liabilities									
(i) Current Borrowings	-	-	3,335.75	3,335.75	-	-	-	-	
(ii) Trade Payables	-	-	12,733.15	12,733.15	-	-	-	-	
TOTAL	-	-	16,068.90	16,068.90	-	-	-	-	
As at 01 April 2022									
		Carrying Value			Fair Value hierarchy				
Particulars	FVTPL	FVTOCI	Cost	Total	Level 1	Level 2	Level 3	Total	
Financial Assets									
(i) Investments	-	-	40.00	40.00	-	-	-	-	
(ii) Trade Receivable	-	-	13,628.30	13,628.30	-	-	-	-	
(iii) Cash and Cash Equivalents	-	-	19.19	19.19	-	-	-	-	
(iv) Loans	-	-	2.00	2.00	-	-	-	-	
TOTAL	-	-	13,689.49	13,689.49	-	-	-	-	
Financial Liabilities									
(i) Current Borrowings	-	-	1,082.25	1,082.25	-	-	-	-	
(ii) Trade Payables	-	-	10,966.15	10,966.15	-	-	-	-	
TOTAL	-	-	12,048.40	12,048.40	-	-	-	-	
The carrying amounts of trade receivables, cash and bank balances, current loans, current borrowings, and trade payables are considered to be approximately equal to the fair value.									
I. Fair value hierarchy									
The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.									
This section explains the judgements and estimates made in determining the fair values of the financial instruments that are									
(a) recognised and measured at fair value and,									
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.									
To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Indian accounting standard. An explanation of each level is as follows :									
Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.									
Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.									
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.									
II. Valuation techniques used to determine fair value									
Significant valuation techniques used to value financial instruments include:									
Use of quoted market price or dealer quotes for similar instruments									
Using discounted cash flow analysis.									
The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of unobservable inputs.									



Note 49	Capital Management					
	<p>The company's objectives when managing capital are to</p> <ul style="list-style-type: none"> • safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and • maintain an optimal capital structure to reduce the cost of capital. <p>The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-today needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.</p> <p>The management monitors the return on capital as well as the level of dividends to shareholders. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.</p>					

Note 50 Related Party Transactions	
Disclosure in accordance with Ind AS 24 – Related Party Disclosures during the year	
A)	Directors, Key Management Personnel (KMP) & relatives of KMP
	Mihir R Ghatalia
	Lalit Tulsiani
	Anil Mandal
	Chetan K Mehta
	Nimit R Ghatalia
	Archana P Wani
	Bina R Ghatalia
	Mira M Ghatalia
	Preeti P Rathi
	Rajesh P Ghatalia
	Nimit Impex Pvt Ltd
	Suraj Trade Links Pvt Ltd
	Enam Organics India Ltd
	Worth Investment & Trading Co Ltd
	Aaradhana Energy Private Limited
	Mihir R Ghatalia (HUF)
	Aarey Pharma Park Pvt Ltd



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

B) <u>Transactions with related parties</u>		(Rs. In Lakhs)	
Particulars	Amount	Relationship	
Aaradhana Energy Private Limited			
Purchase of goods	409.44	Company in which director is interested	
Payment done for purchases	460.23		
sale of goods	274.95		
Anil Mandal			
Loan given by Company	-	Director	
Loan repayment received by Company	-		
Bina R Ghatalia			
Office Rent Paid by Company	53.23	Relative of Managing Director	
Loan given by Company	70.00		
Loan repayment received by Company	70.00		
	-		
Chetan K Mehta			
Loan repayment made to company	123.48	Director	
	-		
Enam Organics India Ltd			
Loan repayment received by Company	74.00	Company in which directors are substantially interested	
Loan given by Company	476.27		
Interest income received By the company (excluding tds)	36.20		
	-		
Mira M Ghatalia			
Loans and advances given by Company	50.30	CFO	
Repayment received by Company	50.30		
	-		
Nimit R Ghatalia			
Loans and advances given by Company	23.40	Director	
Repayment received by the company	23.40		
	-		
Rajesh Ghatalia			
Repayment made by Company	3.00	Relative of Director	
Loan given to company	3.00		
	-		
	-		
Suraj Tradelinks Pvt Ltd			
Loan taken by Company	6.65	Company in which director is interested	
Repayment done by company	0.45		
	-		
Nimit Impex Pvt Ltd			
Repayment done by the company	5.47	Company in which director is interested	
Loans and advances taken by Company	9.02		
	-		
	-		
Worth Investment & Trading Co Ltd			
Loans and advances given by Company	708.77	Company in which director is interested	
Loan Repayment made by the Company	352.00		
Interest income received by the company (excluding TDS)	32.11		
	-		
Aarey Pharma Park Pvt Ltd			
Loans and advances taken by the company	179.90	Company in which director is interested	
Repayment done by the company	175.00		
	-		
Mihir Ghatalia			
Repayment of loans and advances given	43.22	Managing Director	
loans and advances given	43.22		
	-		
Mihir Ghatalia HUF			
Repayment of loans and advances given	11.76	Entity in which director is interested	
loans and advances given	11.76		

C) <u>Outstanding balances</u>		(Rs. In Lakhs)	
Particulars	Balance as at 31-03-2022	Relationship	
Aaradhana Energy Private Limited			
Creditors for goods	50.80	Company in which director is interested	
Debtors for goods	274.95		



D)	<u>Loans Given/Taken from related parties</u>	
	<u>(Rs. In Lakhs)</u>	
<u>Particulars</u>	<u>2022-23</u>	<u>Relationship</u>
Mihir R Ghatalia		Managing director
Beginning of the year	-	
Loans advanced	11.76	
Loan repayment received	11.76	
Interest charged	-	
Interest received	-	
End of the year	-	
Nimit Impex Pvt Ltd		Company in which director is interested
Beginning of the year	-	
Loan and advances taken	9.02	
Repayment made	5.47	
Interest charged	-	
End of the year	3.55	
Suraj Tradelinks Pvt Ltd		Company in which director is interested
Beginning of the year	-	
Loan and advances taken	6.65	
Repayment done by company	0.45	
Interest charged	-	
End of the year	6.20	
Anil Mandal		Director
Beginning of the year	0.36	
Loans advanced	-	
Loan repayment received	-	
Interest charged	-	
Interest received	-	
End of the year	0.36	
Mira Ghatalia		CFO
Beginning of the year	-	
Loans advanced	50.30	
Loan repayment received	50.30	
Interest charged	-	
Interest received	-	
End of the year	-	
Bina R Ghatalia		Relative of Managing Director
Beginning of the year		
Loans advanced	70.00	
Loan repayment received	70.00	
Interest charged	-	
Interest received	-	
End of the year	-	
Rajesh P Ghatalia		Relative of Managing Director
Beginning of the year		
Loans taken	3.00	
Loan repayment made	3.00	
Interest charged	-	
Interest paid	-	
End of the year	-	
Worth Investment & Trading co Ltd		Company in which director is interested
Beginning of the year		
Loans taken	708.77	
Loan repayment made	352.00	
Interest received	28.90	
Interest paid	-	
End of the year	385.67	



AAREY DRUGS & PHARMACEUTICALS LIMITED
ANNUAL REPORT 2022-23

Chetan Mehta		Director
Beginning of the year	123.48	
Loans advanced	-	
Loan repayment received	123.48	
Interest charged	-	
Interest received	-	
End of the year	-	
Enam Organics India Ltd		Company in which director are substantially interested
Beginning of the year	-	
Loans given	476.27	
Loan repayment received	74.00	
Interest charged	-	
Interest received	32.58	
End of the year	434.85	
Aarey Pharma Park Pvt Ltd		Company in which director are substantially interested
Beginning of the year	-	
Loans taken	179.90	
Loan repayment done	175.00	
Interest charged	-	
Interest received	-	
End of the year	4.90	

Depreciation as per Income Tax Act for the year ended 31 March 2023

S. No.	Particulars	Rate of Dep.	WDV AS PER INCOME TAX				Total 31.03.2022	DEP. For the Year 31.03.2023	NET BLOCK	
			Opening 01.04.2022	Addition More than 6 months	Addition Less than 6 months	Deletion during the year			As on 31.03.2023	As on 31.03.2022
1	Factory Building	10%	4,943,731	-		-	4,943,731	494,373.10	4,449,358	4,943,731
2	Furniture and Fittings									
	Furniture	10%	2,799,653	-		-	2,799,653	279,965	2,519,688	2,799,653
3	Plant and Machinery									
	Computer	40%	342,776	78,000		-	420,776	168,310	252,466	342,776
	Plant and Machinery	15%	80,602,542	4,003,923	6,274,000	-	90,880,465	13,161,520	77,718,945	80,602,542
						-	-	-	-	
						-	-	-	-	
	TOTAL		88,688,702	4,081,923	6,274,000	-	99,044,625	14,104,169	84,940,457	88,688,702



Note 3 Property, Plant and Equipment

(Rs. In Lakhs)

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Computer	Electronic Equipments	Laboratory Equipment	Cell Phones	Motor car	Office Premises and Air Condition	Total
Gross Carrying Amount 31 March 2022											
Opening Gross Carrying Amount	37.93	300.07	2,691.20	39.65	12.47	14.11	1.48	3.20	22.46	90.03	3,212.59
Additions	-	-	101.02	-	0.78	0.62	-	0.92	-	1.06	104.40
Deductions	-	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	37.93	300.07	2,792.22	39.65	13.25	14.73	1.48	4.12	22.46	91.08	3,316.99
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-
Opening Accumulated Depreciation	2.27	252.44	1,363.55	25.24	11.00	9.68	1.32	0.44	19.59	80.40	1,765.93
Depreciation charged during the year	-	2.66	147.36	2.19	0.78	0.76	-	0.32	0.53	2.77	157.38
Closing Accumulated Depreciation	2.27	255.10	1,510.91	27.44	11.78	10.44	1.32	0.76	20.12	83.17	1,923.31
Net carrying amount 31 March 2023	35.66	44.97	1,281.31	12.21	1.47	4.29	0.16	3.36	2.34	7.92	1,393.68
Net carrying amount 31 March 2022	35.66	47.63	1,327.68	14.40	1.47	4.41	0.16	2.76	2.86	9.63	1,446.66

3.1 NOTES

- a) The Company has added Plant and machinery in its fixed asset Schedule that is not in the state to be used on balance sheet date .Therefore depreciation is not charged upon the same. The Depreciation on the same would be charged from the day such Plant and Machinery is completely installed and will be available to use to the Company
- b) During the year the Company has not revalued its Property, Plant and equipment

