



DRUGS & PHARMACEUTICALS LTD.

**MANUFACTURER OF
BULK DRUGS &
IMPORTERS OF
SOLVENTS & CHEMICALS**

H.O: 203/4 SAHAKAR BHAVAN, 340/48 N.N STREET, MUMBAI-400009 ☎ : (022) 23455543 Email: corporate@aareydrugs.com
REGD OFF. & FACTORY: E-34 MIDC, TARAPUR, BOISAR, DIST.-THANE ☎ (02525) 271049 Email: info@aareydrugs.com
CIN:L99999MH1990PLC056538

Date:- 06TH September, 2025

To,

BSE Limited The Manager, Corporate Service Department P.J. Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 524412	National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex, Bandra (E), Mumbai – 400051 NSE Symbol: AAREYDRUGS
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Sub: Notice and Integrated Annual Report for 35th Annual General Meeting of Company as required under Regulation 34(1)

Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation 2015

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of the 35th Annual General Meeting of the Company scheduled to be held on **Monday, 29th September, 2025 at 11:00 A.M.** through **Video Conferencing (VC) / Other Audio-Visual Means (OAVM)**, along with the Integrated Annual Report of the Company for the financial year 2024-25. The Notice and the Annual Report are being circulated to the shareholders through electronic mode today, in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The Notice along with the Annual Report for the financial year 2024-25 is also available on the website of the Company www.aareydrugs.com

Brief details of 35th AGM

Date and Time of AGM	29 th September, 2025 at 11:00 AM
Cut off date for evoting	22 nd September, 2025
Evoting start date and time	26 th September, 2025 at 09.00 AM
Evoting end date and time	28 th September, 2025 at 05.00 PM

Kindly take the above on record and acknowledge the receipt of the same.

Thanking You,

For Aarey Drugs & Pharmaceuticals Limited

Nimit Ghatalia
Director
DIN: 07069841

Encl: as above



ANNUAL REPORT

2024-25

BOARD OF DIRECTORS

Mihir Rajesh Ghatalia	Chairman & Managing Director
Nimit Rajesh Ghatalia	Executive Director
Chetan Kiritbhai Mehta	Independent Director
Lalit Radhakrishna Tulsiani	Independent Director
Anil Mandal	Independent Director
Bina Rajesh Ghatalia	Woman Director

KEY MANAGERIAL PERSONNEL

Mira Mihir Ghatalia	Chief Financial Officer
Kailash Chand Jethlia	Company Secretary & Compliance Officer

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

State Bank of India, Sakinaka Branch, Andheri (East), Mumbai

AUDITORS

Motilal & Associates LLP. 304, Orchid Plaza, S.V. Road, Borivali West Mumbai – 400092

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 35TH (THIRTY FIFTH) ANNUAL GENERAL MEETING OF THE MEMBERS OF AAREY DRUGS & PHARMACEUTICALS LIMITED WILL BE HELD ON MONDAY 29TH SEPTEMBER, 2025 AT 11:00 A.M. THROUGH VIDEO CONFERENCING ('VC')/OTHER AUDIO VISUAL MEANS ('OVAM') TO TRANSACT THE FOLLOWING BUSINESS:

The proceedings of the AGM shall be deemed to be conducted at the registered office of the Company which shall be deemed venue of AGM

ORDINARY BUSINESS:

1. TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENT OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2025, 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.

3. TO RE-APPOINT M/S. MOTILAL & ASSOCIATES., (ICAI FIRM REGISTRATION NO.: 106584W), CHARTERED ACCOUNTANTS AS STATUTORY AUDITORS OF THE COMPANY FOR A SECOND TERM OF FIVE YEARS.

To consider and, if thought fit, to pass with or without modification, if any, the following resolution as a **ordinary Resolution**: -

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee, M/s. Motilal & Associates. (ICAI Firm Registration No.: 106584W) be and are hereby re-appointed as Statutory Auditors of the Company for a second term of five consecutive years to hold office from the conclusion of 35th Annual General Meeting till the conclusion of the 40th Annual General Meeting (AGM) of the Company to be held in the calendar year 2030 on such remuneration plus taxes and reimbursement of out of pocket expenses as may be incurred by them in connection with audit of accounts of the Company, as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.

RESOLVED FURTHER THAT any of the Directors or Company Secretary or Chief Financial Officer of the Company be and is hereby authorised either severally or jointly to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution."

SPECIAL BUSINESS:

4. RE-APPOINTMENT OF MR. CHETAN K MEHTA (DIN: 01639366) AS AN INDEPENDENT DIRECTOR FOR 2ND TERM OF 5 YEARS

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

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 (“Act”) read with Schedule IV of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and pursuant to the notice received under section 160 of the Act and recommendation of Board of Directors of the Company and in line with the Articles of Association of the Company, Mr. Chetan K Mehta (Din: 01639366) who was appointed in the 30th Annual general meeting as an Non-executive Independent Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from 03rd September, 2025 to 02nd September, 2030 (both days inclusive).

RESOLVED FURTHER THAT any of the Directors or Company Secretary or Chief Financial Officer of the Company be and is hereby authorised either severally or jointly to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

5. APPOINTMENT OF M/S.ASHIKA SHETTY, PRACTISING COMPANY SECRETARIES, (COP NO.: 27779) MUMBAI, A PEER REVIEWED FIRM AS THE SECRETARIAL AUDITORS OF THE COMPANY.

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 Regulation 24A & other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) read with Circulars issued thereunder from time to time and Section 204 and other applicable provisions of the Companies Act, 2013, if any read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“the Act”), and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, consent of the Company be and is hereby accorded for appointment of M/s Ashika Shetty (COP No.: 27779), Practising Company Secretaries, Mumbai, a Peer Reviewed Firm, as Secretarial Auditors of the Company for a period of first 5 consecutive years, from from the conclusion of 35th Annual General Meeting till the conclusion of the 40th Annual General Meeting (AGM) of the Company to be held in the calendar year 2030, on such terms & conditions, including remuneration as may be determined by the Board of Directors (hereinafter referred to as the ‘Board’ which expression shall include any Committee thereof or person(s) authorized by the Board).

RESOLVED FURTHER THAT approval of the Members is hereby accorded to the Board to avail or obtain from the Secretarial Auditor, such other services or certificates or reports which the Secretarial Auditor may be eligible to provide or issue under the applicable laws at a remuneration to be determined by the Board.

RESOLVED FURTHER THAT any of the Directors or Company Secretary or Chief Financial Officer of the Company be and is hereby authorised either severally or jointly to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

6. TO CONTINUATION OF DIRECTORSHIP OF MR. NIMIT GHATALIA (DIN: 07069841) AS AN EXECUTIVE DIRECTOR 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 Regulation 17(1D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and other applicable provisions, if any, and in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the continuation of Mr.Nimit Rajesh Ghatalia (DIN: 07069841), who was appointed as an Executive Director of the Company with effect from 1st July, 2020, and who is liable to retire by rotation, be and is hereby approved by the members of the Company, as required under the aforesaid regulations at the Annual General Meeting held on 29th September, 2025.

RESOLVED FURTHER THAT any of the Directors or Company Secretary or Chief Financial Officer of the Company be and is hereby authorised either severally or jointly to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

7. APPROVAL OF RELATED PARTY TRANSACTIONS

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 Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”), the applicable provisions of the Companies Act, 2013 (“the Act”) read with rules made thereunder, other applicable laws / statutory provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members be and is hereby accorded to the Board of Directors to enter into transactions, contracts and agreements with Related Parties of the Company at a maximum of Rs. 2 Crores per transaction.

RESOLVED FURTHER THAT any of the Directors or Company Secretary or Chief Financial Officer of the Company be and is hereby authorised either severally or jointly to do all such acts, deeds and things as may be deemed 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

Mihir R. Ghatalia
Chairman and Managing Director
DIN: 00581005

Date: 03-09-2025

Place: Mumbai

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. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2022, General Circular No. 39/2020 dated December 31, 2020, The General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 08, 2021, General Circular No. 02/2022 dated May 05, 2022 and General Circular No. 11/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 and September 19, 2024, respectively (the "MCA Circulars") has and other circulars issued in this respect ('MCA Circulars') allowed in relation to "Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or other Audio Visual Means (OAVM)", (Collectively referred to as "MCA Circulars") 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 corporate office of the Company 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.

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/Authorization etc., authorizing 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 authorized representative of the Company at e-mail id: investorgrievance@aareydrugs.com

5. 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 2024-2025 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 2024-25 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 2024-25 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 23rd September 2025 to 29th September 2025 (both days inclusive).

10. M.s Ashika Shetty Practicing Company Secretary (COP No.: 27779), 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 MUFG Intime India Private Limited at rnt.helpdesk@in.mpms.mufig.com;

12. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th September 2024 to 25th September 2024 (both days inclusive).

13. 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

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 MUFG Intime India Private Limited (formerly Known as Link Intime India Private Limited) at rnt.helpdesk@in.mpms.mufig.com;

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

14. 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.

15.PROCESS AND MANNER FOR ATTENDING THE ANNUALGENERAL MEETING THROUGH INSTAMEET:**Login method for shareholders to attend the General Meeting through InstaMeet:**

- a) Visit URL: <https://instameet.in.mpms.mufig.com> & click on “Login”.
- b) Select the “Company Name” and register with your following details:
- c) Select Check Box - Demat Account No. / Folio No. / PAN
 - Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.
 - Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the company.
 - Shareholders shall select check box – PAN and enter 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 by MUFG Intime, if applicable.
 - Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
 - Email ID: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
- d) Click “Go to Meeting”
You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for shareholders to Speak during the General Meeting through InstaMeet:

- a) Shareholders who would like to speak during the meeting must register their request with the company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive “speaking serial number” once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- d) Other shareholder who has not registered as “Speaker Shareholder” may still ask questions to the panellist via active chat-board during the meeting.

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

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

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

- a) On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- b) 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
- c) Click on 'Submit'.
- d) After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- e) 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’.
- f) 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. 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 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 General Meeting will be eligible to attend/ participate in the 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.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.muvg.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

16. 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 26th September, 2025 (09.00 AM) and ends on 28th September, 2024 (05.00 PM) 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 22nd September 2025 may cast their vote electronically. The evoting 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:

Individual Shareholders holding securities in demat mode with NSDL

METHOD 1 - NSDL IDeAS facility

Shareholders registered for IDeAS facility:

- Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "IDeAS Login Section".
- Click on "Beneficial Owner" icon under "IDeAS Login Section".
- Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on "Access to e-Voting" under e-Voting services.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for IDeAS facility:

- To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".
- Enter the last 4 digits of your bank account / generate 'OTP'
- Post successful registration, user will be provided with Login ID and password. Follow steps given above in points (a-d).

Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



METHOD 2 - NSDL e-voting website

- Visit URL: <https://www.evoting.nsdl.com>
- Click on the "Login" tab available under 'Shareholder/Member' section.
- Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 3 - NSDL OTP based login

- a) Visit URL: <https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp>
- b) Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.
- c) Enter the OTP received on your registered email ID/ mobile number and click on login.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders registered with CDSL Easi/ Easiest facility

METHOD 1 - CDSL Easi/ Easiest facility:

Shareholders registered for Easi/ Easiest facility:

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or www.cdslindia.com & click on New System Myeasi Tab.
- b) Enter existing username, Password & click on "Login".
- c) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for Easi/ Easiest facility:

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields for registration.
- c) Post successful registration, user will be provided username and password. Follow steps given above in points (a-c).

METHOD 2 - CDSL e-voting page

- a) Visit URL: <https://www.cdslindia.com>
- b) Go to e-voting tab.
- c) Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link

displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

- Login to DP website
- After Successful login, user shall navigate through "e-voting" option.
- Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- Post successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

STEP 1: LOGIN / SIGNUP to InstaVote

Shareholders registered for INSTAVOTE facility:

- Visit URL: <https://instavote.linkintime.co.in> & click on "Login" under 'SHARE HOLDER' tab.
- Enter details as under:

- User ID: Enter User ID
- Password: Enter existing Password
- Enter Image Verification (CAPTCHA) Code
- Click "Submit".

InstaVote USER ID	NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	User ID is <u>Event No + Folio no.</u> registered with the Company

(Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")

Shareholders not registered for INSTAVOTE facility:

- Visit URL: <https://instavote.linkintime.co.in> & click on "Sign Up" under 'SHARE HOLDER' tab & register with details as under:

- User ID: Enter User ID

InstaVote USER ID	NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	User ID is <u>Event No + Folio no.</u> registered with the Company

2. 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).
3. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)
4. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
 - Shareholders holding shares in **NSDL form**, shall provide 'point 4' above
 - Shareholders holding shares in **physical form** but have not recorded 'point 3' and 'point 4', shall provide their Folio number in 'point 4' above
5. 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).
6. Enter Image Verification (CAPTCHA) Code.
7. Click "Submit" (You have now registered on InstaVote).
 Post successful registration, click on "**Login**" under 'SHARE HOLDER' tab & follow steps given above in points (a-b).

STEP 2: Steps to cast vote for Resolutions through InstaVote

- A. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the "Notification for e-voting".
- B. Select 'View' icon. E-voting page will appear.
- C. 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).
- D. After selecting the desired option i.e. Favour / Against, click on 'Submit'.
- E. 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.

NOTE: Shareholders may click on "Vote as per Proxy Advisor's Recommendation" option and view proxy advisor recommendations for each resolution before casting vote. "Vote as per Proxy Advisor's Recommendation" option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

- A. Visit URL: <https://instavote.linkintime.co.in>
- B. Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"
- C. Fill up your entity details and submit the form.

- D. A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- E. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

- A. Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- B. Click on “Investor Mapping” tab under the Menu Section
- C. Map the Investor with the following details:
 - 1) ‘Investor ID’ – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.
 - 2) ‘Investor’s Name - Enter Investor’s Name as updated with DP.
 - 3) ‘Investor PAN’ - Enter your 10-digit PAN.
 - 4) ‘Power of Attorney’ - Attach Board resolution or Power of Attorney.

NOTE: File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.

Further, Custodians and Mutual Funds shall also upload specimen signatures.

- D. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the “Report Section”.

STEP 3 – Steps to cast vote for Resolutions through InstaVote

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on “Votes Entry” tab under the Menu section.
- c) Enter the “Event No.” for which you want to cast vote.
Event No. can be viewed on the home page of InstaVote under “On-going Events”.
- d) Enter “16-digit Demat Account No.”.
- e) 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). After selecting the desired option i.e. Favour / Against, click on ‘Submit’.
- f) 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.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

METHOD 2 - VOTES UPLOAD

- Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
 - After successful login, you will see "Notification for e-voting".
 - Select "View" icon for "Company's Name / Event number".
 - E-voting page will appear.
 - Download sample vote file from "Download Sample Vote File" tab.
 - Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.
 - Click on 'Submit'. 'Data uploaded successfully' message will be displayed.
- (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending request at evoting@nsdl.co.in or call at: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on **“Login”** under ‘SHARE HOLDER’ tab.
- Click **“forgot password?”**
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on **“SUBMIT”**.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- Click **“forgot password?”**
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on **“SUBMIT”**.

In case shareholders have a 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 information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%), at least one numeral, at least one alphabet and at least one capital letter.*

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

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

General Instructions - Shareholders

- ❖ 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”.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item number 3, 4, 5 and 6 7.

Item No.**3. To Re-Appoint M/s. Motilal & Associates., (ICAI Firm Registration No.: 106584W), Chartered Accountants as Statutory Auditors of the Company for a Second Term of Five Years**

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

Motilal & Associates, Chartered Accountants, Mumbai (ICAI Firm Registration No.: 106584W) were appointed as the Statutory Auditors of the Company by the Members at the 30th Annual General Meeting (AGM) held on 28th December, 2020 to hold office from the conclusion of the 35th AGM.

Accordingly, the present term of Motilal & Associates expires on conclusion of the ensuing 35th AGM. Motilal & Associates are eligible for re-appointment for a second term of five years in terms of the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014. SRBA have consented to their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the re-appointment of SRBA, as the Statutory Auditors of the Company, for the second consecutive term of five years from the conclusion of 35th AGM till the conclusion of 40th AGM of the Company to be held in the year 2030, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

Brief Profile:

Motilal & Associates LLP, established in 1985 and headquartered in Mumbai, is a member of the MARCKS Network (ICAI Registered Network). With over 35 years of professional experience and a team of 10 partners, the firm is committed to delivering value-driven services while upholding the highest ethical and professional standards.

The firm offers a wide range of services including Audit & Assurance (Statutory, Internal, Forensic, PSU & Bank audits), Direct & Indirect Taxation (compliance, planning, litigation, GST & Customs), Advisory

&Consultancy (M&A, Corporate Restructuring, Valuation, Due Diligence), as well as Financial & Risk Advisory (IFRS/Ind-AS advisory, financial reporting, internal controls, and governance solutions).

Led by CA Motilal Jain along with an experienced team of senior partners, the firm combines decades of expertise with modern practices to serve clients across diverse sectors and industries.

Motilal& Associates was paid a fee of 1.78 lakhs for the audit of standalone financial statements of the Company for the financial year ended March 31, 2025 plus applicable taxes and out-of-pocket expenses on actuals. The increase in fee proposed to be paid to Motilal& Associates for the financial year ending March 31, 2026 will be mutually agreed basis in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the given period. Further, the Board, in consultation with the Audit Committee shall approve revisions in the remuneration of the Statutory Auditors for the remaining part of the tenure in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

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

The Board recommends the resolution set out at Item No. 3 of the accompanying Notice for approval of the Members by way of an **Ordinary Resolution**.

4. Re-Appointment of Mr. Chetan K Mehta (Din: 01639366) as an Independent Director For 2nd Term of 5 Years

Mr. Chetan K Mehta was appointed as a Non-Executive Independent Director of the Company by the members of the company with requisite majority On 30th AGM ti the Conclusion of 35th AGM.

As per Section 149(10) of the Act, an Independent Non-Executive Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Chetan K Mehta, being eligible for re-appointment as a Non-Executive Independent Director and offering himself for re-appointment, is proposed to be re-appointed as a Non-Executive Independent Director for second term of five consecutive years from the 35th Annual General Meeting till the conclusion of the 40th Annual General Meeting (AGM) of the Company to be held in the calendar year 2030.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of MrChetan K Mehta as a Non-Executive Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to

reappointment of Mr. Chetan K Mehta as a Non-Executive Independent Director for another term of five consecutive years for the approval by the shareholders of the Company.

The brief profile Mr. Mr. Chetan K Mehta is given below:

Mr. Chetan K. Mehta aged 42 years, S/o Mr. Kirti P. Mehta; is a B.Com graduate. Prior to joining our company he was into marketing of Pharma products and, he has a claim of medical outlets in Mumbai and Gujarat. He has a wide experience in marketing of all types of Pharma products. He is an internationally acknowledged business leader known for his vision, operational excellence and entrepreneurial successes. He has spent nearly two decades in counseling Indian corporate on Foreign Exchange Risk Management. He has seen the emergence of the risk management function among Indian corporate from virtually the initial period to its current state and advised the corporate at every phase of advancement.

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

The Board recommends the resolution set out at Item No. 4 of the accompanying Notice for approval of the Members by way of a **Special Resolution**.

5. Appointment of M/s. Ashika Shetty, Practising Company Secretaries (COP NO.: 27779), Mumbai, a Peer Reviewed Firm as the Secretarial Auditors of the Company.

Pursuant to the Regulation 24A & other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with provisions of Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any ("the Act"), the Audit Committee and the Board of Directors at their respective meetings held on August 08, 2025 have approved subject to approval of Members, appointment of M/s. Ashika Shetty , Practising Company Secretaries, Mumbai, a Peer Reviewed Firm as Secretarial Auditors for a term of 5(Five) consecutive years from April 1, 2025 till March 31, 2030.

The brief profile of the Secretarial Auditor

M/s. Ashika Shetty has over 9 years of experience in the field of Company Secretarial practice. She has worked in the Secretarial Department of several Listed Companies, Private Companies, a Government Company, and MNCs, viz. Air India Group, Sodexo, Acme Group, etc. Presently, she has ventured into independent practice under the guidance of Shri Virendra G. Bhatt, the senior-most Practising Company Secretary in India. She holds Certificate of Practice No. 27779 and Membership No. A46804 and has also been Peer Reviewed by the Institute of Company Secretaries of India.

The remuneration of the Auditor shall be fixed by the Board of Directors of the Company in consultation with the Auditor, as may be mutually agreed upon."

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

The Board recommends the resolution set out at Item No. 5 of the accompanying Notice for approval of the Members by way of an **Ordinary Resolution**.

5. To Continuation of Directorship of Mr.NimitGhatalia (DIN: 07069841) as an Executive Director of the Company.

Pursuant to Regulation 17(1D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 The continuation of a director serving on the board of directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be.

In accordance with the above requirement and the applicable provisions of the Companies Act, 2013 and rules made thereunder, the continuation of Mr. Nimit Rajesh Ghatalia (DIN: 07069841), who was appointed as an Executive Director of the Company with effect from July 1, 2020, and who is liable to retire by rotation, is being placed before the members for their approval at this Annual General Meeting.

The Board of Directors considers that the rich experience and continued association of Mr. Nimit Ghatalia with the Company will be beneficial and in the interest of the Company and its stakeholders. Accordingly, the approval of the members is sought for his continuation as an Executive Director of the Company in terms of the said regulation.

None of the Directors, Key Managerial Personnel (KMP), or their relatives are in any way concerned or interested, financially or otherwise, in this resolution, except Mr. Nimit Rajesh Ghatalia himself, and to the extent of their respective shareholdings, if any, in the Company.

The Board of Directors recommends the resolution set out at Item No. 5 of the accompanying Notice for the approval of the members by way of a **Special Resolution**.

7. To consider Approval of Material Related Party Transactions

In view of the provisions of Section 188 (1) of the Companies Act, 2013 and the rules made thereunder, the Audit Committee and Board of Directors have recommended the consent of shareholders to set the maximum limit i.e. Rs. 2 Crore per transaction that your company may enter with its related parties i.e. Associates, Key Managerial Person, Relatives of Key Managerial Person, Company of relatives of Key Managerial Person. All the proposed transactions would be carried out as part of business requirements of the Company and are ensured to be on arm's length basis. Members are hereby informed that pursuant to the second proviso of Section 188(1) of the Companies Act, 2013, no member of the Company shall vote on such resolution to approve any contract or arrangement, if such member is a related party.

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

The Board recommends the resolution set out at Item No. 5 of the accompanying Notice for approval of the Members by way of an **Ordinary Resolution**.

Annexure -1

Disclosure required pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 of ICSI

Name of the Directors	Mr. Mihir Ghatalia	Mr. Nimit Ghatalia
Director Identification Number	00581005	07069841
Date of Birth& Age	01/11/1983	04/05/1996
Date of First Appointment	02/08/2004	01/07/2020
Status	Executive Director	Executive Director
Qualification	BE Chemical Engineer	BBA
Expertise in specific functional type	Mr. Mihir Ghatalia is a BE Mechanical Engineer and has experience in business.	Having a experience in the field of Finance & Administration.
Terms and Conditions of Appointment/Re-appointment	Re-appointment on retiring by rotation	Continuation of Directorship as a Executive Director
Directorship of Other Companies	1. Worth Investment and Trading Limited	1. Worth Investment and Trading Limited
Chairman/Member in the Committees of the Boards of Companies	<u>AAREY DRUGS AND PHARMACEUTICALS LIMITED</u> 1. Audit Committee 2.Stakeholders Relationship Committee 3.Corporate Social Responsibility	<u>AAREY DRUGS AND PHARMACEUTICALS LIMITED</u> – <u>WORTH INVESTMENT & TRADING CO LTD</u> 1. Audit Committee 2.Stakeholder Relationship Committee
Shareholding (No. of Shares)	28,35,888	11,50,000
Disclosure of relationships between Directors inter se	Brother of Nimit Ghatalia	Brother of Mihir Ghatalia

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

ANNUAL REPORT 2024-25



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

Mihir R. Ghatalia
Chairman and Managing Director
DIN: 00581005

Date: 03-09-2025

Place: Mumbai

DIRECTORS REPORT

To,

The Shareholders,

Your Directors have pleasure in presenting the Thirty Fifth Annual Report together with Audited Accounts for the year-ended 31st March, 2025.

FINANCIAL RESULTS:

Particular	31 st March, 2025	31 st March, 2024
Income	4,83,75,56,668.93	4,02,58,27,917.41
Expense	4,77,65,37,996.57	3,97,23,98,726.33
(Loss)/ Profit Before Exceptional Item & Tax	6,10,18,672.36	5,34,29,191.08
Profit Before Tax	6,10,18,672.36	5,34,29,191.08
(Less)/ Add: Tax Expenses	2,07,79,932.47	65,92,519.40
Balance Carried To Balance Sheet	4,02,38,739.89	4,68,36,671.68

REVIEW OF OPERATIONS & FUTURE OULOOK

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 the ophylline. Necessary steps has been initiated.

DIVIDEND

Your directors do not recommend any dividend for the year ended 31st March, 2025.

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 transferred Rs. 40,238,740 to the General Reserves during the year under review.

CHANGES IN SHARE CAPITAL, IF ANY:

Share Capital of the Company is 2,84,54,303 shares.

During the financial year, Company has allotted 4,00,000 shares issued as on 1st October, 2024 which increased the paid up share capital to 2,84,54,303 shares.

The company has not received the listing approval for 1,00,000 shares hence the Listed Capital is 2,83,54,303 shares.

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 attendances there at 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 financial year 2024–25, the Company recorded a Net Profit of Rs. 4,02,38,739.89. As this amount falls below the threshold specified under Section 135(1) of the Companies Act, 2013, the Company is not required to undertake any Corporate Social Responsibility (CSR) activities for the said financial year. Accordingly, no CSR expenditure has been incurred.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March 2025, the Board consists of six members, two of whom are Executive Directors and 3 are Non-Executive Independent Directors and one is Non-Executive Non Independent Director.

Pursuant to the provisions of Section 203 of the Act, Mihir R Ghatalia Managing Director, Mrs. Mira Ghatalia, Chief Financial Officer and Mr. Kailash Chand Jethlia, 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, 2025, 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, 2025 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, 2025 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 re-appointed as Statutory Auditors of the Company at the 35th Annual General Meeting held on 29th September, 2025 for a 2nd term of five consecutive years from the conclusion of this Annual General Meeting to until the conclusion of 40th Annual General Meeting of the Company.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report pursuant to the provisions of Section 204 for the financial year 2024-25 was obtained from M/s. Ashika Shetty, Practicing Company Secretaries, the report which is Self-Explanatory is annexed hereto as **Annexure A**.

MEETINGS

During the financial year 2024-25, 9 (Nine) meetings of the Board of Directors and 6 (Six) 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 10th February, 2025 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 B** 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/>

All Directors and Senior Management Personnel have affirmed their adherence to the provisions of the Code of Conduct during the financial year 2024-25.

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, Practicing 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 2024-25, 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, 2025 was 44.80% 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
DIN: 00581005

Place: Mumbai
Date: 03.09.2025

ANNEXURE TO DIRECTOR'S REPORT

Annexure-A

Form No.: MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

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

To,
The Members,
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 **Aarey Drugs and Pharmaceuticals Limited** having **CIN-L99999MH1990PLC056538** (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, 2025 ("audit period"), has prima facie complied with the statutory provisions listed hereunder:

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

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under and the Regulations, Circulars, Guidelines issued thereunder;
- (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 and Overseas Direct Investment and External Commercial Borrowings;
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (vi) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("the SEBI Act") viz:-
 - (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;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 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, 2025:-

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (b) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (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 Non-Convertible Securities) Regulations, 2021;
 - (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) The Management has identified and confirmed the other laws as specifically applicable to the Company and that it has proper system to comply with the provisions of the respective Acts, Rules and Regulations;

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 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 the Stock Exchanges read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has prima facie complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to the following observations:

- (i) The listed entity has not made required disclosures in the notice of EGM w.r.t. issue of shares on preferential basis as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 Also, BSE issued observations on the same.
- (ii) The warrants, which were allotted on 27 March, 2024 were kept under lock-in from 30 December, 2024, i.e. with a delay of more than 9 months from the date of allotment of warrants.
- (iii) The Listed entity has filed Corporate Governance Report for the quarter ended 30 September, 2024 and quarter ended 31 December, 2024 on time, however the revised filings for the said quarters have been filed beyond the prescribed time.
- (iv) As on 31 March 2025, paid up share capital of the Company is 2,84,54,303 shares which is agreed with the books of accounts of the Company. The company allotted 4,00,000 shares issued as on 1 October 2024 which increased the paid-up capital to 2,84,54,303 shares, however RTA is showing 1,00,000 shares less in their paid-up share capital. The reason for the same is as cited below:

The Company has not received listing approval for one of the allottee named Watco Chennai Real Estate Pvt Ltd for 1,00,000 shares as the allottee has traded during the approval stage, hence both the stock exchange has withheld the approval of allottee Watco Chennai Real Estate Pvt Ltd, hence there is a difference of the said 1,00,000 shares. The Company has received approval for rest of the allottees except Watco Chennai Real Estate Pvt. Ltd. Both the stock exchanges have not decided the matter yet.

- (iv) The listed entity has maintained software for the structured digital database; however, no data could be found from the said software as on 31 March 2025. However subsequently data was recovered. Basis the information provided, I am of opinion that the listed entity

has prima facie complied Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.

- (v) The Company has not produced sufficient evidence to show that it has submitted Annual Report with the District Officer as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

I further report that:-

1. I have not examined the Financial Statements, Financial books, related financial Acts and Related Party Transactions etc., For these matters, I rely on the report of statutory auditors for Financial Statement for the financial year ended 31st March, 2025.
2. The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the audit period under review were prima facie 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 few forms with additional fees.
8. I further report that during the audit period, following events have taken place:

- a. Obtained approval from its members at the 34th Annual General Meeting of the Company held on 30 September 2024 for giving loan(s), guarantee(s) or providing security(ies) under section 185 of the Companies Act, 2013 up to an aggregate limit of Rs. 200 Crores.
- b. Obtained approval from its members at the Extra-Ordinary General Meeting of the Company held on 2 January 2025 for Issuance of 50,00,000 warrants convertible into equity shares of the Company on preferential basis.
9. During the audit period, the Company has allotted 400000 Convertible Warrants at a price of Rs. 37.80 per warrant for which the Company received 25% consideration at the time of allotment of the Convertible Warrants (balance consideration to be received as and when the warrant holders exercise their conversion rights).
10. 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. Merger / amalgamation / reconstruction etc.;
 - v. 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 Standard.

SD/

Date : 03.09.2025

Place: Mumbai

Ashika Shetty

Practicing Company Secretary

ACS No.: 46804/ COP No.: 27779

Peer Review Cert. No.: 6493/2025

UDIN: A046804G001150500

ANNEXURE-B

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.

1) 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.

2) POWER AND FUEL CONSUMPTION

Particulars	2024-2025	2023-2024
(i) Electricity Purchased		
Units (KWH)	9,47,152 KWH	8,98,018 KWH
Total Amount (₹)	1,12,39,700	1,01,07,210
Rate/Unit (₹)	11.86	11.143
(ii) Own generation		
a) Through diesel generator	3,563 KWH	3,468 KWH
Units per litre of Diesel Oil	3.3 KWH	3.3 KWH
Cost/Unit (₹)	27.90	27.90
b) Through steam turbine/generator	NIL	—
Units per litre of fuel oil/gas	NIL	—
Cost/Unit (₹)	NIL	—

Particulars	2024-2025	2023-2024
(iii) Coal		
Quantity (Tons)	281.441	NIL
Total Cost (₹)	26,45,545	NIL
Average Rate (₹/MT)	9.40	—
(iv) Furnace Oil / Diesel (Diesel/LDO)		
Quantity (M.T.)	1.44 / 24.04	1.4 / 14.33
Total Amount (₹)	1,09,308 / 12,48,422	1,28,940 / 9,31,645
Average Rate (₹)	91.09 / 61.80	92.10 / 65
(v) Others / Internal Generation (Biomass Briquette)		
Quantity (MT)	1092.77	994.45
Total Cost (₹)	99,44,207	91,48,986
Rate/Unit (₹)	9,100 / MT	9,200 / MT

3) ACTUAL PRODUCTION

Particulars	2024-2025 (MTS)	2023-2024 (MTS)
Total Production	2,590.23 MT	490.58 MT

RESEARCH & DEVELOPMENT (R&D)

Quantity (in MTS)

Particulars	2024-2025	2023-2024
Total Production	2,590.23 MT	490.58 MT

Research & Development (R&D)

Particulars	Details
Specific areas in which R&D is conducted by the Company	-
Benefits derived as a result of the above R&D	-
Further Plan of Action	-
Management Review	-

Expenditure on R&D

Particulars	2024-2025 (INR)	2023-2024 (INR)
a) Capital	1,24,00,000	507,405
b) Recurring	-----	-----
Total	[Insert total]	[Insert total]
c) R&D Expenditure as % of Turnover	[To be given]	[To be given]

4) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Particulars	2024-2025 (₹)	2023-2024 (₹)
a) Efforts, in brief, made towards technology absorption, adaptation and innovation	—	—
b) Benefits derived as a result of the above	—	—
c) Imported Technology (last 5 years)		
1. Technology import	—	—
2. Year of import	—	—

Particulars	2024-2025 (₹)	2023-2024 (₹)
3. Has technology been fully absorbed	—	—
4. If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action	—	—

5) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2024-2025 (₹)	2023-2024 (₹)
Activities relating to exports; initiatives taken to increase exports; development of new export markets for products & services; and export plans	—	—
Total Foreign Exchange Used	1108.20 Lakh	566.09 Lakh
Total Foreign Exchange Earned (FOB)	298.23 Lakh	140.61 Lakh

For and on behalf of the Board of Directors

Mihir R Ghatalia
Chairman and Managing Director
 Place: Mumbai
 Date: 03-09-2025

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.4,73,74,33,078 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. 28.45 Cr. The Earnings per Share were Rs.1.42 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.

Information pursuant to part B1(i) of Schedule V SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended. Details of Significant changes in key financial ratios along with detail explanation:

Sr. No	Particulars	31 st March 2025	31 st March 2024	% Change	Explanations
1	Current Ratio	1.78	1.60	11.26%	NA
2	Debt-Equity Ratio	0.25	0.32	-21.34%	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	2.31	3.10	-25.54%	Company has taken new loans during the year
4	Inventory turnover Ratio	11.83	19.71	-40.00%	Due to reduction in sales there was increase in average inventory holding period.
5	Trade Receivables turnover Ratio	2.98	2.57	16.00%	NA
6	Trade payables turnover Ratio	4.09	3.54	15.67%	NA
7	Net capital turnover Ratio	4.07	4.14	-1.65%	NA

8	Net profit ratio	0.85%	0.90%	-5.66%	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,	6.21%	5.72%	8.59%	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	2.91%	3.21%	-9.48%	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

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, 2025 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	0	0
Mr. Chetan K Mehta	Non Executive Independent Director	0	0	0
Mr. LalitTulsiani	Non Executive Independent Director	1	1	2
Mr. Nimit R Ghatalia	Executive Director	2	2	0
Mr. Anil Mandal	Non Executive Independent Director	2	2	1
Mrs. Bina Ghatalia	Non Independent Non Executive Director	0	0	0

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	Non-Executive Independent Director
Mr. Lalit Tulsiani	Worth Investment and Trading Company Limited	Non-Executive Independent Director
Mr. Nimit R Ghatalia	Worth Investment and Trading Company Limited	Executive Director
Mr. Chetan K Mehta	NIL	NIL
Mrs. Bina Ghatalia	NIL	NIL

b) Number and date of Board Meetings held:

Eight Board Meetings were held during the Financial Year 2024-25. The dates on which meetings were held are 30/05/2024, 14/08/2024, 01/10/2024, 14/11/2024, 04/12/2024, 02/01/2025, 14/02/2025, 06/03/2025.

Name of Directors	No. of Board Meeting Held	No. of Board Meeting attended	Attendance at last AGM
Mr. Mihir R Ghatalia	8	8	Yes
Mr. Chetan K Mehta	8	8	Yes

Mr. LalitTulsiani	8	8	Yes
Mr. Nimit R Ghatalia	8	8	Yes
Mr. Anil Mandal	8	8	Yes
Mrs. Bina Ghatalia	8	8	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 and Mrs. Bina Ghatalia is mother of Mr. Nimit Ghatalia and Mr. Mihir Ghatalia, except this, there are no inter-se relationships.

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.

Sr. No.	Name of Directors	Leadership	Pharma expertise	Accounting experience	Strategy & Planning	Sales and other development
1	Mr. Mihir R Ghatalia	✓	✓	-	✓	-
2	Mr. Nimit R Ghatalia	-	-	-	✓	✓
3	Mr. Chetan K Mehta	-	-	✓	✓	-
4	Mr. LalitTulsiani	✓	✓	✓	✓	-
5	Mrs. Bina Ghatalia	✓	✓	✓	✓	-
6	Mr. Anil Mandal	-	-	-	✓	✓

e) Web link where details of familiarization 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 10th February, 2025. All the Independent Directors were present at the said meeting.

3. AUDIT COMMITTEE

a) Composition:

As on 31st March, 2025 the Composition of Audit Committee comprised of Mr. Mihir Rajesh Ghatalia, Mr. Chetan Kirit Mehta and Mr. Lalit Radhakrishna Tulsiani. Mr. Kailash Chand Jethlia the Company Secretary and Compliance Officer of the Company act as a secretary of the Audit Committee.

b) Meeting and Attendance during the year:

During the financial year 2024-25 the Audit Committee met six times i.e. on 30/05/2024, 14/08/2024, 01/10/2024, 14/11/2024, 04/12/2024, and 14/02/2025. The attendance of the members at the meetings is as under:

Name of Member	Category	Designation	No. of Meetings Attended
Mr. Chetan K. Mehta	Non-Executive- Independent Director	Chairman	6
Mr. Mihir R Ghatalia	Chairman & Managing Director	Member	6
Mr. Lalit R Tulsiani	Non-Executive- Independent Director	Member	6

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 thereport 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, 2025 the Nomination and Remuneration Committee comprised of Mr. Chetan Mehta, Mrs. Bina Ghatalia and Mr. LalitTulsiani.

c) Meeting and attendance during the year:

During the financial year the Nomination and Remuneration Committee met two times i.e on 04/12/2024, 06/03/2025. The attendances of the members at the meetings are as under.

Name of Members	Category	Designation	No of meetings attended
Mr. Lalit Tulsiani	Non-Executive- Independent Director	Chairman	2
Mr. Chetan K. Mehta	Non-Executive- Independent Director	Member	2
Mrs Bina Ghatalia	Non-Executive- Non Independent Director	Member	2

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.	470856.75 p.a.	-	-	1070856.75 p.a.
Mr. Chetan K Mehta	-	-	-	-	-
Mr. Lalit R Tulsiani	-	-	-	-	-
Mrs. Archana Wani	-	-	-	-	-
Mr. Nimit R Ghatalia	300000 p.a.	475448p.a.	-	-	775448p.a.
Mr. Anil Mandal	-	-	-	-	-

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a. The Committee comprises of the following members

Name of the Director	Category	Designation
Mrs. Bina Ghatalia	Non–Executive Non-IndependentDirector	Chairperson
Mr. Chetan K Mehta	Non–Executive- IndependentDirector	Member
Mr. Mihir RGhatalia	Managing Director	Member

b. Meeting and attendance during the year:

During the financial year the Stakeholders Relationship Committee met 1 time during the year i.e on 23/12/2024. The attendances of the members at the meetings are as under.

Name of Members	Category	Designation	No of meetings attended
Mrs. Bina Ghatalia	Non–Executive- Non-Independent Director	Chairperson	1
Mr. Chetan K Mehta	Non–Executive- Independent Director	Member	1
Mr. Mihir R Ghatalia	Managing Director	Member	1

7. COPORATE SOCIAL RESPONSIBILITY COMMITTEE: -**a.) Composition:**

As on 31st March 2025 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 2024-25 the Corporate Social Responsibility Committee had no meetings.

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

b. Name & Designation of Compliance Officer: Mr. Kailash Chand Jethlia, Company Secretary & Compliance Officer

c. Number of Shareholder Complaints received during the year 2024-25: **5**

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	Date	Time	Venue	Special Resolution Passed
2024	34th	30 th September, 2024	11:00 A.M	Through Other Audio Visual Means ("OAVM") means	1. Approval of loan(s), investment(s), guarantee(s) or security(ies) under Section 185 of the Companies Act, 2013 up to Rs. 200 Crores
2023	33rd	05 th September, 2023	11:00 A.M	Through Other Audio Visual Means ("OAVM") means	1. Increase in Authorised Share Capital and consequential alteration of Capital Clause of the Memorandum of Association 2. Issue Upto 50,00,000 Equity Shares on a Preferential Basis. 3. Issue of 50,00,000 Convertible

					Warrants on Preferential basis. 4. Increase in Borrowing Power of Company. 5. Creation of Charge over the Assets of the Company. 6. Approval of loan by the Company in terms of provision of section 185 of the Companies Act 2013. 7. 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.
2022	32nd	30 th September, 2022	9:15A.M	E-34, MIDC, Tarapur, Boisar, Thana - 401506	Nil

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: Monday, 29th September, 2025 at 11:00a.m

ANNUAL REPORT 2024-25



- Deemed Venue : E-34, MIDC, Tarapur, Boisar, Thane – 401506 – AGM held Video Conferencing ('Vc')/Other Audio Visual Means ('Ovam')

b) Financial Year and Tentative Financial Calendar: 1stApril, 2025 to 31stMarch, 2026

QUARTER RELEASE DATE	TENTATIVE AND SUBJECT TO CHANGE
1 st Quarter ending 30 th June, 2025	13 th August, 2025
2 nd Quarter ending 30 th September, 2025	On or before 14 th November,2025
3 rd Quarter ending 31 st December, 2025	On or before 14 th February,2026
4 th Quarter ending 31 st March, 2026	On or before 30 th May, 2026

Book Closure Date: 23rdSeptember 2025 to 29th September 2025 (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, 2025.

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 2025-26.

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 –2024	55.50	43.51
May -2024	56.99	46.00
June –2024	49.68	41.86
July-2024	54.41	45.10
August-2024	72.98	47.31
September-2024	75.75	65.29
October-2024	71.79	56.10

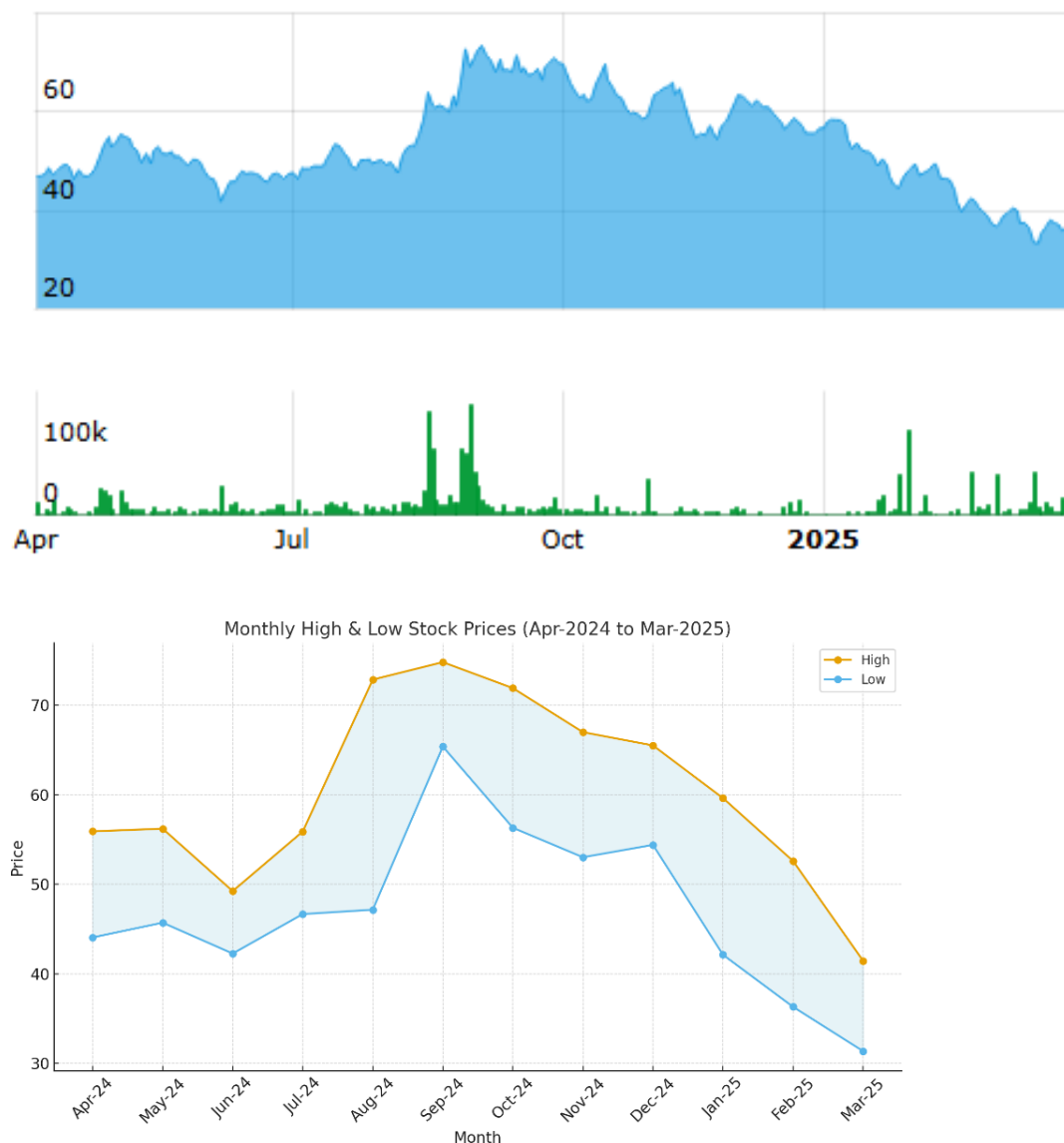
November-2024	66.10	52.66
December-2024	66.59	54.54
January-2025	59.52	43.00
February-2025	50.71	36.00
March-2025	41.00	31.30

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

MONTH	HIGH	LOW
April –2024	55.90	44.05
May -2024	56.20	45.70
June –2024	49.23	42.25
July-2024	55.88	46.66
August-2024	72.85	47.15
September-2024	74.80	65.37
October-2024	71.90	56.30
November-2024	66.98	53.01
December-2024	65.50	54.39
January-2025	59.61	42.11
February-2025	52.59	36.30
March-2025	41.44	31.35

a) Trading of Securities: The Securities of the Company were not suspended from trading at any time during the financial year 2024-25.

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



j) Registrar and Share Transfer Agent: MUFG Intime India Private Limited

C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai-400083

Fax No.: 022 49186060

E-Mail: rnt.helpdesk@in.mpms.mufg.com

k) Share Transfer System:

Pursuant to Regulation 40(1) of Listing Regulations with effect from 1st April, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a Depository hence shares shall be transferred only through demat. However, investors are not barred from holding shares in physical form.

l) Distribution of Shareholding as at 31st March, 2025

SHAREHOLDING NOMINAL SHARES	OF	Shareholders		Total Shares	
		Nos.	%	Nos.	%
1-500		14183	85.968	1508481	5.3201
501-1000		1036	6.2795	821996	2.8990
1001-2000		544	3.2974	846931	2.9870
2001-3000		213	1.2911	543192	1.9157
3001-4000		95	0.5758	341481	1.2043
4001-5000		95	0.5758	448401	1.5814
5001-10000		159	0.9638	1216680	4.2910
100001 & above		174	1.0546	22727141	79.8724

m) Dematerialization of Shares and Liquidity:As at 31st March, 2025

Total No. of Fully paid up shares	Shares in demat form	Percentage (%)	Shares in physical form	Percentage (%)
2,84,54,303	2,79,42,504	98.20 %	5,11,799	1.80%

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).: During the year company has Issue of 50,00,000 Convertible Warrants on Preferential basis.

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

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

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

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

s) Credit Ratings: Ratings assigned in the FY 2024-25 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.

d) 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>.

e) 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>

f) 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.

g) 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.

h) 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.

i) 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.

j) 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 1.78 Lakh.

k) 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

l) Compliance of the requirement of Corporate Governance Report: During the Financial year 2024-25, 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.

For and on behalf of Board of Directors

Mihir Ghatalia
Chairman & Managing Director
DIN: 00581005

Virendra Bhatt

Company Secretary

Office :

Office No.: 03, A Wing, 9th Floor,

Pinnacle Corporate Park,

BKC CST Link Rd., MMRDA Area,

Bandra Kurla Complex,

Bandra East, Mumbai - 400 051

Tel.: 022 - 2652 9367 / 68

Mobile No.: +91 98200 48670

Email : bhattvirendra1945@yahoo.co.in

CERTIFICATE OF CORPORATE GOVERNANCE

To,

The Members of **Aarey Drugs and Pharmaceuticals Limited**

I have examined the compliance of Corporate Governance by **Aarey Drugs and Pharmaceuticals Limited** ('the Company') for the year ended 31st March, 2025, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the year ended 31st March, 2025.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Management, I am of the opinion that the Company has prima facie complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

I further state that such compliance is neither an assurance 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: 06th September, 2025

Place: Mumbai

UDIN: A001157G001181017



Virendra G. Bhatt

Practicing Company Secretary

ACS No.: 1157 / COP No.: 124

Peer Review Cert. No.: 6489/2025

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, 2025 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
Chief Financial Officer**

Place: Mumbai

Date: 3rd September, 2025

Virendra Bhatt

Company Secretary

Office :

Office No.: 03, A Wing, 9th Floor,
Pinnacle Corporate Park,
BKC CST Link Rd., MMRDA Area,
Bandra Kurla Complex,
Bandra East, Mumbai - 400 051

Tel.: 022 - 2652 9367 / 68

Mobile No.: +91 98200 48670

Email : bhattvirendra1945@yahoo.co.in

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, India, 401506

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Aarey Drugs and Pharmaceuticals Limited** having CIN: L99999MH1990PLC056538 and having registered office at E-34, M.I.D.C., Tarapur, Boisar, Thane, Maharashtra, India, 401506 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities and 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 ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:-



Sr. No.	Name of the Director	DIN	Original Date of appointment	Date of Appointment at Current Designation
1.	Bina Rajesh Ghatalia	01471745	09/10/2023	29/12/2023
2.	Mihir Rajesh Ghatalia	00581005	02/08/2004	09/02/2018
3.	Nimit Rajesh Ghatalia	07069841	01/07/2020	28/12/2020
4.	Chetan Kiritbhai Mehta	01639366	02/06/2008	02/06/2008
5.	Lalit Radhakrishna Tulsiani	01652630	29/01/2020	28/12/2020
6.	Anil Mandal	08291619	01/07/2020	28/12/2020

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: 31st May, 2025

Place: Mumbai

UDIN: A001157G000519697



Virendra G. Bhatt

Practicing Company Secretary

ACS No.: 1157 / COP No.: 124

Peer Review Cert. No.: 6489/2025

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: 03-09-2025

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of **AAREY DRUGS & PHARMACEUTICALS LTD**

Report on the Audit of the Financial Statements**OPINION**

We have audited the Financial Statements of **AAREY DRUGS & PHARMACEUTICALS LTD** ("the Company"), which comprise the Balance Sheet as at 31st March 2025, 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, 2025, 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, 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 as there is absence of significant periodic balance confirmation for verification of outstanding balance of debtors and creditors. Debtors and Creditors Balances are subject to Confirmation. Debtors & Creditors Balances are as per Management representation and relied upon by the auditors. The consequential impact thereof on the account is not ascertainable.

3. We draw attention to Note 22 of the financial statements, which describes that the Company has paid only a part of its income tax liability for the Assessment Year 2024–25 and the balance amount of Rs. 57,51,300 remains unpaid as at March 31, 2025.

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>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</p>

	<p>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>
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OTHER MATTER

Loan to directors, its relatives or entities in which director is interested.

As per Section 185 of the companies Act, 2013, the company cannot provide loans directly or indirectly to any of its directors or relative of director or entities in which director is interested. If the company advances loan in contravention to Section 185, the company shall be punishable with fine which shall not be less than Rs. 5 Lakh but may extend to Rs.25 Lakh.

Company has provided loans to directors which is in non-compliance of section 185 of the Companies Act, 2013. Details of loans to directors are as follows :

Particulars	Nature of relationship with the company	Amount	Balance as on 31.03.2025
Mihir Ghatalia	Managing Director	55,39,483	0
Nimit Ghatalia	Whole Time Director	1,55,75,904	0
Mira Ghatalia	Relative of Director and CFO	3,08,48,598	0
Chetan K Mehta	Independent Director	2,00,000	0
Bina Ghatalia	Relative of director	4,68,81,900	0
Ekta N Ghatalia	Relative of director	73,50,000	0

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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **“Annexure B”**.

(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.

iv.

(a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) contain any material mis-statement

v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

3. Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 issued by the Institute of Chartered Accountants of India, which included test checks, we report that the company has not used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has not been operated throughout the year for all relevant transactions recorded in the software.

a. Further, during the course of our audit we were unable to check instance of the audit trail feature being tampered with. Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

b. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail.

c. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2025.

For Motilal & Associates LLP

(a member firm of M A R C K S Network)

Chartered Accountants

ICAI FRN: 106584W/W100751

Rishabh Jain

(Partner)

ICAI MRN: 179547

Place: Mumbai

Date: 30th May 2025

UDIN: 25179547BMMBGL7897

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 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.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans, to various companies, firms, and other parties.

(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 of loans or advances during the year amounts to Rs. 64,93,27,833.20/- and balance outstanding at the balance sheet date amounts to Rs 30,53,55,811,-/ with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates.

(a) According to information and explanations given to us and based on the audit procedures performed by us, the terms and conditions of the loans and advances granted to the Parties at interest of 9% to 12% per annum however, they are not prejudicial to the Company's interest.

(b) No schedule of repayment of principal has been stipulated. Therefore, we cannot comment on the same.

(c) The amount is not overdue for more than 90 days since it is repayable on Demand.

(d) 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

(e) 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 period of repayment of amount aggregating to Rs. 64,93,27,833/- .

Particulars	Promoters	Related Parties	Others
Aggregate amount of loans /advances in nature of loans - Repayable on demand	10,70,80,885/-	47,92,50,519/-	6,29,96,428/-
Percentage of loans / advances in nature of loans to the total loans	16.49%	73.81%	9.70%

(iv)

(A) In our opinion and according to information and explanations given to us, the Company has advanced loans to Directors/Company in which the director is interested to which the provisions of Section 185 of the Companies Act, 2013 apply and details of the parties are as mentioned below -

Name of Company/Party	Amount Involved	Balance as at balance sheet date
Mihir Ghatalia	55,39,483/-	Nil
Nimit Ghatalia	1,55,75,904/-	Nil
Mira Ghatalia	3,08,48,598/-	Nil
Chetan K Mehta	2,00,000/-	Nil
Bina Ghatalia	4,68,81,900/-	Nil
Ekta N Ghatalia	73,50,000/-	Nil

(B) Also, in our opinion and according to the information and explanation given to us, the Company has not made investment and given guarantee/provided security which falls under the purview of section 186 of the Companies Act, 2013 and hence not commented upon.

(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, 2025 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)

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, 2025 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 (Assessment Year)	Due Date	Date of payment
Income Tax Act, 1961	Partially Paid Income tax	57,51,300/-	2024-25	15/01/2025	Unpaid till date
Income Tax Act, 1961	TDS Interest and late fees	6,15,080/-	Prior years	Various Dates	Unpaid till date
Income Tax Act, 1961	Outstanding Demand u/s 271(1)(c)	13,256/-	2000-01	Various Dates	Unpaid till date
Income Tax Act, 1961	Outstanding Demand u/s 271(1)(c)	206/-	2001-02	Various Date	Unpaid till date
Income Tax Act, 1961	Outstanding Demand u/s 147	57,60,507/-	2013-14	Various Dates	Unpaid till date
Income Tax Act, 1961	Outstanding Demand u/s 154	1,02,760/-	2016-17	Various Dates	Unpaid till date
Income Tax Act, 1961	Outstanding Demand u/s 154	10,61,340/-	2017-18	Various Dates	Unpaid till date
Income Tax Act, 1961	Outstanding Intimation u/s 143(1)	1,62,48,860/-	2020-21	Various Dates	Unpaid till date
Income Tax Act, 1961	Outstanding Intimation u/s 143(1)	78,24,860/-	2021-22	Various Dates	Unpaid till date
Income Tax Act, 1961	IT Intimation	65,760/- *	2023-24	Various Dates	Unpaid till date
Income Tax Act, 1961	250	31,35,130/-	2007-08		No Appeals or Rectification Pending.
Income Tax Act, 1961	250	92,40,008/-	2008-09		DTVSV Scheme

Income Tax Act, 1961	271(1)(c)	15,63,344/-	2008-09		DTVSV Scheme
Income Tax Act, 1961	254	93,48,907/-	2009-10		DTVSV Scheme
Income Tax Act, 1961	147	19,84,165/-	2011-12		DTVSV Scheme
Income Tax Act, 1961	ss1431a	2,80,792/-	2012-13		DTVSV Scheme

* As per IT Intimation. Difference is due to Interest calculation.

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, 2025 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 143(3)	30,67,224/-	AY 2008-09	High Court
Goods and service Tax Act, 2017	Demand Order u/s 73	8,62,09,504/-	FY 2017-18	Joint Commissioners of State Tax.
Goods and service Tax Act, 2017	Demand Order u/s 73	28,34,168/-	FY 2018-19	Deputy Commissioners of State Tax
Goods and service Tax Act, 2017	Demand Order u/s 73	1,88,00,559/-	FY 2018-19	Deputy Commissioners of State Tax
Goods and service Tax Act, 2017	Demand Order u/s 73	8,80,589/-	FY 2019-20	Deputy Commissioners of State Tax
Goods and service Tax Act, 2017	Demand Order u/s 73	11,00,359/-	FY 2020-21	Deputy Commissioners of State Tax

Goods and service Tax Act, 2017	Intimation of liability u/s 73(5)	7,70,047/-	FY 2021-22	Deputy Commissioners of State Tax
Goods and service Tax Act, 2017	Intimation of liability u/s 73(5)	9,46,177/-	FY 2017-18	Deputy Commissioners of State Tax
Goods and service Tax Act, 2017	Intimation of liability u/s 73(5)	40,62,269/-	FY 2020-21	Deputy Commissioners of State Tax
Maharashtra Value Added Tax Act, 2002	Order u/s 26	42,92,536/-	FY 2014-15	Joint Commissioner of State Tax
Maharashtra Value Added Tax Act, 2002	Order u/s 26	34,39,215/-	FY 2007-08	Appeal Filed with Maharashtra State Tribunal

(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)

(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, the Company has taken term loans which are applied for the purpose for which the loans were obtained.

(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)

(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 made preferential allotment during the year. The requirement of Section 42 and Section 62 of the Companies Act, 2013 have been complied with, and the funds raised have been used for the purposes for which the funds were raised.

(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)

(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)

(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

(a member firm of M A R C K S Network)

Chartered Accountants

ICAI FRN: 106584W/W100751

Rishabh Jain

(Partner)

ICAI MRN: 179547

Place: Mumbai

Date: 30th May 2025

UDIN: 25179547BMMBGL7897

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, 2025 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 of internal financial controls over financial reporting, assessing the risk that a material weakness exists,

and testing and evaluating financial controls over financial reporting included obtaining an understanding 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, 2025 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

(a member firm of M A R C K S Network)

Chartered Accountants

ICAI FRN: 106584W/W100751

Rishabh Jain

(Partner)

ICAI MRN: 179547

Place: Mumbai

Date: 30th May 2025

UDIN: 25179547BMMBGL7897

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 E-34, M.I.D.C., Tarapur, Boisar, Thane, Maharashtra, India, 401506. The Company is listed on the Bombay Stock Exchange (BSE).

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 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 2025 .

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 for various years pending before various authorities under Income Tax and GST, the outcome of which are material but not practicable for the Company to estimate the timings of cash outflows

The details of outstanding demands disclosed as contingent liabilities are as follows:

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 143(3)	30,67,224/-	AY 2008-09	High Court
Goods and service Tax Act, 2017	Demand Order u/s 73	8,62,09,504/-	FY 2017-18	Joint Commissioners of State Tax.
Goods and service Tax Act, 2017	Demand Order u/s 73	28,34,168/-	FY 2018-19	Deputy Commissioners of State Tax

Goods and service Tax Act, 2017	Demand Order u/s 73	1,88,00,559/-	FY 2018-19	Deputy Commissioners of State Tax
Goods and service Tax Act, 2017	Demand Order u/s 73	8,80,589/-	FY 2019-20	Deputy Commissioners of State Tax
Goods and service Tax Act, 2017	Demand Order u/s 73	11,00,359/-	FY 2020-21	Deputy Commissioners of State Tax
Goods and service Tax Act, 2017	Intimation of liability u/s 73(5)	7,70,047/-	FY 2021-22	Deputy Commissioners of State Tax
Goods and service Tax Act, 2017	Intimation of liability u/s 73(5)	9,46,177/-	FY 2017-18	Deputy Commissioners of State Tax
Goods and service Tax Act, 2017	Intimation of liability u/s 73(5)	40,62,269/-	FY 2020-21	Deputy Commissioners of State Tax
<i>Maharashtra Value Added Tax Act, 2002</i>	Order u/s 26	42,92,536/-	FY 2014-15	Joint Commissioner of State Tax
<i>Maharashtra Value Added Tax Act, 2002</i>	Order u/s 26	34,39,215/-	FY 2007-08	Appeal Filed with Maharashtra State Tribunal

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 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 2025.

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

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.

(a member firm of M A R C K S Network)

Chartered Accountants

ICAI FRN : 106584W/W100751

For and on Behalf of the Board of Directors

For Aarey Drugs And Pharmaceuticals Limited

CIN: L99999MH1990PLC056538

Rishabh Jain

Partner

Membership. No. 179547

Mihir Rajesh Ghatalia

Managing Director

DIN:00581005

Nimit R. Ghatalia

Director

DIN: 07069841

Place : Mumbai

Date : 30th May 2025

Aarey Drugs and Pharmaceuticals Limited
Balance Sheet as at 31st March 2025

Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	1,622.06	1,296.11
(b) Capital work-in-progress			-
(c) Investment Property			-
(d) Goodwill			-
(e) Other Intangible assets			-
(f) Intangible assets under development			-
(g) Biological Assets other than bearer plants			-
(b) Financial Assets			-
(i) Investments	4	211.50	138.00
(ii) Loans and Advances	5	97.50	70.50
(iii) Other financial assets	6	567.23	566.13
Current assets			-
(a) Inventories	7	4,548.03	3,467.57
(b) Financial Assets			-
(i) Trade receivables	8	13,346.37	18,447.77
(ii) Cash and cash equivalents	9	147.33	159.44
(iii) Loans and Advances	10	2,956.06	1,551.42
(iv) Other financial assets	11	175.61	129.54
(c) Other current assets	12	5,387.52	4,502.93
Total Assets		29,059.20	30,329.41
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	2,845.43	2,805.43
(b) Other Equity	14	10,751.12	10,225.41
(c) Share application money pending allotment	14	251.50	246.50
Liabilities			-
Non-current liabilities			-
(a) Financial Liabilities			-
(i) Borrowings	15	198.66	322.44
(b) Deferred tax liabilities (Net)	16	91.88	74.94
Current liabilities			-
(a) Financial Liabilities			-
(i) Borrowings	17	3,286.94	2,812.79
(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	10,254.07	12,894.30
(iii) Other financial liabilities	19	0.47	0.47
(b) Other current liabilities	20	966.38	540.64
(c) Provisions	21	272.56	273.99
(d) Current Tax Liabilities (Net)	22	140.19	132.50
Total Equity and Liabilities		29,059.20	30,329.41

See accompanying notes forming Part of Financial Statement

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 : 30th May 2025
Place : Mumbai

Mira M Ghatalia
CFO

Kailash Chand Jethlia
CS

Aarey Drugs and Pharmaceuticals Limited
Statement of Profit and Loss for the year ended 31st March 2025

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
Revenue From operations	23	47,394.33	39,561.79
Other Income	24	981.24	696.49
Total Income		48,375.57	40,258.28
Expenses			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade	25	47,286.57	38,775.52
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	26	(1,080.45)	(585.66)
Employee benefits expense	27	80.55	71.84
Finance costs	28	466.44	437.53
Depreciation and amortization expenses		194.49	169.80
Other expenses	29	817.78	854.96
Total expenses		47,765.38	39,723.99
Profit/(loss) before exceptional items and tax		610.19	534.29
Exceptional Items		-	-
Profit/ (loss) before exceptions items and tax		610.19	534.29
Tax Expenses			
Short/(excess) provision for earlier years	22.1	50.67	-
Current Tax	22	140.19	132.50
Deferred Tax	16	16.94	(66.57)
Profit (Loss) for the period from continuing operations		402.39	468.37
Profit/(loss) from discontinued operations		-	-
Tax expenses of discontinued operations		-	-
Profit/(loss) from Discontinued operations (after tax)		-	-
Profit/(loss) for the period		402.39	468.37
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		402.39	468.37
Earnings per equity share (for discontinued operation)			
Basic			
Diluted			
Earning per equity share (for discontinued & continuing operation)			
Basic		1.42	1.84
Diluted		1.42	1.84

See accompanying notes forming Part of Financial Statement

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
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Nimit R Ghatalia
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Managing Director
DIN: 00581005

Date : 30th May 2025
Place : Mumbai

Mira M Ghatalia
CFO

Kailash Chand Jethlia
CS

AAREY DRUGS & PHARMACEUTICALS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

	Particulars	Year ended 31st March,2025	Year ended 31st March,2024
A.	Cash Flow from Operating Activities		
	Net profit before Tax as per Profit & Loss Account	610.19	534.29
	Adjusted for:		-
	Deferred Tax		(66.57)
	Depreciation	194.49	169.80
	Finance Cost	466.44	437.53
	Operating Profit before Working Capital Changes	1,271.11	1,075.04
	Adjusted for:		
	(Increase)/ Decrease in Inventories	(1,080.45)	(585.66)
	(Increase)/ Decrease in Trade receivables	5,099.63	530.20
	(Increase)/ Decrease in Current Loans and advances	(1,404.64)	(650.17)
	(Increase)/ Decrease in Other Current assets	(884.59)	(315.87)
	Increase/ (Decrease) in Other financial assets	(46.07)	(87.73)
	Increase/ (Decrease) in Provisions	(1.43)	(48.55)
	Increase/ (Decrease) in current tax liabilities	7.69	(45.82)
	Increase/ (Decrease) in Trade Payables	(2,640.23)	161.16
	Increase/ (Decrease) in Short Term Borrowings	474.15	(522.96)
	Increase/ (Decrease) in Other Current Liabilities	425.74	323.47
	Increase/ (Decrease) in Other financial liabilities	(0.00)	-
		1,220.90	(166.88)
	Less: Taxes Paid	190.86	132.50
	Cash Flow from Operating Activities (A)	1,030.04	(299.38)
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(520.44)	(72.23)
	FD with Banks		
	Sale of F.A.	-	
	Maturity of deposits		
	Investment in shares	(73.50)	(98.00)
	Statutory deposits made		
	Net Cash used in Investing Activities (B)	(593.94)	(170.23)
C.	Cash Flow from Financing Activities		
	Issue of Equity share Capital		
	Repayment Received from Long term loans & advances (asset)	(27.00)	7.31
	Deposits made	(1.09)	(5.75)
	Long term loans repaid	(123.78)	(113.62)
	Preferential issue of equity shares	40.00	266.96
	Finance Cost	(466.44)	(437.53)
	Money received against share warrant pending allotment	5.00	56.70
	Security Premium on Issue of Shares	125.10	784.40
	Net Cash used in Financing Activities (C)	(448.21)	558.48
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	(12.11)	88.86
	Opening Balance of Cash and Cash Equivalents	159.44	70.58
	Closing Balance of Cash and Cash Equivalents	147.33	159.44

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 : 30th May 2025
Place : Mumbai

Mira M Ghatalia
CFO

Kailash Chand Jethlia
CS

Statement of Changes in Equity for the year ended 31 March 2025

Equity Share Capital
For the year ended 31 March 2025

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
280,543,030.00		280,543,030.00	4,000,000.00	284,543,030.00

For the year ended 31 March 2024

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
253,846,840.00	-	253,846,840.00	26,696,190.00	280,543,030.00

Note 3	Property, Plant and Equipment											(Amount in Rs.)
	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 2024											
	Opening Gross Carrying Amount	37.93	300.07	2,863.54	39.65	13.47	14.73	1.48	4.81	22.46	91.08	3,389.22
	Additions	-	70.12	411.59	37.70	0.23	-	-	0.57	-	0.23	520.44
	Disposals	-	-	-	-	-	-	-	-	-	-	-
	Acquisitions through business combinations											
	Amount of change due to revaluation											
	Amount of change due to revaluation											
	Amount of change due to revaluation											
	Deductions											
	Closing gross carrying amount	37.93	370.19	3,275.12	77.35	13.70	14.73	1.48	5.38	22.46	91.31	3,909.66
	Accumulated Depreciation											
	Opening Accumulated Depreciation	2.27	258.01	1,670.85	29.59	12.45	11.20	1.32	1.21	20.62	85.60	2,093.11
	Depreciation charged during the year	-	4.88	243.16	5.87	0.75	0.92	0.04	0.74	0.57	2.55	194.49
	Closing Accumulated Depreciation	2.27	262.89	1,914.01	35.46	13.20	12.11	1.36	1.95	21.19	88.15	2,287.59
	Net carrying amount 31 March 2025	35.66	37.18	949.53	4.19	0.27	2.62	0.12	2.86	1.26	2.94	1,622.06
	Net carrying amount 31 March 2024	35.66	42.06	1,192.69	10.06	1.02	3.54	0.16	3.60	1.84	5.49	1,296.11

3.1 NOTES

- 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
- During the year the Company has not revalued its Property, Plant and equipment

Schedule forming part of Balance Sheet as at 31st March, 2025

Note 4 : Investments

Particulars	As at 31st March, 2025	As at 31st March, 2024
Shares of Transmedia Software Ltd	40	40
shares in worth investment Pvt Ltd	171.5	98
Total	211.50	138.00

Note 5 : Loans (Non - Current assets)

Particulars	As at 31st March, 2025	As at 31st March, 2024
loans to related parties	0.36	0.36
loans to other parties	97.14216	70.14116
Total	98	7,050,116

5.1

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Loans Receivables considered good - Secured	-	-
(b) Loans Receivables considered good - Unsecured	97.50	70.50116
(c)Loans Receivables which have significant increase in Credit Risk	-	-
(d)Loans Receivables - credit impaired	-	-
Total	97.50	70.50

5.2 Loans or Advances in the nature of loans are granted to promoters, directors, KMPs

(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	0.37%

Note 6 : Other financial assets

Particulars	As at 31st March, 2025	As at 31st March 2024
Security Deposits	52.16	51.0613985
Bank deposits with more than 12 months maturity	0.84	0.84343
Statutory Deposits	514.23	514.22752
Total	567.23	566.13

Note 7 : Inventories

Particulars	As at 31st March, 2025	As at 31st March, 2024
Raw materials	1,641	1069.776181
Work-in-progress	80	80.5726255
Finished goods	626	521.7784463
Stock-in-trade (in respect of goods acquired for trading)	2,202	1795.446108
Stores and spares	-	0
Loose tools; and	-	0
Others	-	0
Total	4,548.03	3,467.57

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

Note 8 : Trade Receivables

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade Receivables	13,346.37	18447.76845
Provisions for Expected credit loss		
Debts due by Directors or other officers of the Company		
Total	13,346.37	18,447.77

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	s at 31st March, 2025	s at 31st March, 2024
	Trade Receivables considered good - Secured		-
	Trade Receivables considered good - Unsec	13,346.37	18447.76845
	Trade Receivables which have significant		-
	Trade Receivables - credit impaired.		-
	Total	13,346	18,448

Trade Receivables ageing schedule

	Outstanding for following periods from due date of payment			
	Less than 6 months	6 months - 1 year	More than 3 years	Total
Undisputed Trade receivables — considered good	8563.581573	4782.784197		13,346

Note 9 : Cash and Cash Equivalents

9	Particulars	As at 31st March, 2025	As at 31st March, 2024
	Cash Balance	147.0529202	149.3799547
	Bank balance with current a/c	0.27	10.0578912
	Total	147.33	159.44

Note 10 : Loans (Current assets)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Loans to related parties	1589.029389	150.19823
Other parties	1367.02657	1401.21865
Total	2,956.06	1,551.42

10.1

Particulars	As at 31st March, 2025	As at 31st March, 2024
Loans Receivables considered good - Secur	-	-
Loans Receivables considered good - Unsec	2,956	1551.41688
Loans Receivables which have significant	-	-
Loans Receivables - credit impaired.	-	-
Total	2,956	1,551

Note 11 : Other current financial assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
Fixed Deposits	175.61	129.53544

Note 12 : Other Current Assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance to suppliers for Goods	2,620.58	3731.799882
Advance towards Expenses	2,226.46	274.6737252
Preferential Shares Receivable	37.8	0
Misc Expenditure not yet written off	2.65	2.6462
Gst Paid under Protest	37.01	26.11764
MVAT Refundable	0.61	0.61328
Income tax Paid under protest (Appeal Deposit)	242.37	242.3661
The Commissioner of Customs	2.83	2.82789
DEPB- duty entitlement	0.96	0.955723
Sales Tax- Paid	138.20	139.412947
Excise/Custom Duty Receivable	2.72	2.7203544
TDS/TCS receivable	75.34	78.799832
Total	5,387.52	4,502.93

Note 13 Equity Share Capital**(Rs. In lakhs)**

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of Shares	Amount	No of Shares	Amount
Authorised Share Capital : 35,500,000 (P.Y. 25,500,000) Equity Shares of Rs. 10/- each	355.00	3,550.00	355.00	3,550.00
Issued, subscribed and fully paid, and subscribed but not fully paid; 2,84,54,303 (P.Y. 2,80,54,303) Equity Shares of Rs. 10/- each fully paid up	284.54	2,845.43	280.54	2,805.43

Terms / Rights attached to equity shares

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.

Note : Company had intended to allot 1,00,000 equity shares to Watco Chennai in FY 2023-24 ; however, such shares were ultimately not allotted to Watco Chennai . Instead, the said shares were allotted to Ms. Bina Gatalia a Director of the Company.

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 2025		As at 31st March 2024	
	No of Shares	% Held	No of Shares	% Held
Mihir Rajesh Ghatalia	2,835,388.00	9.96	2,835,388.00	10.11
Suraj Tradelinks Private Limited	2,010,000.00	7.06	2,010,000.00	7.16
Nimit Impex Private Limited	2,010,000.00	7.06	2,010,000.00	7.16
Bina Rajesh Ghatalia	4,103,584.00	14.42	4,003,584.00	14.27
Total	10,958,972.00	38.51	10,858,972.00	38.70

A reconciliation of the number of shares outstanding at the beginning and at the end of the period:

Particulars	As at 31st March 2025		As at 31st March 2024	
	No of Shares	Amount	No of Shares	Amount
Outstanding at the beginning of the year	28,054,303.00	280,543,030.00	25,384,684.00	253,846,840.00
Less: Previous year				
Add: Fresh Issue	400,000.00	4,000,000.00	2,669,619.00	26,696,190.00
Add: Bonus Issue				
Add: Right Issue				
Outstanding at the end of the year	28,454,303.00	284,543,030.00	28,054,303.00	280,543,030.00

Details of Shareholding of Promoters and Promoter Group

Sl No	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Bina Rajesh Ghatalia	4,103,584.00	14.42%	-
2	Mihir Rajesh Ghatalia	2,835,388.00	9.96%	-
3	Nimit Rajesh Ghatalia	1,150,000.00	4.04%	-
4	Mira Mihir Ghatalia	690,000.00	2.42%	-
5	Rajesh Pranal Ghatalia	2,971.00	0.01%	-
6	Nimit Impex Private Limited	2,010,000.00	7.06%	-
7	Suraj Tradelinks Private Limited	2,010,000.00	7.06%	-

Note 14 Other Equity**For the year ended 31st March 2025**

Particulars	Share application money pending allotment	Reserves and Surplus				Total
		Capital Total Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	
Balance at the beginning of the current reporting period	246.50	20.00	4,892.82	-	5,310.81	10,225.41
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	246.50	20.00	4,892.82	-	5,310.81	10,470.13
Total Comprehensive Income for the current year					-	-
Dividends						-
Money received on account of share warrants	5.00	-	125.10			130.10
Transfer to retained earnings					402.39	402.39
Security premium on Preferential allotment done during the year						
Balance at the end of the current reporting period	251.50	20.00	5,017.92	-	5,713.20	10,751.12

Notes

1. The Company has allotted 400000 shares of Rs. 10 each @ Rs. 37.8 each on preferential basis.

For the year ended 31st March 2024

Particulars	Share application money pending allotment	Reserves and Surplus				Total
		Capital Total Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	
Balance at the beginning of the current reporting period	231.50	20.00	4,108.42	-	4,842.45	9,202.37
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	231.50	20.00	4,108.42	-	4,842.45	9,202.37
Total Comprehensive Income for the current year	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Money received on account of share warrants	15.00	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	468.37	468.37
Security premium on Preferential allotment done during the year	-	-	784.40	-	-	784.40
Balance at the end of the current reporting period	246.50	20.00	4,892.82	-	5,310.81	10,225.41

Notes

1. The Company has allotted 2669619 shares of Rs. 10 each @ Rs. 37.8 each on preferential basis and 6,00,000 warrants of Rs. 10 each convertible into one share of Rs. 10 each @ Rs. 37.8 each on 27th March 2024

2. The Company has received only 25% Consideration on allotment of warrants as on 31st March 2024 and remaining 75% Consideration on 18th April 2024

Aarey Drugs and Pharmaceuticals Limited
Schedule forming part of Balance Sheet as at 31 March 2025

Note 15 : Long term Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
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).	44.27	168.35492
Working capital Term Loan (Secured with first charge on assets financed under the scheme and second charge with exisiting 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 moratoriium period)	154.39	154.08274
Total	198.66	322.44

Note 16 : Deferred tax liabilities (Net)

Particulars	As at 31 March 2025	As at 31 March 2024
Closing WDV as per Companies Act	1,622.06	1216.375818
Closing WDV as per Income tax Act	1268.689966	928.1529934
Difference	353.37	288.222825
Tax @ 26%	91.88	74.94
Opening Deferred Tax Liabilities	74.94	141.5127405
Add: Amount to be provided during the year	16.94	-66.57480598
Closing Deferred Tax Liabilities	91.88	74.94

Deferred

Note 17 :Short term Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Borrowings		
Loans repayable on demand from bank	3,174.23	2700.045333
Loans from related parties		0
Margin Money	4.21	4.21275
Loans from other parties	108.50	108.53501
Total	3,286.94	2,812.79

17.1 Details regarding secured and unsecured loans

Particulars	As at 31 March 2025	As at 31 March 2024
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 9.90%		
Collateral securities	3,372.89	3,022.48
1) Residential flat owned by Bina Ghatalia (relative of director)		
2) Plant and machineries including equipments and building		
3) Land and storage tanks owned by Enam Organics Ltd in Thane		
Margin money with banks	4.21275	4.21275
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		

Cash Credit account (Hypothecation of stock of raw materials, WIP, Finished goods, Stores and spares , Packing Materials, Plant and Machinery and Book Debts) interest rate of 10.30%		
Collateral securities		
1) Personal Guarantee of Bina Ghatalia (Relative of Director)		
2) Personal Guarantee of Mihir Ghatalia (Managing Director)		
3) Factory Building		
4) Personal Guarantee of Nimit Ghatalia (Director)		
Secured Loans Total	3,377.10	3026.695743
Saraf chemicals	103.60	
WORTH INVESTMENT & TRDG CO. LTD.		
Aarey Pharma Park PVT LTD.	4.90	
Unsecured loans Total	108.50	108.53501
TOTAL	3,485.60	3,135.23

Note 18 : Trade Payables		
Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,254.07	12894.30248
Total	10,254.07	12,894.30

Trade Payables ageing schedule

	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	2-3 years
i) MSME	-	-	-	-
ii) Others	10201.18108	52.8923883	-	-
iii) Disputed Dues- MSME	-	-	-	-
iv) Disputed Dues- Others	-	-	-	-

Unbilled dues shall be disclosed separately

Note 19 : Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Interest accrued		
Dividend Payable	0.47	0.472632
Application money received for allotment of securities to the extent refundable and interest accrued thereon;		
Unpaid matured deposits and interest accrued thereon;		
Unpaid matured debentures and interest accrued thereon; and		
Long term debt is a borrowing having a period of more than twelve months at the time of origination		
Total	0.47	0.47

Note 20 : Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
IGST Payable	4,211.65	3516.693541
SGST Receivable	(1,397.42)	-1122.461074
CGST Receivable	(1,397.43)	-1122.475434
TDS/TCS Payable	56.41	73.1836723
Employees Profession Tax	0.36	0.40525
GST Payable	(5.40)	-3.4111545
GST -Maharashtra	(280.16)	-256.076
GST -Gujarat	(37.98)	-37.8749
ESIC payable		0
PF Payable	5.10	4.5504034
IGST -Import duty	(1,451.32)	-1018.52062
SBI LC LIEN	869.30	0
Advances from Debtors	393.27	506.6248513
Total	966.38	540.64

Note 21 : Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for depreciation		
Provision for expenses	20.29	21.7219192
Provision for income tax (Previous Years)	201.60	252.2705822
Total	221.89	273.99

Note 22 : Current Tax Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for Income Tax	140.19	132.5
Less: TDS		
Less: Advance Tax		
Less: Self Assessment Tax		
Total	140.19	132.50

The Company determined its income tax liability As of March 31, 2025, the Company has paid ₹ 1,00,00,000 against the total income tax liability resulting in an outstanding balance of ₹ 57,51,300.

Note 22.1 : Short/(excess) provision for earlier years

Particulars	As at 31 March 2025	As at 31 March 2024
Short provision for FY 23-24	50.66996	
Total	50.67	-

Aarey Drugs and Pharmaceuticals Limited

Schedule forming part of Profit & Loss Account for the year ended 31 March 2024

Note No

23 Revenue from operations

Sr No.	Particulars	As at 31 March 2025	As at 31 March 2024
	Sale of goods	47,374.33	39,561.79
	Commission received	20.00	202.99
	TOTAL	47,394.33	39,764.78

24 Other income

Sr No.	Particulars	As at 31 March 2025	As at 31 March 2024
1	Interest Income against trade advances	552.26	483.80
2	Interest on late payment	0.22	0.06
3	Interest from bank	7.89	3.49
4	Storage income	0.25	1.14
5	Discount Income	344.25	-
6	Loading Charges Income	-	0.02
7	Foreign exchange Gain	10.30	4.86
8	Technical fees	66.00	-
9	Detention charges	0.06	0.12
	TOTAL	981.24	493.50

25 Purchases of Stock-in-Trade

Sr No.	Particulars	As at 31 March 2025	As at 31 March 2024
1	Purchases	46,466.26	38,122.75
2	Direct expenses	820.31	652.77
	TOTAL	47,286.57	38,775.52

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 2025	As at 31 March 2024
1	Closing of finished goods	625.64	521.78
2	Closing of stock-in-trade	2,201.62	1,795.45
3	Closing of work-in-progress	80.15	80.57
4	Closing stock of material	1,640.62	1,069.78
	Total	4,548.03	3,467.57
5	Opening of finished goods	521.78	1,070.49
6	Opening of stock-in-trade	1,795.45	926.52
7	Opening of work-in-progress	80.57	174.72
8	Opening stock of material	1,069.78	710.18
9	Others	-	-
	Total	3,467.57	2,881.92
	TOTAL	(1,080.45)	(585.66)

27 Employee Benefits Expenses

Sr No.	Particulars	As at 31 March 2025	As at 31 March 2024
	Salaries and Wages	51.05	46.45
	Director Remuneration	9.00	9.00
	Directors perquisites	9.46	9.13
	Workmens and Staff Welfare Expenses	4.68	3.90
	Bonus	1.74	1.83
	Medical expenses	2.68	0.38
	Employer Contribution to ESIC	1.03	0.56
	Gratuity	0.21	-
	Advance salary	(0.03)	-
	PF admin Charges	0.73	0.58
	TOTAL	80.55	71.84

28 Finance Costs

Sr No.	Particulars	As at 31 March 2025	As at 31 March 2024
	Processing charges	64.74	4.13
	Bank Charges	13.47	2.38
	Bank inspection charges		0.02
	LC discounting charges	34.05	11.46
	Interest on Cash credit	332.46	365.16
	Interest on other loans	21.72	24.44
	Interest on Bank Loans		29.94
	TOTAL	466.44	437.53

Other Expenses

Sr No.	Particulars	As at 31 March 2025	As at 31 March 2024
Indirect Expenses			
	Cancellation of order	0.31	-
	VAT paid Gujarat Expen	1.30	-
	Other Expenses	3.58	-
	Technical Service	1.92	-
	MPCB Charges	0.16	-
	Professional Fees	11.46	-
	Advertisement	0.24	0.26
	Audit Fees (Refer note 30.1)	1.83	1.78
	Commission and Brokerage	188.45	90.05
	Listing Fees	4.58	7.20
	Warehouse Charges	3.28	4.70
	Postage & Courier	3.99	1.57
	Transportation Charges	146.19	107.09
	Notary/ Franking & Stamp Paper Charges	0.24	0.44
	Office Rent	53.23	53.23
	Air Conditioner Expenses	0.05	0.67
	Electricity expenses	5.00	3.30
	Computer Expenses	0.13	0.84
	Foreign exchange loss	5.51	5.24
	Telephone Expenses	0.68	1.05
	Discount Exp	0.16	1.12
	CSR Expenses		17.05
	Custodial fees	6.95	9.03
	Legal & Professional Charges	41.22	30.92
	Certification charges	0.68	0.54
	Fees, license & subscription	15.95	3.95
	E-Voting charges	-	-
	Motor car expenses	6.69	3.70
	Printing & Stationary Exps.	1.36	1.65
	Insurance expenses	8.32	6.31
	Donation	0.15	0.68
	RTA Expenses	3.21	2.29
	Miscellaneous Expenses	-	0.99
	Office expenses	6.54	1.97
	Witten Back / Write Off	(0.09)	1.89
	Filing Fees	-	8.66
	Stamp Duty Expenses	4.95	36.81
	Storage Exp	21.62	346.74
	Excise and Custom Duty	150.83	51.50
	Import Expenses	30.79	15.44
	Export Expenses	13.53	6.18
	Clearing and Forwarding Charges	11.05	1.00
	Loading and Unloading Exp	8.27	3.68
	Food and Drugs license	-	-
	Rates and Taxes paid or payable to Govt	-	2.07
	Repairs & Maintainance	5.87	4.44
	Sales promotion including publicity	33.34	16.80
	Travelling Expenses	13.54	1.69
	Diwali Expenses	0.40	0.28
	Compensation to Death of Employee	-	-
	Conveyance Expenses	0.29	0.16
	GST- Maharashtra interest and penalty	-	-
TOTAL		817.78	854.96

30.1 Details of Payment to auditors

Particulars	As at 31 March 2025	As at 31 March 2024
Payments to the auditor as		
(a) Statutory Auditor	1.50	1.50
(b) Internal Auditor	0.33	0.28
TOTAL	1.83	1.78

Aarey Drugs and Pharmaceuticals Limited
Additional Regulatory Information

Note 30		Financial ratios			
Sr. No	Particulars	31st March 2025	31st March 2024	% Change	Explanations
1	Current Ratio	1.78	1.60	11.26%	NA
2	Debt-Equity Ratio	0.25	0.32	-21.34%	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	2.31	3.10	-25.54%	Company has taken new loans during the year
4	Inventory turnover Ratio	11.83	19.71	-40.00%	Due to reduction in sales there was increase in average inventory holding period.
5	Trade Receivables turnover Ratio	2.98	2.57	16.00%	NA
6	Trade payables turnover Ratio	4.09	3.54	15.67%	NA
7	Net capital turnover Ratio	4.07	4.14	-1.65%	NA
8	Net profit ratio	0.85%	0.90%	-5.66%	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,	6.21%	5.72%	8.59%	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	2.91%	3.21%	-9.48%	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

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	<u>Corporate social responsibility</u> (a) Amount required to be spent by the company during the year (b) Amount of expenditure incurred (c) Nature of CSR activities
Note 32	<u>Details of Crypto Currency or Virtual Currency</u> The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2024-25
Note 33	<u>MSME Dues</u> 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 bank</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 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, 2025 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, 2025

Note 45 Earnings per share

Particulars	As at 31 March 2025	As at 31 March 2024
Net Profit / (loss) after tax for the year (in Rs.)	402.39	468.37
Profit / loss attributable to equity share holders (in Rs.)	402.39	468.37
Weighted Average Number of equity shares outstanding during the year	282.54	254.14
Basic and Diluted Earnings Per Share (Rs.)	1.42	1.84
Face Value per Share (Rs.)	10.00	10.00
Restated Earnings Per Share	-	1.66

Note : The Company has issued 4,00,000 shares on preferential basis on 1 st October, 2024 and hence previous years EPS is restated accordingly

Note 46 Financial Risk Management (Amount in Rs.)

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

A. Credit risk

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).

Credit risk management

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, 2025 and 2024 is the carrying value of each class of financial assets

i Trade and other receivables

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 2025	As at 31 March 2024
Neither Past due nor impaired	-	-
Past due but not impaired	8,563.58	16460.52525
Past due more than 180 days	4,782.78	1987.2432
TOTAL	13,346.37	18,447.77

ii Cash and Cash Equivalents

The Company held cash and bank balance with credit worthy banks of Rs. 147.32 lakhs /- at 31st March, 2025 , and (Rs.159.43 lakhs /- at March 31, 2024). 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.

B. Liquidity risk

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

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.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 31st March, 2025 and 31st March, 2024. 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).

Maturities of non – derivative financial liabilities (Amount in Rs.)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Financial Liabilities - Current				
i. Current Borrowings	3,286.94	-	2,812.79	-
ii. Trade payables	10,201.18	52.89	12,784.17	110.14
Total	13,488.12	52.89	15,596.96	110.14

C. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. 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.

i Currency Risk

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.

ii Interest Rate Risk

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.

Exposure to interest rate risk

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.

iii Price Risk

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.

a) Fair value sensitivity analysis for fixed rate Instruments

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.

b) Cash flow sensitivity analysis for variable rate Instruments

The company does not have any variable rate instrument in Financial Assets or Financial Liabilities.

As at 31 March 2025								
	Carrying Value				Fair Value hierarchy			
Particulars	FVTPL	FVTOCI	Cost	Total	Level 1	Level 2	Level 3	Total
<u>Financial Assets</u>								
(i) Investments	-	-	211.50	211.50	-	-	-	-
(ii) Trade Receivable	-	-	13,346.37	13,346.37	-	-	-	-
(iii) Cash and Cash Equivalents	-	-	147.33	147.33	-	-	-	-
(iv) Current and Non current Loans	-	-	3,053.56	3,053.56	-	-	-	-
TOTAL	-	-	16,758.75	16,758.75	-	-	-	-
<u>Financial Liabilities</u>								
(i) Current Borrowings	-	-	3,286.94	3,286.94	-	-	-	-
(ii) Trade Payables	-	-	10,254.07	10,254.07	-	-	-	-
TOTAL	-	-	13,541.01	13,541.01	-	-	-	-

As at 31 March 2024								
	Carrying Value				Fair Value hierarchy			
Particulars	FVTPL	FVTOCI	Cost	Total	Level 1	Level 2	Level 3	Total
<u>Financial Assets</u>								
(i) Investments	-	-	138.00	138.00	-	-	-	-
(ii) Trade Receivable	-	-	18,447.77	18,447.77	-	-	-	-
(iii) Cash and Cash Equivalents	-	-	159.44	159.44	-	-	-	-
(iv) Current and Non current Loans	-	-	1,621.92	1,621.92	-	-	-	-
TOTAL	-	-	20,367.12	20,367.12	-	-	-	-
<u>Financial Liabilities</u>				-				
(i) Current Borrowings	-	-	2,812.79	2,812.79	-	-	-	-
(ii) Trade Payables	-	-	12,894.30	12,894.30	-	-	-	-
TOTAL	-	-	15,707.10	15,707.10	-	-	-	-

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.

The company's objectives when managing capital are to

- 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.

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.

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.

Note 49**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	Managing Director	
Lalit Tulsiani	Independent Director	
Anil Mandal	Independent Director	
Chetan K Mehta	Independent Director	
Nimit R Ghatalia	Director	
Archana P Wani	Independent Director	
Bina R Ghatalia	Relative of Managing Director	
Ekta Ghatalia	Relative of Director	
Mira M Ghatalia	Relative of Managing Director and CFO	
Rajesh P Ghatalia	Relative of Managing Director	
Nimit Impex Pvt Ltd	Company in which directors are substantially interested	Rajesh & Nimit
Suraj Trade Links Pvt Ltd	Company in which directors are substantially interested	Rajesh & Nimit
Enam Organics India Ltd	Company in which directors are substantially interested	Mihir & Nimit
Worth Investment & Trading Co Ltd	Company in which directors are substantially interested	Mihir & Nimit
Mihir R Ghatalia (HUF)	HUF in which director is interested	
Aarey Pharma Park Pvt Ltd	Company in which directors are substantially interested	Mihir & Nimit

B) Transactions with related parties

(Amount in Rs.)

Particulars	Amount	Relationship
Anil Mandal		Director
Loan given by Company	-	
Loan repayment received by Company	-	
Bina R Ghatalia		Relative of Managing Director
Office Rent Paid by Company	5,322,720.00	
Loan given by Company	46,881,900.60	
Loan repayment received by Company	46,881,900.60	
Chetan K Mehta		Director
Loan given by Company	200,000.00	
Loan repayment made to company	200,000.00	
Enam Organics India Ltd		Company in which directors are substantially interested
Loan repayment received by Company	211,065,724.00	
Loan given by Company	307,963,207.60	
Interest Income received By the company (excluding tds)		
Mira M Ghatalia		CFO
Loans and advances given by Company	30,848,598.00	
Repayment received by Company	30,848,598.00	
Nimit R Ghatalia		Director
Loans and advances given by Company	15,575,904.00	
Repayment received by the company	15,575,904.00	
Rajesh Ghatalia		Relative of Director
Repayment made by Company		
Loan given to company	7,515,110.00	
	7,515,110.00	
Suraj Tradelinks Pvt Ltd		Company in which director is interested
Loan given to company	620,109.00	
Repayment done by company	620,109.00	
Nimit Impex Pvt Ltd		Company in which director is interested
Repayment done by the company	8,235,000.00	
Loans and advances taken by Company	8,235,000.00	
Worth Investment & Trading Co Ltd		Company in which director is interested
Loans and advances given by Company	163,737,312.00	
Loan Repayment made by the Company	116,751,679.68	
Interest income received by the company (excluding TDS)		
Aarey Pharma Park Pvt Ltd		Company in which director is interested
Loans and advances taken by the company	-	
Repayment done by the company	-	
Mihir Ghatalia		Managing Director
Repayment of loans and advances given	5,539,483.00	
loans and advances given	5,539,483.00	
Ekta Ghatalia		Relative of Director
Repayment of loans and advances given	7,350,000.00	
loans and advances given	7,350,000.00	

C) **Loans Given/Taken from related parties**

Particulars	Relationship
Mihir R Ghatalia Beginning of the year Loans advanced Loan repayment received Interest charged Interest received End of the year	Managing director
Nimit Impex Pvt Ltd Beginning of the year Loan and advances taken Repayment made Interest charged End of the year	Company in which director is interested
Suraj Tradelinks Pvt Ltd Beginning of the year Loan and advances taken Repayment done by company Interest charged End of the year	Company in which director is interested
Anil Mandal Beginning of the year Loans advanced Loan repayment received Interest charged Interest received End of the year	Director
Mira Ghatalia Beginning of the year Loans advanced Loan repayment received Interest charged Interest received End of the year	CFO
Bina R Ghatalia Beginning of the year Loans advanced Loan repayment received Interest charged Interest received End of the year	Relative of Managing Director
Ekta Ghatalia Beginning of the year Loans advanced Loan repayment received Interest charged Interest received End of the year	Relative of Director
Rajesh P Ghatalia Beginning of the year Loans taken Loan repayment made Interest charged Interest paid End of the year	Relative of Managing Director
Worth Investment & Trading co Ltd Beginning of the year Loans taken Loan repayment made Interest received Interest paid End of the year	Company in which director is interested
Chetan Mehta Beginning of the year Loans advanced Loan repayment received Interest charged Interest received End of the year	Director
Enam Organics India Ltd Beginning of the year Loans given Loan repayment received Interest charged Interest received End of the year	Company in which director are substantially interested
Aarey Pharma Park Pvt Ltd Beginning of the year Loans taken Loan repayment done Interest charged Interest received End of the year	Company in which director are substantially interested