

**August 10, 2022**

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

**BSE CODE –524208**

To,  
Listing/Compliance Department  
**National Stock Exchange of  
India Limited**  
“Exchange Plaza”, Plot No. C/1,  
G Block Bandra-Kurla Complex,  
Bandra (East),  
Mumbai – 400 051.  
**NSE CODE:AARTIIND**

Dear Sir/Madam,

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

**Sub.:** Audited Financial Results for the quarter ended June 30, 2022.

The Board of Directors at their meeting held today i.e. **Wednesday, August 10, 2022** inter-alia considered and approved the following;


- Audited Standalone and Consolidated Financial Results for the Quarter ended June 30, 2022;
- Segment wise Revenue Results (Standalone and Consolidated) for the Quarter ended June 30, 2022;
- Auditor’s Report on the Financial Results (Standalone and Consolidated) for the Quarter ended June 30, 2022.

The Meeting of the Board of Directors commenced at 2:00 p.m. and concluded at 8:00 p.m.

Please take note of the same on your record.

Thanking you,

Yours faithfully,  
For **AARTI INDUSTRIES LIMITED**

  
**RAJ SARRAF**  
**COMPANY SECRETARY**  
ICSI M. NO. A15526  
Encl.: as above.



**AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2022**

(Rs in Lakhs)

Sr. No.	Particulars	Standalone Result			
		3 Months Ended			Year Ended
		30th Jun 2022 (Audited)	31st Mar 2022 (Audited)	30th Jun 2021 (Audited)	31st Mar 2022 (Audited)
<b>1</b>	<b>INCOME</b>				
	Revenue from Operations (Gross)	212,866	197,439	149,678	776,496
	Less: GST Collected	19,395	25,672	18,275	89,969
	a)Revenue from Operations (Net)	193,471	171,767	131,403	686,527
	b)Other Income	37	263	1	320
	<b>Total Income</b>	<b>193,508</b>	<b>172,030</b>	<b>131,404</b>	<b>686,847</b>
<b>2</b>	<b>EXPENSES</b>				
	a)Cost of Materials Consumed	110,656	89,954	69,906	326,689
	b)Purchases of Stock-in-Trade	5,916	7,662	4,121	21,088
	c)Changes in Inventories of Finished Goods, Work-in-progress	(8,202)	(6,826)	(11,368)	(22,954)
	d)Employee Benefits Expense	11,929	11,766	9,747	43,356
	e)Finance Costs	4,954	3,020	3,810	11,288
	f)Depreciation and Amortisation Expenses	8,469	7,544	6,684	28,141
	g)Other Expenses	36,902	36,359	28,329	129,279
	<b>Total Expenses</b>	<b>170,624</b>	<b>149,479</b>	<b>111,229</b>	<b>536,887</b>
<b>3</b>	<b>Profit/(Loss) before Exceptional Items and Tax (1-2)</b>	<b>22,884</b>	<b>22,551</b>	<b>20,175</b>	<b>149,960</b>
<b>4</b>	Exceptional Items		-	-	
<b>5</b>	<b>Profit/(Loss) before Tax (3-4)</b>	<b>22,884</b>	<b>22,551</b>	<b>20,175</b>	<b>149,960</b>
<b>6</b>	<b>TAX EXPENSES*</b>				
	a)Current Year Tax	4,000	3,900	3,525	26,175
	b)Earlier Year Tax	-	-	-	-
	c)MAT Credit Utilised/(Entitlement)	(600)	(1,300)	-	(7,800)
	d)Deferred Tax	900	1,000	400	2,700
	<b>Total Tax Expenses</b>	<b>4,300</b>	<b>3,600</b>	<b>3,925</b>	<b>21,075</b>
<b>7</b>	<b>Net Profit/(Loss) from Ordinary Activities after Tax (5-6)</b>	<b>18,584</b>	<b>18,951</b>	<b>16,250</b>	<b>128,885</b>
<b>8</b>	Extraordinary Items (Net of Tax Expense `)		-	-	
<b>9</b>	<b>Net Profit/(loss) for the period (7-8)</b>	<b>18,584</b>	<b>18,951</b>	<b>16,250</b>	<b>128,885</b>
<b>10</b>	<b>Profit/(loss) for the period attributable to</b>				
	a)Owners of the Company	18,584	18,951	16,250	128,885
	b)Non Controlling Interest		-	-	-
<b>11</b>	<b>Other Comprehensive Income</b>	(2,078)	6	(302)	2,502
<b>12</b>	<b>Total Comprehensive Income for the period (Comprising</b>	<b>16,506</b>	<b>18,957</b>	<b>15,948</b>	<b>131,387</b>
<b>13</b>	<b>Earnings per Equity share:</b>				
	(1) Basic	5.13	5.23	4.48	35.55
	(2) Diluted	5.13	5.23	4.66	35.55
<b>14</b>	<b>Paid-up Equity Share Capital (Face Value of Rs. 5/-each)</b>	<b>18,125</b>	<b>18,125</b>	<b>18,125</b>	<b>18,125</b>
<b>15</b>	<b>Reserve excluding Revaluation Reserves as per Balance Sheet</b>				<b>560,417</b>



**AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2022**

(Rs in Lakhs)

Sr. No.	Particulars	Consolidated Result			
		3 Months Ended			Year Ended
		30th Jun 2022 (Audited)	31st Mar 2022 (Audited)	30th Jun 2021 (Audited)	31st Mar 2022 (Audited)
<b>1</b>	<b>INCOME</b>				
	Revenue from Operations (Gross)	217,289	201,782	150,335	791,931
	Less: GST Collected	20,087	26,218	18,659	91,935
	a) Revenue from Operations (Net)	197,202	175,564	131,676	699,996
	b) Other Income	38	17	5	80
	<b>Total Income</b>	<b>197,240</b>	<b>175,581</b>	<b>131,681</b>	<b>700,076</b>
<b>2</b>	<b>EXPENSES</b>				
	a) Cost of Materials Consumed	111,155	90,268	66,513	326,859
	b) Purchases of Stock-in-Trade	6,704	9,504	5,803	28,651
	c) Changes in Inventories of Finished Goods, Work-in-progress	(8,045)	(7,592)	(11,309)	(26,128)
	d) Employee Benefits Expense	12,139	12,007	9,947	44,208
	e) Finance Costs	4,981	3,062	3,829	11,429
	f) Depreciation and Amortisation Expenses	8,651	7,723	6,859	28,852
	g) Other Expenses	38,318	37,466	29,341	133,525
	<b>Total Expenses</b>	<b>173,903</b>	<b>152,438</b>	<b>110,983</b>	<b>547,396</b>
<b>3</b>	<b>Profit/(Loss) before Exceptional Items and Tax (1-2)</b>	<b>23,337</b>	<b>23,143</b>	<b>20,698</b>	<b>152,680</b>
<b>4</b>	Exceptional Items	-	-	-	-
<b>5</b>	<b>Profit/(Loss) before Tax (3-4)</b>	<b>23,337</b>	<b>23,143</b>	<b>20,698</b>	<b>152,680</b>
<b>6</b>	<b>TAX EXPENSES*</b>				
	a) Current Year Tax	4,149	4,057	3,675	26,812
	b) Earlier Year Tax	-	1	-	1
	c) MAT Credit Utilised/(Entitlement)	(600)	(1,301)	101	(7,588)
	d) Deferred Tax	881	1,011	414	2,713
	<b>Total Tax Expenses</b>	<b>4,430</b>	<b>3,768</b>	<b>4,190</b>	<b>21,938</b>
<b>7</b>	<b>Net Profit/(Loss) from Ordinary Activities after Tax (5-6)</b>	<b>18,907</b>	<b>19,375</b>	<b>16,508</b>	<b>130,742</b>
<b>8</b>	Extraordinary Items (Net of Tax Expense `)	-	-	-	-
<b>9</b>	<b>Net Profit/(loss) for the period (7-8)</b>	<b>18,907</b>	<b>19,375</b>	<b>16,508</b>	<b>130,742</b>
<b>10</b>	<b>Profit/(loss) for the period attributable to</b>				
	a) Owners of the Company	18,907	19,373	16,486	130,719
	b) Non Controlling Interest	-	2	22	23
<b>11</b>	<b>Other Comprehensive Income</b>	(2,078)	(41)	(30)	2,229
<b>12</b>	<b>Total Comprehensive Income for the period (Comprising</b>	<b>16,829</b>	<b>19,332</b>	<b>16,456</b>	<b>132,948</b>
<b>13</b>	<b>Earnings per Equity share:</b>				
	(1) Basic	5.22	5.34	4.55	36.06
	(2) Diluted	5.22	5.34	4.73	36.06
<b>14</b>	<b>Paid-up Equity Share Capital (Face Value of Rs. 5/-each)</b>	<b>18,125</b>	<b>18,125</b>	<b>18,125</b>	<b>18,125</b>
<b>15</b>	<b>Reserve excluding Revaluation Reserves as per Balance Sheet</b>				<b>573,270</b>



**Notes:-**

- The above results for the quarter ended June 30, 2022, have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on August 10, 2022.
- The Company has entered into forward contracts to hedge its exports. Mark to market gain/(loss) for such contracts as at the end of reporting period is recognised in these statements. Mark to market gain/(loss) in respect of near term contracts amounting to Rs. 18 Lakhs is expensed off in the P&L statement, while mark to market gain/(loss) in respect of long term contracts amounting to Rs. 259 Lakhs is adjusted under Other Comprehensive Income. The component adjusted under Other Comprehensive Income will be appropriately treated in P&L when the underlying cash-flow impact accrues.
- The Company has further recognised revaluation gain/(loss) to the extent of (Rs. 2,924 Lakhs) in respect of its long term borrowings (ECBs) as at June 30, 2022 and included the same in its Finance Costs appearing above.
- The Company has retained its Long Term Issuers & Bank Facilities credit ratings of AA/Stable from CRISIL and India Ratings.
- The Company has repaid Commercial Papers on their respective due dates. The Commercial Papers (Listed and unlisted) outstanding as on June 30, 2022 was Rs. 30,000 Lakhs and 10,000 Lakhs, respectively. The Commercial papers (Short Term Debt) has been rated by India Rating and CRISIL and assigned is A1+ rating by both the rating agencies.
- Other Disclosures:

**A) Ratios:**

Particulars	Standalone Result			
	3 Months Ended			Year Ended
	30th Jun 2022	31st Mar 2022	30th Jun 2021	31st Mar 2022
Operating Margin (%) (EBIDTA-Other Income)/(Gross	17.04%	16.64%	20.49%	24.35%
Net Profit After Tax (in Lakhs)	18,584	18,951	16,250	128,885
Net Profit Margin (%) (PAT)/(Gross Revenue)	8.73%	9.60%	10.86%	16.60%
Debt Service Coverage Ratio (EBIT+Exceptional Items)/(Interest	1.94	1.44	2.54	3.68
Interest Service Coverage Ratio (Earnings before Interest and Tax/Interest Expenses for the period)	5.80	9.09	6.62	15.32
Net Worth (in Lakhs) (Equity Share Capital+Other Equity)	595,031	578,542	476,120	578,542
Debt-Equity Ratio (Total DEbt)/(Total Equity)	0.46	0.44	0.62	0.44
Current Ratio (Current Assets)/(Current Liabilities)	1.42	1.39	1.40	1.39
Long Term Debt to Working Capital (Non-Current Borrowings Including Current Maturities of Non-current Borrowings)/(Current Assets - Current Liabilities excluding current Maturities of Non-current Borrowings)	0.96	0.98	0.96	0.98
Bad Debts to Account Receivable Ratio Receivables)	-	-	-	-
Current Liability Ratio (Total Current Liabilities)/(Total	0.51	0.62	0.61	0.62
Total Debts to Total Assets (Total Debts)/(Total Assets)	0.29	0.27	0.33	0.27
Debtors Turnover Ratio (Value of Sales & Services)/(Average Trade Receivables)	1.45	1.52	1.63	6.09
Inventory Turnover Ratio (Cost Of Goods Sold)/(Average Inventories of Finished Goods,Stock-in- Process and Stock-in-Trade	1.14	4.49	1.35	4.49



Particulars	Consolidated Result			
	3 Months Ended			Year Ended
	30th Jun 2022	31st Mar 2022	30th Jun 2021	31st Mar 2022
Operating Margin (%) (EBIDTA-Other Income)/(Gross Revenue)	17.00%	16.81%	20.87%	24.36%
Net Profit After Tax (in Lakhs)	18,907	19,375	16,508	130,742
Net Profit Margin (%) (PAT)/(Gross Revenue)	8.70%	9.60%	10.98%	16.51%
Debt Service Coverage Ratio (EBIT+Exceptional Items)/(Interest Exp+Principal Repayments during the period)	1.97	1.47	2.60	3.73
Interest Service Coverage Ratio (Earnings before Interest and Tax/Interest Expenses for the period)	5.88	9.13	6.86	15.44
Net Worth (in Lakhs) (Equity Share Capital+Other Equity)	608,330	591,518	486,897	591,518
Debt-Equity Ratio (Total DEbt)/(Total Equity)	0.45	0.44	0.63	0.44
Capital Redemption Reserve (in Lakhs)	36.00	36.00	36.00	36.00
Current Ratio (Current Assets)/(Current Liabilities)	1.45	1.40	1.39	1.40
Long Term Debt to Working Capital (Non-Current Borrowings Including Current Maturities of Non-current Borrowings)/(Current Assets-Current Liabilities excluding current Maturities of Non-current Borrowings)	0.93	1.00	1.35	1.00
Bad Debts to Account Receivable Ratio (Bad Debts)/(Average Trade Receivables)	-	-		-
Current Liability Ratio (Total Current Liabilities)/(Total Liabilities)	0.50	0.62	0.62	0.62
Total Debts to Total Assets (Total Debts)/(Total Assets)	0.29	0.27	0.37	0.27
Debtors Turnover Ratio (Value of Sales & Services)/(Average Trade Receivables)	1.55	0.82	1.81	3.26
Inventory Turnover Ratio (Cost Of Goods Sold)/(Average Inventories of Finished Goods,Stock-in- Process and Stock-in-Trade)	1.11	1.10	0.99	4.39



7 The figures for the previous period have been regrouped or rearranged wherever necessary.

8 The aforesaid Audited Financial Results will be uploaded on the Company's website [www.aarti-industries.com](http://www.aarti-industries.com) and will also be available on the website of BSE Limited [www.bseindia.com](http://www.bseindia.com) and the National Stock Exchange of India Limited [www.nseindia.com](http://www.nseindia.com) for the benefit of the shareholders and investors.

For AARTI INDUSTRIES LIMITED



RAJENDRA V. GOGRI

CHAIRMAN AND MANAGING DIRECTOR



Place: Mumbai

Date: August 10, 2022

**SEGMENTWISE REVENUE, RESULTS AND SEGMENT ASSETS & LIABILITIES ALONG WITH THE RESULT UNDER REGULATION 33 OF SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

(Rs. In Lakhs)

Sr. No.	Particulars	Standalone Result			
		3 Months Ended			Year Ended
		30th Jun 2022 (Audited)	31st Mar 2022 (Audited)	30th Jun 2021 (Audited)	31st Mar 2022 (Audited)
<b>1</b>	<b>Segment Revenue (Gross)</b>				
	a) Speciality Chemicals	172,136	158,592	122,113	646,503
	b) Pharmaceuticals	40,730	38,847	27,565	129,993
	<b>Total Revenue (Gross)</b>	<b>212,866</b>	<b>197,439</b>	<b>149,678</b>	<b>776,496</b>
	Less: GST Collected	19,395	25,672	18,275	89,969
	<b>Total Revenue (Net)</b>	<b>193,471</b>	<b>171,767</b>	<b>131,403</b>	<b>686,527</b>
<b>2</b>	<b>Segment Results Profit / (Loss)</b> (Before Tax and Interest from each Segment)				
	a) Speciality Chemicals	24,466	23,549	22,639	157,871
	b) Pharmaceuticals	7,623	6,676	5,233	22,033
	<b>Total</b>	<b>32,089</b>	<b>30,225</b>	<b>27,872</b>	<b>179,904</b>
	Less: Interest	4,954	3,020	3,810	11,288
	Other Unallocable Expenditure (Net)	4,251	4,654	3,887	18,656
	<b>Total Profit before Tax</b>	<b>22,884</b>	<b>22,551</b>	<b>20,175</b>	<b>149,960</b>
<b>3</b>	<b>Segment Assets</b>				
	a) Speciality Chemicals	730,059	706,129	575,050	706,129
	b) Pharmaceuticals	176,382	167,555	140,369	167,555
	c) Unallocated Capital	55,584	54,306	43,506	54,306
	<b>Total</b>	<b>962,025</b>	<b>927,990</b>	<b>758,925</b>	<b>927,990</b>
	<b>Segment Liabilities</b>				
	a) Speciality Chemicals	108,229	103,292	126,642	103,292
	b) Pharmaceuticals	22,959	24,498	20,731	24,498
	c) Unallocated Capital	24,698	23,798	22,898	23,798
	<b>Total</b>	<b>155,886</b>	<b>151,588</b>	<b>170,271</b>	<b>151,588</b>



**SEGMENTWISE REVENUE, RESULTS AND SEGMENT ASSETS & LIABILITIES ALONG WITH THE RESULT UNDER REGULATION 33 OF SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

(Rs in Lakhs)

Sr. No.	Particulars	Consolidated Result			
		3 Months Ended			Year Ended
		30th Jun 2022 (Audited)	31st Mar 2022 (Audited)	30th Jun 2021 (Audited)	31st Mar 2022 (Audited)
<b>1</b>	<b>Segment Revenue (Gross)</b>				
	a) Speciality Chemicals	176,559	162,935	122,770	661,938
	b) Pharmaceuticals	40,730	38,847	27,565	129,993
	<b>Total Revenue (Gross)</b>	<b>217,289</b>	<b>201,782</b>	<b>150,335</b>	<b>791,931</b>
	Less: GST Collected	20,087	26,218	18,659	91,935
	<b>Total Revenue (Net)</b>	<b>197,202</b>	<b>175,564</b>	<b>131,676</b>	<b>699,996</b>
<b>2</b>	<b>Segment Results Profit / (Loss)</b> (Before Tax and Interest from each Segment)				
	a) Speciality Chemicals	25,045	24,560	23,247	161,393
	b) Pharmaceuticals	7,623	6,676	5,233	22,033
	<b>Total</b>	<b>32,668</b>	<b>31,236</b>	<b>28,480</b>	<b>183,426</b>
	Less: Interest	4,981	3,062	3,829	11,429
	Other Unallocable Expenditure (Net)	4,350	5,031	3,953	19,317
	<b>Total Profit before Tax</b>	<b>23,337</b>	<b>23,143</b>	<b>20,698</b>	<b>152,680</b>
<b>3</b>	<b>Segment Assets</b>				
	a) Speciality Chemicals	739,957	716,699	585,156	716,699
	b) Pharmaceuticals	176,382	167,555	140,369	167,555
	c) Unallocated Capital	58,580	57,343	45,263	57,343
	<b>Total</b>	<b>974,919</b>	<b>941,597</b>	<b>770,788</b>	<b>941,597</b>
	<b>Segment Liabilities</b>				
	a) Speciality Chemicals	108,343	104,479	126,593	104,479
	b) Pharmaceuticals	22,959	24,498	20,731	24,498
	c) Unallocated Capital	25,904	25,023	24,153	25,023
	<b>Total</b>	<b>157,206</b>	<b>154,000</b>	<b>171,477</b>	<b>154,000</b>

**Notes:-**

- The Company at its Board meeting held on August 19, 2021 had considered and approved a Scheme of Arrangement ("Scheme") whereby the Pharma Business and allied activities of Aarti Industries Limited ("Demerged Company") would be demerged into Aarti Pharmed Labs Limited (Formerly known as Aarti Organics Limited), a wholly owned subsidiary Company of Aarti Industries Limited ("the Resulting Company"), as a going concern basis with effect from the Appointed Date i.e. July 1, 2021.

As per the Scheme The Demerged Company would demerge its Pharma business and allied activities along with a part of Speciality Chemical Business, which is a backward integrated facility providing feeding material to the Pharma Business. As per the restructuring proposed in the Scheme, the Company has restated the Segment Financials by reclassifying the part of Speciality Chemical Business (which is being demerged) under the Pharmaceuticals Segment in this segment report. The figures related to prior periods have also been rearranged in a similar manner.

- Figures for the previous period have been regrouped or rearranged wherever necessary.

For AARTI INDUSTRIES LIMITED

 Place : Mumbai  
Date: August 10, 2022

  
RAJENDRA V. GOGRI  
CHAIRMAN AND MANAGING DIRECTOR




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

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

#### Opinion

We have audited the accompanying standalone quarterly financial results of Aarti Industries Limited ("the company") for the quarter ended June, 2022 and the year to date results for the period from April 1, 2022 to June 30, 2022, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended June 30, 2022 as well as the year to date results for the period from April 1, 2022 to June 30, 2022.

#### Basis for Opinion

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

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

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for

Kirtane & Pandit LLP - Chartered Accountants  
Bengaluru | Hyderabad | Mumbai | Nashik | Pune



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

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

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

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

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

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

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



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

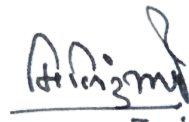
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**For Kirtane & Pandit LLP**

Chartered Accountants

FRN: 105215W/W100057



**Milind Bhave**

**Partner**

**M No. 047973**

UDIN: 22047973AOTFPS5339

Place: Mumbai

Date: August 10, 2022

# KIRTANE & PANDIT LLP

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

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

#### Opinion

We have audited the accompanying Statement of Consolidated Financial Results of Aarti Industries Limited ("Holding company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group") for the quarter ended June 30, 2022 and for the period from April 1, 2022 to June 30, 2022 ("the Statement"), being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2022 and the corresponding period from April 1, 2022 to June 30, 2022, as reported in these financial results have been approved by the holding company's Board of Directors, but have not been subjected to audit.

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

- a. includes the results of the following entities:
  - i. Aarti Corporate Services Limited
  - ii. Shanti Intermediates Private Limited (through its Holding Company: Aarti Corporate Services Limited)
  - iii. Nascent Chemical Industries Limited (through its Holding Company: Aarti Corporate Services Limited)
  - iv. Alchemie (Europe) Limited
  - v. Innovative Envirocare Jhagadia Limited
  - vi. Aarti USA Inc.
  - vii. Aarti Polychem Private Limited
  - viii. Aarti Bharuch Limited
  - ix. Aarti Organics Limited
  - x. Aarti Spechem Limited
  - xi. Aarti Pharmachem Limited
  - xii. Ganesh Polychem Limited \*

\* Ceased to be the Subsidiary and becomes the Joint controlled entity w.e.f. March 17,2021

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- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net profit and other comprehensive income) and other financial information of the Group for the quarter ended June 30, 2022 and for the period from April 1,2022 to June 30,2022.

### **Basis for Opinion**

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

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

These quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the interim financial statements.

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



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

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

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

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

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

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



- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

### **Other Matters**

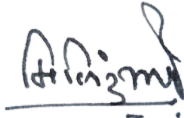
The consolidated Financial Results include the audited financial results of 9 subsidiaries and 1 jointly controlled entity, whose interim Financial Statements/Financial Results/ financial information reflects Group's share of total revenue of Rs.50.87 Cr and Group's share of total net profit after tax of Rs.17.38 Cr for the quarter ended June 30 2022 and for the period from April 1, 2022 to June 30, 2022, as considered in the consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on interim financial statements/Financial Results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.



The consolidated Financial Results include the unaudited financial results of 2 subsidiaries whose interim Financial Statements reflects Group's share of total revenue of Rs.73.71 Cr and Group's share of total net profit after tax of Rs.59.57 Cr for the quarter ended June 30 2022 and for the period from April 1, 2022 to June 30, 2022 , as considered in the consolidated Financial Results. These unaudited interim financial statements have been furnished to us by the board of directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited interim financial statement. In our opinion and according to the information and explanations given to us by the Board of Directors, these interim financial statements is not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

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



**Milind Bhave**  
**Partner**  
**M No. 047973**

UDIN: 22047973AOTGDS6800

Place: Mumbai  
Date : August 10,2022