

May 10, 2024

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

BSE CODE : 524208

Dear Sir/Madam,

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

Sub.: Outcome of the Board Meeting
Ref.: Regulation 30, 33 & 52(4) of SEBI
(LODR) Regulations, 2015

The Board of Directors of Aarti Industries Limited (“the Company”) at its meeting held today i.e. **Friday, May 10, 2024**, inter-alia considered and approved the following:

- A)** Based on the recommendation of the Audit Committee, Audited Financial Results & Statements of the Company (Standalone and Consolidated):
- i. Financial Statements for the year ended March 31, 2024,
 - ii. Financial Results for the quarter and year ended March 31, 2024,
 - iii. Auditor’s Report thereon

Declaration:

We hereby confirm and declare that the Statutory Auditors of the Company, Gokhale & Sathe, Chartered Accountants (Firm Registration. No. 103264W) have issued the Audit Report with un–modified opinion in respect of Annual Audited Standalone and Consolidated Financial Results for the year ended March 31, 2024.

- B)** Recommendation of the Final Dividend of Re.1/- (20%) per Equity Share of Face Value of Rs.5/- each for the Financial Year ended March 31, 2024, subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.
- C)** Based on the recommendation of the Nomination and Remuneration Committee, re-appointment of Shri Lalitkumar Shantaram Naik (DIN: 02943588) as an Independent Director of the Company for the second term of 5 (five) years with effect from May 21, 2024, subject to approval of the Shareholders of the Company.

He is not related to the Promoters or Promoter Group. He fulfills the criteria of independence as required under the provisions of the Companies Act, 2013, the Rules framed thereunder and the SEBI (LODR) Regulations, 2015. He is not debarred from holding the office of a Director pursuant to any SEBI Order or any other such authority.

The details as required under Regulation 30 read with Schedule III of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 are given as under:

Name & DIN of Director	Shri Lalitkumar Shantaram Naik (DIN: 02943588)
Reason for change viz. appointment, re-appointment, resignation, removal, death or otherwise	Due to expiry of first term as an Independent Director of the Company on May 20, 2024
Date of appointment / re-appointment / cessation (as applicable) & term of appointment / re-appointment	Re-appointment is for the second term of 5 (five) years with effect from May 21, 2024
Brief profile (in case of appointment)	He is a B.Tech - Chemical Engineer from IIT Kanpur, with a PGDM from IIM-Ahmedabad. He has more than 30 years of rich experience in the field of chemicals/building materials and nutrition at leadership positions across many companies.
Disclosure of relationships between Directors (in case of appointment of a Director)	Not Applicable

The Meeting of the Board of Directors commenced at 11:45 a.m. and concluded at 6:10 p.m.

Kindly take the above information on your records.

Thanking you,

Yours faithfully,

For **AARTI INDUSTRIES LIMITED**

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



AARTI INDUSTRIES LIMITED

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2024

(Rs in Crs)

Sr. No.	Particulars	Standalone Result				
		3 Months Ended			Year Ended	
		31st Mar 2024 (Audited)	31st Dec 2023 (Audited)	31st Mar 2023 (Audited)	31st Mar 2024 (Audited)	31st Mar 2023 (Audited)
1	INCOME					
	Revenue from Operations (Gross)	1,951	1,881	1,809	6,985	7,226
	Less: GST Collected	182	157	170	638	661
	a)Revenue from Operations (Net)	1,769	1,724	1,640	6,347	6,565
	b)Other Income	(0)	8	(0)	8	0
	Total Income	1,769	1,732	1,639	6,356	6,565
2	EXPENSES					
	a)Cost of Materials Consumed	1,082	985	886	3,771	3,465
	b)Purchases of Stock-in-Trade	67	27	65	194	290
	c)Changes in Inventories of Finished Goods, Work-in-	(81)	85	(4)	(101)	46
	d)Employee Benefits Expense	100	102	108	402	383
	e)Finance Costs	59	54	33	211	166
	f)Depreciation and Amortisation Expenses	98	97	84	377	310
	g)Other Expenses	319	266	333	1,106	1,292
	Total Expenses	1,644	1,616	1,504	5,959	5,952
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	126	116	135	396	613
4	Exceptional Items	0	0	0	0	0
5	Profit/(Loss) before Tax (3-4)	126	116	135	396	613
6	TAX EXPENSES					
	a)Current Year Tax	22	20	23	70	107
	b)Earlier Year Tax	0	0	(17)	0	(17)
	c)MAT Credit Utilised/(Entitlement)	(22)	(20)	(20)	(70)	(41)
	d)Deferred Tax	(6)	(8)	1	(21)	18
	Total Tax Expenses	(6)	(8)	(13)	(21)	67
7	Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	132	124	148	417	546
8	Extraordinary Items (Net of Tax Expense)	0	0	0	0	0
9	Net Profit/(loss) for the period (7-8)	132	124	148	417	546
10	Profit/(loss) for the period attributable to					
	a)Owners of the Company	132	124	148	417	546
	b)Non Controlling Interest	0	0	0	0	0
11	Other Comprehensive Income					
	- Items that will be reclassified to Profit/Loss (arising due to Gain/Loss on Cashflow Hedges)	3	1	2	6	(35)
12	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10+11)	134	125	150	423	511
13	Earnings per Equity share: (In Rs)					
	(1) Basic	3.63	3.41	4.09	11.51	15.06
	(2) Diluted	3.63	3.41	4.09	11.51	15.06
14	Paid-up Equity Share Capital (Face Value of Rs. 5/-each)	181	181	181	181	181
15	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year				5,111	4,740



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Sr. No.	Particulars	Consolidated Result				
		3 Months Ended			Year Ended	
		31st Mar 2024 (Audited)	31st Dec 2023 (Audited)	31st Mar 2023 (Audited)	31st Mar 2024 (Audited)	31st Mar 2023 (Audited)
1	INCOME					
	Revenue from Operations (Gross)	1,955	1,889	1,826	7,012	7,283
	Less: GST Collected	182	157	171	640	664
	a) Revenue from Operations (Net)	1,773	1,732	1,656	6,372	6,619
	b) Other Income	(0)	8	0	8	1
	Total Income	1,773	1,740	1,656	6,381	6,619
2	EXPENSES					
	a) Cost of Materials Consumed	1,083	983	885	3,770	3,462
	b) Purchases of Stock-in-Trade	71	26	69	204	314
	c) Changes in Inventories of Finished Goods, Work-in-	(83)	92	8	(94)	66
	d) Employee Benefits Expense	100	103	109	404	385
	e) Finance Costs	59	54	33	211	168
	f) Depreciation and Amortisation Expenses	98	97	84	378	310
	g) Other Expenses	319	268	333	1,112	1,303
	Total Expenses	1,647	1,623	1,521	5,985	6,008
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	126	117	135	395	611
4	Exceptional Items	0	0	0	0	0
5	Profit/(Loss) before Tax (3-4)	126	117	135	395	611
6	TAX EXPENSES					
	a) Current Year Tax	22	20	23	70	107
	b) Earlier Year Tax	0	0	(17)	0	(17)
	c) MAT Credit Utilised/(Entitlement)	(22)	(20)	(20)	(70)	(41)
	d) Deferred Tax	(6)	(7)	0	(21)	16
	Total Tax Expenses	(6)	(7)	(13)	(21)	66
7	Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	132	124	149	416	545
8	Extraordinary Items (Net of Tax Expense)	0	0	0	0	0
9	Net Profit/(loss) for the period (7-8)	132	124	149	416	545
10	Profit/(loss) for the period attributable to					
	a) Owners of the Company	132	124	149	416	545
	b) Non Controlling Interest	0	0	0	0	0
11	Other Comprehensive Income					
	- Items that will be reclassified to Profit/Loss (arising due to Gain/Loss on Cashflow Hedges)	2	2	(7)	6	(50)
12	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10+11)	133	126	142	422	495
13	Earnings per Equity share: (In Rs)					
	(1) Basic	3.64	3.42	4.10	11.49	15.04
	(2) Diluted	3.64	3.42	4.10	11.49	15.04
14	Paid-up Equity Share Capital (Face Value of Rs. 5/-each)	181	181	181	181	181
15	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year				5,109	4,739



Notes:-

- The above results for the quarter and year ended March 31, 2024, have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on May 10, 2024.
- The Board of Directors has recommended a Dividend of Re. 1.00/- (20%) per Equity Share of Rs. 5/- each for the Financial Year ended March 31, 2024.
- 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. 0.94 Crs is expensed off in the P&L statement, while mark to market gain/(loss) in respect of long term contracts amounting to Rs. 5.58 Crs 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. 1.67 Crs) in respect of its long term borrowings (ECBs) as at March 31, 2024 and included the same in its Finance Costs appearing above.
- The Company has only one reportable segment i.e. Speciality Chemicals.
- 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 March 31, 2024 was Rs. 250 Crores and Rs. 150 Crores, 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.
- Due date and actual date of repayment of principal amount for commercial paper issued during the period April 1, 2023 to March 31, 2024 are as per below table:

ISIN	Due date of Payment	Actual Date of Payment	Redemption Amount (Rs. in Crs)
INE769A14775	September 11, 2023	September 11, 2023	150
INE769A14791	September 21, 2023	September 21, 2023	150
INE769A14809	December 26, 2023	December 26, 2023	150
INE769A14817	March 5, 2024	March 5, 2024	150
INE769A14825	March 27, 2024	March 27, 2024	150
INE769A14833	May 16, 2024 (Issued on February 16, 2024)		100
INE769A14841	June 6, 2024 (Issued on March 7, 2024)		150
INE769A14858	June 26, 2024 (Issued on March 28, 2024)		150



9 Other Disclosures:
A) Ratios:

Particulars	Standalone Result				
	3 Months Ended			Year Ended	
	31st Mar 2024	31st Dec 2023	31st Mar 2023	31st Mar 2024	31st Mar 2023
Operating Margin (%) (EBIDTA-Other Income)/(Gross Revenue)	14.48%	13.76%	13.92%	13.97%	15.06%
Net Profit After Tax (in Crs)	132	124	148	417	546
Net Profit Margin (%) (PAT)/(Gross Revenue)	6.75%	6.58%	8.18%	5.97%	7.55%
Debt Service Coverage Ratio (EBIT+Exceptional Items)/ (Interest Exp+Principal Repayments during the period)	1.14	0.90	1.35	1.01	1.49
Interest Service Coverage Ratio (Earnings before Interest and Tax/Interest Expenses for the period)	3.30	3.28	5.33	2.99	4.87
Net Worth (in Crs) (Equity Share Capital+Other Equity)	5,292	5,157	4,921	5,292	4,921
Net Debt-Equity Ratio (Total Net Debt)/(Total Equity)	0.58	0.58	0.54	0.58	0.54
Current Ratio* (Current Assets)/(Current Liabilities)	0.99	1.03	1.01	0.99	1.01
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)	4.55	3.33	2.56	4.55	2.60
Current Liability Ratio* (Total Current Liabilities)/(Total Liabilities)	0.58	0.60	0.67	0.58	0.67
Total Debts to Total Assets (Total Debts)/(Total Assets)	0.33	0.35	0.33	0.33	0.33
Debtors Turnover Ratio (Value of Sales & Services)/ (Average Trade Receivables)	8.48	7.50	6.87	7.59	6.87
Inventory Turnover Ratio (Cost Of Goods Sold)/(Average Inventories of Finished Goods,Stock-in-Process and Stock-in-Trade)	5.34	5.03	5.17	4.72	5.18



Particulars	Consolidated Result				
	3 Months Ended			Year Ended	
	31st Mar 2024	31st Dec 2023	31st Mar 2023	31st Mar 2024	31st Mar 2023
Operating Margin (%) (EBIDTA-Other Income)/(Gross Revenue)	14.47%	13.75%	13.79%	13.93%	14.95%
Net Profit After Tax (in Crs)	132	124	149	416	545
Net Profit Margin (%) (PAT)/(Gross Revenue)	6.75%	6.57%	8.14%	5.94%	7.49%
Debt Service Coverage Ratio (EBIT+Exceptional Items)/(Interest Exp+Principal Repayments during the period)	1.14	0.91	1.35	1.01	1.48
Interest Service Coverage Ratio (Earnings before Interest and Tax/ Interest Expenses for the period)	3.29	3.28	5.29	2.98	4.79
Net Worth (in Crs) (Equity Share Capital+Other Equity)	5,291	5,156	4,921	5,291	4,921
Net Debt-Equity Ratio (Total Net Debt)/(Total Equity)	0.58	0.58	0.58	0.58	0.54
Current Ratio* (Current Assets)/(Current Liabilities)	0.99	1.03	1.01	0.99	1.01
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)	4.56	3.38	2.60	4.56	2.60
Current Liability Ratio* (Total Current Liabilities)/(Total Liabilities)	0.58	0.60	0.66	0.58	0.66
Total Debts to Total Assets (Total Debts)/(Total Assets)	0.33	0.35	0.33	0.33	0.33
Debtors Turnover Ratio (Value of Sales & Services)/ (Average Trade Receivables)	8.86	7.84	7.17	7.94	7.17
Inventory Turnover Ratio (Cost Of Goods Sold)/ (Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade)	5.30	5.01	5.10	4.68	5.07

*Capex Bridge loans are excluded from current liabilities for the purpose of ratio calculation.

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

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

Place: Mumbai
Date: May 10, 2024

For AARTI INDUSTRIES LIMITED


RAJENDRA V. GOGRI
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00061003



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Standalone and Consolidated Statement of Assets and Liabilities

(Rs. in Crs)

Particulars	Standalone		Consolidated	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	5,544	4,792	5,588	4,829
Capital Work-in-Progress	1,059	989	1,052	989
Right of use Assets	53	30	53	30
Intangible Assets	8	1	8	1
Intangible Assets under Development	171	107	177	107
Financial Assets				
Investments	19	12	23	17
Loans and Advances	58	50	0	0
Deferred Tax Assets (Net & incl of MAT Credit)	143	52	144	53
Other Non-Current Assets	94	87	101	94
Total Non-Current Assets	7,147	6,121	7,147	6,122
Current Assets				
Inventories	1,151	1,015	1,160	1,031
Financial Assets				
Trade Receivables	867	974	826	940
Cash and Cash Equivalents	38	161	42	167
Bank Balances other than above	88	33	88	33
Loans and Advances	8	32	8	32
Others Financial Assets	228	161	228	161
Current Tax Assets (Net)	76	55	77	55
Other Current Assets	39	37	40	39
Total Current Assets	2,495	2,469	2,469	2,459
TOTAL ASSETS	9,643	8,590	9,616	8,581
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	181	181	181	181
Other Equity	5,111	4,740	5,109	4,739
Non Controlling Interest			1	1
Total Equity	5,292	4,921	5,290	4,921
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
i) Borrowings	1,524	635	1,524	635
ii) Lease Liabilities	49	25	49	25
Other Non Current Liabilities	175	217	175	217
Total Non-Current Liabilities	1,748	877	1,748	877
Current Liabilities				
Financial Liabilities				
i) Borrowings	1,659	2,239	1,660	2,239
ii) Lease Liabilities	9	8	9	8
iii) Trade Payables to:				
Micro and Small Enterprise	44	49	44	49
Other than Micro and Small Enterprise	504	179	477	167
iv) Other Financial Liabilities	252	191	252	191
Other Current Liabilities	93	99	94	99
Provisions	40	28	40	30
Total Current Liabilities	2,602	2,792	2,577	2,783
Total Liabilities	4,350	3,669	4,325	3,660
TOTAL EQUITY AND LIABILITIES	9,643	8,590	9,616	8,581

Note:-

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

For AARTI INDUSTRIES LIMITED

 RAJENDRA V. GOGRI
 CHAIRMAN AND MANAGING DIRECTOR
 DIN: 00061003

 Place : Mumbai
 Date: May 10, 2024

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Cash Flow Statement for the year ended 31st March, 2024

(Rs in Crs)

(Rs in Crs)

Sr. No.	Particulars	Standalone		Consolidated	
		31st Mar 2024	31st Mar 2023	31st Mar 2024	31st Mar 2023
A.	Cash Flow from Operating Activities:				
	Net Profit before Tax and Exceptional/Extraordinary Items	396	613	395	611
	<u>Adjustments for:</u>				
	Finance Costs	211	166	211	168
	Depreciation and Amortisation Expenses	377	310	378	310
	Loss on Sale of Assets/Investments			12	-
	Consolidated Adjustment			-1	-1
		984	1,089	997	1,089
	Profit on Sale of Assets/Investments	4	-0	-8	-0
	Lease Rent Income	-0	-0	-0	-0
	Operating Profit before Working Capital Changes	988	1,089	988	1,089
	<u>Adjustments for:</u>				
	(Increase)/Decrease in Trade and Other Receivables	53	400	69	422
	Increase/(Decrease) in Trade Payables and Other Current Liabilities	351	-0	366	-4
	(Increase)/Decrease in Inventories	-136	-117	-129	-97
	Cash Generated from Operations	1,257	1,372	1,294	1,410
	Direct Taxes Paid	-91	-91	-91	-91
	Net Cash Flow from Operating Activities (A)	1,166	1,281	1,204	1,319
B.	Cash Flow from Investing Activities:				
	Addition to Property, Plant & Equipments, Capital WIP & Intangible assets	-1,285	-1,305	-1,328	-1,326
	Sale/Written off of Property, Plant & Equipment and other Fixed Assets	22	13	24	-
	Investment in Subsidiary Companies	-0	-	-	-
	(Increase)/Decrease in Other Investments	-6	-9	-6	-4
	(Increase)/Decrease in Investments in Subsidiary Companies	-	-	-	-
	Lease Rent Income	0	0	0	0
	Net Cash Flow from Investing Activities (B)	-1,269	-1,301	-1,310	-1,330
C.	Cash Flow from Financing Activities:				
	Proceeds of Long-Term Borrowings	1,292	920	1,292	920
	Repayment of Long-Term Borrowings	-403	-1,221	-403	-1,221
	Proceeds/Repayment of Other Borrowings	-580	613	-579	607
	Principal Repayment of Lease Liability	-9	-9	-9	-9
	Finance Costs	-211	-166	-211	-168
	Dividend Paid	-54	-91	-54	-91
	Net Cash Flow from Financing Activities (C)	35	46	35	38
	Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)	-69	27	-71	27
	Cash and Bank Balances (Opening Balance)	194	167	201	174
	Cash and Bank Balances (Closing Balance)	125	194	130	201

Note:-

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on the Statement of Cash Flow as notified under Companies (Indian Accounting Standard) Rules, 2015 as amended.
- Cash and Bank balances includes Cash and Cash Equivalents and other Bank Balances.
- Figures for the previous period have been regrouped or rearranged wherever necessary.

For AARTI INDUSTRIES LIMITED



 RAJENDRA V. GOGRI
 CHAIRMAN AND MANAGING DIRECTOR
 DIN: 00061003

 Place : Mumbai
 Date: May 10, 2024

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Independent Auditors' Report on Audit of Standalone Financial Results

To Board of Directors of
Aarti Industries Limited

Report on the Audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone financial results of **Aarti Industries Limited** (“the Company”) for the quarter and year ended 31 March 2024 (“the standalone financial results”) attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).

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

1. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
2. give a true and fair view in conformity with the recognition and measurement principles laid down in applicable Indian Accounting Standards (“Ind AS”) and other accounting principles generally accepted in India of the net profit and total other comprehensive income, and other financial information of the Company for quarter and year ended 31 March 2024.

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 standalone financial results have been prepared on the basis of standalone 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 Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial results, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management and the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the Board of Directors in terms of requirements specified under regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 standalone financial results.

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





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

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



Tejas Parikh
Partner
Membership No. 123215
UDIN: - 24123215BKBNZD4722
Place: Mumbai
Date: 10 May 2024



Independent Auditors' Report on Audit of Consolidated Financial Results

To 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 and year ended 31 March 2024 (“the consolidated financial results”), 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”).

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 (refer other matter paras), the Statement:

1. 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 Polychem Private Limited
 - vii. Aarti Bharuch Limited
 - viii. Aarti Spechem Limited
 - ix. Augene Chemical Private Limited (w.e.f. 18 May 2023)
 - x. Aarti Chemical Trading – FZCO (w.e.f. 25 September 2023)
2. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
3. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total other comprehensive income and other financial information of the Group for quarter and year ended 31 March 2024.





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 Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results.

These consolidated financial results have been prepared on the basis of the consolidated 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 Standards 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 skepticism 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 in terms of requirements specified under regulations 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial results.

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

I. Financial Results of Subsidiaries not audited by us.

- a) The consolidated financial results include the audited financial results of 5 subsidiaries whose financial Results reflect total assets of Rs. 55.50 crores as at 31 March 2024, total revenues of Rs. 3.58 crores and Rs. 10.83 crores and total net loss after tax of Rs. 0.08 crores and net loss after tax Rs.1.39 crores for the quarter and year ended 31 March 2024 and cash outflows (net) of Rs. 0.93 crore for the year ended 31 March 2024 respectively as considered in the consolidated financial results, which have been audited by their respective independent auditors. The independent auditors' reports on Financial Results 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.





- b) The consolidated financial results include the audited financial results of 2 foreign subsidiaries whose financial Results/ financial information reflects total assets of Rs. 18.88 crores as at 31 March 2024, total revenues of Rs. 10.43 crores and Rs. 46.69 crores and total net profit after tax of Rs. 0.49 crores and net loss after tax Rs.0.07 crores for the quarter and year ended 31 March 2024 and cash inflows (net) of Rs. 0.32 crore for the year ended 31 March 2024 respectively as considered in the consolidated financial results. These audited 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 audited financial statements.

Our opinion is not modified in respect of the above matter.

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

Tejas Parikh
Partner

Membership No. 123215

UDIN: -24123215BKBNZE6733

Date: 10 May 2024

Place: Mumbai

