

Ref. No: AIL/B-40/2020/089
May 25, 2020

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 and year
ended March 31, 2020

Please note that above Financial Results have been approved by the Board in its meeting held on **Monday, May 25, 2020.**

Please find enclosed herewith-

- Statement showing the Audited Standalone & Consolidated Financial results for the Quarter and year ended March 31, 2020.
- Segment wise Revenue Results for the quarter & year ended March 31, 2020.
- Standalone and Consolidated Statement of Assets and Liabilities.
- Audited Standalone and Consolidated Cash Flow Statement.
- Auditor’s Report on the Standalone and Consolidated Audited Financial Results.
- Declaration in respect of Audit reports with unmodified opinion for the Financial Year ended on March 31, 2020.

The Meeting of the Board of Directors commenced at 2:00 p.m. and concluded at 07:00 p.m.

The Certificate of Debentures Trustees as required under Regulation 52(5) of the SEBI (LODR) Regulations, 2015 will be submitted shortly.

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 AND YEAR ENDED 31ST MARCH 2020

(Rs. in Lakhs)

Sr. No.	Particulars	Standalone Result					Consolidated Result				
		3 Months Ended			Year Ended		3 Months Ended			Year Ended	
		31st Mar 2020 (Audited)	31st Dec 2019 (Audited)	31st Mar 2019 (Audited)	31st Mar 2020 (Audited)	31st Mar 2019 (Audited)	31st Mar 2020 (Audited)	31st Dec 2019 (Audited)	31st Mar 2019 (Audited)	31st Mar 2020 (Audited)	31st Mar 2019 (Audited)
1	INCOME										
	Revenue from Operations (Gross)	112,632	117,672	121,144	440,819	454,782	118,990	121,848	127,915	462,069	470,551
	Less: Taxes	10,636	13,084	13,375	41,378	52,263	11,375	13,485	13,805	43,438	53,795
	a) Revenue from Operations (Net)	101,996	104,588	107,769	399,441	402,519	107,615	108,363	114,110	418,631	416,756
	b) Other Income	35	26	67	1,051	453	42	37	-	884	211
	Total Income	102,031	104,614	107,836	400,492	402,972	107,657	108,400	114,110	419,515	416,967
2	EXPENSES										
	a) Cost of Materials Consumed	47,577	42,508	50,192	176,521	201,589	47,345	42,293	52,720	178,092	203,256
	b) Purchases of Stock-in-Trade	6,161	8,558	3,364	21,820	14,313	8,438	11,484	5,089	27,465	18,347
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(1,235)	570	2,303	(1,609)	(4,754)	(173)	(739)	1,975	75	(5,940)
	d) Employee Benefits Expense	7,447	7,997	7,162	29,234	23,071	7,854	8,323	7,781	30,522	24,282
	e) Finance Costs	3,258	2,829	4,120	12,155	17,915	3,398	2,871	4,376	12,478	18,254
	f) Depreciation and Amortisation Expenses	4,615	4,387	4,245	17,264	15,103	4,928	4,704	4,550	18,521	16,268
	g) Other Expenses	20,909	20,683	21,055	80,521	76,630	22,258	21,581	21,475	84,744	80,303
	Total Expenses	88,732	87,532	92,441	335,906	343,867	94,048	90,517	97,966	351,897	354,770
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	13,299	17,082	15,395	64,586	59,105	13,609	17,883	16,144	67,618	62,197
4	Exceptional Items	-	-	-	-	-	-	-	-	-	-
5	Profit/(Loss) before Tax (3-4)	13,299	17,082	15,395	64,586	59,105	13,609	17,883	16,144	67,618	62,197
6	TAX EXPENSES										
	a) Current Year Tax	2,300	3,000	3,650	11,300	12,916	2,295	3,148	5,092	11,813	13,665
	b) Earlier Year Tax	-	-	-	-	-	37	1	(5)	38	(205)
	c) MAT Credit Utilised/(Entitlement)	-	-	(1,110)	(850)	(3,740)	(82)	28	(2,066)	(709)	(3,879)
	d) Deferred Tax	300	400	410	1,800	1,801	324	435	410	1,800	2,199
	Total Tax Expenses	2,600	3,400	2,950	12,250	10,977	2,574	3,612	3,431	12,942	11,780
7	Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	10,699	13,682	12,445	52,336	48,128	11,035	14,271	12,713	54,676	50,417
8	Extraordinary Items (Net of Tax Expense `)	-	-	-	-	-	-	-	-	-	-
9	Net Profit/(loss) for the period (7-8)	10,699	13,682	12,445	52,336	48,128	11,035	14,271	12,713	54,676	50,417
10	Profit/(loss) for the period attributable to										
	a) Owners of the Company	10,699	13,682	12,445	52,336	48,128	11,035	13,984	12,525	53,608	49,174
	b) Non Controlling Interest	-	-	-	-	-	-	287	188	1,068	1,243
11	Other Comprehensive Income	(5,676)	266	1,141	(5,593)	93	(5,908)	13	1,574	(5,739)	526
12	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10+11)	5,023	13,948	13,586	46,743	48,221	5,127	13,997	14,099	47,869	49,700
13	Earnings per Equity share:										
	(1) Basic/Diluted	6.14	7.85	15.21	30.04	59.10	6.33	8.03	14.67	30.77	60.39
	(2) Basic/Diluted after considering issue of Bonus Equity Shares	6.14	7.85	7.61	30.04	29.55	6.33	8.03	7.33	30.77	30.20
14	Paid-up Equity Share Capital (Face Value of Rs. 5/-each)	8,712	8,712	4,333	8,712	4,333	8,712	8,712	4,333	8,712	4,333
15	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year				281,471	251,708				289,114	258,670
16	Net Worth	-	-	-	290,183	256,063	-	-	-	307,339	271,472
17	Debt Service Coverage Ratio	1.32	1.65	2.52	1.77	2.18	1.34	1.71	2.85	1.83	2.26
18	Interest Service Coverage Ratio	5.36	7.55	4.89	6.74	4.44	5.26	7.80	4.83	6.86	4.56

Notes:-

1. The above results for the quarter and year ended 31st March, 2020 have been reviewed by the Audit Committee in their meeting and approved by the Board of Directors in their meeting held on 25th May, 2020.
2. The Board of Directors have recommended Final Dividend of Rs. 1/- (20%) per Equity Share of Rs. 5/- each for the financial year ended 31st March, 2020.
3. Figures for the quarter ended 31st March, 2019 is prior to considering the impact of the scheme of arrangement for dermerger of Home and Personal care undertaking of the Company into Aarti Surfactants Ltd and also the merger of manufacturing undertaking of Nascent Chemicals Industries Ltd into the Company. To that extent these figures are not comparable. The said scheme of arrangement was approved by NCLT Ahmedabad vide its order dated 10th June, 2019 and thus it became effective from appointed date 1st April 2018.
4. Company has entered into forward contracts to hedge its export contracts. 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. 773) Lakhs is expensed off in the above P&L statement, while mark to market gain/(loss) in respect of long term contracts amounting to (Rs. 1597) 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.
5. Company had further recognised revaluation gain/(loss) to the extent of (Rs. 794) lakhs in respect of its long term borrowings (ECBs) as at 31st March, 2020 and included the same in its Finance Costs appearing above.
6. The Listed Non-Convertible Debenture of the Company aggregating to Rs. 8,000 Lakhs as on 31st March, 2020 are secured by way of first pari passu charge on the Movable Fixed Assets of the Company at its premises located at Vapi, Jhagadia and Tarapur and the assets cover thereof exceeds 100% of the principal amount of the said debentures.
7. The Company had issued 5 tranches of Non Convertible Debentures as STRPPS Series A to E. The previous due date for payment of interest for all series was 14.06.2019 and next due date for payment of interest is 15.06.2020. The interest amounts had been duly paid on due dates. The principal amount of one tranche of NCD of Rs. 4,000 Lakhs was due for repayment in 14.06.2019 which is duly paid on due date.
8. Company retained its domestic credit ratings of AA-/Positive- from CRISIL and India Ratings has upgraded Long term issuers ratings of the Company from AA- / Stable to AA/Stable.
9. The Company has repaid Commercial Papers on their respective due dates. The Commercial Papers (Listed) outstanding as on March 31, 2020 was Rs. 5,000 Lakhs. The Commercial paper (Short Term Debt) have been rated by both India Rating and Crisil Limited and the rating assigned is A1+ by both the rating agencies.
10. The Company is in compliance with requirements of SEBI circular dated November 26, 2018 applicable to large corporate borrowers with credit rating of AA and above.
11. Pursuant to the approval of the shareholders in Annual General Meeting of the Company held on September 16, 2019, the Company has allotted 87,117,237 Bonus shares of Rs. 5/- each fully paid-up on October 01, 2019 in the proportion of 1 equity share for every 1 equity share of Rs. 5/- each held by the equity shareholders of the Company as on the record date of September 30, 2019. Consequently, the basic and diluted earnings per share for the quarter and year ended 31st March, 2020 presented above have been adjusted to give effect to the aforesaid issue of bonus shares. Hence to that extent the basic and diluted earnings per share for the previous periods are not comparable.
12. Formulae for computation of ratios are as follows:
 Debt Service Coverage Ratio = Earnings before Interest and Tax/(Interest Expenses + Principal Repayment of Term loan during the period)
 Interest Service Coverage Ratio = Earnings before Interest and Tax/Interest Expenses for the period)
 Debt Equity Ratio = Total Debt/ Equity
13. The Company has maintained Capital Redemption Reserve / Debenture redemption reserve and Debt-Equity as per below:

Particulars	12 Months Ended	
	31st March, 2020	
	Standalone	Consolidated
Capital Redemption Reserve/Debenture Redemption Reserve	8,000	8,071
Gross Debt-Equity Ratio	0.71	0.68

14. Figures for the previous period have been regrouped or rearranged wherever necessary.
15. 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.

For AARTI INDUSTRIES LIMITED

Sd/-
 RAJENDRA V. GOGRI
 CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai
 Date: 25th May, 2020

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					Consolidated Result				
		3 Months Ended			12 Months Ended		3 Months Ended			12 Months Ended	
		31st Mar 2020 (Audited)	31st Dec 2019 (Audited)	31st Mar 2019 (Audited)	31st Mar 2020 (Audited)	31st Mar 2019 (Audited)	31st Mar 2020 (Audited)	31st Dec 2019 (Audited)	31st Mar 2019 (Audited)	31st Mar 2020 (Audited)	31st Mar 2019 (Audited)
1	Segment Revenue (Gross)										
	a) Speciality Chemicals	91,996	100,057	92,015	365,245	382,201	98,354	104,233	98,786	386,495	397,970
	b) Pharmaceuticals	20,636	17,615	21,277	75,574	72,581	20,636	17,615	21,277	75,574	72,581
	c) Home & Personal Care Chemicals	-	-	7,852	-	-	-	-	7,852	-	-
	Total Revenue (Gross)	112,632	117,672	121,144	440,819	454,782	118,990	121,848	127,915	462,069	470,551
	Less: Taxes	10,636	13,084	13,375	41,378	52,263	11,375	13,485	13,805	43,438	53,795
	Total Revenue (Net)	101,996	104,588	107,769	399,441	402,519	107,615	108,363	114,110	418,631	416,756
2	Segment Results Profit / (Loss) (Before Tax and Interest from each Segment)										
	a) Speciality Chemicals	16,631	20,540	20,060	77,331	77,628	17,203	21,510	21,413	81,411	81,957
	b) Pharmaceuticals	3,583	3,597	2,758	13,746	11,268	3,583	3,597	2,758	13,746	11,268
	c) Home & Personal Care Chemicals	-	-	16	-	-	-	-	16	-	-
	Total	20,214	24,137	22,834	91,077	88,896	20,786	25,107	24,187	95,157	93,225
	Less: Interest	3,258	2,829	4,120	12,155	17,915	3,398	2,871	4,376	12,478	18,254
	Other Unallocable Expenditure (Net)	3,657	4,226	3,319	14,336	11,876	3,779	4,353	3,667	15,061	12,774
	Total Profit before Tax	13,299	17,082	15,395	64,586	59,105	13,609	17,883	16,144	67,618	62,197
3	Segment Assets										
	a) Speciality Chemicals	454,548	430,064	354,134	454,548	354,504	476,625	451,854	375,847	476,625	375,966
	b) Pharmaceuticals	95,860	96,435	94,071	95,860	94,071	95,860	96,435	94,071	95,860	94,071
	c) Home & Personal Care Chemicals	-	-	24,850	-	-	-	-	24,850	-	-
	d) Unallocated Capital	35,179	29,912	31,016	35,179	31,504	36,037	30,810	31,849	36,037	32,337
	Total	585,587	556,411	504,071	585,587	480,079	608,522	579,099	526,617	608,522	502,374
	Segment Liabilities										
	a) Speciality Chemicals	111,178	89,033	70,591	111,178	70,071	113,996	91,535	71,414	113,996	71,929
	b) Pharmaceuticals	9,764	9,121	9,530	9,764	9,530	9,764	9,121	9,530	9,764	9,530
	c) Home & Personal Care Chemicals	-	-	7,066	-	-	-	-	7,066	-	-
	d) Unallocated Capital	18,898	18,598	17,821	18,898	17,098	21,101	20,787	20,029	21,101	19,301
	Total	139,840	116,752	105,008	139,840	96,699	144,861	121,443	108,039	144,861	100,760

Notes:-

- Figures for the previous period have been regrouped or rearranged wherever necessary.
- Figures for the quarter ended 31st March 2019 is prior to considering the impact of the scheme of arrangement for dermerger of Home and Personal care undertaking of the Company into Aarti Surfactants Ltd and also the merger of manufacturing undertaking of Nascent Chemicals Industries Ltd into the Company. To that extent these figures are not comparable. The said scheme of arrangement was approved by NCLT Ahmedabad vide its order dated 10th June 2019 and thus it became effective from appointed date 1st April 2018.

For AARTI INDUSTRIES LIMITED

Sd/-

RAJENDRA V. GOGRI

CHAIRMAN AND MANAGING DIRECTOR

Place : Mumbai

Date: 25th May, 2020

Standalone and Consolidated Statement of Assets and Liabilities

(Rs. In Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		31st March 2020	31st March 2019	31st March 2020	31st March 2019
A	ASSETS				
1	Non-Current Assets				
	(a) Property, Plant and Equipment	230,115	197,857	246,757	214,535
	(b) Capital work-in-progress	141,764	79,457	141,764	79,457
	(c) Goodwill	-	-	42	42
	(d) Other Intangible assets	50	90	50	90
	(e) Financial Assets				
	(i) Investments	3,716	3,336	3,701	3,317
	(f) Other Non-Current Assets	39,195	29,697	40,449	30,643
	Total Non-Current Assets	414,840	310,437	432,763	328,084
2	Current Assets				
	(a) Inventories	78,148	70,091	83,568	77,179
	(b) Financial Assets				
	(i) Trade Receivables	78,247	80,605	75,344	77,604
	(ii) Cash and Cash Equivalents	53	22,062	60	22,067
	(iii) Bank Balances other than (ii) above	23,284	57,646	24,669	58,353
	(iv) Loans & Advances	11,167	18,572	13,566	19,066
	(c) Other Current Assets	3,183	3,374	3,280	3,442
	Total Current Assets	194,082	252,350	200,487	257,711
	TOTAL ASSETS	608,922	562,787	633,250	585,795
B	EQUITY AND LIABILITIES				
1	Equity				
	(a) Equity Share Capital	8,712	4,333	8,712	4,333
	(b) Equity Share Capital pending allotment upon scheme of arrangement	-	22	-	22
	(c) Other Equity	281,471	251,708	289,165	258,723
	(d) Non Controlling Interest	-	-	9,462	8,395
	Total Equity	290,183	256,063	307,339	271,473
2	Liabilities				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	57,758	80,776	58,084	81,480
	(b) Deferred Tax Liabilities (Net)	18,898	17,098	21,101	19,301
	(c) Other Non-Current Liabilities	55,089	20,324	55,089	20,324
	Total Non-Current Liabilities	131,745	118,198	134,274	121,105
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	121,142	126,250	122,967	129,083
	(ii) Trade Payables	32,419	26,547	34,516	27,928
	(b) Other Current Liabilities	29,758	31,940	30,163	31,964
	(c) Provisions	3,675	3,789	3,991	4,242
	Total Current Liabilities	186,994	188,526	191,637	193,217
	TOTAL EQUITY AND LIABILITIES	608,922	562,787	633,250	585,795

Note:-

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

For AARTI INDUSTRIES LIMITED

Sd/-

 RAJENDRA V. GOGRI
CHAIRMAN AND MANAGING DIRECTOR

 Place : Mumbai
Date: 25th May, 2020

Cash Flow Statement for the year ended 31st March, 2020

(Rs. In Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
A.	Cash Flow from Operating Activities:				
	Net Profit before Tax and Exceptional/Extraordinary Items	64,586	59,105	67,618	62,197
	<u>Adjustments for:</u>				
	Finance Costs	12,155	17,915	12,478	18,254
	Depreciation and Amortisation Expenses	17,264	15,103	18,521	16,268
	Consolidated Adjustment	-	-	(185)	67
		94,005	92,123	98,432	96,786
	Profit on Sale of Assets/Investments	(847)	(167)	(849)	(169)
	Dividend Income	(186)	(248)	(7)	(1)
	Lease Rent Income	(5)	(7)	(8)	(7)
	Operating Profit before Working Capital Changes	92,967	91,701	97,568	96,609
	<u>Adjustments for:</u>				
	(Increase)/Decrease in Trade and Other Receivables	1,851	(15,944)	(469)	(15,361)
	Increase/(Decrease) in Trade Payables and Other Current Liabilities	35,303	12,424	35,881	12,879
	(Increase)/Decrease in Inventories	(8,057)	(6,400)	(6,390)	(7,433)
	Cash Generated from Operations	122,064	81,781	126,590	86,694
	Direct Taxes Paid	(15,603)	(11,748)	(16,384)	(13,074)
	Net Cash Flow from Operating Activities (A)	106,461	70,033	110,206	73,620
B.	Cash Flow from Investing Activities:				
	Addition to Property, Plant & Equipment/Capital WIP	(114,100)	(77,106)	(115,329)	(79,361)
	Sale/Written off of Property, Plant & Equipment	2,771	258	2,779	260
	(Increase)/Decrease in Other Investments	(87)	(205)	(259)	(607)
	(Increase)/Decrease in Investments in Subsidiary Companies	(20)	13	-	-
	Dividend Income from Other Investments	-	-	7	1
	Dividend Income from Subsidiary Companies	186	248	-	-
	Profit on Sale of Investment	388	-	388	-
	Lease Rent Income	5	7	8	7
	Net Cash Flow from Investing Activities (B)	(110,857)	(76,785)	(112,406)	(79,700)
C.	Cash Flow from Financing Activities:				
	Proceeds of Long-Term Borrowings	7,410	21,139	7,410	24,165
	Repayment of Long-Term Borrowings	(31,608)	(16,788)	(31,609)	(20,194)
	Proceeds/(Repayment) of Other Borrowings	(5,108)	27,567	(6,116)	27,835
	Finance Costs	(12,155)	(17,915)	(12,478)	(18,254)
	Increase in Equity by QIP (Net of Expenses)	(60)	74,140	(60)	74,140
	Dividend Paid	(10,454)	(4,245)	(10,638)	(4,399)
	Net Cash Flow from Financing Activities (C)	(51,975)	83,898	(53,491)	83,293
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(56,371)	77,146	(55,691)	77,213
	Cash and Cash Equivalents (Opening Balance)	79,708	2,393	80,420	3,209
	Cash and Cash Equivalents (Opening Balance of Demerged Co.s)	-	169	-	(2)
	Cash and Cash Equivalents (Closing Balance)	23,337	79,708	24,729	80,420

Notes:-

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

For AARTI INDUSTRIES LIMITED

Sd/-

RAJENDRA V. GOGRI

CHAIRMAN AND MANAGING DIRECTOR

Place : Mumbai

Date: 25th May, 2020

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 March, 2020 and the year to date results for the period from April 1, 2019 to March 31, 2020, 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 March 31, 2020 as well as the year to date results for the period from April 1, 2019 to March 31, 2020.

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.



Kirtane & Pandit LLP - Chartered Accountants

Bengaluru | Hyderabad | Mumbai | Nashik | Pune

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Kirtane & Pandit (a Partnership Firm with Registration No. MPA-3441) converted into Kirtane & Pandit LLP (a Limited Liability Partnership with LLP Registration No. AAD-6418), with effect from 27th March, 2015.

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 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.

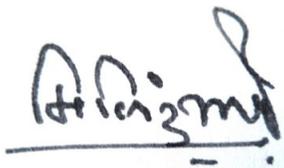


- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence 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.

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
Membership No.:047973**

UDIN: 20047973AAAABP4675

**Place: Mumbai
Date: May 25, 2020**

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 March 31, 2020 and for the period from April 1, 2019 to March 31, 2020 ("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 March 31, 2020 and the corresponding period from April 1, 2019 to March 31, 2020, 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. Ganesh Polychem Limited
 - v. Alchemie (Europe) Limited
 - vi. Innovative Envirocare Jhagadia Limited
 - vii. Aarti USA Inc.
 - viii. Aarti Polychem Private Limited
 - ix. Aarti Bharuch Limited
 - x. Aarti Organics Limited
 - xi. Aarti Spechem Limited
 - xii. Aarti Pharmachem Limited



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

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Regd. Office: 5th Floor, Wing A, Gopal House, S.No. 127/1B/1, Plot-A1, Opp. Harshal Hall, Pune - 411 029, India | T: +91 20 67295100, 25433104, 8764 | F: +91 20 25447603 | www.kirtanepandit.com
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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 March 31, 2020 and for the period from April 1, 2019 to March 31, 2020.

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.

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.

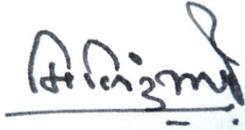
Other Matters

The consolidated Financial Results include the audited financial results of 12 subsidiaries, whose interim Financial Statements/Financial Results/ financial information reflect Group's share of total assets of Rs. 374.05 cr as at March 31, 2020, Group's share of total revenue of Rs. 107.79 Cr and Rs. 369.08 cr and Group's share of total net profit after tax of Rs. 41.04 Cr and Rs. 148.24 cr for the quarter ended March 31 2020 and for the period from April 1, 2019 to March 31, 2020 respectively, 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.



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: 20047973AAAABQ3198

**Place: Mumbai
Date: May 25, 2020**

**Ref. No : AIL/B-40/2020/091
May 25, 2020**

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.: Regulation 33 of the SEBI (LODR) Regulations, 2015 - Declaration in respect of Audit Reports with un-modified opinion for the financial year ended on March 31, 2020.

We hereby confirm and declare that the Statutory Auditors of the Company M/s. Kirtane & Pandit LLP, Chartered Accountants (FRN : 105215W/W100057) 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, 2020.

This is for your information and records.

Thanking you,

Yours faithfully,
FOR AARTI INDUSTRIES LIMITED


RAJ SARRAF
COMPANY SECRETARY
ICSI M. NO. A15526

