

February 1, 2025

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

Code : 524208

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.
Symbol : AARTIIND

Dear Sir/Madam,

**Sub.: Audited Financial Results for Quarter and Nine months
ended December 31, 2024**

Ref.: Regulation 30, 33 & 52(4) of SEBI (LODR) Regulations, 2015

We wish to inform you that the Board of Directors of the Company at its meeting held today i.e. **Saturday, February 01, 2025**, inter-alia, considered and approved the Audited Standalone and Consolidated Financial Results of the Company for the quarter and nine months' ended December 31, 2024. In this regard, we enclose:

- Statement showing the Financial Results
- Auditor's Report on the Financial Results

The Meeting of the Board of Directors commenced at 11.30 am and concluded at 4:30 pm.

Please take note of the same on your records.

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 NINE MONTHS ENDED 31ST DECEMBER, 2024

(Rs in Crs)

| Sr. No. | Particulars | Standalone Result | | | | | |
|-----------|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 3 Months Ended | | | 9 Months Ended | | Year Ended |
| | | 31st Dec 2024 (Audited) | 30th Sep 2024 (Audited) | 31st Dec 2023 (Audited) | 31st Dec 2024 (Audited) | 31st Dec 2023 (Audited) | 31st Mar 2024 (Audited) |
| 1 | INCOME | | | | | | |
| | Revenue from Operations (Gross) | 1,944 | 1,874 | 1,881 | 5,822 | 5,034 | 6,985 |
| | Less: GST Collected | 195 | 158 | 157 | 509 | 457 | 638 |
| | a) Revenue from Operations (Net) | 1,749 | 1,716 | 1,724 | 5,313 | 4,578 | 6,347 |
| | b) Other Income | 6 | 8 | 8 | 19 | 8 | 8 |
| | Total Income | 1,755 | 1,723 | 1,732 | 5,333 | 4,586 | 6,356 |
| 2 | EXPENSES | | | | | | |
| | a) Cost of Materials Consumed | 1,161 | 1,058 | 985 | 3,276 | 2,689 | 3,771 |
| | b) Purchases of Stock-in-Trade | 40 | 37 | 27 | 143 | 126 | 194 |
| | c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade | (60) | 10 | 85 | (22) | (20) | (101) |
| | d) Employee Benefits Expense | 105 | 104 | 102 | 322 | 302 | 402 |
| | e) Finance Costs | 85 | 62 | 54 | 211 | 152 | 211 |
| | f) Depreciation and Amortisation Expenses | 110 | 108 | 97 | 320 | 279 | 377 |
| | g) Other Expenses | 272 | 308 | 266 | 859 | 787 | 1,106 |
| | Total Expenses | 1,714 | 1,687 | 1,616 | 5,109 | 4,315 | 5,959 |
| 3 | Profit/(Loss) before Exceptional Items and Tax (1-2) | 41 | 37 | 116 | 224 | 271 | 396 |
| 4 | Exceptional Items | - | - | - | - | - | - |
| 5 | Profit/(Loss) before Tax (3-4) | 41 | 37 | 116 | 224 | 271 | 396 |
| 6 | TAX EXPENSES | | | | | | |
| | a) Current Year Tax | 7 | 8 | 20 | 40 | 48 | 70 |
| | b) Earlier Year Tax | - | (1) | - | (1) | - | - |
| | c) MAT Credit Utilised/(Entitlement) | (7) | (18) | (20) | (40) | (48) | (70) |
| | d) Deferred Tax | (6) | (7) | (8) | (15) | (15) | (21) |
| | Total Tax Expenses | (6) | (18) | (8) | (16) | (15) | (21) |
| 7 | Net Profit/(Loss) from Ordinary Activities after Tax (5-6) | 47 | 55 | 124 | 240 | 286 | 417 |
| 8 | Extraordinary Items (Net of Tax Expense) | - | - | - | - | - | - |
| 9 | Net Profit/(loss) for the period (7-8) | 47 | 55 | 124 | 240 | 286 | 417 |
| 10 | Profit/(loss) for the period attributable to | | | | | | |
| | a) Owners of the Company | 47 | 55 | 124 | 240 | 286 | 417 |
| | b) Non Controlling Interest | - | - | - | - | - | - |
| 11 | Other Comprehensive Income | | | | | | |
| | - Items that will be reclassified to Profit/Loss (arising due to Gain/Loss on Cashflow Hedges & Equity Instruments) | (8) | (3) | 1 | (9) | 3 | 6 |
| 12 | Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10+11) | 40 | 52 | 125 | 231 | 289 | 423 |
| 13 | Earnings per Equity share: (In Rs) | | | | | | |
| | (1) Basic | 1.31 | 1.52 | 3.41 | 6.63 | 7.88 | 11.51 |
| | (2) Diluted | 1.31 | 1.52 | 3.41 | 6.63 | 7.88 | 11.51 |
| 14 | Paid-up Equity Share Capital (Face Value of Rs. 5/-each) | 181 | 181 | 181 | 181 | 181 | 181 |
| 15 | Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year | | | | | | 5,111 |



AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2024

(Rs in Crs)

| Sr. No. | Particulars | Consolidated Result | | | | | |
|-----------|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 3 Months Ended | | | 9 Months Ended | | Year Ended |
| | | 31st Dec 2024 (Audited) | 30th Sep 2024 (Audited) | 31st Dec 2023 (Audited) | 31st Dec 2024 (Audited) | 31st Dec 2023 (Audited) | 31st Mar 2024 (Audited) |
| 1 | INCOME | | | | | | |
| | Revenue from Operations (Gross) | 2,035 | 1,786 | 1,889 | 5,833 | 5,057 | 7,012 |
| | Less: GST Collected | 195 | 158 | 157 | 510 | 458 | 640 |
| | a) Revenue from Operations (Net) | 1,840 | 1,628 | 1,732 | 5,323 | 4,599 | 6,372 |
| | b) Other Income | 5 | 5 | 8 | 15 | 8 | 8 |
| | Total Income | 1,845 | 1,632 | 1,740 | 5,338 | 4,608 | 6,381 |
| 2 | EXPENSES | | | | | | |
| | a) Cost of Materials Consumed | 1,160 | 1,059 | 983 | 3,275 | 2,687 | 3,770 |
| | b) Purchases of Stock-in-Trade | 34 | 39 | 26 | 148 | 133 | 204 |
| | c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade | 36 | (81) | 92 | (21) | (11) | (94) |
| | d) Employee Benefits Expense | 105 | 105 | 103 | 324 | 303 | 404 |
| | e) Finance Costs | 85 | 62 | 54 | 211 | 153 | 211 |
| | f) Depreciation and Amortisation Expenses | 111 | 108 | 97 | 321 | 280 | 378 |
| | g) Other Expenses | 273 | 310 | 268 | 863 | 793 | 1,112 |
| | Total Expenses | 1,805 | 1,601 | 1,623 | 5,121 | 4,338 | 5,985 |
| 3 | Profit/(Loss) before Exceptional Items and Tax (1-2) | 40 | 32 | 117 | 216 | 270 | 395 |
| 4 | Exceptional Items | - | (2) | - | (2) | - | - |
| 5 | Profit/(Loss) before Tax (3-4) | 40 | 34 | 117 | 219 | 270 | 395 |
| 6 | TAX EXPENSES | | | | | | |
| | a) Current Year Tax | 7 | 8 | 20 | 40 | 48 | 70 |
| | b) Earlier Year Tax | (0) | (1) | - | (1) | - | - |
| | c) MAT Credit Utilised/(Entitlement) | (7) | (18) | (20) | (40) | (48) | (70) |
| | d) Deferred Tax | (6) | (7) | (7) | (15) | (15) | (21) |
| | Total Tax Expenses | (6) | (18) | (7) | (16) | (15) | (21) |
| 7 | Net Profit/(Loss) from Ordinary Activities after Tax (5-6) | 46 | 52 | 124 | 235 | 285 | 416 |
| 8 | Extraordinary Items (Net of Tax Expense) | - | - | - | - | - | - |
| 9 | Net Profit/(loss) for the period (7-8) | 46 | 52 | 124 | 235 | 285 | 416 |
| 10 | Profit/(loss) for the period attributable to | | | | | | |
| | a) Owners of the Company | 46 | 52 | 124 | 235 | 285 | 416 |
| | b) Non Controlling Interest | - | - | - | - | - | - |
| 11 | Other Comprehensive Income | | | | | | |
| | - Items that will be reclassified to Profit/Loss (arising due to Gain/Loss on Cashflow Hedges & Equity Instruments) | (8) | (3) | 2 | (10) | 4 | 6 |
| 12 | Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10+11) | 37 | 50 | 126 | 225 | 289 | 422 |
| 13 | Earnings per Equity share: (In Rs) | | | | | | |
| | (1) Basic | 1.27 | 1.44 | 3.42 | 6.48 | 7.85 | 11.49 |
| | (2) Diluted | 1.27 | 1.44 | 3.42 | 6.48 | 7.85 | 11.49 |
| 14 | Paid-up Equity Share Capital (Face Value of Rs. 5/-each) | 181 | 181 | 181 | 181 | 181 | 181 |
| 15 | Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year | | | | | | 5,109 |



Notes:-

- The above Results for the Quarter and Nine Months ended December 31, 2024, have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on February 1, 2025.
- 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. 1 Crs) is expensed off in the P&L statement, while mark to market gain/(loss) in respect of long term contracts amounting to (Rs. 2 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. 23 Crs) in respect of its long term borrowings as at December 31, 2024 and included the same in its Finance Costs appearing above.
- The Company has only one reportable segment i.e. Specialty 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 December 31, 2024 was Rs. 250 Crs. and Rs. 150 Crs 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.
- As on December 31, 2024, the Company has 7 (Seven) direct subsidiaries, namely, Aarti Corporate Services Limited, Innovative Envirocare Jhagadia Limited, Aarti Polychem Private Limited, Aarti Bharuch Limited, Aarti Circularity Limited, Alchemie (Europe) Limited and Aarti Chemical Trading – FZCO and 2 (Two) indirect subsidiaries namely Shanti Intermediates Private Limited, (through its Holding Company: Aarti Corporate Services Limited) & Aarti Chem Trading USA INC. (through its Holding Company: Aarti Chemical Trading – FZCO) and 1 (One) Joint Venture entity namely Augene Chemical Private Limited.
- A total of 660 nos. of Equity Shares of Rs. 5/- each were issued and allotted under the 'Aarti Industries Limited Performance Stock Option Plan 2022' ("PSOP 2022") during the quarter ended December 31, 2024. Consequently, the issued and paid-up Share Capital of the Company stands increased to Rs. 1,81,25,99,550/- as on December 31, 2024.
- Other Disclosures: Ratios:

| Particulars | Standalone Result | | | | | |
|---|-------------------|---------------|---------------|----------------|---------------|---------------|
| | 3 Months Ended | | | 9 Months Ended | | Year Ended |
| | 31st Dec 2024 | 30th Sep 2024 | 31st Dec 2023 | 31st Dec 2024 | 31st Dec 2023 | 31st Mar 2024 |
| Operating Margin (%) (EBIDTA-Other Income)/(Gross Revenue) | 11.9% | 10.6% | 13.8% | 12.6% | 13.8% | 14.0% |
| Net Profit After Tax (in Crs) | 47 | 55 | 124 | 240 | 286 | 417 |
| Net Profit Margin (%) (PAT)/(Gross Revenue) | 2.4% | 2.9% | 6.6% | 4.1% | 5.7% | 6.0% |
| Debt Service Coverage Ratio (EBIT+Exceptional Items)/(Interest Exp+Principal Repayments during the period) | 0.7 | 0.8 | 0.9 | 0.9 | 1.0 | 1.0 |
| Interest Service Coverage Ratio (Earnings before Interest and Tax/Interest Expenses for the period) | 1.5 | 1.6 | 3.3 | 2.1 | 2.9 | 3.0 |
| Net Worth (in Crs) (Equity Share Capital+Other Equity) | 5,492 | 5,450 | 5,157 | 5,492 | 5,157 | 5,292 |
| Net Debt-Equity Ratio (Total Net Debt)/(Total Equity) | 0.7 | 0.7 | 0.6 | 0.7 | 0.6 | 0.6 |
| Capital Redemption Reserve (in Crs) | - | - | - | - | - | - |
| Current Ratio* (Current Assets)/(Current Liabilities) | 0.8 | 0.9 | 1.0 | 0.8 | 1.0 | 1.0 |
| Long Term Debt to Working Capital* (Net Non-Current Borrowings Including Current Maturities of Non-current Borrowings)/(Current Assets - Current Liabilities excluding current Maturities of Non-current Borrowings) | - | 8.3 | 3.3 | - | 3.3 | 4.6 |
| Bad Debts to Account Receivable Ratio (Bad Debts)/(Average Trade Receivables) | - | - | - | - | - | - |
| Current Liability Ratio* (Total Current Liabilities)/(Total Liabilities) | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Total Debts to Total Assets (Total Debts)/(Total Assets) | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 |
| Debtors Turnover Ratio (Value of Sales & Services)/(Average Trade Receivables) | 9.0 | 9.0 | 7.5 | 9.0 | 6.7 | 7.6 |
| Inventory Turnover Ratio (Cost Of Goods Sold)/(Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade) | 4.6 | 5.8 | 5.0 | 4.5 | 4.8 | 4.7 |



| Particulars | Consolidated Result | | | | | |
|---|---------------------|---------------|---------------|----------------|---------------|---------------|
| | 3 Months Ended | | | 9 Months Ended | | Year Ended |
| | 31st Dec 2024 | 30th Sep 2024 | 31st Dec 2023 | 31st Dec 2024 | 31st Dec 2023 | 31st Mar 2024 |
| Operating Margin (%) (EBIDTA-Other Income)/(Gross Revenue) | 11.4% | 11.0% | 13.7% | 12.6% | 13.7% | 13.9% |
| Net Profit After Tax (in Crs) | 46 | 52 | 124 | 235 | 285 | 416 |
| Net Profit Margin (%) (PAT)/(Gross Revenue) | 2.3% | 2.9% | 6.6% | 4.0% | 5.6% | 5.9% |
| Debt Service Coverage Ratio (EBIT+Exceptional Items)/(Interest Exp+Principal Repayments during the period) | 0.6 | 0.8 | 0.9 | 0.9 | 1.0 | 1.0 |
| Interest Service Coverage Ratio (Earnings before Interest and Tax/ Interest Expenses for the period) | 1.5 | 1.6 | 3.3 | 2.1 | 2.9 | 3.0 |
| Net Worth (in Crs) (Equity Share Capital+Other Equity) | 5,484 | 5,443 | 5,156 | 5,484 | 5,156 | 5,290 |
| Net Debt-Equity Ratio (Total Net Debt)/(Total Equity) | 0.7 | 0.6 | 0.6 | 0.7 | 0.6 | 0.6 |
| Capital Redemption Reserve (in Crs) | - | - | - | - | - | - |
| Current Ratio* (Current Assets)/(Current Liabilities) | 0.8 | 0.9 | 1.0 | 0.8 | 1.0 | 1.0 |
| Long Term Debt to Working Capital* (Net Non-Current Borrowings Including Current Maturities of Non-current Borrowings)/(Current Assets-Current Liabilities excluding current Maturities of Non-current Borrowings) | - | 8.4 | 3.4 | - | 3.4 | 4.6 |
| Bad Debts to Account Receivable Ratio (Bad Debts)/(Average Trade Receivables) | - | - | - | - | - | - |
| Current Liability Ratio* (Total Current Liabilities)/(Total Liabilities) | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Total Debts to Total Assets (Total Debts)/(Total Assets) | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 |
| Debtors Turnover Ratio (Value of Sales & Services)/(Average Trade Receivables) | 9.9 | 9.5 | 7.8 | 9.4 | 7.0 | 7.9 |
| Inventory Turnover Ratio (Cost Of Goods Sold)/(Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade) | 4.6 | 5.3 | 5.0 | 4.5 | 4.7 | 4.7 |

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

10 The 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: February 1, 2025

Independent Auditors' Report on Audit of Standalone Financial Results

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 financial results of Aarti Industries Limited ('the Company') for the quarter and period ended 31st December 2024 ('standalone financial results') attached herewith, being submitted by the Company pursuant to regulatory requirements of Regulation 33 and 52 of the Securities and Exchange Board of India (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, the aforesaid standalone financial results:

1. are presented in accordance with the requirements of Regulation 33 and 52 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 the Indian Accounting Standards 34 "Interim Financial Reporting" ("Ind AS-34") prescribed under section 133 of the Companies Act 2013 read with relevant rules thereunder 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 the quarter and period ended 31st December 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 quarterly standalone financial results have been prepared on the basis of the interim financial statements. The Company's Management and Board of Directors are responsible for the preparation of these standalone 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 and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 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 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 such controls.
- 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 the requirements specified under Regulation 33 and 52 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 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 standalone 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 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 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



Uday Girjapure
Partner
Membership No. 161776
UDIN: 25161776BMOHQX2702

Date: 1st February 2025
Place: Mumbai

Independent Auditors' Report on Audit of Consolidated Financial Results

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'), its subsidiaries and Joint Venture (Holding Company together with its subsidiaries and joint venture referred to as 'the Group') for the quarter and period ended 31st December 2024 ('the Statement'), being submitted by the Holding Company pursuant to regulatory requirements of Regulation 33 and 52 of the Securities and Exchange Board of India (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 to other matter paras), the Statement:

1. includes the results of the following entities:

a. Subsidiaries

1. Aarti Corporate Services Limited
2. Shanti Intermediates Private Limited (through its Holding Company: Aarti Corporate Services Limited)
3. Nascent Chemical Industries Limited (through its Holding Company: Aarti Corporate Services Limited – up to 30th September 2024)
4. Alchemie (Europe) Limited
5. Innovative Envirocare Jhagadia Limited
6. Aarti Polychem Private Limited
7. Aarti Bharuch Limited
8. Aarti Circularity Limited (formerly known as Aarti Spechem Limited)
9. Augene Chemical Private Limited (subsidiary till 22nd July 2024)
10. Aarti Chemical Trading – FZCO
11. Aarti Chem Trading USA Inc. (through its holding company, Aarti Chemical Trading – FZCO), which has not yet commenced any activities.

b. Joint Venture

1. Augene Chemical Private Limited (with effect from 23rd July 2024)
2. are presented in accordance with the requirements of Regulation 33 and 52 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 Standard 34 "Interim Financial Reporting" ("Ind AS-34") prescribed under section 133 of the Companies Act 2013 read with relevant rules thereunder



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 period ended 31st December 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 on the consolidated financial results.

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 Management and the 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 and 52 of the Listing Regulations.

The respective Management and 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 Management and Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Management and 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 controls.
- 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 the requirements specified under Regulation 33 and 52 of the Listing Regulations.
- Conclude on the appropriateness of the Management's and 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 appropriateness of this assumption. If we conclude that 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. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

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.

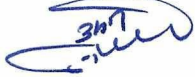
- a) The consolidated financial results include the audited interim financial results of 6 subsidiaries whose financial Results reflect total revenue from operation of Rs. 3.08 Crores and Rs. 7.09 Crores (before consolidation adjustments) and total net loss after tax of Rs. 1.71 Crores and Rs. 4.14 Crores (before consolidation adjustments) for the quarter and period ended 31st December 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 unaudited interim financial results of 3 (with no activity initiated in one of them) foreign subsidiaries whose financial Results/ financial information reflect total revenues of Rs. 300.00 Crores and Rs. 322.89 Crores (before consolidation adjustments) and total net loss after tax of Rs. 1.26 Crores and Rs. 1.57 Crores (before consolidation adjustments) for the quarter and period ended 31st December 2024 respectively as considered in the consolidated financial results. These unaudited Financial Results have been furnished to us by the management and the board of directors of the holding company 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 Management and the Board of Directors of the holding company, these interim financial statements are not material to the Group.

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

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



Uday Girjapure
Partner
Membership No. 161776
UDIN: 25161776BMOHQY9290



Date: 1st February 2025
Place: Mumbai