



**AARTI  
INDUSTRIES  
LIMITED**

**Ref. No: AIL/B-40/2020/156**  
**November 10, 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 (East),  
Mumbai – 400 051.

**NSE CODE:AARTIIND**

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

**Sub :** Audited Financial Results for the quarter and half year  
ended September 30, 2020

We wish to inform you that Board of Directors at its Meeting held on **Tuesday, November 10, 2020**, approved the Audited Standalone and Consolidated Financial Results for the Quarter and half year ended September 30, **2020**.

Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015 we enclose the following:-

- Audited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2020;
- Audited Standalone and Consolidated Segment wise Revenue Results for the quarter and half year ended September 30, 2020;
- Audited 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 for the quarter and half year ended September 30, 2020.


Further, please note that the Company has already made necessary arrangement to publish the same in the newspapers as required under the SEBI (LODR) Regulations, 2015.

The Meeting of the Board of Directors commenced at 2:00 p.m. and concluded at **5:20 P.m.**

Please take note of the same on your record.

Thanking you,

Yours faithfully,  
For **AARTI INDUSTRIES LIMITED**

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





# AARTI INDUSTRIES LIMITED

## AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2020

(₹ in Lakhs)

Sr. No.	Particulars	Standalone Result						Consolidated Result					
		3 Months Ended		6 Months Ended		Year Ended		3 Months Ended		6 Months Ended		Year Ended	
		30th Sept 2020 (Audited)	30th June 2020 (Audited)	30th Sept 2019 (Audited)	30th Sept 2019 (Audited)	31st Mar 2020 (Audited)	30th Sept 2020 (Audited)	30th June 2020 (Audited)	30th Sept 2019 (Audited)	30th Sept 2019 (Audited)	30th Sept 2019 (Audited)	31st Mar 2020 (Audited)	
1	<b>INCOME</b>												
	Revenue from Operations (Gross)	127,807	99,670	101,904	210,515	440,819	133,038	103,512	107,682	236,550	221,231	462,069	
	Less: GST Collected	15,194	9,186	8,272	17,658	41,378	24,380	15,774	8,872	25,553	18,579	43,438	
	a) Revenue from Operations (Net)	112,613	90,484	93,632	192,857	399,441	117,264	93,733	98,810	210,997	202,652	418,631	
	b) Other Income	2	1	557	990	1,051	4	22	558	26	884	884	
	Total Income	112,615	90,485	94,189	193,847	400,492	117,268	93,755	99,368	211,023	203,457	419,515	
2	<b>EXPENSES</b>												
	a) Cost of Materials Consumed	48,474	42,370	41,582	86,436	176,521	90,844	42,939	42,358	91,606	88,453	178,092	
	b) Purchases of Stock-in-Trade	5,480	4,578	3,673	7,101	21,820	10,058	7,365	4,840	12,864	7,543	27,465	
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	1,815	(3,671)	(1,441)	(944)	(1,609)	(1,856)	(3,741)	(926)	(1,963)	987	75	
	d) Employee Benefits Expense	9,045	8,679	7,109	13,790	29,234	17,724	9,351	7,397	18,319	14,345	30,522	
	e) Finance Costs	2,154	2,519	3,038	6,068	12,155	4,673	2,215	3,109	4,747	6,209	12,478	
	f) Depreciation and Amortisation Expenses	5,179	4,877	4,253	8,262	17,264	10,056	5,502	5,199	10,701	8,889	18,521	
	g) Other Expenses	23,730	20,936	18,856	38,929	80,521	44,566	24,674	19,733	46,543	40,905	84,744	
	Total Expenses	95,877	80,288	77,070	159,642	335,906	176,165	99,552	83,265	182,817	167,331	351,897	
	Profit/(Loss) before Exceptional Items and Tax (1-2)	16,738	10,197	17,119	34,205	64,586	17,716	10,490	18,289	28,206	36,126	67,618	
3	Exceptional Items												
4	Profit/(Loss) before Tax (3-4)	16,738	10,197	17,119	34,205	64,586	17,716	10,490	18,289	28,206	36,126	67,618	
5	TAX EXPENSES												
	a) Current Year Tax	2,850	1,750	2,400	6,000	11,300	4,600	3,011	2,542	4,829	6,370	11,813	
	b) Earlier Year Tax	(450)	(200)	-	(850)	(850)	(650)	(349)	(148)	(497)	(655)	38	
	c) MAT Credit Utilised/(Entitlement)	700	500	500	1,100	1,800	1,200	704	500	1,204	1,041	1,800	
	d) Deferred Tax	3,100	2,050	2,900	6,250	12,250	5,150	3,366	3,111	5,536	6,756	12,942	
	Total Tax Expenses	13,638	8,147	14,219	27,955	52,336	21,785	14,350	15,178	22,670	29,370	54,676	
7	Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	13,638	8,147	14,219	27,955	52,336	21,785	8,320	15,178	22,670	29,370	54,676	
8	Extraordinary Items (Net of Tax Expense)												
9	Net Profit/(Loss) for the period (7-8)	13,638	8,147	14,219	27,955	52,336	21,785	8,320	15,178	22,670	29,370	54,676	
10	Profit/(Loss) for the period attributable to Owners of the Company	13,638	8,147	14,219	27,955	52,336	21,785	8,186	14,756	22,210	28,569	53,608	
	a) Non Controlling Interest	1,838	877	(288)	(183)	(5,993)	326	134	422	460	801	1,068	
11	Other Comprehensive Income												
12	Total Comprehensive Income for the period [Comprising Profit (Loss) and Other Comprehensive Income for the period] (10-11)	15,476	9,024	13,931	27,772	46,743	24,500	9,063	14,807	24,925	28,725	47,869	
13	Earnings per Equity Share:												
	(1) Basic/Diluted	7.83	4.68	16.32	32.09	30.04	12.50	8.05	16.94	12.75	32.79	30.77	
	(2) Basic/Diluted after considering issue of Bonus Equity Shares	7.83	4.68	8.16	16.04	30.04	12.50	8.05	8.47	12.75	16.40	30.77	
14	Paid-up Equity Share Capital (Face Value of Rs. 5/- each)	8,712	8,712	4,356	4,356	8,712	8,712	8,712	4,356	8,712	4,356	8,712	
15	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year	312,940	290,410	276,465	276,465	281,471	312,940	330,957	293,183	330,957	293,183	289,114	
16	Net Worth	2,69	1,72	2,15	2,15	2,90	2,19	2,82	1,76	2,28	2,24	307,339	
17	Debt Service Coverage Ratio	9.30	5.44	7.22	7.10	6.74	7.25	9.64	5.55	6.88	7.33	6.86	
18	Interest Service Coverage Ratio												

### Notes:-

- The above results for the quarter and half year ended 30th September, 2020 have been reviewed by the Audit Committee in their meeting and approved by the Board of Directors in their meeting held on 10th November, 2020.
- The Board of Directors have declared Interim Dividend of Rs. 1.50/- per Equity Shares of Rs. 5/- each (30% amounting to Rs. 26,13,51,711/- and fixed the Friday, November 20, 2020 as the record date in this regard.



3 The 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. 71 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. 86) Lakhs is adjusted under Other Comprehensive Income. The component adjusted under Other Comprehensive Income will appropriately be treated in P&L when the underlying cash-flow impact accrues.

4 The Company has further recognised revaluation gain/(loss) to the extent of Rs.593 Lakhs in respect of its long term borrowings (ECBs) as at 30th September, 2020 and included the same in its Finance Costs appearing above.

5 The Company has retained its domestic credit ratings of AA/Stable from India Ratings and CRISIL has upgraded Long term issuers ratings of the Company from AA-/Positive to AA/Stable.

6 Formulae for computation of ratios are as follows:

Debt Service Coverage Ratio = Earnings before Interest and Tax/Interest Expenses for the period

Interest Service Coverage Ratio = Earnings before Interest and Tax/Interest Expenses for the period

7 The Company has maintained Capital Redemption Reserve / Debenture redemption reserve and Debt:Equity as per below:

Particulars	6 Months	
	30th September, 2020 Standalone	Consolidated
Capital Redemption Reserve/Debenture Redemption Reserve	-	71
Gross Debt:Equity Ratio	0.78	0.74

8 The Company has repaid Commercial Papers on their respective due dates. The Commercial Papers (Listed) outstanding as on 30th September, 2020 was Rs. 30000 Lakhs. The Commercial paper (Short Term Debt) have been rated by both India Rating and Crisil Limited and th rating assigned is A1+ by both the rating agencies.

9 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.

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

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

For AARTI INDUSTRIES LIMITED



RAJENDRA V. GOGRI  
CHAIRMAN AND MANAGING DIRECTOR



Place: Mumbai

Date: 10th November, 2020

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

(₹ in Lakhs)

Sr. No.	Particulars	Standalone Result						Consolidated Result					
		3 Months Ended		6 Months Ended		Year Ended		3 Months Ended		6 Months Ended		Year Ended	
		30th Sept 2020 (Audited)	30th June 2020 (Audited)	30th Sept 2019 (Audited)	30th Sept 2020 (Audited)	30th Sept 2019 (Audited)	31st Mar 2020 (Audited)	30th Sept 2020 (Audited)	30th Sept 2019 (Audited)	30th Sept 2020 (Audited)	30th Sept 2019 (Audited)	31st Mar 2020 (Audited)	
1	Segment Revenue (Gross)	105,649	80,243	83,695	185,892	173,192	365,245	110,880	89,473	194,965	183,908	386,495	
	a) Speciality Chemicals	22,158	19,427	18,209	41,585	37,323	75,574	22,158	19,427	41,585	37,323	75,574	
	b) Pharmaceuticals	127,807	99,670	101,904	227,477	210,515	440,819	133,038	107,682	236,550	221,231	462,069	
	Less: GST Collected	15,194	9,186	8,272	24,380	17,658	41,378	15,774	8,872	25,553	18,579	43,438	
	<b>Total Revenue (Net)</b>	<b>112,613</b>	<b>90,884</b>	<b>93,652</b>	<b>203,097</b>	<b>192,857</b>	<b>399,441</b>	<b>117,264</b>	<b>98,810</b>	<b>210,997</b>	<b>202,652</b>	<b>418,631</b>	
2	Segment Results Profit / (Loss)	17,852	12,545	20,007	30,397	40,160	77,331	18,993	12,962	31,955	42,698	81,411	
	a) Speciality Chemicals	5,652	4,531	3,367	10,183	6,586	13,746	5,652	4,531	10,183	6,566	13,746	
	b) Pharmaceuticals	23,504	17,076	23,374	40,580	46,736	91,077	24,645	17,093	42,138	49,264	95,157	
	<b>Total</b>	<b>2,154</b>	<b>2,519</b>	<b>3,038</b>	<b>4,673</b>	<b>6,068</b>	<b>12,155</b>	<b>2,215</b>	<b>2,532</b>	<b>4,747</b>	<b>6,209</b>	<b>12,478</b>	
	less: Interest	4,512	4,360	3,217	8,972	6,453	14,336	4,714	3,338	9,185	6,929	15,061	
	<b>Total Profit before Tax</b>	<b>16,738</b>	<b>10,197</b>	<b>17,119</b>	<b>26,935</b>	<b>34,205</b>	<b>64,586</b>	<b>17,716</b>	<b>10,690</b>	<b>28,206</b>	<b>36,126</b>	<b>67,618</b>	
3	Segment Assets	500,022	476,270	398,544	500,022	398,544	454,548	520,682	498,282	520,682	419,549	476,625	
	a) Speciality Chemicals	103,822	97,922	99,901	103,822	99,901	95,860	103,822	97,922	103,822	99,901	95,860	
	b) Pharmaceuticals	37,524	35,853	31,115	37,524	31,115	35,179	38,609	36,668	38,609	32,033	36,037	
	c) Unallocated Capital	641,368	610,045	529,560	641,368	529,560	585,587	663,113	632,872	663,113	551,483	608,522	
	<b>Total</b>	<b>105,267</b>	<b>113,990</b>	<b>78,188</b>	<b>105,267</b>	<b>78,188</b>	<b>111,178</b>	<b>106,823</b>	<b>115,314</b>	<b>106,823</b>	<b>78,668</b>	<b>113,996</b>	
	b) Pharmaceuticals	12,121	11,478	10,204	12,121	10,204	9,764	12,121	11,478	12,121	10,204	9,764	
	c) Unallocated Capital	20,098	19,398	18,198	20,098	18,198	18,898	22,305	21,601	22,305	20,342	21,101	
	<b>Total</b>	<b>137,486</b>	<b>144,866</b>	<b>106,590</b>	<b>137,486</b>	<b>106,590</b>	<b>139,840</b>	<b>141,249</b>	<b>148,393</b>	<b>141,249</b>	<b>109,214</b>	<b>144,861</b>	

Notes:-

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

Place: Mumbai

Date: 10th November, 2020



Standalone and Consolidated Statement of Assets and Liabilities

(₹ In Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		30th Sept 2020	31st Mar 2020	30th Sept 2020	31st Mar 2020
<b>A</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-Current Assets</b>				
	(a) Property, Plant and Equipment	259,502	230,115	275,658	246,757
	(b) Capital work-in-progress	154,986	141,764	154,986	141,764
	(c) Goodwill	-	-	42	42
	(d) Other Intangible assets	30	50	30	50
	(e) Financial Assets				
	(i) Investments	3,556	3,716	3,947	3,701
	(f) Other Non-Current Assets	40,883	39,195	41,792	40,449
	<b>Total Non-Current Assets</b>	<b>458,957</b>	<b>414,840</b>	<b>476,455</b>	<b>432,763</b>
<b>2</b>	<b>Current Assets</b>				
	(a) Inventories	81,964	78,148	87,509	83,568
	(b) Financial Assets				
	(i) Trade Receivables	85,910	78,247	82,703	75,344
	(ii) Cash and Cash Equivalents	2,882	53	2,890	60
	(iii) Bank Balances other than (ii) above	22,372	23,284	23,601	24,669
	(iv) Loans & Advances	11,246	11,167	13,062	13,566
	(c) Other Current Assets	3,291	3,183	3,384	3,280
	<b>Total Current Assets</b>	<b>207,665</b>	<b>194,082</b>	<b>213,149</b>	<b>200,487</b>
	<b>TOTAL ASSETS</b>	<b>666,622</b>	<b>608,922</b>	<b>689,604</b>	<b>633,250</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Equity</b>				
	(a) Equity Share Capital	8,712	8,712	8,712	8,712
	(b) Other Equity	304,228	281,471	312,323	289,165
	(c) Non Controlling Interest	-	-	9,922	9,462
	<b>Total Equity</b>	<b>312,940</b>	<b>290,183</b>	<b>330,957</b>	<b>307,339</b>
<b>2</b>	<b>Liabilities</b>				
	<b>Non-Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	104,080	57,758	104,407	58,084
	(b) Deferred Tax Liabilities (Net)	20,098	18,898	22,305	21,101
	(c) Other Non-Current Liabilities	42,105	55,089	42,105	55,089
	<b>Total Non-Current Liabilities</b>	<b>166,283</b>	<b>131,745</b>	<b>168,817</b>	<b>134,274</b>
	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	112,116	121,142	112,992	122,967
	(ii) Trade Payables	35,473	32,419	36,592	34,516
	(b) Other Current Liabilities	34,524	29,758	34,566	30,163
	(c) Provisions	5,286	3,675	5,680	3,991
	<b>Total Current Liabilities</b>	<b>187,399</b>	<b>186,994</b>	<b>189,830</b>	<b>191,637</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>666,622</b>	<b>608,922</b>	<b>689,604</b>	<b>633,250</b>

Note:-

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

Place : Mumbai  
Date: 10th November, 2020

For AARTI INDUSTRIES LIMITED

RAJENDRA V. GOGRI  
CHAIRMAN AND MANAGING DIRECTOR



**Cash Flow Statement for the half year ended 30th September, 2020**


(₹ In Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		30th Sept, 2020	30th Sept, 2019	30th Sept, 2020	30th Sept, 2019
<b>A.</b>	<b>Cash Flow from Operating Activities:</b>				
	Net Profit before Tax and Exceptional/Extraordinary Items	26,935	34,206	28,206	36,126
	<u>Adjustments for:</u>				
	Finance Costs	4,673	6,068	4,747	6,209
	Depreciation and Amortisation Expenses	10,056	8,262	10,701	8,890
	Consolidated Adjustment	-	-	(25)	155
		<b>41,664</b>	<b>48,536</b>	<b>43,629</b>	<b>51,380</b>
	Profit on Sale of Assets/Investments	-	(794)	-	(794)
	Dividend Income	-	(186)	-	-
	Lease Rent Income	(3)	(3)	(5)	(3)
	Operating Profit before Working Capital Changes	<b>41,661</b>	<b>47,553</b>	<b>43,624</b>	<b>50,583</b>
	<u>Adjustments for:</u>				
	(Increase)/Decrease in Trade and Other Receivables	(6,986)	(2,661)	(5,853)	(4,121)
	Increase/(Decrease) in Trade Payables and Other Current Liabilities	(2,604)	4,787	(3,486)	3,408
	(Increase)/Decrease in Inventories	(3,816)	(5,212)	(3,941)	(3,323)
	Cash Generated from Operations	28,255	44,467	30,344	46,547
	Direct Taxes Paid	(5,073)	(8,042)	(5,261)	(8,634)
	Net Cash Flow from Operating Activities (A)	<b>23,182</b>	<b>36,425</b>	<b>25,083</b>	<b>37,913</b>
<b>B.</b>	<b>Cash Flow from Investing Activities:</b>				
	Addition to Property, Plant & Equipment/Capital WIP	(52,645)	(50,590)	(52,804)	(51,160)
	Sale/Written off of Property, Plant & Equipment	-	2,706	-	2,667
	(Increase)/Decrease in Other Investments	-	(88)	(500)	(212)
	Dividend Income from Subsidiary Companies	-	186	-	-
	Profit on Sale of Investment	-	388	-	388
	Lease Rent Income	3	3	5	3
	Net Cash Flow from Investing Activities (B)	<b>(52,642)</b>	<b>(47,395)</b>	<b>(53,299)</b>	<b>(48,314)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities:</b>				
	Proceeds/(Repayment) of Long-Term Borrowings	46,818	(12,939)	46,442	(12,939)
	Proceeds/(Repayment) of Other Borrowings	(9,026)	(12,631)	(9,975)	(12,862)
	Finance Costs	(4,673)	(6,068)	(4,747)	(6,209)
	Increase in Equity by QIP (Net of Expenses)	-	(57)	-	(57)
	Dividend Paid	(1,742)	(6,098)	(1,742)	(6,282)
	Net Cash Flow from Financing Activities (C)	<b>31,377</b>	<b>(37,793)</b>	<b>29,978</b>	<b>(38,349)</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1,917</b>	<b>(48,763)</b>	<b>1,762</b>	<b>(48,750)</b>
	Cash and Cash Equivalents (Opening Balance)	23,337	79,708	24,729	80,420
	Cash and Cash Equivalents (Closing Balance)	25,254	30,945	26,491	31,670

**Notes:-**

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

Place : Mumbai  
Date: 10th November, 2020

For AARTI INDUSTRIES LIMITED  
  
RAJENDRA V. GOGRI  
CHAIRMAN AND MANAGING DIRECTOR



# KIRTANE & PANDIT LLP

## 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 September, 2020 and the year to date results for the period from April 1, 2020 to September 30, 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 September 30, 2020 as well as the year to date results for the period from April 1, 2020 to September 30, 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.

#### 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



Page 1 of 3

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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.



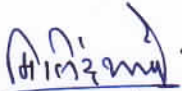


- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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 Bhawe  
Partner  
M No. 047973**



**UDIN: 20047973AAAADN1021**

**Place: Mumbai  
Date: November 10, 2020**

# KIRTANE & PANDIT LLP

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS OF

### AARTI INDUSTRIES LIMITED

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

#### Opinion

We have audited the accompanying Statement of Consolidated Financial Results of Aarti Industries Limited ("Holding company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group") for the quarter ended September 30, 2020 and for the period from April 1, 2020 to September 30, 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 September 30, 2020 and the corresponding period from April 1, 2020 to September 30, 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
- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and



Page 1 of 5

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- 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 September 30, 2020 and for the period from April 1,2020 to September 30,2020.

### **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**

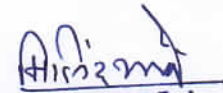
The consolidated Financial Results include the audited financial results of 10 subsidiaries, whose interim Financial Statements/Financial Results/ financial information reflects Group's share of total assets of Rs. 277.09 cr as at September 30, 2020, Group's share of total revenue of Rs. 61.07 Cr and Rs.109.31 cr and Group's share of total net profit after tax of Rs. 21.15 Cr and Rs. 34.44 cr for the quarter ended September 30 2020 and for the period from April 1, 2020 to September 30, 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.



The consolidated Financial Results include the unaudited Financial Results of 2 subsidiaries, whose interim Financial Statements reflects Group's share of total assets of Rs. 111.21 Cr as at September 30, 2020, Group's share of total revenue of Rs. 55.89 Cr and 100.53 cr and Group's share of total net profit after tax of Rs. 43.95 Cr and 81.78 cr for the quarter ended September 30,2020 and for the period from April 1, 2020 to September 30, 2020 respectively, as considered in the consolidated Financial Results. These unaudited interim Financial Statements has been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited interim Financial Statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these interim Financial Statements is not material to the Group.

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

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



**Milind Bhave  
Partner  
M No. 047973**



**UDIN: 20047973AAAADO7339**

**Place: Mumbai  
Date: November 10, 2020**