



**AARTI
INDUSTRIES
LIMITED**

June 23, 2021

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

Ref: Audited Consolidated Financial Statements.

This is in furtherance to our intimation dated May 18, 2021 in relation to the announcement of the Audited Standalone and Consolidated Financial Results for the fourth quarter and the financial year ended March 31, 2021, of the Company.

Please find enclosed the Audited Consolidated Financial Statements, along with the Independent Auditor's Report thereon for the year ended March 31, 2021, for your records, which is subject to the adoption by the members of the Company at the ensuing Annual General Meeting.

The Audited Consolidated Financial Statements will also be available on the website of BSE Limited (<https://www.bseindia.com/>) and the National Stock Exchange of India Limited (<https://www.nseindia.com/>) and on the Company's website (<https://www.aarti-industries.com/>).

Kindly take the same on record.

Thanking You,

Yours faithfully,

FOR AARTI INDUSTRIES LIMITED


RAJ SARRAF
COMPANY SECRETARY

ICSI M. NO. A15526

Encl.: as above



INDEPENDENT AUDITOR'S REPORT

**To the Members of
Aarti Industries Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Aarti Industries Limited** (hereinafter referred to as the "Holding Company"), its subsidiaries and Jointly controlled entity (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2021, of consolidated profit/loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements 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 Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Due to COVID-19 lockdown throughout the country, we have adopted alternative methodologies, solutions in performing our audit procedures. We have determined the matters described below to the Key Audit Matters to be communicated in the Report:

#	Audit Matters	Auditor's Response Audit Approach and Principal Audit Procedures
1	<p>Accuracy, Completeness and disclosure with reference to IND AS-16 of Property, Plant and Equipment (Including Capex)</p> <p>Peculiarity and technical complexities of Property, Plant and Equipment used in the operations and multiple IT systems used for maintaining Fixed Asset Register (FAR), tracking and monitoring Capex requires more attention to ensure reasonable accurateness and completeness of financial reporting in respect of Property, Plant and Equipment.</p> <p>Further, technical complexities require management to assess and make estimates/judgments about capitalisation, estimated useful life, impairment etc. which has material impact on Balance Sheet and operating results</p> <p>Refer note 1 to financial statements</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls. We have reviewed audited financial statements of components. Summary of substantive tests applied are as follows:</p> <ul style="list-style-type: none"> a) We assessed Group's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16. b) We have carried out substantive audit procedures at financial and assertion level to verify the capitalization of asset as Property, Plant and Equipment. c) We have verified the maintenance of records and accounting of transactions regarding capital work in progress by carrying out substantive audit procedures at financial and assertion level. d) We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment in accordance with Schedule II of Companies Act, 2013. e) Due to pandemic restrictions physical verification on sample basis was not possible. We have relied on physical verification conducted by management and management representations. f) We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23

Audit Report on Consolidated Financial Statements: FY 2020-21
Aarti Industries Limited

#	Audit Matters	Auditor's Response Audit Approach and Principal Audit Procedures
2	<p>Valuation, Accuracy, Completeness and disclosures pertaining to Inventories with reference to Ind AS 2</p> <p>Inventories constitutes material component of financial statement. Correctness, completeness, and valuation are critical for reflecting true and fair financial results of operations. Further due to continuous nature of plant operations and the raw materials which are basically chemicals, management has to exercise its judgment in assessing stage of the product and its valuation.</p> <p>Refer note 4 to financial statements</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls. We have reviewed audited financial statements of components. Summary of substantive tests applied are as follows:</p> <ul style="list-style-type: none"> a) We assessed the Group's process regarding Maintenance of records, Valuation and accounting of transactions relating to Inventory as per the Indian Accounting Standard 2. b) We have evaluated the design of Internal Controls relating to recording and valuation of Inventory. c) We have carried out substantive audit procedures to verify the allocation of overheads to Inventory. d) Due to pandemic restrictions physical verification on sample basis was not possible. We have relied on physical verification conducted by management and management representations. e) We have verified consistency in respect of valuation process and methodology followed
3	<p>Valuation, Presentation and Disclosure pertaining to advances received for export commitments under long term contracts</p> <p>The contracts entered into covers a span of 10 to 20 years. During the current financial year in respect of one long term contract the Company received termination intimation. On account of the termination the relevant remedies available to the Company triggered. Further in respect of other long term contracts, estimated supplies will happen over the period of contract at a later stage after the reporting date. These specifically require consideration in recognition of compensation on account of termination of contract where termination intimation has been received and in respect of other contracts, the management is required to exercise its judgment. Based on the judgment the</p>	<p>The Company has entered into long term contracts for exports of materials. Under these contracts the Company has received advances to expedite establishment of production facilities. Our audit approach consisted substantive testing as follows:</p> <ul style="list-style-type: none"> a) We have reviewed the terms of contracts entered into by the Company. b) The classification, presentation of the said advances received under these contracts was tested. c) Recognition and accuracy of compensation on account of termination intimation was verified with reference to the terms of contract under termination intimation. d) The fairness of value reflected in financial statement was verified and tested. e) Disclosure note pertaining to said advances in financial statement was reviewed.

Audit Report on Consolidated Financial Statements: FY 2020-21
Aarti Industries Limited

#	Audit Matters	Auditor's Response Audit Approach and Principal Audit Procedures
	carrying value of the advance received, its fair presentation is critical Refer note 13 to financial statements	

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 financial statements 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 Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements 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 SA's 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 Statements.

Other Matters

We did not audit the financial statements / financial information of 11 subsidiaries & 1 jointly controlled entity whose financial statements / financial information reflect total assets of ₹ 231.62 crores as at March 31, 2021, total revenues of ₹ 466.61crores and net cash flows amounting to ₹ 6.33 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of Sub-Sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, 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 statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled company incorporated in India, none of the directors of the Group companies & its associate companies in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

Audit Report on Consolidated Financial Statements: FY 2020-21
Aarti Industries Limited

- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group & its associates– Refer Note 25 to the Consolidated Financial Statements.
 - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For Kirtane & Pandit LLP,
Chartered Accountants

Firm's Registration No.105215W/W100057

sd/-

Partner's Name

Partner

M. No. 047973

UDIN: 21047973AAAABG4324

Place: Mumbai.

Date: May 18, 2021

Annexure A to the Auditor's Report

Report on the Internal Financial Controls Over Financial Reporting Under Clause Financial Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("The Act")

(Referred to in paragraph 9(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Aarti Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries & jointly controlled entity (together referred to as "the Group"), its associates incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries, associates, and jointly controlled entity all incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's, its

associates' and jointly controlled entities', incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company, its subsidiaries and Jointly controlled entity, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to consolidated/ standalone financial statements of eleven subsidiaries and one jointly controlled entity, of which ten are incorporated in India and two are incorporated outside India, is based on the corresponding reports of the auditors of such companies.

For Kirtane & Pandit LLP,
Chartered Accountants
Firm Registration No. 105215W/ W100057

sd/-
Milind Bhave
Partner
M. No.: 047973
UDIN: 21047973AAAABG4324

Place: Mumbai.
Date: May 18, 2021

Consolidated Balance Sheet as at 31st March, 2021
(Rs. in Crs)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	1	3,592.48	2,467.57
Capital Work-in-Progress	1	1,297.91	1,417.64
Goodwill	1	-	0.42
Other Intangible Assets	1	0.10	0.50
Financial Assets:			
Investments	2	63.52	37.01
Other Non-Current Assets	3	320.07	404.49
Total Non-Current Assets		5,274.08	4,327.63
Current Assets:			
Inventories	4	935.68	835.68
Financial Assets:			
Trade Receivables	5	793.73	753.44
Cash and Cash Equivalents	6	412.32	247.29
Others Current Financial Assets	7	187.48	135.66
Other Current Assets	8	38.39	32.80
Total Current Assets		2,367.60	2,004.87
TOTAL ASSETS		7,641.68	6,332.50
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	9	87.12	87.12
Other Equity	10	3,415.78	2,891.65
Non Controlling Interest		12.24	94.62
Total Equity		3,515.14	3,073.39
LIABILITIES			
Non-Current Liabilities:			
Financial Liabilities			
Borrowings	11	1,268.05	580.84
Other Non-Current Liabilities	12	224.41	550.89
Deferred Tax Liabilities (Net)	13	233.94	211.01
Total Non-Current Liabilities		1,726.40	1,342.74
Current Liabilities:			
Financial Liabilities			
Borrowings	14	1,224.07	1,229.67
Trade Payables due to:			
Micro and Small Enterprise		NIL	NIL
Other than Micro and Small Enterprise		576.33	345.16
Other Current Liabilities	15	559.62	301.63
Provisions	16	40.12	39.91
Total Current Liabilities		2,400.14	1,916.37
Total Liabilities		4,126.54	3,259.11
TOTAL EQUITY AND LIABILITIES		7,641.68	6,332.50
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1-32		

As per our report of even date

 For **Kirtane & Pandit LLP**

Chartered Accountants

FRN: 105215W/W100057

sd/-

Milind Bhave

Partner

M.No. 047973

Place: Mumbai

Date: May 18, 2021

For and on behalf of the Board

sd/-

Rajendra V. Gogri

Chairman and

Managing Director

DIN: 00061003

sd/-

Chetan Gandhi

Chief Financial Officer

ICAI M.No. 111481

sd/-

Rashesh C. Gogri

Vice Chairman and

Managing Director

DIN: 00066291

sd/-

Raj Sarraf

Company Secretary

ICSI M.No. A15526

Consolidated Statement of Profit and Loss for the period ended 31st March, 2021

(Rs. in Crs)

Particulars	Note No.	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
REVENUE			
Gross Revenue from Operations	17	5,023.28	4,620.69
Less: GST Collected		517.18	434.38
Net Revenue from Operations		4,506.10	4,186.31
Other Income	18	0.70	8.84
Total Revenue		4,506.80	4,195.15
EXPENSES			
Cost of Materials Consumed (Incl. Packing Material, Fuel, Stores	19	1,937.57	1,780.92
Purchases of Stock-in-Trade		244.24	274.65
Changes in Inventories of Finished Goods, Work-in-progress and	20	(53.25)	0.75
Stock-in-Trade			
Employee Benefits Expenses	21	371.38	305.22
Finance Costs	22	86.37	124.78
Depreciation and Amortisation Expenses		231.31	185.21
Other Expenses	23	1,024.63	847.44
Total Expenses		3,842.25	3,518.97
PROFIT BEFORE TAX		664.55	676.18
TAX EXPENSES			
Current Year Tax		116.03	118.13
Earlier Year Tax		-	0.38
MAT Credit Entitlement		(9.80)	(7.09)
Deferred Tax		23.10	18.00
Total Tax Expenses		129.33	129.42
PROFIT AFTER TAX BEFORE NON CONTROLLING INTEREST AND SHARE OF PROFIT/(LOSS) OF ASSOCIATES		535.22	546.76
Profit attributable to Non Controlling Interest		(11.75)	(10.68)
Share of Profit/(Loss) of Associates		NIL	NIL
Profit/(Loss) for the period		523.47	536.08
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to Statement of Profit and Loss			
Fair Value of various Qualifying Items		47.94	(57.39)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		571.41	478.69
Earnings Per Equity Share (EPS) (in `)	24	30.04	30.77
Basic/Diluted			
Significant Accounting Policies			
See accompanying Notes to the Financial Statements	1-32		

As per our report of even date

For and on behalf of the Board

 For **Kirtane & Pandit LLP**

Chartered Accountants

FRN: 105215W/W100057

sd/-

Milind Bhave

Partner

M.No. 047973

sd/-

Rajendra V. Gogri

Chairman and

Managing Director

DIN: 00061003

sd/-

Chetan Gandhi

Chief Financial Officer

ICAI M.No. 111481

sd/-

Rashesh C. Gogri

Vice Chairman and

Managing Director

DIN: 00066291

sd/-

Raj Sarraf

Company Secretary

ICSI M.No. A15526

Place: Mumbai

Date: May 18, 2021

Statement of Changes in Equity for the year ended 31st March, 2021
A. EQUITY SHARE CAPITAL (Rs. in Crs)

As at 1st April, 2019	43.33
Changes in equity share capital during the year 2019-20	43.79
As at 31st March, 2020	87.12
Changes in equity share capital during the year 2020-21	NIL
As at 31st March, 2021	87.12

B. OTHER EQUITY (Rs. in Crs)

Particulars	Other Equity									Other Comprehensive Income	Total Other Equity
	Reserves and Surplus										
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Debenture Redemption Reserve	General Reserve	Forfeiture Reserve	Revaluation Reserve	RBI Reserve U/s 45(IC)	Retained Earnings		
Balance as at 1st April, 2019	13.89	2.28	740.09	120.00	119.00	1.85	0.51	3.70	1,579.85	6.05	2,587.22
Transfer to Other Reserves from Retained Earnings	-	-	-	(40.00)	94.65	-	-	-	(54.65)	-	NIL
Upon Bonus Shares issued	-	(1.56)	(42.00)	-	-	-	-	-	-	-	(43.56)
Dividend Paid	-	-	-	-	-	-	-	-	(108.24)	-	(108.24)
Tax on Dividend	-	-	-	-	-	-	-	-	(21.87)	-	(21.87)
Intergroup Dividend	-	-	-	-	-	-	-	-	1.86	-	1.86
Upon QIP Proceeds (net of Expenses)	-	-	(0.60)	-	-	-	-	-	-	-	(0.60)
Foreign Exchange Difference on Translation	-	-	-	-	-	-	-	-	(1.85)	-	(1.85)
Profit for the Period	-	-	-	-	-	-	-	-	536.08	-	536.08
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(57.39)	(57.39)
As at 31st March, 2020	13.89	0.72	697.49	80.00	213.65	1.85	0.51	3.70	1,931.18	-51.34	2,891.65
Transfer to Other Reserves from Retained Earnings	-	-	-	(80.00)	132.66	-	-	-	(52.66)	-	-
Consolidation Adjustment	(0.56)	-	0.21	-	-	-	-	-	-	-	(0.35)
Dividend Paid	-	-	-	-	-	-	-	-	(46.65)	-	(46.65)
Intergroup Dividend	-	-	-	-	-	-	-	-	1.55	-	1.55
Foreign Exchange Difference on Translation	-	-	-	-	-	-	-	-	(1.85)	-	(1.85)
Profit for the Period	-	-	-	-	-	-	-	-	523.47	-	523.47
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	47.94	47.94
Balance as at 31st March, 2021	13.33	0.72	697.70	-	346.31	1.85	0.51	3.70	2,355.07	(3.41)	3,415.78

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

Milind Bhawe
Partner
M.No. 047973
Place: Mumbai
Date: May 18, 2021

For and on behalf of the Board

sd/-
Rajendra V. Gogri
Chairman and
Managing Director
DIN: 00061003

sd/-
Rashesh C. Gogri
Vice Chairman and
Managing Director
DIN: 00066291

sd/-
Chetan Gandhi
Chief Financial Officer
ICAI M.No. 111481

sd/-
Raj Sarraf
Company Secretary
ICSI M.No. A15526

Consolidated Cash Flow Statement for the year ended 31st March, 2021

(Rs. in Crs)

Sr. No.	Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
A.	Cash Flow from Operating Activities:		
	Net Profit before Tax and Exceptional/Extraordinary Items	664.55	676.18
	Adjustments for:		
	Finance Costs	86.37	124.78
	Depreciation	231.31	185.21
	Consolidated Adjustments	(5.26)	(1.85)
		976.97	984.32
	Profit on Sale of Investments/Assets	(0.34)	(8.49)
	Dividend Received from other Investments	(0.02)	(0.07)
	Lease Rent Received	(0.05)	(0.08)
	Operating Profit before Working Capital Changes	976.56	975.68
	Adjustments for:		
	(Increase)/Decrease in Trade and Other Receivables	(25.01)	(4.69)
	Increase/(Decrease) in Trade Payables and Other Current Liabilities	128.78	358.81
	(Increase)/Decrease in Inventories	(111.00)	(63.90)
	Cash Generated from Operations	969.33	1,265.90
	Direct Taxes Paid	(96.62)	(163.84)
	Net Cash Flow from Operating Activities (A)	872.71	1,102.06
B.	Cash Flow from Investing Activities:		
	Addition to Property, Plant & Equipment/Capital WIP	(1,314.82)	(1,153.29)
	Sale/Written off of Property, Plant & Equipment	0.43	27.79
	(Increase)/Decrease in Other Investments	(7.82)	(2.59)
	Dividend Received from Other Investments	0.02	0.07
	Profit on Sale of Investments	NIL	3.88
	Lease Rent Received	0.05	0.08
	Net Cash Flow from Investing Activities (B)	(1,322.14)	(1,124.06)
C.	Cash Flow from Financing Activities:		
	Proceeds of Long-Term Borrowings	1,007.99	74.10
	Repayment of Long-Term Borrowings	(256.48)	(316.09)
	Proceeds/(Repayment) of Other Borrowings	(5.59)	(61.16)
	Increase in Equity through QIP Allotment (Net of Expenses)	NIL	(0.60)
	Finance Costs	(86.37)	(124.78)
	Dividend Paid	(45.09)	(106.38)
	Net Cash Flow from Financing Activities (C)	614.46	(534.91)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	165.03	(556.91)
	Cash and Cash Equivalents (Opening Balance)	247.29	804.20
	Cash and Cash Equivalents (Closing Balance)	412.32	247.29

Notes: (i) Cash and Cash Equivalent is Cash and Bank Balances as per Balance Sheet.

(ii) Amounts of the previous year have been regrouped and rearranged wherever necessary.

As per our report of even date

For and on behalf of the Board

 For **Kirtane & Pandit LLP**

Chartered Accountants

FRN: 105215W/W100057

sd/-

Milind Bhave

Partner

M.No. 047973

Place: Mumbai

Date: May 18, 2021

sd/-

Rajendra V. Gogri

Chairman and

Managing Director

DIN: 00061003

sd/-

Rashesh C. Gogri

Vice Chairman and

Managing Director

DIN: 00066291

sd/-

Chetan Gandhi

Chief Financial Officer

ICAI M.No. 111481

sd/-

Raj Sarraf

Company Secretary

ICSI M.No. A15526

Corporate Information and Significant Accounting Policies:
Corporate Information

The Consolidated Financial Statements comprise financial statements of **Aarti Industries Limited** ("The Holding Company") subsidiaries and joint control entity (collectively referred to as "the Group") for the year ended 31st March 2021.

The principal activities of the Group consists of manufacturing and dealing in Speciality Chemicals and Pharmaceuticals.

Significant Accounting Policies
(a) Background:

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest (%)
Indian Subsidiary:		
(i) Aarti Corporate Services Limited	India	100.00%
(ii) Nascent Chemical Industries Limited (Through its holding Company: Aarti Corporate Services Limited)	India	50.49%
(iii) Shanti Intermediates Private Limited (Through its holding Company: Aarti Corporate Services Limited)	India	100.00%
(iv) Innovative Envirocare Jhagadia Limited	India	100.00%
(v) Aarti Polychem Private Limited	India	100.00%
(vi) Aarti Organics Limited	India	100.00%
(vii) Aarti Bharuch Limited	India	100.00%
(viii) Aarti Pharmachem Limited	India	100.00%
(ix) Aarti Spechem Limited	India	100.00%
Foreign Subsidiary:		
(x) Alchemie (Europe) Limited	United Kingdom	88.89%
(xi) Aarti USA Inc.	USA	100.00%
Joint Control:		
(xii) Ganesh Polychem Limited*	India	50.00%

* During the March 2021 quarter a subsidiary viz Ganesh Polychem Limited ceased to be a subsidiary and became a jointly controlled entity w.e.f. March 17, 2021.

(b) Basis of Preparation and Presentation:

Significant Accounting policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosures and a guide to better understanding of the consolidated position of the Companies. Recognizing this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

(c) Principles of Consolidation :

- (i) The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements & Indian Accounting Standard (Ind AS) 28 - Accounting for Investments in Associates in Consolidated Financial Statements and Indian Accounting Standard (Ind AS) 111 - Joint Arrangements.
- (ii) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company, Subsidiary Companies and Joint Control Entity drawn up to the same reporting date i.e 31st March, 2021.
- (iii) In case of Foreign Subsidiary, revenue items are consolidated at the average rate prevailing during the period. All Assets (except Fixed Assets) and liabilities are converted at the rates, prevailing at the end of the year. In case of Fixed Assets, the same is consolidated at the rate applicable in the year of acquisition of the said assets. Any exchange difference arising on consolidation is recognised as Translation difference in Reserves & Surplus.
- (iv) The consolidation of financial statements of the Parent Company and its Subsidiaries is done on line by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances, intra-group transactions and unrealized profit or loss, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.
- (v) Non Controlling Interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance sheet separately.
- (vi) As far as possible, the consolidated financial statements have been prepared using uniform Accounting Policies for like transactions and other events in similar circumstances. Differences in Accounting Policies if any will be disclosed separately.
- (vii) Investments in Associates are accounted for using equity method in accordance with Indian Accounting Standard (Ind AS) 28 "Accounting for Investment in Associates in Consolidated Financial Statements" under which the investment is initially recorded at cost, identifying any goodwill or capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses are recouped.
- (viii) Investments in joint operations are accounted using the Proportionate Consolidation Method as per Indian Accounting Standard (Ind AS) 111 "Joint Arrangements".

(d) Revenue Recognition:

- (i) Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Conversion, Sale of Scrap and obsolete stores is accounted for at the time of disposal.
- (ii) Export entitlements are recognized on realization.
- (iii) Revenue in respect of Interest, Insurance claims are recognized on the time proportion method.
- (iv) Subsidy from Department of Fertilizers is recognised, based on the eligible quantities supplied by the Company, at the rates as notified/announced by the Government of India.

(e) Property, Plant and Equipment, Intangible Assets and Depreciation/Amortization:
(1) Property, Plant and Equipment (PPE)

Property, Plant & Equipment are stated at cost of acquisition (net of recoverable taxes) inclusive of all expenditure of capital nature such as inward freight, duties & taxes, installation and commissioning expenses, appropriate borrowing costs and incidental expenses related to acquisition.

(2) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

(3) Depreciation/Amortization

(A) Pursuant to the notification of Schedule II of the Companies Act, 2013, the management has reassessed and changed based on an independent technical estimates, wherever necessary, the useful lives to compute depreciation, to conform to the requirements of the Companies Act, 2013. The useful life for various class of assets is as follows:

Particulars	Depreciation/Amortisation
(i) Leasehold Land	Over the remaining tenure of lease
(ii) Building	Over a period of 19 years
(iii) Residential Quarters	Over a period of 30 years
(iv) Plant & Equipments	Over its useful life as technically assessed, i.e over a period of 9 - 19 years, based on the type of processes and equipments installed.
(v) Computers	Over a period of 2.5 years
(vi) Office Equipment	Over a period of 5 years
(vii) Furniture and Fixtures	Over a period of 10 years
(viii) Vehicles	Over a period of 7 years

(B) Product/Process Development Expenses are amortized over the estimated useful life of the product.

- (4) Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an assets or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(f) Research and Development:

Revenue Expenditure on Research and Development is charged to the Profit and Loss Account for the year. Capital Expenditure on Research and Development is included as part of Property, Plant & Equipment and depreciation is provided on the same basis as for other Property, Plant & Equipment.

(g) Investments:

- (i) Investments in subsidiaries and associates are measured at cost.
- (ii) Other investments are measured at fair value through Other Comprehensive Income.

(h) Valuation of Inventories:

Inventories are valued at Cost or Net Realizable Value whichever is lower.

Inventories have been valued on the following basis:

- (i) Raw Materials, Packing Material, Stores and Spares - At cost on Weighted Average basis.
- (ii) Work-in-Process - At cost plus appropriate allocation of overheads.
- (iii) Finished Goods - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

(i) Retirement Benefits:

Employee benefits are charged off in the year in which the employee has rendered services.

(j) Foreign Currency Transactions:

Foreign currency transactions are accounted at the rates prevailing on the date of the transaction. The exchange rate differences arising out of such transactions are appropriately dealt in the financial statements in accordance with the applicable accounting standards.

(k) Lease:

The Company has adopted Ind AS 116. It has resulted into recognition of Lease Assets Right to Use with a corresponding Lease Liability in the Balance Sheet.

The Company, as a lessee, recognises a right to use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right to use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right to use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

(l) Deferred Revenue Expenditure:

Deferred Revenue Expenditure is amortized over the period of the agreement on pro rata basis.

(m) Income Taxes:

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred Tax reflects the impact of timing differences between Taxable Income and Accounting Income for the year and reversal of timing differences of earlier years. Deferred Tax is measured on the basis of Tax Rates and Tax Laws enacted or substantively enacted at the Balance Sheet. Deferred Tax Assets are recognized only if there is reasonable certainty of their realization except in case of Deferred Tax Assets on unabsorbed depreciation and carried forward business losses, which are recognized only if there is virtual certainty of their realization.

Minimum Alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the same at each balance sheet date.

(n) Borrowing Costs:

Borrowing cost directly related to the acquisition or construction of an asset is capitalized as part of the cost of that asset. Other borrowing costs are charged to the Profit and Loss Account.

(o) Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a Cash Outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a Cash Outflow will not be required to settle the obligation.

(p) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usages.

Notes on Financial Statements for the period ended 31st March, 2021
1. PROPERTY, PLANT AND EQUIPMENT:

(Rs. in Crs)

F.Y. 2020-21	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	Balance as at 1st April, 2020	Adjustment on Consolidation	Additions/ (Disposals)	Deduction/ Adjustment	Balance as at 31st March, 2021	Balance as at 1st April, 2020	Adjustment on Consolidation	Depreciation charge for the year	Deduction / Adjustment	Balance as at 31st March, 2021	Balance as at 31st March, 2021	Balance as at 31st March, 2020
(i) Tangible Assets												
Free hold Land	3.68	-	-	-	3.68	0.26	-	-	-	0.26	3.42	3.42
Lease Hold Land	163.96	4.66	81.02	-	240.32	9.78	0.51	1.98	-	11.25	229.07	154.18
Lease Assets Used	25.35	-	1.48	-	26.83	5.11	-	5.73	-	10.84	15.99	20.24
Residential Flat	-	-	-	-	-	-	-	-	-	-	0.00	0.00
Buildings	325.63	3.52	127.98	-	450.09	91.15	0.64	19.63	-	110.14	339.95	234.48
Plant and Equipment	3,078.27	101.86	1,175.61	-	4,152.03	1,151.43	28.61	179.34	-	1,302.16	2,849.87	1,926.84
R & D Assets	123.55	-	26.71	-	150.27	23.33	-	9.51	-	32.84	117.43	100.22
Furniture and Fixtures	42.14	0.47	15.28	-	56.95	26.76	0.28	5.97	-	32.45	24.50	15.38
Vehicles	33.65	1.94	3.02	0.22	34.51	20.84	1.06	2.60	0.12	22.26	12.25	12.81
Total (i)	3,796.23	112.45	1,431.10	0.22	5,114.68	1,328.66	31.10	224.76	0.12	1,522.20	3,592.48	2,467.57
(ii) Intangible Assets												
Process Development	21.96	-	-	-	21.96	21.46	-	0.40	-	21.86	0.10	0.50
Technical Knowhow	1.38	-	-	-	1.38	1.38	-	-	-	1.38	NIL	NIL
Goodwill	6.19	-	-	-	6.19	6.19	-	-	-	6.19	NIL	NIL
Computer Software	0.38	-	-	-	0.38	0.38	-	-	-	0.38	NIL	NIL
Copyrights and Patents	9.66	-	-	-	9.66	9.66	-	-	-	9.66	NIL	NIL
Goodwill on Consolidation	1.24	-	-	-	1.24	0.82	-	0.42	-	1.24	-	0.42
Total (ii)	40.81	-	-	-	40.81	39.89	-	0.82	-	40.71	0.10	0.92
TOTAL (i+ii)	3,837.04	112.45	1,431.10	0.22	5,155.49	1,368.55	31.10	225.58	0.12	1,562.91	3,592.58	2,468.49
(iii) Capital Work-in-Progress											1,297.91	1,417.64

F.Y. 2019-20	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
Particulars	Balance as at 1st April, 2019	Additions/ (Disposals)	Deduction/ Adjustment	Balance as at 31st March, 2020	Balance as at 1st April, 2019	Depreciation charge for the year	Deduction / Adjustment	Balance as at 31st March, 2020	Balance as at 31st March, 2020	Balance as at 31st March, 2019
(i) Tangible Assets										
Free hold Land	3.68	-	-	3.68	0.26	-	-	0.26	3.42	3.42
Lease Hold Land	159.95	4.78	0.77	163.96	7.75	2.03	-	9.78	154.18	152.20
Lease Assets Used	NIL	25.35	-	25.35	NIL	5.11	-	5.11	20.24	NIL
Residential Flat	0.00	-	-	0.00	0.00	-	-	0.00	0.00	0.00
Buildings	294.15	34.20	2.72	325.63	76.28	15.96	1.09	91.15	234.48	217.87
Plant and Equipment	2,713.77	414.40	49.90	3,078.27	1,030.14	150.64	29.35	1,151.43	1,926.84	1,683.63
R & D Assets	85.15	38.40	-	123.55	18.72	4.61	-	23.33	100.22	66.43
Furniture and Fixtures	34.62	7.86	0.34	42.14	23.25	3.85	0.34	26.76	15.38	11.37
Vehicles	29.67	5.22	1.24	33.65	19.23	2.60	0.99	20.84	12.81	10.44
Total (i)	3,320.99	530.21	54.97	3,796.23	1,175.63	184.80	31.77	1,328.66	2,467.57	2,145.35
(ii) Intangible Assets										
Process Development	21.96	-	-	21.96	21.06	0.40	-	21.46	0.50	0.90
Technical Knowhow	1.38	-	-	1.38	1.38	-	-	1.38	NIL	NIL
Goodwill	6.19	-	-	6.19	6.19	-	-	6.19	NIL	NIL
Computer Software	0.38	-	-	0.38	0.38	-	-	0.38	NIL	NIL
Copyrights and Patents	9.66	-	-	9.66	9.66	-	-	9.66	NIL	NIL
Goodwill on Consolidation	1.24	-	-	1.24	0.82	-	-	0.82	0.42	0.42
Total (ii)	40.81	-	-	40.81	39.49	0.40	-	39.89	0.92	1.32
TOTAL (i+ii)	3,361.80	530.21	54.97	3,837.04	1,215.12	185.20	31.77	1,368.55	2,468.49	2,146.67
(iii) Capital Work-in-Progress									1,417.64	794.57

2. NON-CURRENT INVESTMENTS:

(Rs. in Crs)

Name of the Company	No. of Shares/ Units	As at 301st March, 2021	No. of Shares/ Units	As at 301st March, 2020
<u>Investments - (Unquoted) in Equity Shares of Other Companies</u>				
Ichalkaranji Janata Sahakari Bank Limited	1,020	0.01	1,020	0.01
Ganesh Polychem Ltd*	30,98,257	12.61	NIL	NIL
Damanganga Saha Khand Udyog Mandali Limited	61	0.01	61	0.01
Narmada Clean Tech Limited	2,87,550	0.13	2,87,550	0.13
Dilesh Roadlines Private Limited	4,64,550	3.25	4,64,550	2.56
U.K.I.P. Co-Op. Soc. Limited	80	0.00	80	0.00
Aarti Ventures Limited	9,17,000	7.40	1,90,000	2.52
Tarapur Environment Protection Society	32,489	0.62	32,489	0.62
Derma Touch Inc.	1,25,000	8.82	1,25,000	8.98
Invatech	1,00,000	1.10	1,00,000	1.14
SBPP Bank Limited	783	0.01	783	0.01
Deltacs Infotech Private Limited	853	0.07	853	0.07
Bewakoof Brands Private Limited	4,033	4.51	4,033	5.15
Valiant Organic Limited	35,963	12.84	35,963	4.23
Polygamma Industries Private Limited	5,33,358	2.82	5,33,358	0.00
Numbermask Digital Private Limited	1,125	0.00	1,125	0.00
Trans Retail Ventures Private Limited	28,796	0.00	28,796	0.00
Aarti Biotech Limited	4,21,700	0.12	4,21,700	0.12
Aarti Intermediates Private Limited	22,125	0.00	22,125	0.00
Perfect Enviro Control Systems Limited	3,80,640	0.22	3,80,640	0.22
Shamrao Vithal Co-op. Bank Limited	100	0.00	100	0.00
		54.55		25.77
<u>Investments - (Unquoted) Convertible Pref. Shares</u>				
Deltacs Infotech Private Limited	7,50,000	0.26	7,50,000	0.26
Valiant Organics Limited	5,014	0.03	11,814	0.04
		0.29		0.30
<u>Investments - (Unquoted) in Warrant Certificate</u>				
Deltacs Infotech Private Limited	93	0.00	93	0.00
		0.00		0.00
<u>Investments - (Unquoted) in Limited Liability Partnership</u>				
Aarti Udyog Limited Liability Partnership	NA	3.67	NA	3.67
		3.67		3.67
<u>Investments - (Unquoted) in Unsecured Convertible Debentures</u>				
Bewakoof Brands Private Limited	869	5.00		
Aarti Ventures Limited	-	-	7,27,000	7.27
		5.00		7.27
TOTAL		63.52		37.01

* During the March 2021 quarter a subsidiary viz Ganesh Polychem Limited ceased to be a subsidiary and became a jointly controlled entity w.e.f. March 17, 2021

(Rs. in Crs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
3. OTHER NON-CURRENT ASSETS:		
Capital Advances	92.10	171.91
Other Deposits	47.10	42.10
Advance Tax and Tax Deducted at Source (Net of Provisions)	180.87	190.48
TOTAL	320.07	404.49
4. INVENTORIES:		
Raw Materials and Components	278.80	251.84
Work-in-progress	240.40	208.44
Finished Goods	277.53	285.55
Stock-in-trade	28.21	0.85
Stores and spares	91.02	70.77
Fuel	13.90	14.53
Packing Materials	5.81	3.70
TOTAL	935.68	835.68
5. TRADE RECEIVABLES:		
Unsecured, considered good	793.73	753.44
TOTAL	793.73	753.44
6. CASH AND CASH EQUIVALENTS:		
Cash on hand	1.46	0.60
Bank balance in Current Accounts	23.25	66.47
Bank balance in Deposit Accounts	332.52	177.89
Earmarked Balances (Unpaid Dividend Accounts)	2.05	2.33
Cash Equivalants investment in highly Liquid Funds/Bonds	53.04	NIL
TOTAL	412.32	247.29
7. OTHER CURRENT FINANCIAL ASSETS:		
Balances with Customs, Port Trust, Central Excise, Sales Tax and Goods & Services Tax Authorities	171.45	118.53
Loans Given to:		
i) Employees	8.57	8.06
ii) Others	7.46	9.07
TOTAL	187.48	135.66
8. OTHER CURRENT ASSETS:		
Others Receivables	10.42	8.98
Prepaid Expenses	22.22	13.50
Subsidy Receivable	5.75	10.32
TOTAL	38.39	32.80

9 EQUITY SHARE CAPITAL:

(Rs. in Crs)

Particulars	No. of Shares	As at 31st March, 2021	No. of Shares	As at 31st March, 2020
Authorised Share Capital Equity Shares of ` 5/- each	23,01,50,320	115.08	23,01,50,320	115.08
Issued, Subscribed & Paid up Equity Shares of ` 5/- each fully paid up	17,42,34,474	87.12	17,42,34,474	87.12
TOTAL		87.12		87.12

9.1 Reconciliation of the number of Shares outstanding as on 31st March, 2021:

Particulars	No. of Shares outstanding	
	As at 31st March, 2021	As at 31st March, 2020
Equity Shares at the beginning of the year	17,42,34,474	8,66,68,647
Add: Shares issued during the year	NIL	8,75,65,827
Less: Shares buy-back during the year	NIL	NIL
Equity Shares at the end of the year	17,42,34,474	17,42,34,474

9.2 Details of shareholders holding more than 5% shares:

Name of the Shareholders	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% held	No. of Shares	% held
HDFC Trustee Company Limited	77,09,004	4.42	1,38,28,976	7.94

9.3 The details of Equity Shares outstanding during last 5 years:

Particulars	Financial Year				
	2020-21	2019-20	2018-19	2017-18	2016-17
No. of Equity Shares outstanding	17,42,34,474	17,42,34,474	8,66,68,647	8,13,00,000	8,21,20,383

(Refer Note No. 9.4)

9.4 Note on Issued, Subscribed and Paid up Equity Share Capital:

- [a] During the year 2019-20 8,71,17,237 shares are issued as Bonus Shares in the ratio of 1:1 equity share of Rs. 5 each.
- [b] During the year 2018-19 53,68,647 shares were issued through Qualified Institutions Placement (QIP) at the issued price of Rs. 1397/- per equity share (including Rs. 1,392/- towards share premium) to Qualified Institutional Buyers.
- [c] During the year 2017-18 820,383 shares were brought back at a premium of Rs. 1,195/-.
- [d] During the year 2016-17 1,200,000 shares were brought back at a premium of Rs. 795/-.

10. OTHER EQUITY:

(Rs. in Crs)

	Particulars	As at 31st March, 2021	As at 31st March, 2020
a.	Capital Reserves		
	Opening Balance	13.89	13.89
	Addition:		
	Deduction:	0.56	NIL
	Closing Balance	13.33	13.89
b.	Capital Redemption Reserve		
	Opening Balance	0.72	2.28
	Addition:		
	Deduction:		
	Issue of Bonus Shares	NIL	1.56
	Closing Balance	0.72	0.72
c.	Securities Premium Account		
	Opening Balance	697.49	740.09
	Addition:	0.21	-
	Deduction:		
	QIP Expenses		0.60
	Issue of Bonus Shares	NIL	42.00
	Closing Balance	697.70	697.49
d.	Debenture Redemption Reserve		
	Opening Balance	80.00	120.00
	Addition: Transferred from Profit & Loss Account	-	-
	Deduction:		
	Transferred to General Reserve	80.00	40.00
	Closing Balance	NIL	80.00
e.	RBI Reserve U/s 45 (IC)		
	Opening Balance	3.70	3.70
	Addition	-	-
	Deduction	-	NIL
	Closing Balance	3.70	3.70
f.	General Reserve		
	Opening Balance	213.65	119.00
	Addition:		
	Transferred from Debenture Redumption Reserve	80.00	40.00
	Transferred from Profit & Loss Account	52.66	54.65
	Deduction:	-	-
	Closing Balance	346.31	213.65
g.	Profit and Loss Account		
	Opening balance	1,931.18	1,579.85
	Addition:		
	Net Profit/(Loss) for the year	523.47	536.08
	Deduction:		
	Final Dividend Paid on Equity Shares	20.51	108.24
	Interim Dividend paid on Equity Share for the year	26.14	-
	Tax on Dividend	-	21.87
	Foreign Exchange Differnce on Translation	1.85	1.85
	Intergroup Dividend	(1.55)	(1.86)
	Transferred to Reserves	52.66	54.65
	Closing Balance	2,355.07	1,931.18
h.	Other Reserves		
	Revaluation Reserve	0.51	0.51
	Forfeiture Reserve	1.85	1.85
	Closing Balance	2.36	2.36
i.	Other Comprehensive Income		
	Opening Balance	-51.34	6.05
	OCI for the year	47.94	(57.39)
	Closing Balance	-3.41	-51.34
	TOTAL	3,415.78	2,891.65

11. NON-CURRENT BORROWINGS:

(Rs. in Crs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Non-Current	Current	Non-Current	Current
Secured				
(a) Non Convertible Debentures (NCDs)	-	-	0.45	80.00
(b) ECB/Term loans from Banks/Financial Institutions	1,265.09	350.39	578.31	202.57
(c) Vehicle Loans from Banks/Financial Institutions	2.96	1.33	2.08	1.08
TOTAL	1,268.05	351.72	580.84	283.65

(Rs. in Crs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
12. OTHER NON CURRENT LIABILITIES:		
Long Term Advances for Exports received from Customer	211.29	529.69
Lease Liabilities Account	13.12	21.20
TOTAL	224.41	550.89

13. DEFERRED TAX LIABILITIES (NET):

<u>Deferred Tax Liabilities</u>	211.01	193.01
Difference between net book value of depreciable capital assets as per books vis - a- vis written down value as per Tax Laws	23.00	21.30
<u>Deferred Tax Assets</u>		
Items allowed for tax purpose on payment	(0.07)	(3.31)
Deferred Tax Liabilities (Net)	233.94	211.01

(Rs. in Crs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
14. SHORT-TERM BORROWINGS:		
<u>Secured</u>		
Working Capital Loan From Banks	1,146.51	1,205.07
Total	1,146.51	1,205.07
<u>Unsecured</u>		
From Banks	76.09	23.20
From Other	1.47	1.40
Total	77.56	24.60
TOTAL	1,224.07	1,229.67

15. OTHER CURRENT LIABILITIES:

Current maturities of Long-Term Debt	350.39	286.32
Current maturities of Vehicle Loan	1.33	1.11
Long Term Advance for Exports Received From Customer Current Portion	190.01	-
Lease Liabilities Account (current)	4.61	-
Interest accrued but not due on borrowings	0.27	7.57
Unpaid Dividends	2.05	2.33
Other Current Liabilities & Taxes	10.96	4.31
TOTAL	559.62	301.63

16. SHORT-TERM PROVISIONS:

Provision for		
Employees' Benefits	38.72	38.78
Others	1.40	1.13
TOTAL	40.12	39.91

(Rs. in Crs)

Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
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17. REVENUE FROM OPERATIONS:

Sale of Products	4,822.40	4,539.63
Other Operating Revenues	200.88	81.06
GROSS REVENUE OPERATIONS	5,023.28	4,620.69
Less: GST Collected	517.18	434.38
NET REVENUE OPERATIONS	4,506.10	4,186.31

17.1 OTHER OPERATING REVENUES:

Fertilizers Subsidy Received	20.24	12.29
Export Benefits/Incentives	21.86	58.73
Scrap Sales	11.53	9.65
Contract Shortfall Fees	147.24	-
Vat Refund Received	-	0.38
TOTAL	200.88	81.06

18. OTHER INCOME:

Dividend Received	0.02	0.07
Profit on Sale of Assets/Investment	0.34	8.49
Lease Rent Income	-	0.08
Other Income	0.34	0.19
TOTAL	0.70	8.84

19. COST OF MATERIALS CONSUMED:

Consumption of Raw Materials	1,610.48	1,481.64
Consumption of Packing Materials	42.53	38.01
Consumption of Fuel	172.87	170.58
Consumption of Stores & Spares	111.68	90.69
TOTAL	1,937.57	1,780.92

(Rs. in Crs)

Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
20. CHANGE IN INVENTORY:		
Opening Stock		
Finished Goods	286.40	281.53
Work-in-Progress	208.44	214.07
Total (A)	494.84	495.60
Closing Stock		
Finished Goods	302.77	286.40
Work-in-Progress	245.33	208.44
Total (B)	548.10	494.84
TOTAL (A-B)	-53.25	0.76

21. EMPLOYEE BENEFITS:

Salaries, Wages & Bonus	313.05	266.83
Contribution to PF and other Funds	26.99	19.73
Workmen & Staff Welfare Expenses	31.33	18.66
TOTAL	371.38	305.22

22. FINANCE COST:

Interest on NCD's	2.55	10.36
Other Interest Expenses	74.16	104.99
Other Borrowing Costs	9.66	9.43
TOTAL	86.37	124.78

(Rs. in Crs)

	Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
23.	OTHER EXPENSES:		
	<u>Manufacturing Expenses:</u>		
	Freight, Cartage & Transport	118.54	118.40
	Power	131.37	114.09
	Water Charges	13.99	12.64
	Processing Charges	59.47	45.28
	Other Manufacturing Expenses	160.40	129.94
	Repairs & Maintenance	114.51	111.78
	Insurance Charges	10.95	6.13
	Research & Development Expenses	55.10	27.01
	Factory Administrative Expenses	70.06	47.64
	Total (A)	734.39	612.91
	<u>Office Administrative Expenses:</u>		
	Rent, Rates and Taxes	1.30	2.61
	Travelling and Conveyance	3.47	7.51
	Auditor's Remuneration	0.47	0.48
	Legal & Professional Charges	18.51	12.85
	Postage, Telegraph & Telephone/Printing & Stationery Expenses	1.18	1.65
	Other Administrative Expenses	14.28	11.93
	Total (B)	39.22	37.04
	<u>Selling & Distribution Expenses:</u>		
	Advertisement & Sales Promotion	3.75	6.05
	Export Freight Expenses	85.57	62.63
	Freight and Forwarding Expenses	116.21	91.27
	Commission	15.53	10.18
	Export Insurance Charges	1.95	1.92
	Sample Testing & Analysis Charges	1.44	1.16
	Lease Rent Paid	10.97	10.97
	Other Expenses	0.17	0.09
	Sales Tax & Other Dues Paid	0.06	0.13
	Sundry Balance Written Off/(Back)	0.87	1.95
	Total (C)	236.52	186.35
	<u>Non-Operating Expenses:</u>		
	Donations and CSR Expenses	14.50	11.14
	Total (D)	14.50	11.14
	TOTAL (A+B+C+D)	1,024.63	847.44

24. EARNING PER SHARE (EPS):

Particulars		For the Year	For the Year
		Ended 31st March, 2021	Ended 31st March, 2020
Net Profit after Tax	(Rs in Crs)	535.22	546.76
Profit attributable to Minority Interest	(Rs in Crs)	-11.75	-10.68
Share of Profit/(Loss) of Associates	(Rs in Crs)	NIL	NIL
Net Profit After Consolidation available for Equity Shareholders	(Rs in Crs)	523.47	536.08
No. of Equity Shares	(Nos.)	17,42,34,474	17,42,34,474
Basic & Diluted EPS	(Rs)	30.04	30.77
Nominal Value of Equity Share	(Rs)	5.00	5.00

24.1 Basic earnings per share has been computed by dividing the profit/loss for the year by the weighted average number of shares outstanding during the year.

Partly paid shares are inculed as fully paid equivalentents according to the fraction paid up.

Diluted earnings per share has been computed using weighted average number of shares dilutive potential shares, except where the results would be anti-dilutive.

25. CONTINGENT LIABILITIES AND COMMITMENTS:

(to the extent not provided for)

Particulars	(Rs. in Crs)	
	As at 31st March, 2021	As at 31st March, 2020
(i) Contingent Liabilities:		
(a) Claims against the company not acknowledged as Debts	68.10	67.65
(b) Letters of Credit, Bank Guarantees & Bills Discounted	250.90	296.80
	319.00	364.45
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	120.02	327.94
	120.02	327.94
TOTAL	439.02	692.39

26. RELATED PARTY DISCLOSURE UNDER ACCOUNTING STANDARD (Ind AS: 24):**I Following is the Joint Control Entity of the Company**

1. Ganesh Polychem Limited**

II Following are the Enterprises/Firms over which controlling individuals/Key Management Personnel, of the Company along with their relatives, have significant influence

1. Alchemie Speciality Private Limited
2. Alchemie Laboratories
3. Aarti Drugs Limited
4. Alchemie Dye Chem Private Limited

III Following are the individuals who with their relatives own Directly/indirectly 20% or more voting power in the Company or have significant influence or are Key Management Personnel.

- | | |
|---------------------------|-------------------------|
| 1. Shri Rajendra V. Gogri | Director |
| 2. Shri Rashesh C. Gogri | Director |
| 3. Shri Parimal H. Desai | Director |
| 4. Shri Manoj M. Chheda | Director |
| 5. Shri Kirit R. Mehta | Director |
| 6. Smt. Hetal Gogri Gala | Director |
| 7. Shri Renil R. Gogri | Director |
| 8. Shri Narendra J. Salvi | Director |
| 9. Shri Chetan Gandhi | Chief Financial Officer |
| 10. Shri Raj Sarraf | Company Secretary |

The following transactions were carried out during the year with the related parties in the ordinary course of business

(A) Details relating to parties referred to in items I above.

(Rs. in Crs)

Sr. No.	Description of Transaction	Year	Other related Enterprises Firms
1	Sales of Finished Goods/Sales Income	CY	63.84
		PY	78.30
2	Purchases of Raw Materials/Finished Goods	CY	15.36
		PY	21.18
3	Other Manufacturing Expenses	CY	-
		PY	0.74
4	Rent paid	CY	-
		PY	0.02
5	Sale of Fixed Assets	CY	-
		PY	20.06
6	Outstanding items pertaining to the related parties at the balance - sheet date Receivable/(Payable)	CY	53.33
		PY	29.68

(B) Details relating to persons referred to in item II above*

Particulars	Financial Year 2020-21	Financial Year 2019-20
a. Remuneration including perquisites #	8.46	6.29
b. Commission to Directors/KMPs	18.95	19.10
c. Sitting Fees	-	0.01
d. Rent paid	1.07	1.07
e. Travelling Expenses	0.02	0.53
f. Telephone Expenses	0.02	0.05
TOTAL	28.52	27.05

* Excluding the payments made to Independent Directors & Relative of Directors as per IND AS Interpretation 110 issued by the Institute of Chartered Accountants of India.

Value of Perquisites includes non Cash Perquisites of Rs. 0.03 Crs (previous year Rs. 0.02 Crs).

** During the March 2021 quarter a subsidiary viz Ganesh Polychem Limited ceased to be a subsidiary and became a jointly controlled entity w.e.f. March 17, 2021

27. SEGMENT REPORTING:

(Rs. in Crs)

Sr. No.	Particulars	Financial Year 2020-21	Financial Year 2019-20
(A)	Primary Segments: Business Segments		
1	Segment Revenue:		
	a) Speciality Chemicals	4,151.40	3,864.95
	b) Pharmaceuticals	871.88	755.74
	Total Revenue (Gross)	5,023.28	4,620.69
	Less: GST Tax Collected	517.18	434.38
	Total Revenue (Net)	4,506.10	4,186.31
2	Segment Results Profit/(Loss):		
	Before Tax and Interest from each Segment		
	a) Speciality Chemicals	752.75	814.11
	b) Pharmaceuticals	204.58	137.46
	Total (A)	957.33	951.57
	Less: Interest	86.37	124.78
	Other Unallocable Expenditure (Net)	206.41	150.61
	Total (B)	292.78	275.39
	Total Profit before Tax (A-B)	664.55	676.18
3	Segment Assets:		
	a) Speciality Chemicals	5,638.60	4,766.25
	b) Pharmaceuticals	1,192.99	958.60
	c) Unallocated Capital	397.77	360.37
	TOTAL	7,229.36	6,085.22
	Segment Liabilities:		
	a) Speciality Chemicals	1,237.30	1,139.96
	b) Pharmaceuticals	163.19	97.64
	c) Unallocated Capital	233.94	211.01
	TOTAL	1,634.43	1,448.61
(B)	Secondary Segments: Geographical Segments		
	a) India	2,835.73	2,655.17
	b) Out of India	2,187.55	1,965.52
	TOTAL	5,023.28	4,620.69

Note:

The above segment report is presented in accordance with the applicable provisions & principles laid down under IND AS 108.

28. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates.

Name of Enterprise	Net Assets (i.e. Total Assets minus total liabilities)		Share in Profit or Loss	
	As % of Consolidated net assets	(Amt in Crs)	As % of Consolidated Profit or Loss	(Amt in Crs)
Parent				
Aarti Industries Limited	97.40%	3,411.74	98.10%	513.50
Subsidiaries				
Alchemie (Europe) Limited	-0.02%	-0.70	-0.02%	-0.08
Aarti USA Inc.	-0.03%	-1.17	0.00%	0.01
Aarti Corporate Services Limited	0.90%	31.49	0.00%	-0.01
Ganesh Polychem Limited*	2.75%	96.28	4.49%	23.50
Innovative Envirocare Jhagadia Limited	0.00%	0.17	0.00%	-
Nascent Chemical Industries Limited	0.02%	0.77	0.08%	0.43
Shanti Intermediates Private Limited	0.01%	0.36	0.01%	0.07
Aarti Polychem Private Limited	0.00%	-0.01	0.00%	-
Aarti Organics Limited	0.01%	0.23	0.00%	-
Aarti Bharuch Limited	0.01%	0.23	0.00%	-
Aarti Pharmachem Limited	0.01%	0.23	0.00%	-
Aarti Spechem Limited	0.01%	0.23	0.00%	-
Non Controlling Interest in all Subsidiaries	0.35%	12.24	-2.24%	-11.75
Inter Company Elimination & Consolidation Adjustment	-1.40%	-49.19	-0.42%	-2.20
TOTAL	100.00%	3,502.90	100.00%	523.47

*During the March 2021 quarter a subsidiary viz Ganesh Polychem Limited ceased to be a subsidiary and became a jointly controlled entity w.e.f. March 17, 2021.

29. FAIR VALUE MEASUREMENTS:
Financial instruments by category

(Rs. in Crs)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Carrying Amount	Level 1	Level 2	Carrying Amount	Level 1	Level 2
Financial Assets						
At Amortised Cost						
Investments	35.11	-	-	22.14	-	-
Trade Receivables	793.73	-	-	753.44	-	-
Cash and Cash Equivalents	412.32	-	-	247.29	-	-
Other Financial Assets	326.68	-	-	349.67	-	-
At FVTOCI						
Investments	28.41	12.84	15.57	14.87	4.23	10.64
Financial Liabilities						
At Amortised Cost						
Borrowings	2,843.84	-	-	2,097.94	-	-
Trade Payables	576.33	-	-	345.16	-	-
Other Non-current Liabilities	224.41	-	-	550.89	-	-
Other Current Financial Liabilities	207.90	-	-	14.20	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

30. CAPITAL MANAGEMENT:

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net Debt is calculated as loans and borrowings less cash & marketable securities.

(Rs. in Crs)		
Particulars	31st March 2021	31st March 2020
Gross Debts	2,843.84	2,094.16
Less: Cash and Marketable Securities	-412.32	-247.29
Net Debt (A)	2,431.52	1,846.87
Total Equity (B)	3,515.14	3,073.39
Net Gearing ratio (A/B)	0.69	0.60

Dividends

(Rs. in Crs)

Particulars	31st March 2021	31st March 2020
(i) Equity shares Final dividend for the year ended 31st March 2020 of Rs 1 per fully paid share & Interim Dividend for 2020-21 @ Rs 2.50 per Share paid during the year 2020-21	43.56	104.54
(ii) Dividends not recognised at the end of the reporting period In addition to the above dividends, since year end the directors have recommended the payment of dividend of Rs. 3 (31st March 2020 Rs. 1) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	52.27	17.42

31. FINANCIAL RISK MANAGEMENT:

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

I. Credit Risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (deposits with banks and other financial instruments).

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and outstanding receivables from customers.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit are generally secured through Letters of Credit, Bank Guarantees, Parent Company Guarantees, advance payments and factoring & forfaiting without recourse to AIL.

Credit risk management

To manage the credit risk, the Company follows an adequate credit control policy and also has an external credit insurance cover with ECGC policy wherein the customers are required to make an advance payment before procurement of goods. Thus, the requirement of assessing the impairment loss on trade receivables does not arise, since the collectability risk is mitigated.

Bank balances are held with only high rated banks and majority of other security deposits are placed majorly with government/statutory agencies.

II. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities such as trade payables and other financial liabilities.

(a) Liquidity risk management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

As at 31st March 2021
Maturities of non-derivative financial liabilities

(Rs. in Crs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	576.33	-	-	576.33
Other financial liabilities	1,823.81	1,492.46	-	3,316.27
Total	2,400.14	1,492.46	-	3,892.60

As at 31st March 2020
Maturities of non-derivative financial liabilities

(Rs. in Crs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	345.16	-	-	345.16
Other financial liabilities	1,571.21	1,131.73	-	2,702.94
Total	1,916.37	1,131.73	-	3,048.10

III. Market risk
Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in exports and imports which is majorly in US dollars.

Hence, to combat the foreign currency exposure, the Company follows a policy wherein the net sales are hedged by forward Contract.

Commodity Price Risk

The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

The Company's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the risk management policy, the Company enters into various transactions using derivatives and uses Over the Counter (OTC) as well as Exchange Traded Futures, Options and Swap contracts to hedge its commodity and freight exposure.

32. The figures of previous year have been regrouped and rearranged wherever necessary.

As per our report of even date
For **Kirtane & Pandit LLP**
Chartered Accountants
FRN: 105215W/W100057

For and on behalf of the Board

sd/-
Milind Bhave
Partner
M.No. 047973

sd/-
Rajendra V. Gogri
Chairman and
Managing Director
DIN: 00061003

sd/-
Rashesh C. Gogri
Vice Chairman and
Managing Director
DIN: 00066291

Place: Mumbai
Date: May 18, 2021

sd/-
Chetan Gandhi
Chief Financial Officer
ICAI M.No. 111481

sd/-
Raj Sarraf
Company Secretary
ICSI M.No. A15526