

Ref. No: AIL/B-39/2019/609
November 13, 2019

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, 2019

We wish to inform you that Board of Directors at its Meeting held on **Wednesday, November 13, 2019**, approved the Audited Standalone and Consolidated Financial Results for the Quarter and half year ended September 30, 2019.

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, 2019.
- Audited Standalone and Consolidated Segment wise Revenue Results for the quarter and half year ended September 30, 2019.
- 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, 2019.


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 5:15 P.M.

Please take note of the same on your record.

Thanking you,

Yours faithfully,
For **AARTI INDUSTRIES LIMITED**


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



AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2019

Sr. No.	Particulars	Standalone Result						Consolidated Result						
		3 Months Ended		6 Months Ended		12 Months Ended		3 Months Ended		6 Months Ended		12 Months Ended		
		30th Sept 2019 (Audited)	30th Jun 2019 (Audited)	30th Sept 2019 (Audited)	30th Sept 2018 (Audited)	30th Mar 2019 (Audited)	31st Mar 2019 (Audited)	30th Sept 2019 (Audited)	30th Sept 2018 (Audited)	30th Sept 2019 (Audited)	30th Sept 2018 (Audited)	30th Sept 2019 (Audited)	31st Mar 2019 (Audited)	
1	INCOME													
	a) Revenue from Operations	101,904	108,611	129,952	129,952	210,515	237,800	454,782	107,682	113,549	132,647	221,231	245,904	470,551
	b) Other Income	557	433	24	24	990	364	453	558	247	74	805	119	211
	Total Income	102,461	109,044	129,976	129,976	211,505	238,164	455,235	108,240	113,796	132,721	222,036	246,023	470,762
2	EXPENSES													
	a) Cost of Materials Consumed	49,854	54,240	79,822	79,822	104,094	146,278	253,852	51,230	55,802	78,491	107,032	146,202	257,051
	b) Purchases of Stock-in-Trade	3,673	3,428	2,495	2,495	7,101	5,811	14,313	4,840	2,703	4,233	7,543	8,072	18,347
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(1,441)	497	(2,892)	(2,892)	(944)	(6,706)	(4,754)	(926)	1,913	(4,065)	987	(6,669)	(5,940)
	d) Employee Benefits Expense	7,109	6,681	5,285	5,285	13,790	10,410	23,071	7,397	6,948	5,835	14,345	11,351	24,282
	e) Finance Costs	3,038	3,030	5,131	5,131	6,068	9,741	17,915	3,109	3,100	5,176	6,209	9,855	18,254
	f) Depreciation and Amortisation Expenses	4,253	4,009	3,885	3,885	8,262	7,657	15,103	4,568	4,321	4,170	8,889	8,231	16,268
	g) Other Expenses	18,856	20,073	21,033	21,033	38,929	39,008	76,630	19,733	21,172	21,825	40,905	40,583	80,303
	Total Expenses	85,342	91,958	114,759	114,759	177,300	212,199	396,130	89,951	95,959	115,665	185,910	217,625	408,565
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	17,119	17,086	15,217	15,217	34,205	25,965	59,105	18,289	17,837	17,056	36,126	28,398	62,197
4	Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Profit/(Loss) before Tax (3-4)	17,119	17,086	15,217	15,217	34,205	25,965	59,105	18,289	17,837	17,056	36,126	28,398	62,197
6	TAX EXPENSES													
	a) Current Year Tax	2,400	3,600	3,250	3,250	6,000	5,550	12,916	2,542	3,828	3,511	6,370	6,013	13,665
	b) Earlier Year Tax	-	(850)	(800)	(800)	(850)	(1,780)	(3,740)	-	-	(895)	(655)	(1,940)	(205)
	c) MAT Credit Utilised/(Entitlement)	-	500	475	475	1,100	975	1,801	419	622	582	1,041	1,146	2,199
	d) Deferred Tax	2,900	3,350	2,925	2,925	6,250	4,745	10,977	3,111	3,645	3,198	6,756	5,219	11,780
7	Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	14,219	13,736	12,292	12,292	27,955	21,220	48,128	15,178	14,192	13,858	29,370	23,179	50,417
8	Extraordinary Items (Net of Tax Expense ₹)	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Net Profit/(loss) for the period (7-8)	14,219	13,736	12,292	12,292	27,955	21,220	48,128	15,178	14,192	13,858	29,370	23,179	50,417
10	Profit/(loss) for the period attributable to													
	a) Owners of the Company	14,219	13,736	12,292	12,292	27,955	21,220	48,128	14,756	13,813	13,430	28,569	22,440	49,174
	b) Non Controlling Interest	(288)	105	(1,959)	(1,959)	(183)	(3,434)	93	422	379	428	801	739	1,243
11	Other Comprehensive Income													
12	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10+11)	13,931	13,841	10,333	10,333	27,772	17,786	48,221	14,807	13,918	11,471	28,725	19,006	49,700
13	Earnings per Equity share:													
	(1) Basic	16.32	15.85	15.12	15.12	32.09	26.10	59.10	16.94	15.94	17.05	32.79	27.60	60.39
	(2) Diluted	16.32	15.77	15.12	15.12	32.09	26.10	59.10	16.94	15.86	17.05	32.79	27.60	60.39
14	Paid-up Equity Share Capital (Face Value of ₹ 5/-each)	4,356	4,333	4,065	4,065	4,356	4,065	4,333	4,356	4,333	4,065	4,356	4,065	4,333
15	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year	276,465	269,904	168,375	168,375	276,465	168,375	251,708	293,183	285,674	183,850	293,183	183,850	258,670
16	Net Worth	2,15	2,14	2,57	2,57	2,15	1,87	2,18	2,23	2,21	2,79	2,24	2,00	2,46
17	Debt Service Coverage Ratio	7.22	7.00	4.09	4.09	7.10	3.77	4.44	6.88	7.16	4.43	7.33	4.00	4.56
18	Interest Service Coverage Ratio													



Notes:-

1. The above results for the quarter and half year ended 30th September, 2019 have been reviewed by the Audit Committee in their meeting and approved by the Board of Directors in their meeting held on 13th November, 2019.
2. Figures for the quarter and half year ended 30th September 2018 is prior to considering the impact of the scheme of arrangement for dermerger of the Company into Aarti Surfactants Ltd and also the merger of manufacturing undertaking of Nascent Chemicals Industries Ltd into the Company. To that extent these figures are not comparable. The said scheme of arrangement was approved by NCLT Ahmedabad vide its order dated 10th June 2019 and thus it became effective from appointed date 1st April 2018.
3. 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 are recognised in these statements. Mark to market gain/(loss) in respect of near term contracts amounting to (₹ 128) Lakhs is expensed off in the above P&L statement, while mark to market gain/(loss) in respect of long term contracts amounting to (₹ 406) Lakhs are adjusted under Other Comprehensive Income. The component adjusted under Other Comprehensive Income will be appropriately treated in P&L when the underlying cash-flow impact accrues.
4. Company had further recognised revaluation gain/(loss) to the extent of (₹ 451) lakhs in respect of its long term borrowings (ECBs) as at 30th September, 2019 and included the same in its Finance Costs appearing above.
5. The Listed Non-Convertible Debenture of the Company aggregating to ₹ 8,000 Lakhs as on 30th September, 2019 are secured by way of first pari passu charge on the Movable Fixed Assets of the Company at its premises located at Vapi, Jhagadia and Tarapur and the assets cover thereof exceeds 100% of the principal amount of the said debentures.
6. The Company had issued 5 tranches of Non Convertible Debentures as STRPPS Series A to E. The previous due date for payment of interest for all series was 14.06.2019 and next due date for payment of interest is 15.06.2020. The interest amounts had been duly paid on due dates. The principal amount of one tranche of NCD of ₹ 4,000 Lakhs was due for repayment in 14.06.2019 which is duly paid on due date.
7. Company retained its domestic credit ratings of AA- from CRISIL and India Ratings.
8. Formulae for computation of ratios are as follows:
Debt Service Coverage Ratio = Earnings before Interest and Tax/(Interest Expenses + Principal Repayment of Term loan during the period)
Interest Service Coverage Ratio = Earnings before Interest and Tax/Interest Expenses for the period)

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

Particulars	6 Months Ended	
	30th September, 2019	
	Standalone	Consolidated
Capital Redemption Reserve/Debenture Redemption Reserve	8,156	8,228
Gross Debt-Equity Ratio	0.76	0.73

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 and will also be available on the website of BSE Limited www.bseindia.com and the National Stock Exchange of India Limited www.nseindia.com

For AARTI INDUSTRIES LIMITED



RAJENDRA V. GOGRI
CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai

Date: 13th November, 2019

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 Results					
		3 Months Ended		6 Months Ended		12 Months		3 Months Ended		6 Months Ended		12 Months	
		30th Sept 2019 (Audited)	30th June 2019 (Audited)	30th Sept 2019 (Audited)	30th Sept 2018 (Audited)	31st Mar 2019 (Audited)	30th Sept 2019 (Audited)	30th Sept 2018 (Audited)	30th Sept 2019 (Audited)	30th Sept 2018 (Audited)	30th Sept 2019 (Audited)	30th Sept 2018 (Audited)	31st Mar 2019 (Audited)
1	Segment Revenue												
	a) Speciality Chemicals	83,695	89,497	103,910	173,192	188,757	382,201	89,473	94,435	106,605	183,908	196,861	397,970
	b) Pharmaceuticals	18,209	19,114	19,225	37,323	34,192	72,581	18,209	19,114	19,225	37,323	34,192	72,581
	c) Home & Personal Care Chemicals	-	-	6,817	-	14,851	-	-	-	6,817	-	14,851	-
	Total	101,904	108,611	129,952	210,515	237,800	454,782	107,682	113,549	132,647	221,231	245,904	470,551
2	Segment Results Profit / (Loss) (Before Tax and Interest from each Segment)												
	a) Speciality Chemicals	20,007	20,153	20,981	40,160	35,814	77,628	21,369	21,329	22,988	42,698	39,022	81,957
	b) Pharmaceuticals	3,367	3,199	2,918	6,566	5,518	11,268	3,367	3,199	2,918	6,566	5,518	11,268
	c) Home & Personal Care Chemicals	-	-	(375)	-	(176)	-	-	-	(375)	-	(176)	-
	Total	23,374	23,352	23,524	46,726	41,156	88,896	24,736	24,528	25,531	49,264	44,364	93,225
	Less: Interest	3,038	3,030	5,131	6,068	9,741	17,915	3,109	3,100	5,176	6,209	9,855	18,254
	Other Unallocable Expenditure (Net)	3,217	3,236	3,176	6,453	5,450	11,876	3,338	3,591	3,299	6,929	6,111	12,774
	Total Profit before Tax	17,119	17,086	15,217	34,205	25,965	59,105	18,289	17,837	17,056	36,126	28,398	62,197
3	Segment Assets												
	a) Speciality Chemicals	398,544	361,497	313,891	398,544	313,891	354,504	419,549	382,102	334,250	419,549	334,250	375,966
	b) Pharmaceuticals	99,901	96,945	88,409	99,901	88,409	94,071	99,901	96,945	88,409	99,901	88,409	94,071
	c) Home & Personal Care Chemicals	-	-	25,143	-	25,143	-	-	-	25,143	-	25,143	-
	d) Unallocated Capital	31,115	32,351	34,272	31,115	34,272	31,504	32,033	36,007	34,559	32,033	34,559	32,337
	Total	529,560	490,793	461,715	529,560	461,715	480,079	551,483	515,054	482,361	551,483	482,361	502,374
	Segment Liabilities												
	a) Speciality Chemicals	78,188	64,557	50,260	78,188	50,260	70,071	78,668	67,018	50,703	78,668	50,703	71,929
	b) Pharmaceuticals	10,204	9,650	9,661	10,204	9,661	9,530	10,204	9,650	9,661	10,204	9,661	9,530
	c) Home & Personal Care Chemicals	-	-	7,283	-	7,283	-	-	-	7,283	-	7,283	-
	d) Unallocated Capital	18,198	17,698	16,911	18,198	16,911	17,098	20,342	19,923	18,849	20,342	18,849	19,301
	Total	106,590	91,905	84,115	106,590	84,115	96,699	109,214	96,591	85,496	109,214	86,496	100,760

Notes:-

- Figures for the previous period have been regrouped or rearranged wherever necessary.
- Figures for the quarter and half year ended 30th September 2018 is prior to considering the impact of the scheme of arrangement for demerger of Home and Personal care undertaking of the Company into Aarti Surfactants Ltd and also the merger of manufacturing undertaking of Nascent Chemicals Industries Ltd into the Company. To that extent these figures are not comparable. The said scheme of arrangement was approved by NCLT Ahmedabad vide its order dated 10th June 2019 and thus it became effective from appointed date 1st April 2018.

 Place : Mumbai
 Date: 13th November, 2019

 For AARTI INDUSTRIES LIMITED

RAJENDRA V. GOGRI
 CHAIRMAN AND MANAGING DIRECTOR




AARTI INDUSTRIES LIMITED

Standalone and Consolidated Statement of Assets and Liabilities

(₹ In Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		30th Sept 2019	31st Mar 2019	30th Sept 2019	31st Mar 2019
A	ASSETS				
1	Non-Current Assets				
	(a) Property, Plant and Equipment	202,334	197,857	218,961	214,535
	(b) Capital work-in-progress	115,067	79,457	115,067	79,457
	(c) Goodwill	-	-	42	42
	(d) Other Intangible assets	31	90	31	90
	(e) Financial Assets				
	(i) Investments	3,696	3,336	3,810	3,317
	(f) Other Non-Current Assets	30,411	29,697	31,293	30,643
	Total Non-Current Assets	351,539	310,437	369,204	328,084
2	Current Assets				
	(a) Inventories	75,303	70,091	80,501	77,179
	(b) Financial Assets				
	(i) Trade Receivables	91,444	80,605	87,895	77,604
	(ii) Cash and Cash Equivalents	44	22,062	52	22,067
	(iii) Bank Balances other than (ii) above	30,901	57,646	31,618	58,353
	(iv) Loans & Advances	11,698	18,572	14,196	19,066
	(c) Other Current Assets	2,577	3,374	2,687	3,442
	Total Current Assets	211,967	252,350	216,949	257,711
	TOTAL ASSETS	563,506	562,787	586,153	585,795
B	EQUITY AND LIABILITIES				
1	Equity				
	(a) Equity Share Capital	4,356	4,333	4,356	4,333
	(b) Equity Share Capital pending allotment upon scheme of arrangement	-	22	-	22
	(c) Other Equity	272,109	251,708	279,630	258,723
	(d) Non Controlling Interest	-	-	9,196	8,395
	Total Equity	276,465	256,063	293,182	271,473
2	Liabilities				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	63,832	80,776	64,536	81,480
	(b) Deferred Tax Liabilities (Net)	18,198	17,098	20,342	19,301
	(c) Other Non-Current Liabilities	28,824	20,324	28,831	20,324
	Total Non-Current Liabilities	110,854	118,198	113,709	121,105
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	113,619	126,250	116,221	129,083
	(ii) Trade Payables	22,908	26,547	23,122	27,928
	(b) Other Current Liabilities	35,690	31,940	35,695	31,964
	(c) Provisions	3,970	3,789	4,224	4,242
	Total Current Liabilities	176,187	188,526	179,262	193,217
	TOTAL EQUITY AND LIABILITIES	563,506	562,787	586,153	585,795

Note:-

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

For AARTI INDUSTRIES LIMITED

Place : Mumbai
Date: 13th November, 2019

RAJENDRA V. GOGRI
CHAIRMAN AND MANAGING DIRECTOR



www.aarti-industries.com | CIN: L24110GJ1984PLC007301

Admin. Office : 71, Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai - 400080, INDIA.

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Regd. Office : Plot No. 801, 801/23, Illrd Phase, GIDC Vapi-396195, Dist- Valsad. INDIA. T : 0260-2400366.

Cash Flow Statement for the half year ended 30th September, 2019

(₹ In Lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		Half Year Ended 30th Sept, 2019	Half Year Ended 30th Sept, 2018	Half Year Ended 30th Sept, 2019	Half Year Ended 30th Sept, 2018
A.	Cash Flow from Operating Activities:				
	Net Profit before Tax and Exceptional/Extraordinary Items	34,206	25,965	36,126	28,398
	<u>Adjustments for:</u>				
	Finance Costs	6,068	9,741	6,209	9,855
	Depreciation and Amortisation Expenses	8,262	7,657	8,890	8,231
	Consolidated Adjustment			155	162
		48,536	43,363	51,380	46,646
	Profit on Sale of Assets/Investments	(794)	(93)	(794)	(93)
	Dividend Income	(186)	(253)	-	(6)
	Lease Rent Income	(3)	(2)	(3)	(2)
	Operating Profit before Working Capital Changes	47,553	43,015	50,583	46,546
	<u>Adjustments for:</u>				
	(Increase)/Decrease in Trade and Other Receivables	(2,661)	(8,735)	(4,121)	(7,215)
	Increase/(Decrease) in Trade Payables and Other Current Liabilities	4,787	(707)	3,408	(1,779)
	(Increase)/Decrease in Inventories	(5,212)	(8,481)	(3,323)	(8,789)
	Cash Generated from Operations	44,467	25,092	46,547	28,763
	Direct Taxes Paid	(8,042)	(4,611)	(8,634)	(5,758)
	Net Cash Flow from Operating Activities (A)	36,425	20,481	37,913	23,005
B.	Cash Flow from Investing Activities:				
	Addition to Property, Plant & Equipment/Capital WIP	(50,590)	(33,035)	(51,160)	(33,859)
	Sale/Written off of Property, Plant & Equipment	2,706	60	2,667	60
	(Increase)/Decrease in Other Investments	(88)	(210)	(212)	(210)
	Dividend Income from Other Investments	-	6	-	6
	Dividend Income from Subsidiary Companies	186	247	-	-
	Profit on Sale of Investment	388	-	388	-
	Lease Rent Income	3	2	3	2
	Net Cash Flow from Investing Activities (B)	(47,395)	(32,930)	(48,314)	(34,002)
C.	Cash Flow from Financing Activities:				
	Proceeds of Long-Term Borrowings	-	3,000	-	3,000
	Repayment of Long-Term Borrowings	(12,939)	(7,816)	(12,939)	(7,278)
	Proceeds/(Repayment) of Other Borrowings	(12,631)	31,254	(12,862)	29,857
	Finance Costs	(6,068)	(9,741)	(6,209)	(9,855)
	Increase in Equity by QIP (Net of Expenses)	(57)	NIL	(57)	NIL
	Dividend Paid	(6,098)	(813)	(6,282)	(1,059)
	Net Cash Flow from Financing Activities (C)	(37,793)	15,884	(38,349)	14,665
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(48,763)	3,435	(48,750)	3,668
	Cash and Cash Equivalents (Opening Balance)	79,708	2,393	80,420	3,210
	Cash and Cash Equivalents (Closing Balance)	30,945	5,828	31,670	6,878

Notes:-

- Figures for the previous period have been regrouped or rearranged wherever necessary.
- Figures for the quarter and half year ended 30th September 2018 is prior to considering the impact of the scheme of arrangement for dermerger of Home and Personal care undertaking of the Company into Aarti Surfactants Ltd and also the merger of manufacturing undertaking of Nascent Chemicals Industries Ltd into the Company. To that extent these figures are not comparable. The said scheme of arrangement was approved by NCLT Ahmedabad vide its order dated 10th June 2019 and thus it became effective from appointed date 1st April 2018.

 Place : Mumbai
 Date: 13th November, 2019

For and on behalf of the Board


 Rajendra V. Gogri
 Chairman and Managing Director

www.aarti-industries.com | CIN: L24110GJ1984PLC007301

Admin. Office : 71, Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai - 400080, INDIA.
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Regd. Office : Plot No. 801, 801/23, Illrd Phase, GIDC Vapi-396195, Dist- Valsad. INDIA. T : 0260-2400366.

KIRTANE & PANDIT

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, 2019 and the year to date results for the period from April 1, 2019 to September 30, 2019, 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, 2019 as well as the year to date results for the period from April 1, 2019 to September 30, 2019.

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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design,

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implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

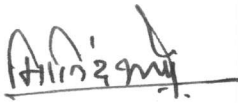
- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not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



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

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

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



**Milind Bhave
Partner
M No. 047973
UDIN: 19047973AAAAHY4675
Place: Mumbai
Date: November 13, 2019**



KIRTANE & PANDIT

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF

AARI 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, 2019 and for the period from April 1, 2019 to September 30, 2019 ("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, 2019 and the corresponding period from April 1, 2019 to September 30, 2019, 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, associates and jointly controlled entities, 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
- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net profit and other comprehensive income) and other financial information of the Group for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019.



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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 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.

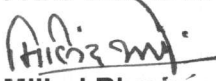
We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The consolidated Financial Results include the unaudited Financial Results of 8 subsidiaries, whose interim Financial Statements/Financial Results/ financial information reflect Group's share of total assets of Rs. 347.69 Cr as at September 30, 2019, Group's share of total revenue of Rs. 183.63 Cr and Group's share of total net profit after tax of Rs. 82.74 Cr for the quarter ended September 30 2019 and for the period from April 1, 2019 to September 30, 2019 respectively, as considered in the consolidated Financial Results. These unaudited interim Financial Statements/Financial Results/ financial information have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited interim Financial Statements/Financial Results/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these interim Financial Statements/Financial Results / financial information are 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 Bhavé
Partner
M No. 047973
UDIN: 19047973AAAAHX7526
Place: Mumbai
Date: November 13, 2019**

