



**AARTI  
INDUSTRIES  
LIMITED**

**Ref. No: AIL/B-39/2020/032**  
**February 12, 2020**

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

**BSE CODE -524208**

To,  
Listing/Compliance Department  
**National Stock Exchange of  
India Limited**  
"Exchange Plaza", Plot No. C/1,  
G Block Bandra-Kurla Complex,  
Bandra (East),  
Mumbai - 400 051.

**NSE CODE:AARTIIND**

Dear Sir/Madam,

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

**Sub:** Audited Financial Results for the Quarter and nine months ended December 31, 2019

We wish to inform you that Board of Directors at its Meeting held on **Wednesday, February 12, 2020**, approved the Audited Standalone and Consolidated Financial Results for the Quarter and nine months ended December 31, 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 nine months ended December 31, 2019.
- Audited Standalone and Consolidated Segment wise Revenue Results for the Quarter and nine months ended December 31, 2019.
- Auditor's Report on the Standalone and Consolidated Audited Financial Results for the Quarter and nine months ended December 31, 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 6:55 p.m.

Please take note of the same on your record.

Thanking you,

Yours faithfully,

For **AARTI INDUSTRIES LIMITED**

  
RAJ SARRAF  
**COMPANY SECRETARY**

ICSI M. NO. A15526

Encl.: as above.



[www.aarti-industries.com](http://www.aarti-industries.com) | CIN: L24110GJ1984PLC007301

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

T : 022-67976666, F : 022-2565 3234 | E : [info@aarti-industries.com](mailto:info@aarti-industries.com)

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

**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2019**

Sr. No.	Particulars	Standalone Result						Consolidated Result						
		3 Months Ended			9 Months Ended			3 Months Ended			9 Months Ended			
		31st Dec 2019 (Audited)	30th Sept 2019 (Audited)	31st Dec 2018 (Audited)	31st Dec 2019 (Audited)	31st Dec 2018 (Audited)	31st Dec 2019 (Audited)	30th Sept 2019 (Audited)	31st Dec 2018 (Audited)	31st Dec 2019 (Audited)	31st Dec 2018 (Audited)	31st Dec 2019 (Audited)	31st Dec 2018 (Audited)	12 Months 31st Mar 2019 (Audited)
<b>1</b>	<b>INCOME</b>													
	a) Revenue from Operations	117,672	101,904	126,815	328,187	364,615	454,782	121,848	107,682	127,603	343,079	373,507	470,551	
	b) Other Income	26	557	24	1,016	388	453	37	558	403	842	522	211	
	<b>Total Income</b>	<b>117,698</b>	<b>102,461</b>	<b>126,839</b>	<b>329,203</b>	<b>365,003</b>	<b>455,235</b>	<b>121,885</b>	<b>108,240</b>	<b>128,006</b>	<b>343,921</b>	<b>374,029</b>	<b>470,762</b>	
<b>2</b>	<b>EXPENSES</b>													
	a) Cost of Materials Consumed	55,592	49,854	71,478	159,686	217,756	253,852	55,778	51,230	71,797	162,810	217,999	257,051	
	b) Purchases of Stock-in-Trade	8,558	3,673	5,138	15,659	10,949	14,313	11,484	4,840	5,078	19,027	13,150	18,347	
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	570	(1,441)	(1,935)	(374)	(8,641)	(4,754)	(739)	(926)	(2,890)	248	(9,559)	(5,940)	
	d) Employee Benefits Expense	7,997	7,109	6,241	21,787	16,651	23,071	8,323	7,397	6,256	22,668	17,607	24,282	
	e) Finance Costs	2,829	3,038	4,235	8,897	13,976	17,915	2,871	3,109	4,200	9,080	14,055	18,254	
	f) Depreciation and Amortisation Expenses	4,387	4,253	4,061	12,649	11,718	15,103	4,704	4,568	4,367	13,593	12,598	16,268	
	g) Other Expenses	20,683	18,856	21,206	59,612	60,214	76,630	21,581	19,733	22,049	62,486	62,632	80,303	
	<b>Total Expenses</b>	<b>100,616</b>	<b>85,342</b>	<b>110,424</b>	<b>277,916</b>	<b>322,623</b>	<b>396,130</b>	<b>104,002</b>	<b>89,951</b>	<b>110,857</b>	<b>289,912</b>	<b>328,482</b>	<b>408,565</b>	
<b>3</b>	<b>Profit/(Loss) before Exceptional Items and Tax (1-2)</b>	<b>17,082</b>	<b>17,119</b>	<b>16,415</b>	<b>51,287</b>	<b>42,380</b>	<b>59,105</b>	<b>17,883</b>	<b>18,289</b>	<b>17,149</b>	<b>54,009</b>	<b>45,547</b>	<b>62,197</b>	
<b>4</b>	Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-	
<b>5</b>	<b>Profit/(Loss) before Tax (3-4)</b>	<b>17,082</b>	<b>17,119</b>	<b>16,415</b>	<b>51,287</b>	<b>42,380</b>	<b>59,105</b>	<b>17,883</b>	<b>18,289</b>	<b>17,149</b>	<b>54,009</b>	<b>45,547</b>	<b>62,197</b>	
<b>6</b>	<b>TAX EXPENSES</b>													
	a) Current Year Tax	3,000	2,400	3,500	9,000	9,050	12,916	3,148	2,542	2,560	9,518	8,573	13,665	
	b) Earlier Year Tax	-	-	(850)	(850)	(2,630)	(3,740)	1	-	(200)	1	(200)	(205)	
	c) MAT Credit Utilised/(Entitlement)	-	-	500	1,500	1,475	1,801	435	419	693	1,476	1,839	2,199	
	d) Deferred Tax	400	500	500	9,650	7,895	10,977	3,612	3,111	3,180	10,368	8,399	11,780	
	<b>Total Tax Expenses</b>	<b>3,400</b>	<b>2,900</b>	<b>3,150</b>	<b>41,637</b>	<b>34,485</b>	<b>48,128</b>	<b>14,271</b>	<b>15,178</b>	<b>13,969</b>	<b>43,641</b>	<b>37,148</b>	<b>50,417</b>	
<b>7</b>	<b>Net Profit/(Loss) from Ordinary Activities after Tax (5-6)</b>	<b>13,682</b>	<b>14,219</b>	<b>13,265</b>	<b>41,637</b>	<b>34,485</b>	<b>48,128</b>	<b>14,271</b>	<b>15,178</b>	<b>13,969</b>	<b>43,641</b>	<b>37,148</b>	<b>50,417</b>	
<b>8</b>	Extraordinary Items (Net of Tax Expense ₹)	-	-	-	-	-	-	-	-	-	-	-	-	
<b>9</b>	<b>Net Profit/(Loss) for the period (7-8)</b>	<b>13,682</b>	<b>14,219</b>	<b>13,265</b>	<b>41,637</b>	<b>34,485</b>	<b>48,128</b>	<b>14,271</b>	<b>15,178</b>	<b>13,969</b>	<b>43,641</b>	<b>37,148</b>	<b>50,417</b>	
<b>10</b>	<b>Profit/(Loss) for the period attributable to</b>													
	a) Owners of the Company	13,682	14,219	13,265	41,637	34,485	48,128	13,984	14,756	13,370	42,553	35,810	49,174	
	b) Non Controlling Interest	266	(288)	3,047	83	(387)	93	287	422	599	1,088	1,338	1,243	
<b>11</b>	<b>Other Comprehensive Income</b>													
<b>12</b>	<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the</b>													
<b>13</b>	<b>Earnings per Equity share:</b>													
	(1) Basic	7.85	16.32	16.32	23.90	42.42	59.10	8.03	16.94	17.18	24.42	44.05	60.39	
	(2) Diluted	7.85	16.32	16.32	23.90	42.42	59.10	8.03	16.94	17.18	24.42	44.05	60.39	
<b>14</b>	<b>Paid-up Equity Share Capital (Face Value of ₹ 5/-each)</b>	8,712	4,356	4,065	8,712	4,065	4,333	8,712	4,356	4,065	8,712	4,065	4,333	
<b>15</b>	<b>Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year</b>													
							251,708							258,670



**Notes:-**

1. The above results for the quarter and nine months ended 31st December, 2019 have been reviewed by the Audit Committee in their meeting and approved by the Board of Directors in their meeting held on 12th February, 2020.
2. The Board of Directors have declared Interim Dividend of ₹ 2.50/- per Equity Share of ₹ 43,55,86,185/- and 25th February, 2020 have been fixed as record date for payment of said Interim Dividend.
3. Figures for the quarter and nine months ended 31st December, 2018 is prior to considering the impact of the scheme of arrangement for dermerger of Home and Personal care undertaken of the Company into Aarti Surfactants Ltd and also the merger of manufacturing undertaking of Nascent Chemicals Industries Ltd into the Company. To that extent these figures are not comparable. The said scheme of arrangement was approved by NCLT Ahmedabad vide its order dated 10th June, 2019 and thus it became effective from appointed date 1st April 2018.
4. Company has entered into forward contracts to hedge its export contracts. Mark to market gain/(loss) for such contracts as at the end of reporting period are recognised in these statements. Mark to market gain/(loss) in respect of near term contracts amounting to (₹ 239) Lakhs is expensed off in the above P&L statement, while mark to market gain/(loss) in respect of long term contracts amounting to (₹ 138) 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.
5. Company had further recognised revaluation gain/(loss) to the extent of (₹ 110) lakhs in respect of its long term borrowings (ECBs) as at 31st December, 2019 and included the same in its Finance Costs appearing above.
6. The Listed Non-Convertible Debenture of the Company aggregating to ₹ 8,000 Lakhs as on 31st December, 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.
7. Company retained its domestic credit ratings of AA- from CRISIL and India Ratings.
8. Pursuant to the approval of the shareholders in Annual General Meeting of the Company held on September 16, 2019, the Company has allotted 87117237 Bonus shares of ₹ 5/- each fully paid-up on October 01, 2019 in the proportion of 1 equity share for every 1 equity share of ₹ 5/- each held by the equity shareholders of the Company as on the record date of September 30, 2019. Consequently the Company capitalized a sum of ₹ 43,55,86,185/- from Retained earnings. Consequently, the basic and diluted earnings per share for the quarter and nine months ended 31st December, 2019 presented above have been adjusted to give effect to the aforesaid issue of bonus shares. Hence to that extent the basic and diluted earnings per share for the previous periods are not comparable.
9. Figures for the previous period have been regrouped or rearranged wherever necessary.
10. The aforesaid Audited Financial Results will be uploaded on the Company's website [www.aarti-industries.com](http://www.aarti-industries.com) and will also be available on the website of BSE Limited [www.bseindia.com](http://www.bseindia.com) and the National Stock Exchange of India Limited [www.nseindia.com](http://www.nseindia.com) for the benefit of the shareholders and investors.

Place: Mumbai

Date: 12th February, 2020



For AARTI INDUSTRIES LIMITED

RAJENDRA V. GOGRI

CHAIRMAN AND MANAGING DIRECTOR

Sr. No.	Particulars	Standalone Result						Consolidated Results					
		3 Months Ended		9 Months Ended		12 Months		3 Months Ended		9 Months Ended		12 Months	
		31st Dec 2019 (Audited)	30th Sept 2019 (Audited)	31st Dec 2018 (Audited)	31st Dec 2019 (Audited)	31st Dec 2018 (Audited)	31st Mar 2019 (Audited)	31st Dec 2018 (Audited)	30th Sept 2019 (Audited)	31st Dec 2018 (Audited)	31st Dec 2019 (Audited)	31st Dec 2018 (Audited)	31st Mar 2019 (Audited)
1	Segment Revenue												
	a) Speciality Chemicals	100,057	83,695	101,423	273,249	290,180	382,201	104,233	89,473	102,211	288,141	299,072	397,970
	b) Pharmaceuticals	17,615	18,209	17,110	54,938	51,302	72,581	17,615	18,209	17,110	54,938	51,302	72,581
	c) Home & Personal Care Chemicals	-	-	8,282	-	23,133	-	-	-	8,282	-	23,133	-
	<b>Total</b>	<b>117,672</b>	<b>101,904</b>	<b>126,815</b>	<b>328,187</b>	<b>364,615</b>	<b>454,782</b>	<b>121,848</b>	<b>107,682</b>	<b>127,603</b>	<b>343,079</b>	<b>373,507</b>	<b>470,551</b>
2	Segment Results Profit / (Loss) (Before Tax and Interest from each Segment)												
	a) Speciality Chemicals	20,540	20,007	20,984	60,700	56,798	77,628	21,510	21,369	21,509	64,208	60,531	81,957
	b) Pharmaceuticals	3,597	3,367	2,992	10,163	8,510	11,268	3,597	3,367	2,992	10,163	8,510	11,268
	c) Home & Personal Care Chemicals	-	-	(52)	-	(228)	-	-	-	(52)	-	-	(228)
	<b>Total</b>	<b>24,137</b>	<b>23,374</b>	<b>23,924</b>	<b>70,863</b>	<b>65,080</b>	<b>88,896</b>	<b>25,107</b>	<b>24,736</b>	<b>24,449</b>	<b>74,371</b>	<b>68,813</b>	<b>93,225</b>
3	Less: Interest	2,829	3,038	4,235	8,897	13,976	17,915	2,871	3,109	4,200	9,080	14,055	18,254
	Other Unallocable Expenditure (Net)	4,226	3,217	3,274	10,679	8,724	11,876	4,353	3,338	3,100	11,282	9,211	12,774
	<b>Total Profit before Tax</b>	<b>17,082</b>	<b>17,119</b>	<b>16,415</b>	<b>51,287</b>	<b>42,380</b>	<b>59,105</b>	<b>17,883</b>	<b>18,289</b>	<b>17,149</b>	<b>54,009</b>	<b>45,547</b>	<b>62,197</b>
	Segment Assets												
a) Speciality Chemicals	430,064	398,544	335,261	430,064	335,261	354,504	451,854	419,549	357,882	451,854	357,882	375,966	
b) Pharmaceuticals	96,435	99,901	91,399	96,435	91,399	94,071	96,435	99,901	91,399	96,435	91,399	94,071	
c) Home & Personal Care Chemicals	-	-	25,407	-	25,407	-	-	-	25,407	-	-	25,407	
d) Unallocated Capital	29,912	31,115	28,842	29,912	28,842	31,504	30,810	30,810	32,033	26,698	30,810	32,337	
	<b>Total</b>	<b>556,411</b>	<b>529,560</b>	<b>480,909</b>	<b>556,411</b>	<b>480,909</b>	<b>480,079</b>	<b>579,099</b>	<b>551,483</b>	<b>501,386</b>	<b>579,099</b>	<b>501,386</b>	<b>502,374</b>
Segment Liabilities													
	a) Speciality Chemicals	89,033	78,188	66,445	89,033	66,445	70,071	91,535	78,668	65,281	91,535	65,281	71,929
	b) Pharmaceuticals	9,121	10,204	9,293	9,121	9,293	9,530	9,121	10,204	9,293	9,121	9,293	9,530
	c) Home & Personal Care Chemicals	-	-	7,088	-	7,088	-	-	-	7,088	-	7,088	-
d) Unallocated Capital	18,598	18,198	17,411	18,598	17,411	17,098	20,787	20,787	19,580	19,580	19,580	19,301	
	<b>Total</b>	<b>116,752</b>	<b>106,590</b>	<b>100,237</b>	<b>116,752</b>	<b>100,237</b>	<b>96,699</b>	<b>121,443</b>	<b>109,214</b>	<b>101,242</b>	<b>121,443</b>	<b>101,242</b>	<b>100,760</b>

**Notes:-**

- Figures for the previous period have been regrouped or rearranged wherever necessary.
- Figures for the quarter and nine months ended 31st December 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.



For AARTI INDUSTRIES LIMITED

RAJENDRA V. GOGRI

CHAIRMAN AND MANAGING DIRECTOR

 Place : Mumbai  
 Date: 12th February, 2020

# 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 December, 2019 and the year to date results for the period from April 1, 2019 to December 31, 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 December 31, 2019 as well as the year to date results for the period from April 1, 2019 to December 31, 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,

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:

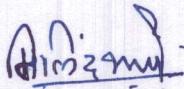
- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not 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 Bhavé  
Partner**

**M No. 047973**

**UDIN: 20047973AAAAAR9414**

**Place: Mumbai**

**Date: February 12, 2020**



# KIRTANE & PANDIT

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS OF

### AARTI INDUSTRIES LIMITED

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

#### Opinion

We have audited the accompanying Statement of Consolidated Financial Results of Aarti Industries Limited ("Holding company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group") for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 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 December 31, 2019 and the corresponding period from April 1, 2019 to December 31, 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, the Statement:

- a. includes the results of the following entities:
  - i. Aarti Corporate Services Limited
  - ii. Shanti Intermediates Private Limited (through its Holding Company: Aarti Corporate Services Limited)
  - iii. Nascent Chemical Industries Limited (through its Holding Company: Aarti Corporate Services Limited)
  - iv. Ganesh Polychem Limited
  - v. Alchemie (Europe) Limited
  - vi. Innovative Envirocare Jhagadia Limited
  - vii. Aarti USA Inc.
  - viii. Aarti Polychem Private Limited
  - ix. Aarti Bharuch Limited
  - x. Aarti Organics Limited
  - xi. Aarti Spechem Limited
  - xii. Aarti Pharmachem Limited
- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and





- 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 December 31, 2019 and for the period from April 1, 2019 to December 31, 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 Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibilities for the Consolidated Financial Results**

These quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the interim financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of



Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

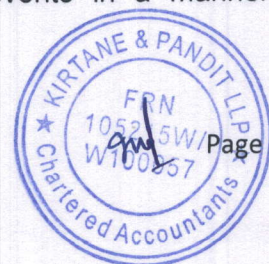
The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

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

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

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



- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### **Other Matters**

The consolidated Financial Results include the audited financial results of 2 subsidiaries, whose interim Financial Statements/Financial Results/ financial information reflect, Group's share of total revenue of Rs. 41.12 Cr and Rs. 146.98 cr and Group's share of total net profit after tax of Rs. 11.83 Cr and Rs. 45.36 cr for the quarter ended December 31 2019 and for the period from April 1, 2019 to December 31, 2019 respectively, as considered in the consolidated Financial Results. These audited 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.

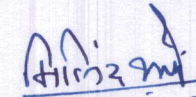
The consolidated Financial Results include the unaudited Financial Results of 10 subsidiaries, whose interim Financial Statements/Financial Results/ financial information reflect Group's share of Group's share of total revenue of Rs. 36.54 cr and Rs. 114.31 cr and Group's share of total net profit after tax of Rs. 15.42 cr and Rs.61.84 cr for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 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 Bhave  
Partner**

**M No. 047973**

**UDIN: 20047973AAAAAS6422**

**Place: Mumbai**

**Date: February 12, 2020**

