

**July 10, 2024**

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 (E), Mumbai – 400 051.  
**NSE Symbol: AARTIIND**

Dear Sir/Madam,

**Sub: Notice of the 41<sup>st</sup> AGM & Annual Report for the  
Financial Year 2023-24**  
**Ref.: Regulation 34 of the SEBI (LODR) Regulations,  
2015**

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Please find enclosed herewith the Annual Report of the Company for the Financial Year 2023-2024, along with the Notice of the 41<sup>st</sup> Annual General Meeting (AGM) of the Company scheduled to be held on **Friday, August 2, 2024 at 11:00 a.m. IST** through Video Conferencing (VC) / Other Audio Visual Means (OAVM). The AGM will be held without the physical presence of the Shareholders at a common venue.

Further, in accordance with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Shareholders whose email addresses are registered with the Company / Depository Participants.

The Notice of 41<sup>st</sup> AGM of the Company along with Annual Report for the Financial Year 2023-24 is available on the website of the Company at web link: <https://www.aarti-industries.com/investors/financial-information/annual-reports>

Kindly take note of the same.

**For AARTI INDUSTRIES LIMITED**

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

# Resilient Today Promising Tomorrow

ANNUAL REPORT 2023-24



# Evolving With Purpose

## Since 1984

Building a legacy takes time, and Aarti Industries has dedicated over three decades to crafting a journey from local roots to global excellence. Founded in September 1984 by visionary technocrats, we started with humble beginnings, driven by a passion for innovation and commitment to

### Phase 1

#### Building a Base (1985-2012)

- **1985**  
Incorporated Aarti Organic Private Limited
- **1986**  
Commenced 1,200 TPA Unit for Nitro Chloro Benzenes (NCB) in Sarigam, Gujarat
- **1990**  
Set up the first large-scale organic plant in Vapi (4,500 TPA for NCB)
- **1992**  
Aarti Industries Limited got listed on NSE and BSE
- **1997-2001**  
Set up a large-scale hydrogenation & nitration unit at Jhagadia (Hydrogen gas via pipeline)
- **2004-08**  
Expanded NCB and Sulphuric acid capacity
- **2011**  
Upgraded hydrogenation unit from batch to continuous
- **2011**  
Custom Synthesis division at Vapi received USFDA approval
- **2011**  
Commenced bulk shipment for the global market

### Phase 2

#### Sustained Growth (2013-2018)

- **2013**  
Merged manufacturing division of Anushakti Chemicals and Drugs Ltd.  
Total income crossed 2,000 crores; exports crossed 1,000 crores
- **2014**  
Upgraded batch Nitration unit to continuous Nitration unit
- **2016**  
Commissioned ethylation facility at Dahej SEZ (ethylene gas via pipeline)  
Expanded NCB capacity from 57 to 75 KTPA



excellence. Our progress reflects continual growth, adaptability and a pursuit of opportunities. With each stride forward, we explore fresh frontiers, steered by resilience, advancement, and innovation, towards a promising tomorrow.

## Phase 3

### Future-Ready (2019-2024)

#### 2017

Commissioned calcium chloride facility

Started operations at co-gen and solar power plants

#### 2018

Commissioned Nitro Toluene Plant

Signed two large multi-year contracts with global players

#### 2019

Commissioned the nitrotoluene hydrogenation facility at Jhagadia

Signed another multi-year contract with a global player

#### 2020

Operationalised Phase 1 Unit at Dahej SEZ for agrochemical intermediates & Speciality Chemical

Operationalised Aarti Research & Technology Centre at Navi Mumbai

#### 2021

Operationalised Phase 2 Unit at Dahej SEZ for agrochemical intermediates & Speciality Chemical

Commercialised chlorination unit at Jhagadia

#### 2022

Demerger of Pharmaceutical business

Commercialised facility for 2<sup>nd</sup> long-term Contract

#### 2023

Commercialised a manufacturing facility for the third long-term contract and a unit for Speciality Chlorination at Jhagadia

Signed multi-year contract with DFPCL for key RM

#### 2024

Expanded NCB Capacity from 75KTPA to 108KTPA

Commercialised Phase1 of Acid Unit Revamp

Commissioned 13.2 MW Hybrid Renewable Power Plant

Signed two multi-year contracts with global player





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**RESILIENT TODAY**





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# Chairman's Message



## Dear Stakeholders,

**Aarti Industries Limited (AIL) will mark 40 years of presence in the speciality chemical industry this year. These four decades of excellence, innovation, passion, and determination have shaped AIL into the global entity it is today. Reflecting on this remarkable journey, I extend my deepest gratitude to everyone who has contributed to transforming AIL from a humble Indian enterprise into a world-renowned chemical manufacturer serving global markets.**

During the 40 years of my remarkable association with AIL, I have witnessed the incredible synergy between our management, investors, customers, suppliers and employees. Together, we have forged a path to become a leading manufacturer of speciality chemicals with a significant global footprint.

As I present our Annual Report for FY 2023-24, I would like to emphasise that the performance of AIL stands as a testament to our resilience and adaptability, even in the face of an uncertain and challenging macro environment. This unwavering resilience is a beacon, guiding us towards a future filled with promise and potential.

The fiscal year 2023-24 remained challenging amid geopolitical conflicts, inflation, inventory corrections, demand challenges, and supply chain disruptions, yet growth across a few end applications provided some relief.

## Rising amidst rough patches

We are an Indian company envisioning global market share expansion and are fortunate to function in an organisation as resilient as ours. Our resilience, driven by our values of care, integrity, and excellence, enabled us to push forward, execute our business, and remain unmoved by disruptions. Our financial results are a testament to this.

We witnessed revenue of ₹7,012 Crore, EBITDA reaching ₹984 Crore and a PAT of ₹416 Crore. Quarter after quarter, we have been able to achieve sustained growth driven by volume increases, the strategic ramp-up of long-



term contracts, and a resurgence in discretionary portfolio volumes. Our balanced domestic-to-export mix, at 48:52, has showcased our local and international presence and our ability to supply across all geographies. We have been able to navigate imbalances such as softness in non-discretionary portfolios like agrochemicals and pharmaceuticals and witnessed progressively encouraging demand recovery in discretionary applications like dyes, pigments, energy applications, speciality polymers, additives, etc. further bolstering our performance.

## Resilience for us also means being Sustainable, Responsible, Value-driven and People-centric.

Our parameters for success don't stop at numbers, and our endeavours on the ESG front reflect the same. To enhance safety across and beyond the walls of AIL, we reinforced our safety control measures with initiatives like BESAFE+, which integrates advanced safety protocols and regular training sessions with over 2,640 man-hours invested to ensure that every employee is well-versed with the latest safety practices.

Employees form the core of our organisation, and their well-being is paramount to us. Through various engaging interventions, this financial year, we delved deep into the five most vital dimensions of well-being for an individual - career, physical, financial, social, and community well-being. Our Employee Engagement Survey achieved a remarkable 100% participation rate within six days and the positive impact of these efforts is evident in the engagement score of 4.42/5.

At AIL, we firmly believe that we are as good as the community we live in, and the Aarti Foundation, our CSR arm established to enhance community welfare, partnered with several NGOs to create positive change for education, healthcare, rural development, women's empowerment, skill development, environmental conservation, etc.

## The future looks Promising

India is one of the fastest-growing economy and is expected to grow from 6.5% to 7% in the coming years. The chemical sector holds immense potential and government initiatives such as the production-linked incentive (PLI) scheme across various downstream sectors such as Pharmaceuticals, Electronics, etc. will further boost the demand.

During the year FY24, we commercialised our scale up projects such as NCB Expansion, acid phase I revamp cum expansion, etc., while the balance scale up projects such as NT expansion, ethylation expansion and expansion of few speciality chemicals are expected to be completed in FY25. With these projects being completed, we shall have benefits of volume ramp-up, as demand for these are expected to progressively normalise and grow from FY25. Further during the year FY24, we secured large contracts like the four-year supply contract valued at ₹6,000 crore and another significant contract amounting to ₹3,000 crore – both from our esteemed clients. These contracts will instill greater stability, enhance our plant utilisation, strengthen our leverage, and substantially boost our earnings going ahead. Thus with our expectation of sustained recovery in discretionary segments, emerging signs of revival in the non-discretionary portfolio, ramp-up of capacities, higher operating leverages, margin normalisation, higher volumes from contracts, etc. will drive substantial growth in FY25 and lay the foundation for a long-term multi-year growth.

Furthermore, we are expanding our portfolio with over 40 new chemistries and value-added products through an integrated value chain, including a 42,000 TPA Chloro Toluene base capacity, with an EBITDA margin of 25%-30%. We plan to invest ₹2,500-3,000 Crore in these chemicals.

With our endeavor to add on newer products and technologies, we set up a state of art R&D centre at Navi Mumbai in 2020. The Chloro Toluene chain of products, being added on by us, has entirely been developed indigenously by our team. As we move forward, our R&D teams are engaged into developing products having high growth applications such as sustainable/circular chemistries, renewables, battery chemicals, electronic

chemicals, high end polymers, and such other new sunrise sectors. We expect to see significant breakthrough in these areas in next few years, which will lead to the growth of our business in the coming decade.

We took a promising leap by entering into a 50-50 Joint Venture with UPL. This JV is a first of its kind and path-breaking development that builds on the synergies and competencies of two leading Indian chemical companies to support the manufacturing of critical chemical products in India. We have a very long-standing relationship with UPL, and this JV enables us to combine our individual strengths to create globally competitive businesses. We believe that such unique collaborations between Indian chemical players will contribute to the growth of Indian chemical ecosystem.

In a further endeavour to make AIL a world-class organisation, I am pleased to welcome Suyog Kotecha as AIL's Chief Executive Officer and Executive Director. Suyog joined us on June 17th and has extensive experience in strategy, innovation, and business transformation, coupled with his deep understanding of the chemicals industry and global connects, making him the ideal leader directing the way forward. We look forward to his valued contribution to enhance our strategic vision and to drive growth and innovation.

I sincerely express my gratitude to our stakeholders, including shareholders, for their unwavering support. Our employees have played a vital role in achieving our objectives, while the guidance of our esteemed Board Members has been invaluable. We thank everyone for being part of our prosperous journey. We are confident we can seize the abundant opportunities and accelerate our growth trajectory while pursuing sustained value creation.

I look forward to your continued support as we grow together

**Rajendra. V. Gogri**  
Chairman and Managing Director



**>>** Who We Are

# Sustainable, Responsible, Value-driven and People-Centric

Aarti Industries Limited (AIL) has established itself as a leading manufacturer of speciality chemicals with a significant global presence. Our commitment to innovative and sustainable practices, along with immense care for our people and the planet, defines our path to success. We blend process chemistry expertise with advanced scale-up engineering, enabling us to drive sustainable solutions for a better future.

Over the last four decades, we have evolved from a locally rooted company catering to international markets to a globally recognised entity with cutting-edge manufacturing facilities based in India. Despite numerous challenges, our resilience has fuelled our growth and innovation. Our dedication to sustainability, responsibility, and value creation ensures that we not only meet today's needs but also drive tomorrow's possibilities.

**100+**

Products

**1,100+**

Customers

**60+**

Export Countries

**2**

State-of-the-art  
R&D Centres

**16**

State-of-the-art  
Manufacturing Facilities

**6,000+**

Employees



## >> What We Offer

Our diverse portfolio includes basic chemicals, agrochemicals, speciality chemicals, and intermediates. These products are crucial in manufacturing agri-products, polymers, additives, dyes and pigments, pharmaceuticals, energy applications, rubber chemicals, home & personal care chemicals, etc. We cater extensively to global industries, offering essential ingredients that drive innovation and sustainability across various sectors.



### Specialty Chemicals

Speciality chemicals are the core of our business. Using key feedstock materials such as benzene, toluene, nitric acid, chlorine, methanol, aniline, and sulphur, we offer a wide array of solutions. We blend our expertise with these core chemicals to unlock the secrets of alchemy, creating unique and valuable compounds. Our innovative approach and deep understanding of chemical processes enable us to deliver tailored solutions that meet the diverse needs of our global clients, making us a leader in the speciality chemicals sector.



### Strategic Partnerships

Our partnership initiative thrives on strategic collaborations, combining our manufacturing expertise, skilled workforce, and cost-effective production capabilities with international market reach. We have forged successful partnerships across manufacturing outsourcing, joint product development, feedstock assurance and supply, and technology sharing, leveraging our expertise to drive mutual growth and innovation in the global chemical industry.

**Leading global speciality chemical manufacturers trust ALL to be their preferred partner right from concept to commissioning.**





## Where We Lead



Global player in benzene and toluene-based derivatives with integrated operations

**Top 3**

in Chlorination and Nitration globally

**Top 2**

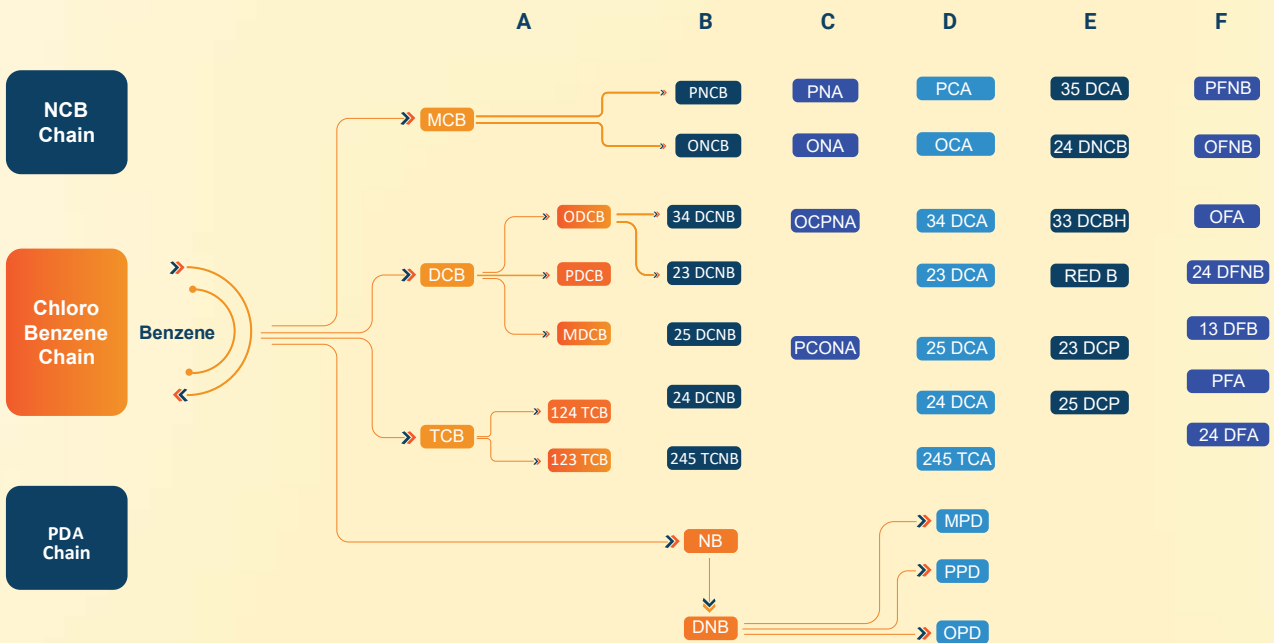
in Hydrogenation globally



Well placed to benefit from industry tailwinds

- » Alternate to China & Europe
- » Fully backward integrated
- » Low-cost, sustainable manufacturing
- » Opportunities in sunrise sectors

### Benzene Value Chain



A- Chlorination | B-Nitration | C-Ammonolysis | D-Hydrogenation | E-Specialty | F-Halex

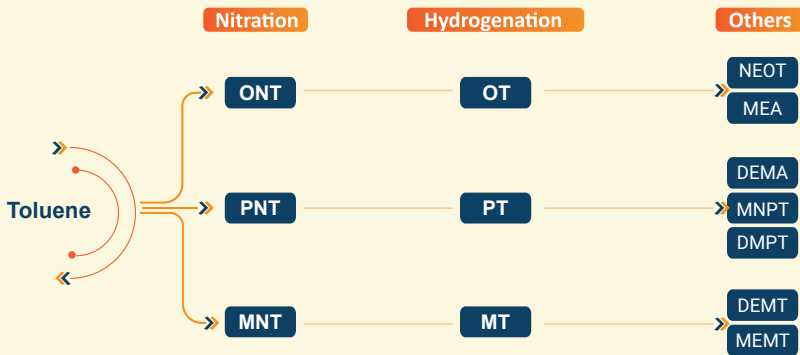
#### Global Ranking

NCB	Among Top 3 Globally	DCB	#1 Globally
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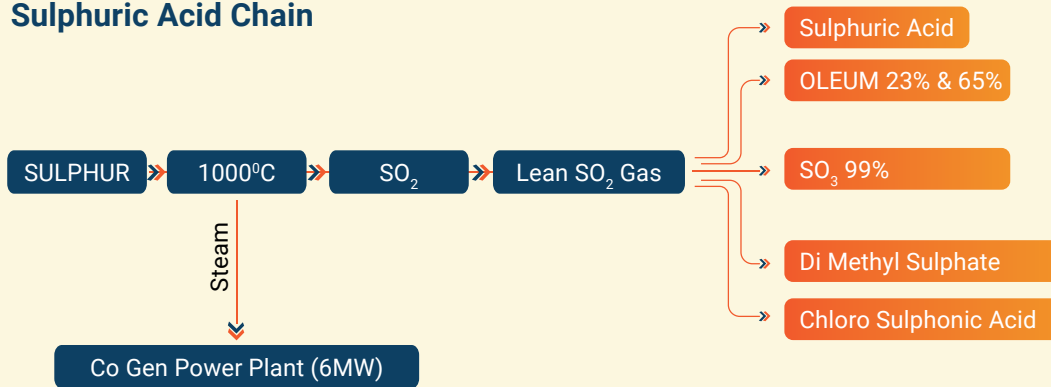
#### Domestic Ranking

Leading manufacturer for Nitro Fluoro Aromatics (via Halex chemistry) & PDA

### Toluene Value Chain



### Sulphuric Acid Chain

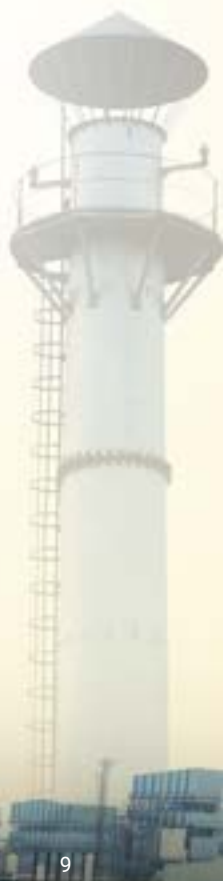


### Other Speciality Chemical products

- › Single Super Phosphate (SSP)
- › Export Grade Calcium Chloride Granules (for Oil exploration & De-icing)
- › Fuel Additives
- › Phthalates

### Our Key Strengths

- › Integrated operations across product chain of Benzene and Toluene
- › Co-products/Isomer balancing
- › Optimizing product mix
- › Ability to meet stringent specifications
- › Supply chain not linked with China
- › Diversified end uses



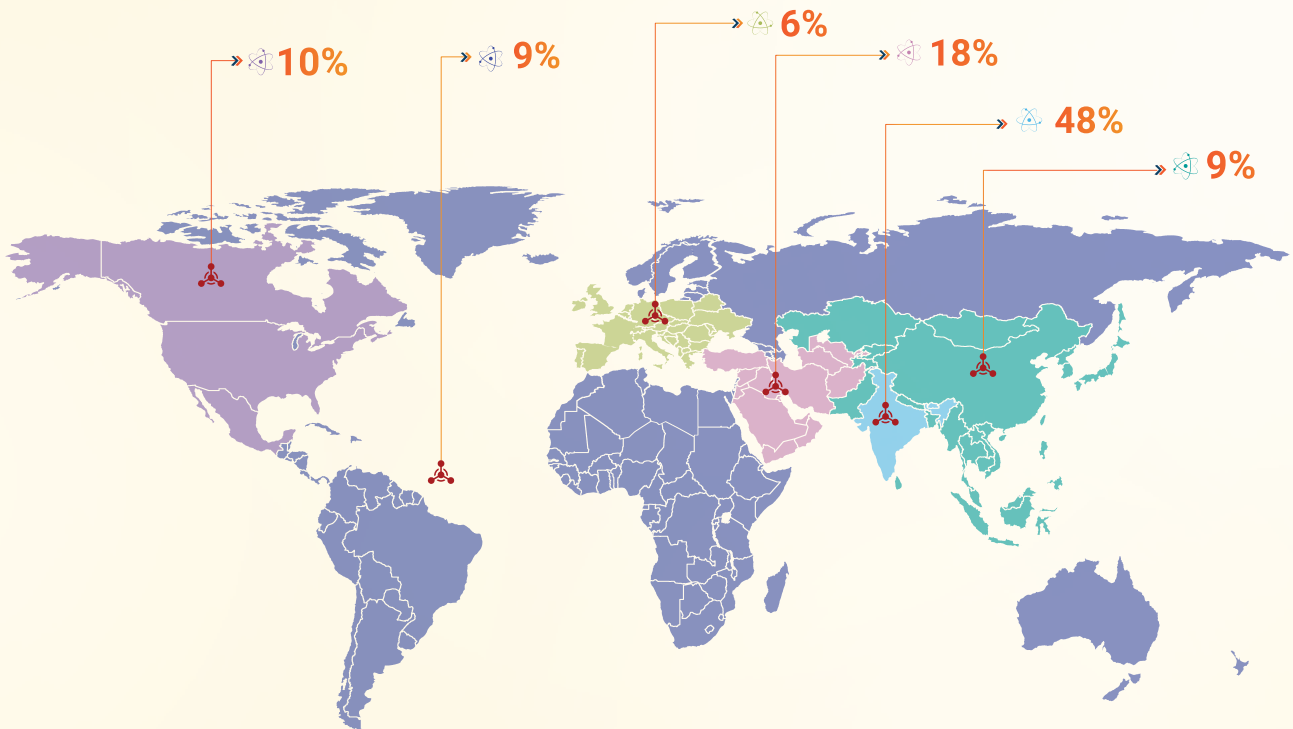


» Our Presence

# Rooted Locally, Impacting Globally

Our commitment to producing and supplying world-class speciality chemicals extends to more than 60 countries. Our global presence highlights our dedication to unlocking opportunities and building a stronger future. With 16 strategically located state-of-the-art manufacturing facilities near the ports and two advanced research and development centres, we efficiently meet the dynamic demands of our global customers and enhance our export capabilities.

Region	SUM of %age share	Region	SUM of %age share
India	48%	North America	10%
Middle East	18%	Rest of Asia	9%
Europe	6%	RoW	9%



Head Office/ Corporate Office

Mumbai



Facilities

Vapi | Jhagadia | Dahej | Bhachau | Tarapur

Project and Engineering Office

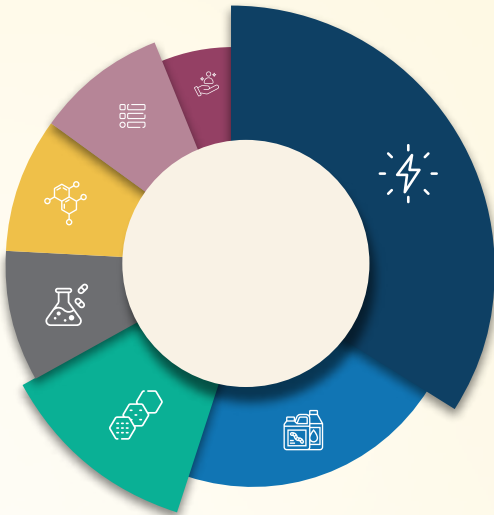
Vadodara



R&D Centres

Vapi | Navi Mumbai

## Industries We Serve



Energy  
**34%**

Agrochemical  
**21%**

Dyes & Pigments  
**12%**

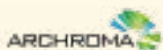
Pharmaceuticals  
**9%**

Polymers & Additives  
**9%**

Home & Personal care (FMCG)  
**6%**

Others  
**9%**

## Key Customers

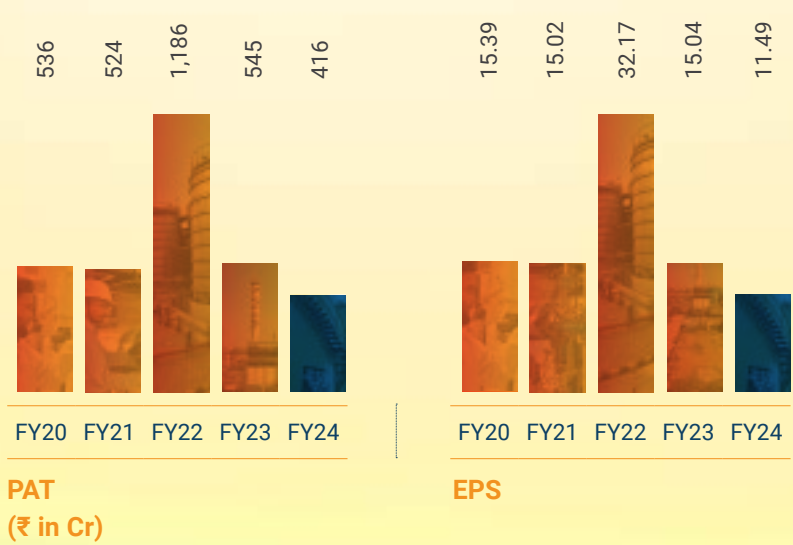




» Our Key Performance Indicators

# Charting a Resilient Path

## Profit and Loss

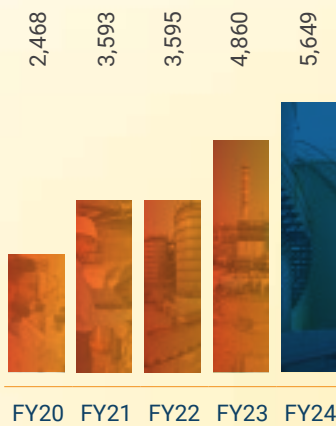


Note 1: FY22 includes one time termination income of ₹ 631 crores, as a result the Profit & Loss indicators for FY22 may not be comparable with other periods.

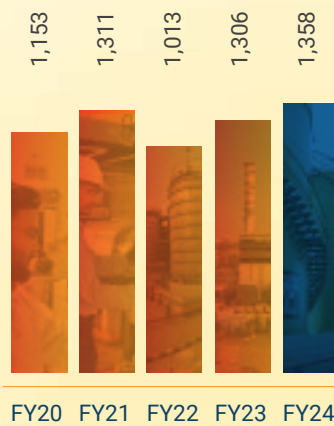
Note 2: The Pharma business undertaking was demerged wef July 1, 2021. Thus, the financial numbers for period prior to July 1, 2021, are inclusive of the Pharma business financials and hence not comparable with the current year financials.



## Balance Sheet Indicators



**Net Fixed Assets**  
(₹ in Cr)

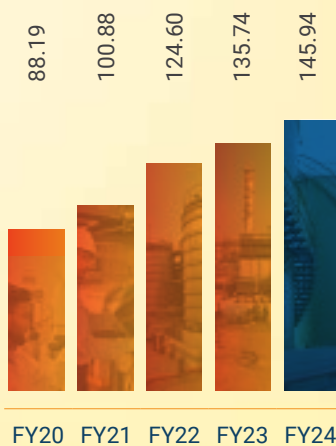


**Capex**  
(₹ in Cr)



**Debt To Equity Ratio**

## Shareholder Metrics



**Book Value Per Share**

**AA/ Stable**

CRISIL  
Long-term credit  
rating

**A1+**

CRISIL  
Short-term  
credit rating

**AA/ Stable**

India-RA  
Long-term credit  
rating

**A1+**

India-RA  
Short-term credit  
rating



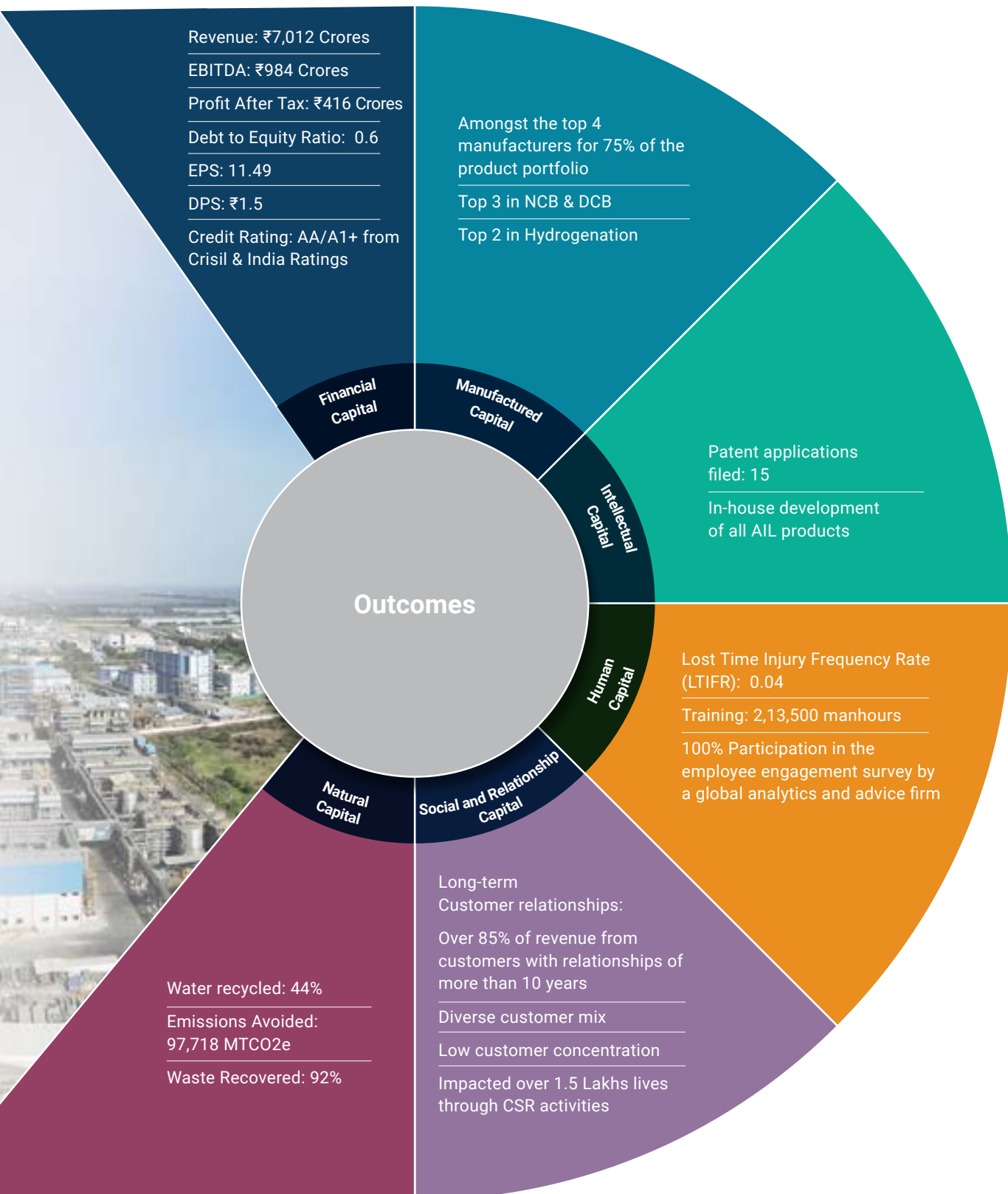
» Our Value Creation Model

# Navigating Growth Through Values





AIL strategically uses the six key capitals to ensure optimised returns and promote long-term sustainability that benefits our shareholders, employees, suppliers, customers and the communities we serve.




 **How We Lead The Path**

# Resilient Today. Promising Tomorrow.

The four decades of ALL's journey has been a testament to excellence, innovation, and our unwavering resilience. As we navigated significant milestones and transformed challenges into opportunities, our strength and robustness stood as our guiding forces. The theme "Resilient Today; Promising Tomorrow" celebrates ALL's resilience which has empowered us to envision a promising tomorrow.





Our steadfast principles have allowed AIL to navigate even the most challenging market conditions with confidence. A deep understanding of market dynamics, diversified product range and R&D investments have provided us stability against market volatility, reinforcing stakeholder confidence and positioned us as a trusted leader in the specialty chemicals industry. Despite uncertainties, we have consistently fulfilled our promises, delivering high-quality products and innovative solutions. The strategic pre-orders secured for the coming years reflect our bright future and readiness to seize emerging opportunities.

## Aarti 4.0

### Journey To The Future

Fostering our journey to become a Global Partner of Choice, we embraced Aarti 4.0 a strategic evolution for a sustainable tomorrow. With Aarti 4.0, we are not just preparing for the future—we are shaping it, one innovative solution at a time, thus laying a strong foundation for a promising future. Together, we continue creating value and building a brighter future for all our stakeholders.





➤ Resilient Today

# Manufacturing Strengths

**Our resilience helps us tide over any challenge that comes our way and despite demand issues for major products, we achieved new milestones in the manufacturing of various products with as much as a over 20% increase in some cases. These benchmarks were achieved in a very challenging year for the chemical industry, as demands and margins were low in FY 23-24.**

Our manufacturing priorities continue to focus on ongoing process improvements, yield improvements, cost efficiencies, effective effluent management, consistent quality & timely delivery, reliability of operations, same manufacturing practices, etc thus resulting into quality output with optimised costs and efficient manufacturing cycle.

We have also added various new technologies across our manufacturing divisions such as acid scrubbers to increase yield in ammonolysis products; MVRs, ATFDs and STPs were commissioned to keep in line with ZLD requirements; and resin columns were commissioned to increase catalyst recovery in hydrogenation products, to name a few.

Amongst the

## Top 4

manufacturers for 75% of the product portfolio



## 5 Star

Export House



## Safe Today, Healthy Tomorrow

To maximise the effectiveness of our manufacturing and expansion plans, it is crucial that the individuals executing our vision operate at their peak performance. We are committed to providing a safe work place to every single person who works at ALL and we have adopted a suite of safety control measures for our employees. For example, the Condition Listening Tour which involves regular, structured plant rounds to capture frontline insights on safety conditions and identify areas for improvement, fosters a collaborative approach to safety management. There are many other practices and initiatives that we undertake and foster to ensure our people and our plants function safely.





At AIL, safety is more than a priority; it is an integral part of our identity. Our commitment to safeguarding our employees, communities, and the environment drives us to continually exceed industry standards. Through innovative programs like BESAFE+ and our relentless pursuit of safety excellence, we embed a culture where every individual is empowered to prioritise safety. As we shape the future, our unwavering dedication to safety ensures that even world-class is not enough for us—we strive for a standard where care and vigilance are inherent in everything we do.

To ensure our manufacturing and expansion plans operate at their best, we ensure that the people executing our vision are also performing at their peak. We are dedicated to providing a safe workplace for everyone at AIL and have implemented a comprehensive set of safety control measures and initiatives for our employees. The Condition Listening Tour, involves regular, structured plant rounds to gather frontline insights on safety conditions and identify areas for improvement, fostering a collaborative approach to safety management.

One of the main safety interventions for our employees is BESAFE+ Initiative which is a journey of continuous improvement. Launched in 2019, the BESAFE+ initiative has become a cornerstone of AIL's safety culture, transforming our approach to process safety.

» In FY 2022-23, the “Aarti Suraksha Survey” revealed our safety culture is advancing towards an interdependent stage on Bradley’s curve. The insights from this survey led to the development of a Safety Culture Enhancement program, marking a new phase in our safety journey- Be Safe+

»







## Pushing Boundaries with dss+

In December 2023, we launched BESAFE+ to further elevate our safety culture. Partnering with global safety leaders, dss+ (formerly Dupont Sustainable Solutions), we aimed to achieve an inter-dependent Safety Maturity Level, where care for each other is paramount.

Our focus on leading safety indicators in FY 2023-24 is evident through:

### 200+

#### Knowledge Capsules every year

Every weekday, a short communication through email on Safety topics by Corporate Safety and Compliance Head



### 2000+

#### Behaviour Based Safety (BBS)

Every month, these BBS Rounds are done to endorse positive safety behaviour across AIL



### Monthly

#### Gate Meeting

On the 4<sup>th</sup> day of every month this meeting is done in all divisions to recognise the good work in safety by on-roll and contract employees

### 900+

#### Besafe Huddles

A besafe huddle is a 15-minute online session wherein various safety-related learnings are shared three days a week with 200+ participants



### 2000+

#### Internal Inspections

GPC (General Plant Conditions) rounds are done every month across AIL to identify and correct unsafe conditions



### 12

#### Monthly Safety Themes Every Year

Every month focused efforts on one safety topic is made to raise awareness on the shop floor

### 50+

#### Learning from Incidents (LFI) Sessions

LFI is a one hour dedicated session every month for sharing learnings from internal and external incidents with 300+ participants



### 1500+

#### Work Permit Audits

Every month, these audits are done to ensure compliance of the work permit conditions



### 12

#### Monthly Safety Video Competitions

Every year, these competitions are conducted to foster the involvement of employees and encourage learning from incidents

## Remarkable Results

<p><b>LTIFR (Loss Time Injury Frequency Rate):</b></p> <p>Dropped from 0.37 in 2020-21 to 0.04 in 2023-24</p>	<p><b>LTISR (Loss Time Injury Severity Rate):</b></p> <p>Reduced from 460 in 2020-21 to 2.37 in 2023-24</p>	<p><b>Safe Days and Hours:</b></p> <p>10 out of 16 divisions have surpassed 1000 safe days, and 8 divisions have exceeded 5 million safe man-hours</p>
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Through BESAFE+, we are achieving safety milestones and continuously redefining what it means to be truly safe, ensuring every individual's well-being and fostering a culture where safety is everyone's responsibility.

» Promising Tomorrow

# Scaling Up For The Future

When we promise a better tomorrow, we mean it across the board – from our stakeholders to our country and the earth. AIL's purpose of creating the 'Right Chemistry for a Brighter Tomorrow' guides our actions, vision, and goals. Growth and expansion are embedded in AIL's DNA and our combined strategies of the vision "Global Partner of Choice" and mission "Delighted Stakeholders" have been the guiding philosophy behind all our expansion plans. Through targeted and disciplined expansion programs, AIL has successfully grown both horizontally and vertically over the years, managing complex partnership-linked projects for global majors. These projects were effectively managed by AIL's in-house and dedicated engineering, procurement, and project execution teams, without compromising on safety, quality, workmanship, or compliance.

Over last few years AIL has been investing into various capacity expansions for its key processes, revamp and restoration of its aged units, projects for long-term contracts, etc. While most of these expansion initiatives have been completed, the few which are under execution phase, such as Nitrotoluene expansion, Ethylation expansion, Phase 2 Acid revamp-cum-expansion, expansion and debottlenecking of few other speciality chemicals are also on track and expected to be completed in FY24-25. These capacity expansions are in line with AIL's plan to cater to the growing demand for Indian supplies and thus will support in further strengthening its global position.

## ₹1,358 Crore

CAPEX for FY23-24



## ₹1,500 - 1,800 Crore

CAPEX Plans for FY24-25



## Expansion Highlights for FY23-24



Commissioned expansion of NCB capacities from 75KTPA to 108KTPA.



Completed Phase 1 of Acid Unit revamp cum expansion.



Channelised renewable energy (solar and wind) through its new 13.2 MW hybrid power plant.



Commissioned a state-of-the-art ETP unit at Jhagadia to augment and gear up for its future effluent load.

### Introducing the New: Expanding AIL's Portfolio

AIL is in the process of introducing a new value chain, i.e. chloro toluene and its downstream products. While foraying into these complex chemistries, we are in the process of actively implementing the cutting-edge technologies and processes driven by inhouse innovation. To cater to the growing CMO & CDMO opportunities in the speciality chemical sector, we are in the process of setting up a one of its kind multi purpose plant. We have utilised various state-of-the-art technologies and tools to validate, simulate, and analyse the scalability of these new product developments with the higher level of accuracy and reliability, which will support faster streamlining of operations from its startup. These newer products/ chemistries will cater to various market segments, including agrochemicals, pharmaceuticals, pigments, and other speciality applications giving AIL the ability to address diverse market needs. These capacities are expected to get commercialised in a phased manner starting from the end of FY25, with most capacities coming on stream in FY26. These new products are expected to operate at higher EBIDTA margins and thus are expected to drive niche returns from FY27 and beyond.





# Approaching Tomorrow With Promising Strategies

To navigate the dynamic speciality chemicals landscape, we are committed to advancing our investments in research and development, augmenting manufacturing capabilities, adopting new-age digital solutions and optimising production efficiencies. We aim to meet increasing customer demands, sharpen our competitive edge, and fuel rapid growth. We are poised to capitalise on abundant opportunities ahead, forging a path toward a sustainable and promising future.

To achieve our goals, we have identified three strategies- Existing Business Enhancement, Strategic Partnerships and New Business Ventures and Strategic Value Chains. These strategies form a part of our execution in the present for promising results in the future.

## Existing Business Enhancement

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### Expansion and Margin Improvisation

We are committed to strengthening our business operations by focusing on volume expansion and capacity ramp-up in key projects. Additionally, we aim to achieve margin expansion through meticulous product mix optimisation within our existing assets.

### New Product Introductions

Innovation is at the core of our strategy. We plan to introduce multiple value-added products to carve a niche in specialised market segments. Leveraging our robust R&D capabilities and the upcoming MPP asset, we will swiftly commercialise products linked to existing value chains, addressing the growing demand for low-volume-high-value products across diverse sectors.



## Strategic Partnerships

Partnerships are central to our growth strategy at AIL. We are dedicated to deepening relationships with existing partners while actively pursuing new collaborations with both large conglomerates and mid-sized enterprises in domestic and global markets. These strategic alliances will enhance our reach and open new avenues for growth across various sectors. A notable example of this is our 50%-50% joint venture with UPL, marking a pioneering collaboration between two major Indian companies to develop, manufacture, and market downstream and value-added chemical intermediates for global markets.

## New Business Ventures and Strategic Value Chains



### Exploring Sunrise Sector

AIL is set to explore new value chains and develop an end-use-driven product portfolio within sunrise sectors, including organic flow batteries, CO2 capturing molecules, polymer recycling additives, carbon nanotube additives, and polymer solutions for membranes. Our customer-centric innovation will focus on creating products tailored to specific end-use applications, targeting high-growth markets such as electronic chemicals, niche energy chemicals, and speciality additives. Additionally, we are evaluating opportunities in chemicals promoting recycling and related downstream value-added products and materials.



### New Value Chains and Vertical Integration

To strategically select new value chains, we rigorously evaluated numerous potential options and significantly narrowed the range for further preliminary analysis. From this, the most promising options will be shortlisted for in-depth analysis. This will involve comprehensive market research, risk assessment, and feasibility studies to ensure alignment with our strategic goals and long-term vision. Additionally, we are also exploring vertical integration opportunities to enhance supply chain resilience, ensuring supply security and price stability by integrating key raw material streams.

These initiatives will involve investments in cutting-edge technologies and collaborations with a diverse range of enterprises, startups, and technology providers. Through these strategic initiatives, AIL is well-positioned to achieve significant growth and establish itself as a leader in the speciality chemicals industry. Our commitment to innovation, strategic partnerships, and market expansion will ensure we continue to meet the evolving needs of our customers and create sustainable value for all stakeholders.



# Innovating The Future

At AIL, our focus on sustainable R&D excellence is not just a commitment, but a promise for a future that is responsible, sustainable, and filled with promising innovations.

Our expert scientific teams, spread across locations, are the driving force behind our R&D excellence. Their continuous efforts create differentiated and relevant products focused on developing sustainable, next-generation, science-based solutions.

**₹85 Crores**

R&D spend

**250+**

R&D workforce

**15**

patent applications for corresponding to 10 patent families

## Our R&D Edge



Strong in-house innovation capabilities and focused area



Solid product pipeline



Inherently safe processes



Highly skilled R&D professionals



State-of-the-art facilities

## Certifications

FDA: License No.: MH/105166



NABL ISO/IEC 17025:2017; Certificate No.: TC10623



ISMS ISO/IEC 27001:2022; Certificate No.: IS 756054



ISCC-PLUS-Cert-IN201-20240313





## Pioneering Innovation Through ARTC

We are revolutionising the chemicals industry and growing stronger by bringing innovations to the market through our robust R&D expertise. We boldly embrace unexplored technologies to explore new business possibilities.



### ARTC in Mumbai:

Our R&D arm, Aarti Research & Technology Centre (ARTC), works towards creating new chemistries with 250+ scientists.



### New Chemistries:

We develop new chemistries like Photochemistry, Balz-Schiemann, Vapour Phase Chemistry, Fluorination, Henry reaction, Hoffman Degradation, Isomerization and Grignard Chemistry.



### Diverse Market Applications:

Synthesised strategic building blocks used in industries like agro, colourant, polymer, and pharmaceuticals.



### Patents Filed:

Filed 15 patents covering areas such as diazotization, Bamberger rearrangement, Balz-Schiemann, Sulfonation & Oxidation, Photobromination, Chlorination, Hydrodechlorination, Nitrilation, Amination, and Chlorination.

## Key Milestones

- » Commissioning of a 30,000sq. ft. ARTC Phase-2 with a state-of-the-art process safety, lab scale-up, strategic technology and process intensification lab
- » Commissioning of a high pressure facility
- » A new pilot facility and supporting analytical lab under process to aid speedy scale-up of the process while supporting the existing pilot facility at Vapi
- » Completion of the pilot scale-up of new chemistries such as Photochlorination, Isomerization, Grignard Chemistry, etc.
- » Infrastructure identification and capability building into the niche areas like Electronic chemicals, Energy chemicals, Sustainability chemicals, etc.
- » Enhanced data security and data management accredited by ISO 27001:2022

## Revenue-generating Models

ARTC's unique business model offers analytical testing, process safety testing services while initiating CDMO business model with focus on Partnership Discovery, Development, Optimisation, Intensification and Manufacturing of intermediates and building blocks in the speciality chemical sector, thus generating revenue for the research arm.



### Business Management Function:

Enhancing our customer-based R&D service to deliver greater value to stakeholders.

Our comprehensive CDMO services for customised chemical synthesis of speciality and acceptable chemical compounds across various industries have opened new horizons for R&D.



### Legacy Chemistries and Strategic Technologies:

Strongly backing our CDMO services.



### Expertise in Diverse Chemistries:

Ammonolysis, Chlorination, Diazotisation, Halex (Fluorination), Hydrogenation, Nitration.



### Comprehensive Service Basket:

From gram to multi-tons scale, ensuring compliance and client expectations.

## Product Development in the Last 3 Years

In-house developed

**45+**  
products

**40+**  
products in pipeline

Pilot scale-up of

**20+**  
products

Our product development plan and review process allows us to carefully assess different synthesis options for new products, focusing on sustainability.



### Synthesis Route Selection:

Emphasising cost efficiency, environmental impact, safety, and overall efficiencies.



### Carbon Footprint Measurement:

For products reaching pilot scale-up.



### Life Cycle Technology Management:

Cost and waste reduction programs for existing products.

## Technological Advancements

Our Technology Centre in Vadodara, operational with over 120 engineers, helps us discover new partnerships and market opportunities for unexplored chemistries and strategic technologies.



### Collaboration with Academic Institutes:

Developing advanced technologies like divided-wall columns and simulated moving bed chromatography (SMBC), etc.



### Software Capabilities:

Aspen, Mixit, and Dynochem are used to validate, simulate, and analyse scale-up studies.



### Information Security Management System (ISMS):

Handling R&D cybersecurity management backed by digital tools to safeguard new patents.

## Key Technology and R&D-Focused Initiatives in FY24-25

Led by our R&D excellence, we delivered significant innovations, focussed around sustainability across our business segments.



### New Pilot Plant Commissioning:

For the scale-up of upcoming new products.



### Exploring New Technologies:

Pinch technology, carbon capture, and extractive distillation for new product development.



### Process Intensification:

Staying updated with recent advancements in technology.



### Leveraging AI:

Artificial Intelligence for new route scouting and innovation.

At Aarti Industries, we lead by innovation, propelling the industry towards an innovative and prosperous tomorrow.





# Rewiring Today For A Tech-driven Tomorrow

**We have been in the midst of the fourth Industrial Revolution (Industry 4.0), a transformative period reshaping how organisations function and operate. Due to this, companies have undergone a shift in their perspectives regarding the dynamics of investing in digitalisation and its profound impact on their day-to-day operations.**

Whilst the current Industrial revolution has brought about significant changes in different areas of businesses viz. Manufacturing, Research and Development, Commercial, Supply Chain, Procurement, the future industrial revolution will shape technology-driven systems into sustainable, resilient, human-centric, and value-driven ecosystems.

By harnessing the transformative potential of advanced technologies, we have accelerated digitisation and digitalisation across all our business processes to propel our growth forward. We embarked on our digital transformation journey in FY22 with UNNATI.

## Key Initiatives Delivered Under UNNATI 1.0:

### Re-Imagine Digital

Enterprise Digital Roadmap was created focusing on RUN (Maintain existing Digital capabilities), GROW (Replace / Enhance Digital Capabilities) and TRANSFORM (Adopt New Target State Digital Capabilities)

### Foundation For Digital Fabric Laid

Robust Digital Foundation was established based on a future-proof, scalable, secure Enterprise Architecture where several state-of-the-art global tier 1 digital platforms were selected, and implementation of the same was initiated

### Transformation Of Core Business Processes:

- » A digital transformation roadmap for financial processes was created
- » End to end procurement processes (Supplier Relationship Management, Sourcing, Contracting, e-auction, Post Order Management) were completely revamped and made ready for digitisation
- » The future roadmap for transforming manufacturing quality was defined

### Digitisation Of Core Business Processes

- » Core finance processes were transformed through automation and digitalisation
- » Enhanced 360-degree customer experience was enabled on a state-of-the-art CRM platform
- » Digitisation of project planning, managing, executing project work, budgeting, risk management, and project control using a global tier-I cloud-based project management platform
- » Diverse processes like Kaizen, Occupational Health Management, and Analytics Lab Management were digitised on a futuristic 'Low Code No Code' platform
- » Digitising of engineering document management workflow

### Best-in-class IT Infrastructure Cybersecurity Roadmap

- » The entire IT network was modernised across all office locations and manufacturing sites
- » Zero Trust Architecture, Secure Web Gateway, Email Protection, and Data Leakage Prevention have been implemented
- » Security Operations Center (SOC) is running 24x7 enabled on a cloud-based platform with real-time monitoring with threat intel and advisory



**UNNATI 1.0** laid out a promising stage-wise strategy and a detailed digital roadmap designed to support AIL's growth plans.

## Road ahead

At AIL, embracing technology isn't just a strategic move but a fundamental requirement. We stay committed to investing in futuristic and innovative technologies that will help us stay competitive in today's rapidly evolving business landscape.

### Some of the critical initiatives being implemented

- » Next-gen Cloud Based ERP (Rise with SAP) will be implemented, providing a future ready innovation driven and scalable platform, focusing on standardisation and simplification of business processes and unleashing efficiencies and enhancing user experience
- » Digitisation of the Source-to-Pay (S2P) process to boost seamless partner collaboration, ease of doing business and enabling Partner Delight
- » Digital transformation of manufacturing quality processes enabling enhanced, Quality Culture and Paperless Labs
- » Enhanced decision-making and enabling a data driven organisation
  - » Harmonisation and digitisation of organisation-wide KPIs through analytics with a cloud-based data warehouse/data lake platform
  - » Real-time Manufacturing Insights through a state-of-the-art digital twin platform
  - » Unleash the power of data through AI/ML and the implementation of generative AI
- » Digitisation of all peripheral business processes
- » Continuous improvement on IT Infrastructure and Cybersecurity, and educating the entire organisation on safe behaviour and practices

**>> We Are Sustainable**

# Resilient Path For A Greener Tomorrow

**Our commitment to environmental sustainability goes beyond compliance, guiding our holistic journey of environmental protection initiatives thus fostering our purpose to reduce our ecological footprint and foster a greener world. Our ESG (Environment, Social, Governance) directly impact the environment, society and the people working at AIL. We are relentless in our effort to ensure we function with the highest standards in this regard. We have established clear and measurable objectives aligned with industry best practices and global sustainability framework such as GRI ( Global Reporting Initiative), UNSDGs (United Nations Sustainable Development Goals, TCFD (Task Force for Climate related Financial Disclosures.**



### Comprehensive assessments

We rigorously evaluate the environmental footprint of our operations, supply chain practices and overall business conduct through comprehensive assessments. These evaluations provide valuable insights that help us identify areas for improvement and make informed decisions driving positive change.



### Target setting and monitoring

Clear and measurable objectives have been established, focusing on key areas such as carbon emission reduction, water conservation, and waste management. Regular monitoring and assessment ensure we stay on track and adapt our strategies as needed.



### Product carbon footprint calculation

By calculating the product carbon footprint of all our products, we gain a deeper understanding of the environmental impact of our products, and processes. This understanding allows us to develop strategies for continuous improvement.





# Key Sustainability Highlights

## 11

sites with Zero Liquid Discharge ready facilities

## 44%

of total water recycled

## 8,200+ kl

water was harvested through rainwater

## 92%

waste recycled with 8% being disposed responsibly

## 1.5 lakh

lives benefitted through CSR activities

## 14.29%

women at the board level



### Stakeholder engagement and transparency

We engage with our prioritised stakeholder groups to understand what matters most to them and how we can meet their expectations. Our approach to efficacious stakeholder engagement includes continuous interactions to incorporate their valued inputs for value creation and capitalise on opportunities to strengthen existing partnerships. Furthermore, this approach helps identify key improvement areas across our business activities and drive sustainability embedded organisational strategy.



### Employee training and inclusion

We focus on employee engagement and ensuring mandatory training hours for all. By having a diverse and inclusive workforce, we create a supportive environment that drives innovation and excellence.



### Compliance and ethical standards

We are committed for 100% compliance with anti-corruption practices, reinforcing our commitment to ethical conduct and governance.



## Protecting Nature’s Resilience; To Nurture the Earth’s Tomorrow

### A Testament to our Sustainable Promise



### Energy Conservation

We have taken notable steps towards energy conservation initiatives, resulting in 6.3 million KWH of energy savings.

#### Key initiatives

- » Boiler with VFD, air conditioners with variable regulating volume (VRV) systems.
- » Equipment upgrades featured the replacement of ammonia compressor chillers with VAM, installation of back pressure turbines, and converting batch processes to continuous.
- » Begun consumption of Renewable electricity: 13.2 MW of hybrid renewable energy.
- » Process trials with Bio-ethanol for elimination of liquid fuels.
- » Avoiding steam venting by installing Steam compressor for converting low pressure steam to medium pressure steam.
- » Significant investments in waste heat recovery and MVR installations were made to further reduce energy consumption and CO2 emissions.

# 6.3 million KWH

of energy saved through various initiatives

# 30,000 TCO2e

Reduction due to de-bottlenecking of waste heat boiler

### Carbon Reduction

We have driven significant strides in carbon reduction through strategic initiatives.

#### Key initiatives

- » Submitted science-based target initiative (SBTi) for validation.
- » Installed boilers capable of 100% biomass load utilisation.
- » Exploring further avenues for reducing carbon footprint

# 97,718 TCO2

emissions were avoided by utilising steam from the distillation condenser

## Water Management

We have implemented several initiatives to enhance water management and reduce wastage.

### Key initiatives

#### Recycling

Increased water recycling through enhanced steam condensate recovery.



Installation of Rainwater Harvesting (RWH) systems resulting in a 25% increase to over 8200 KL harvested.



Preparation of 11 Zero Liquid Discharge (ZLD) ready facilities, significantly reducing fresh water consumption.



Recycling 44% (11,65,616 KL) of water, with 66% from boiler condensate and 34% from process water.

#### Conservation efforts

Enhanced process efficiency through effluent recycling.



Reduced steam consumption via improved Energy Management Systems (EnMS) like MEE and RO.

#### Zero Liquid Discharge improvements

Implemented advanced effluent treatment plants at key manufacturing sites, incorporating biological treatment, reverse osmosis, and STPs.



Transitioned from Multiple Effect Evaporator (MEE) to more efficient Mechanical Vapour Recompression (MVR) technology.

## Waste Management

We have implemented proactive measures to enhance waste management practices, focusing on efficiency and sustainability.

# 2 sites

certified as Zero waste to Landfill

### Key initiatives

**Upgraded waste storage areas across manufacturing locations to enhance safety and compliance**

**Achieved 92% recycling of hazardous waste**



Enhanced moisture reduction in waste through equipment performance improvements.



Diverting landfill and incinerable waste to co-processing.



Source reduction strategies and conversion of waste into valuable products.



Implemented 24x7 hazardous waste tracking and pre-transport route planning.



Adopted membrane filter press technology to replace conventional filter presses, enhancing waste management efficiency.



» We Are People-centric

# Resilient Workforce; Thriving Tomorrow

**Our people are the driving force behind our transformative journey. We've cultivated a people-centric ecosystem that thrives on a hierarchy-free culture. Our initiatives of the year were majorly focused on cultivating a thriving culture, boosting the Employee Engagement & Well-being and creating a path for Employee Development.**

Our culture forms the core of our processes, systems, initiatives, and future strategies. We aim to empower, engage, ensure well-being, and foster our employees' professional and personal development. We have co-created Aarti Engaging Leader(AEL), our leadership model which aligns our people to AIL's values of Care, Integrity and Excellence. AEL Framework empowers our employees to operate in a natural state of action, work in alignment, be a cause in the matter, listen and speak powerfully, and helps us to reinforce our goal of building a world-class organisation.

**Aayam**, our flagship program, is pivotal in strengthening our culture-building initiative, Expanding Horizons. This journey is designed to realise, transform and harness the extraordinary potential of our people. Aayam focuses on human behaviors and human relationships within the company, for making AIL a workplace that encourages the practice of listening and is an epitome of ownership, accountability, high performance and leadership. Since its inception, Aayam, has been our foundational initiative of culture building. This year we have developed 600+ managers and leaders.



» **22,400**  
manhours of culture  
building workshops

» **240**  
manhours of expert driven  
1-1 coaching sessions

## Employee Engagement and Well-being

We understand that high-performing teams thrive when their well-being and engagement are prioritised. Our employee engagement efforts ensure continuous connection and understanding of our employees' commitment to their roles. Voice 4.0, our latest employee engagement survey achieved extraordinary results wherein the engagement score improved from 4.14 to 4.42 (in the top quartile, globally) out 5.

We have clearly defined the dimension of employee well-being and ways to enhance it. Our comprehensive, employee-centric programs address various aspects of their lives, including health and wellness workshops, career and financial development opportunities and social events, and avenues for contributing back to the community.

**Anahata**, the Employee Assistance program, another unique practice provides support across various life dimensions, including, nutrition, financial advice, relationship advice, parenting and special access to articles and assessments to employees and their family members.



To assess the well-being levels of employees and understand the perception of their well-being at workplace, we conducted a unique survey. The survey assessed the employee perceptions into three areas-thriving, struggling and suffering. 65% of the participants fell in the thriving category, negligible percentage were into suffering category. To further strengthen this, many initiatives were planned right from communicating the results to launching various initiatives around the same.



### Physical Well-being

Our "My Health is Near Perfect" scores soared to the 97<sup>th</sup> global percentile, demonstrating the effectiveness of our health initiatives.



### Career Well-being

Achieving the 86<sup>th</sup> percentile in "Everyday I Learn Something New" reflects our dedication to fostering professional growth and satisfaction.



### Social Well-being

With an 85<sup>th</sup> percentile ranking in "Friends and Family Give Positive Energy," we highlight the strong, supportive community we cultivate within AIL.

Based on the well-being survey results, we have introduced a unique intervention- '**Monthly Conversation**', which encourages regular dialogues between team members and managers, fostering a sense of belonging and understanding.

Through these well-being initiatives, AIL envisions a promising future for our employees and communities. We continuously refine these programs to ensure each employee thrives personally and professionally, creating a ripple effect that benefits us. As our employees grow and flourish, so will we, driving innovation, performance, and long-term success.



## The Metamorphosis 2.0 Initiative

### 3200 employees enabled by this immersive program

In response to the evolving needs of our workforce, we developed and implemented Metamorphosis, a distinctive intervention tailored for our early-career professionals with 1-8 years of experience. The program was initiated to familiarise these employees with the company's essence and DNA, guiding them towards becoming successful manufacturing professionals.

#### Key components of the program include:

- » **Comprehensive Orientation:** New employees are given an in-depth introduction to AIL's mission, vision, and values, ensuring they understand and align with the company's goals and culture.
- » **Skill Development Workshops:** Targeted workshops focus on the specific skills required in the manufacturing sector, helping employees build a strong foundation for their careers.
- » **Stress Management and Well-being:** Sessions on managing stress and promoting well-being are integrated into the program, addressing the holistic needs of early-career professionals.

#### Implementation and Success

Metamorphosis 2.0 is conducted internally by people leaders and is anchored by the Chief Human Resource Officer. The outcomes have been phenomenal, demonstrating significant success in various areas:

- » **Employee Integration:** Participants report a stronger sense of belonging and alignment with AIL's culture and values, which has fostered greater engagement and loyalty.
- » **Skill Enhancement:** Early-career professionals have developed critical skills, making them more effective and efficient in their roles.
- » **Reduced Stress Levels:** The program's focus on well-being has helped employees manage their stress better, improving their mental health and productivity.
- » **Career Growth:** Many participants have experienced accelerated career growth.







## Health For All; By All (HABA)

The HABA initiative exemplifies our commitment to holistic wellness. This comprehensive program is specially designed to empower AIL employees to take control of their wellness and move towards better health through various engaging activities. HABA offers a wide range of activities and resources tailored to meet the diverse needs of our employees.

### The program includes:

#### 10k Steps Challenge

This challenge encourages employees to increase their daily physical activity by aiming to walk 10,000 steps each day. It fosters a fitness culture and promotes friendly competition and camaraderie among teams.

#### Dietary Guidance

Provides personalised nutritional advice to help employees make healthier food choices. This guidance aims to improve overall nutrition and foster long-term healthy eating habits.

#### Meditation & Stress Management

Offers sessions on meditation and stress management techniques to help employees manage stress and enhance their mental well-being. Sessions are designed to be practical and easy to integrate into daily routines.

#### General Health Awareness Sessions

Informative sessions on various health topics, raising awareness about common health issues and preventive measures. These sessions empower employees with the knowledge to make informed health decisions.

#### Impact and Outcomes

The initiative has had a significant positive impact on the health and well-being of AIL employees. Key outcomes include:

- » **Increased Physical Activity:** Participants have reported feeling more energetic and motivated to maintain an active lifestyle.
- » **Improved Dietary Habits:** Employees who have received dietary guidance through HABA have reported making healthier food choices and experiencing improvements in their overall nutrition.
- » **Enhanced Mental Well-being:** Meditation and stress management sessions have equipped employees with practical tools to manage stress, resulting in improved mental health and reduced anxiety levels.
- » **Greater Health Awareness:** General health awareness sessions have increased knowledge about various health issues, leading to more proactive health management and preventive care.

The HABA initiative is a testament to our commitment to holistic wellness for every employee. By offering a comprehensive array of activities and resources, HABA empowers employees to take control of their health and move towards better well-being. This initiative not only enhances the health of individual employees but also contributes to a healthier, more productive, and engaged workforce.

## Employee Development

Our Learning & Development Strategies are steadfast in advancing our business objectives, fostering a mutually beneficial relationship between employee growth and company success. Our initiatives focus on equipping employees for current challenges while also preparing them for future demands, ensuring a dynamic and adaptable workforce. By prioritising the development of internal talent, we cultivate a deep reservoir of skills and expertise that are finely tuned to our unique business needs. This approach not only enhances employee satisfaction and retention but also drives innovation and operational excellence.

### MOOCs and Microlearning:

With an average employee age of 33 years, our organisation recognises the need for specialised, modern, and focused learning methodologies to cater to our dynamic workforce. In alignment with our digital transformation journey, we have leveraged “Aarti Training Online Management System” in collaboration with Massive Open Online Courses (MOOCs) with reputed online learning platforms. We emphasise active engagement with the platform, providing MOOC access at no cost to ensure an unhindered e-learning experience. Leadership Development in employees has been cultivated through these platforms of formal learning with various courses from top notch universities across the globe. Our commitment to continuous learning has resulted in a remarkable 689% increase in the utilisation rate of the MOOCs platform over the years. Notably, in our engagement survey, score for the

question “**The training I have received is adequate to do my job well**” has improved significantly from **3.78 (28<sup>th</sup> percentile) to 4.35 (72<sup>nd</sup> percentile) globally.**

Our role-based **annual training calendar**, covering areas such as Sustainability, Functional Skills, and System Compliance, is developed collaboratively with input from employees’ line managers. Each employee is required to complete 32 hours of training annually. People managers play a crucial role in developing their team members. Adherence to this calendar is vital, with some departments logging up to 100 hours of training per employee.

### Behavioral Competency-based Interventions

We curate and contextualise various behavioural training programs like the Personal Effectiveness Program (PEP), First Time Manager Program (FTMP), and Swayam Ka Vikas (SKV) to enhance interpersonal skills and improve team collaboration.

➤ **1,925** employees engaged in training session

**2,13,500** Hours  
Of training were conducted.



#### Higher Education Policy:

➤ We support our employees to become ‘Future Ready’ by providing higher education opportunities, with 29 individuals currently enrolled in various Degree programs, Specialisations and Management programs at top-tier colleges.



#### Kshitij Programme:

➤ This initiative provides non-chemical engineers with essential insights into chemical engineering. This year, we invested in more than 1,600 man-hours of training through the program.

## Building A Promising Leadership

### Talent Management:

Our commitment to cultivating talent from within drives our talent management initiatives. We are dedicated to the holistic development of our internal talent. We prioritise providing the right resources and cultivating a nurturing culture, understanding that capability building and cultural development are mutually reinforcing.

Our future talent pipeline is built through a strong talent management process and targeted capability interventions, rejecting the “one size fits all” approach. Our competency framework guides personalised talent reviews, segmentation, and development initiatives, ensuring each individual’s unique potential is recognised and nurtured.

Partnering with external experts, we have evaluated over 400 Managers and Leaders using the Aarti Leadership competencies and cultural attributes. This comprehensive process includes self evaluation,

Manager and L2 evaluation, stakeholder feedback, external validation, all aimed at identifying and fostering leadership qualities. Our Talent Segmentation strategy employs a 9-box matrix grid to categorise employees based on past performance and future potential, providing critical inputs for our Vertical Talent Strategy for all verticals. This strategy provides valuable insights into talent health and succession planning. We design tailored development paths for employees, categorised by their readiness for leadership roles, blending experiential projects, social mentorship, and formal learning to bridge leadership gaps. Initiatives such as one-on-one coaching sessions and immersive learning labs enhance the learning effectiveness.

Our internal job posting platform empowers every employee to pursue their career aspirations and apply for opportunities across the organisation. This process evaluates candidates on their technical and behavioural competencies, ensuring a fair and thorough assessment for all.





## Campus Drive:

We onboard over 100 campus hires from top-tier colleges each year, bolstering our leadership pipeline. These recruits undergo a rigorous one-year training program to ensure seamless integration into the organisation. Through our Progressio initiative, we aim to transform these fresh hires into future leaders, fueling our company's continued success and growth.



### Progressio Journey: Cultivating Future Leaders

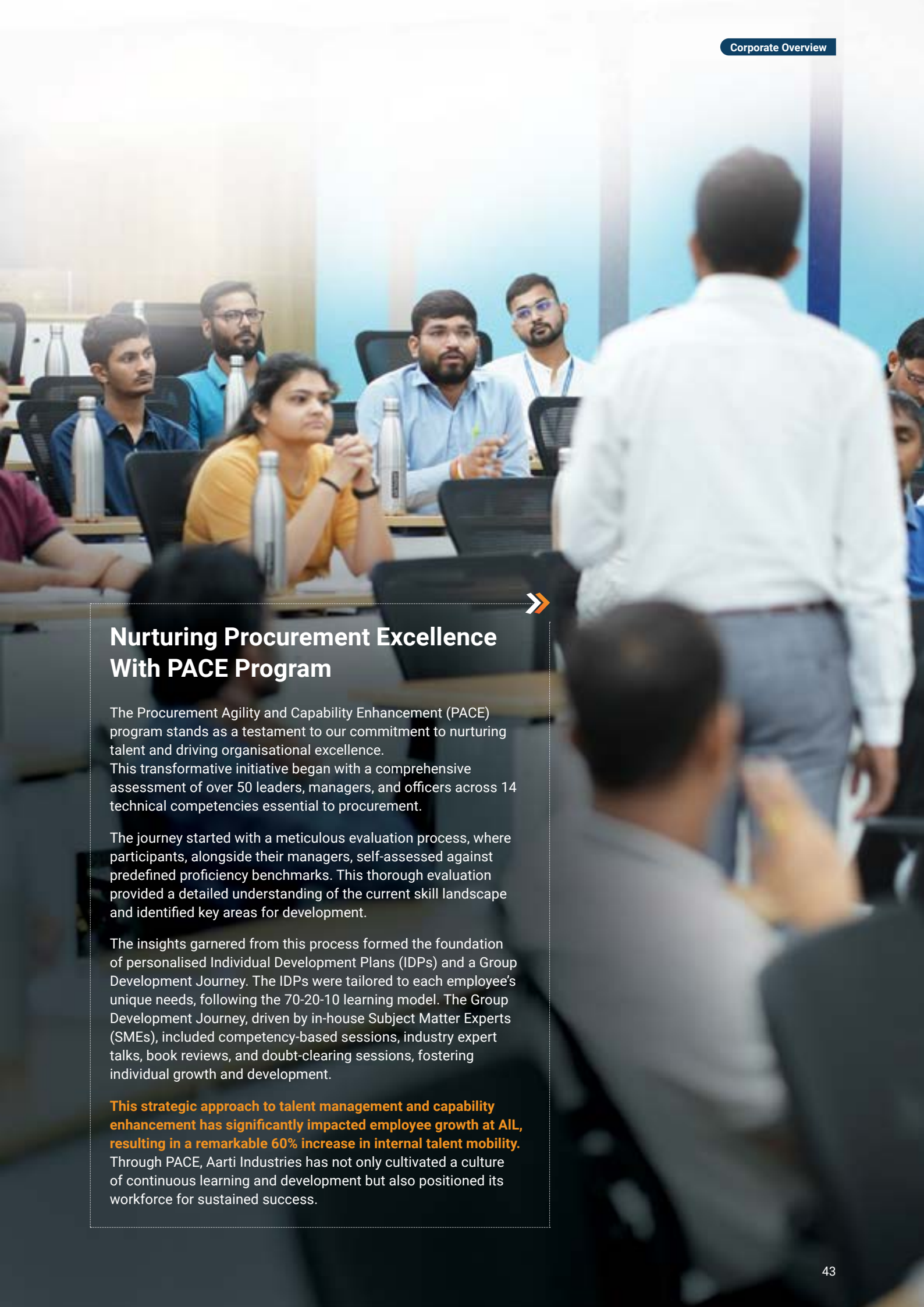
The Progressio Journey for fresh campus hires has evolved significantly, reflecting our commitment to developing the next generation of talent. In FY 2023-24, we hired 144 trainees from 44 top-tier engineering and MBA colleges, enrolling them in 18 academies within AIL. Each academy follows a streamlined structure encompassing Common Training, Functional Training, and On-the-Job Training (OJT). Every campus hire has a well-defined learning journey mapped in our Learning Management System (ATOMS 2.0), ensuring that our internal trainers meticulously plan and execute training. This phased approach guarantees comprehensive skill development and brings young talent with innovative and fresh ideas into our organisation, preparing our trainees to tackle new challenges and responsibilities confidently and competently.

### Eklavya:

We believe in democratisation of learning and growth. Eklavya, our flagship training intervention powerfully drives this democratisation agenda with full integrity. This program is designed to prepare associate family employees (Field Operators and DCS Supervisors) for their next job role.

Through this initiative, we have successfully promoted 64 Field Operators and DCS Supervisors from the first batch. This initiative underscores our dedication to professional development and enhancing our workforce's skills and career advancement.





## Nurturing Procurement Excellence With PACE Program

The Procurement Agility and Capability Enhancement (PACE) program stands as a testament to our commitment to nurturing talent and driving organisational excellence.

This transformative initiative began with a comprehensive assessment of over 50 leaders, managers, and officers across 14 technical competencies essential to procurement.

The journey started with a meticulous evaluation process, where participants, alongside their managers, self-assessed against predefined proficiency benchmarks. This thorough evaluation provided a detailed understanding of the current skill landscape and identified key areas for development.

The insights garnered from this process formed the foundation of personalised Individual Development Plans (IDPs) and a Group Development Journey. The IDPs were tailored to each employee's unique needs, following the 70-20-10 learning model. The Group Development Journey, driven by in-house Subject Matter Experts (SMEs), included competency-based sessions, industry expert talks, book reviews, and doubt-clearing sessions, fostering individual growth and development.

**This strategic approach to talent management and capability enhancement has significantly impacted employee growth at AIL, resulting in a remarkable 60% increase in internal talent mobility.**

Through PACE, Aarti Industries has not only cultivated a culture of continuous learning and development but also positioned its workforce for sustained success.

**>> We Are Responsible**

# Empowering Lives For An Empowered Tomorrow

At AIL, we not only seek ways to facilitate the today’s needs of the communities around us but also build a promising tomorrow for them. Embracing a people-centric philosophy, our CSR initiatives, primarily driven by the Aarti Foundation and led by our partners, aim to create lasting change in education, healthcare, and environmental protection and while we cater to the needs of our communities today, we recognise that robust infrastructure is the cornerstone of thriving communities. To create the right ecosystem, a substantial portion of our CSR investments in FY 2023-24 was made towards infrastructure development, be it developing educational infrastructure, healthcare facilities or setting up computer centres rurally. By building strong foundations, we are empowering communities to grow, learn, and flourish. Through our resilient efforts, we are consistently working towards a better future for communities across India.

**₹17.5 Crores**  
Total CSR spent

## Key Focus Areas



Education and Skill Development



Healthcare



Environment, and Water Conservation



Women Empowerment



Tribal and Rural Development



Livelihood Opportunities

Other Initiatives

Infrastructure for Education, Healthcare, Tribal and Rural Development





## Uplifting The Today Of Our Communities



### Education and Skill Development

**₹6.79 Crores**

Amount Spent

**2,450**

Lives Impacted

#### Ongoing CSR Initiatives

Our commitment to social responsibility is demonstrated through our ongoing support for education in the communities we serve. For the past five years, we have proudly supported four schools, directly impacting the lives of over 1,500 students.



##### Tulsi Vidya Mandir:

One of the best schools in the region, funded by the Aarti Group.

Location: Nana Bhadiya, Kutch, Gujarat.

**Students: 406**



##### Shree Ram-Krushna Dev Vidhya Sankul:

Primary and secondary Gujarati medium boarding school for 1<sup>st</sup> to 10<sup>th</sup> standard.”

Location: Ratanpar, Kutch District.

**Students: 436**



##### Vicharta Samuday Samarthan Manch (VSSM):

Boys' and girls' hostel providing a safe and supportive environment.

Location: Ahmedabad.

**Students: 476**



##### Yusuf Meherally Centre (YMC):

YMC runs 3 different institutions- Vallabh Vidyalaya: Providing primary and secondary education.

**Students: 835**

##### Centers for Salt Pan Workers' Children:

Primary education for children of salt pan workers.

Locations: 11

**Students: 312**

##### Centers for Fishermen's Children:

Primary education for children of fishermen.

Locations: 3

**Students: 48**

#### Scholarship & Other Education Welfare

Our commitment to educational empowerment shines through our comprehensive scholarship programs and various educational welfare initiatives, ensuring that deserving students have the resources they need to thrive and become the leaders of tomorrow.

**₹2.43 Crores**

Amount Spent

**1,031**

Lives Impacted

Institutions	Place	Lives Impacted	Amount Spent
Shree Jethalal Nonghabhai Gada Vagad Education, Welfare & Research Center	Vasai, Thane	72	₹ 0.67 Crore
Shri K.V.O. Jain Mahajan Mumbai	Mumbai	422	₹ 0.21 Crore
Shree Kutchhi Visha Oswal Sthanakwasi Jain Mahajan	Mumbai	35	₹ 0.50 Crore
Shri Hirji Bhojraj & Sons Kutchi Visha Oswal Jain Chhatralaya	Mumbai	35	₹ 0.75 Crore
Others		467	₹ 0.30 Crore

## Building The Tomorrow

### Infrastructure Development Initiatives

We strongly believe in creating a robust infrastructure focused on enhancing education and skill development. By investing in state-of-the-art facilities we aim to empower individuals and uplift communities through access to quality education and training.

#### Lift for Upliftment (LFU) Initiative

**Focus: Providing opportunities for students from marginalised backgrounds to pursue medical studies with residential schooling.**

**LFU initiative**, launched the UGulaan Educational Project to provide opportunities for students from marginalised backgrounds to pursue medical studies with residential schooling. Currently the initiative is housed in a rental building that is not adequate due to its fragile structure. LFU, with ALL's support, has acquired land to build a new campus. This new facility will accommodate around 100 girls and 100 boys and provide necessary amenities such as a dining room, kitchen, computer lab, library, and reading room to them. The expansion will enhance LFU's educational offerings and support services, improving both the quality of education and the overall well-being of students.

**₹0.65 Crore**

Amount Spent

**200**

Lives Impacted

**61 students  
Enrolled**

#### Past Achievements:



**8 MBBS | 4 BDS | 5 BAMS  
3 BHMS | 2 others completed**  
medical graduation.

#### Expansion Plan:

Increase to 3 batches from the current 2.

Gradual increase of 11<sup>th</sup> and 12<sup>th</sup> batch sizes from 30 to 50-60 students over two years.

Introduce a new Repeaters Batch starting with 30 students, increasing to 40-50 based on capabilities and feedback.

With this expansion, LFU is poised to significantly elevate its impact, empowering more students from marginalised backgrounds to achieve their dreams in the medical field.

#### V-Excel Educational Trust

**Focus : School for Specially abled Children, Solapur**

**Services provided by Trust:**

Occupational Therapy, Sensory Integration Therapy, Physiotherapy, Speech & Language Therapy, Special Educational Therapy, Music, Yoga & Play Therapy, Remedial Teaching Program for Learning Disability, Parent Counselling, Parent Training.

**₹0.40 Crore**

Amount Spent

**300**

Lives impacted

#### Vicharta Samuday Samarthan Manch (VSSM)

**Focus : Creating residential and training Infrastructure for Nomadic Communities GandhiNagar, Gujarat ( Since 2017)**

**₹1.54 Crore**

Amount Spent

**900**

Lives Impacted



## Uplifting The Today Of Our Communities

### Healthcare

**₹7.61 Crores**

Amount Spent

**755**

Lives Impacted

#### Community Healthcare Welfare:

AIL's commitment to community welfare was exemplified at the Mega Blood Donation Camp in Bhachau on January 17, 2024. The event collected 2024 units of blood, with 275 units donated by AIL employees.



**Impact:**  
2024 units of blood collected



**Focus:**  
Blood donation to save lives



## Building The Tomorrow

### Shree Shanti Nath Educational Medical Research & Charitable Trust (Powai)

**₹0.75 Crore**

Amount Spent

**300**

Lives Impacted

#### Focus:

Support for Renovation and adding facilities such as Path lab, Eye OPD with OT, 4 dental chairs, OPG facility, Stress test, Sonography, Physiotherapy, ENT, Ortho, etc.

#### Impact:

Capacity Increase from 100 patients per day to 300 patients per day.

### Shri K. K. Shah Sabarkantha Arogya Mandal (Vatrak)

**₹0.75 Crore**

Amount Spent

**430**

Lives Impacted

#### Focus:

Enhance infrastructure by providing CT scan machine.

#### Impact:

Minimize delays in diagnosis and treatment especially critical in emergency situations.

### Tirthankar Mahaveer Jain Hospital, Nalanda

#### Focus:

#### Fully equipped 35,000 sqft hospital and 2 mobile hospitals

Driven by a shared purpose to enhance healthcare accessibility in remote regions, we established the Tirthankar Mahaveer Jain Hospital in Nalanda, Bihar. This 205-bed, 35,000 sq ft facility features advanced medical technologies, including imaging, lab equipment, and telemedicine. With four operation theaters and deluxe accommodations, it aims to provide top-tier healthcare. Aarti Industries also introduced two mobile hospitals, delivering crucial medical assistance to remote areas. Regular health camps and awareness programs are conducted by 2 Resident Medical Officers, 4 Nurses, and 2 housekeeping staff members to educate the community on preventive healthcare measures.

**₹0.90 Crore**

Amount Spent

**Lives to be Impacted:  
In the nearby Vicinity**

### JITO's Visionary Cancer Hospital

#### Focus:

#### Contributing to JITO's Visionary Cancer Hospital

500-bedded facility, in collaboration with Tata Memorial Hospital and Thane Municipal Corporation. Partnering with JITO, we contributed to the Dharmveer Anand Dighe Cancer Hospital project in Thane. This new 500-bedded facility, in collaboration with Tata Memorial Hospital and Thane Municipal Corporation, aims to alleviate patient congestion at Mumbai's Tata Memorial Hospital. The hospital is equipped with 8 radiotherapy units, a specialised chemotherapy daycare, and a 50-bedded ICU with advanced monitoring systems. The hospital offers comprehensive outpatient department (OPD), operating theaters (OT), day care facilities, pathology services, and state-of-the-art medical equipment, ensuring top-quality care for cancer patients in Thane and surrounding areas.

**₹5 Crores**

Amount Spent

**Lives to be Impacted:  
Thane and nearby regions**

 **Tribal and Rural Development**

**₹1.04 Crore**  
Amount Spent

**41,183**  
Lives Impacted

Landless farmers, daily wage labourers and underserved castes are among India’s most marginalised people. We have partnered with the Bhansali Trust and the Karunah Society for Development to support and uplift these communities by providing community development in the forms of health camps, interest-free loans and training in digital skills.

Details	Category	Place	Lives Impacted	Amount Spent
Bhansali Trust	Tribal	Bihar	40,957	₹0.86 Crore
Karunah Society for Development	Tribal	M.P.	226	₹0.16 Crore
Other	Rural	Bhachau, Kutch		₹0.02 Crore
Total			41,183	₹1.04 Crore



**Empowering Communities through Karunah Society for Development**

**₹0.16 Crore**  
Amount Spent

**226**  
Lives Impacted

**Focus: Enhancing the quality of life and empowering tribal and rural communities through comprehensive development.**

We collaborated with the Karunah Society for Development, a dedicated organisation committed to tribal and rural development. Through various initiatives, including Siksha Protsahan Kendras (SPKs), increased access to loans for women, and health camps, Karunah Society for Development is making a significant impact on the lives of many.

**Siksha Protsahan Kendras (SPKs)**

The Karunah Society for Development has established six operational SPKs in Pattan, Pabal, Tiwarkhed, Mangona Kala, Godhni, and Somgadh. These centers focus on enhancing educational opportunities for children in these regions. Furthermore, two additional SPKs in Gangapur and Mangona Khurd have been sanctioned, with space allocated by the respective villages. Teachers have been identified and are currently undergoing training in collaboration with existing SPKs.





### Health Camp Initiative

A mega health camp was organised at the society office in Prabhat Pattan village, near Ambedkar Bhavan, focusing on general medicine consultations, eye check-ups, and blood tests.

#### The results were impressive:

- » General OPD and Medicine: 129 patients
- » Blood Check-up (HB, RBS, and Blood Glucose): 56 patients
- » Eye Check-up: 38 patients, with 3 referred to Padhar Hospital for successful surgical procedures

### Inauguration of Computer Centre in Tiwarkhed

The Karunah Society for Development inaugurated a computer center in Tiwarkhed, aiming to bridge the digital divide and empower individuals with essential digital skills. The event saw the participation of village officials, teachers, and other dignitaries. A single teacher currently manages the computer centers in Prabhat Pattan and Tiwarkhed on alternate days, ensuring that both communities benefit from this initiative.

### Interest-free Loans for Women's Groups

To support livelihood activities, interest-free loans were provided to women's groups in Pattan. This initiative empowers women by providing them with the necessary financial resources to improve their economic conditions.

### Impact:

Through partnership with the Karunah Society for Development, AIL is making a tangible difference in the lives of tribal and rural communities. These initiatives not only enhance educational and health outcomes but also empower individuals with the tools and resources needed for sustainable development.





## Green Environment and Water Conservation

**₹0.84 Crore**

Amount Spent

**54,863**

Lives Impacted

From water and soil conservation for farming to providing clean drinking water, we have partnered with a number of trusts and organisations to promote chemical-free farming, increase the capacity of drinking water reservoirs, revival of traditional water harvesting structures, and we also support animal healthcare.

Details	Category	Place	Lives Impacted	Amount Spent
Kutch Fodder Fruit & Forest Development Trust	Environment	Khadir, Kutch	195	₹0.01 Crore
Green Chemistree Foundation	Environment	Mumbai	N.A.	₹0.07 Crore
Kutch Jal Mandir Abhiyan	Water Conservation	Kutch	52,003	₹0.36 Crore
Shree Siddhivinayak Sevabhavi Sanstha	Water Conservation	Beed	2,665	₹0.28 Crore
Sujalam Sufalam Jal Abhiyan	Water Conservation	Kutch	N.A.	0.02 Crore



### Reviving Kutch: Aarti Industries' Jal Mandir Abhiyan

#### Focus: Revitalising water resources for sustainable development in Kutch

Aarti Industries collaborated with Kutch Nav Nirman Abhiyan on the Jal Mandir Abhiyan, a comprehensive water management and conservation initiative. The project focused on enhancing the capacity of existing drinking water talavs (ponds) to benefit local communities and wildlife alike. With the main objective of providing safe drinking water to the people of the region, recharging the groundwater resources, reviving traditional water harvesting structures, and promoting the conservation of the local flora and fauna, this initiative has helped in improving the availability and quality of water resources, reducing water scarcity and promoting sustainable development.

**₹0.36 Crore**

Amount Spent

**52,003 People + 33,184 Animals**

Lives Impacted



## Women's Empowerment

**₹0.40 Crore**

Amount Spent

**54,680**

Lives Impacted

The Aarti Foundation partnered with the Tribal Integrated Development and Education Trust (TIDE) to support tribal women across 3,155 villages in Assam and Meghalaya. The trust works to empower women by teaching them livelihood skills, educating them and also giving them access to proper health care.

Villages Covered	3700+ Villages of 10 Dist. in Assam 220 villages of 3 Dist. in Meghalaya
Total Staff	207 at Assam & 14 at Meghalaya
Micro Credit Groups (Self-help group)	TIDE have formed 14,500+ Micro Credit groups. Covering under 1,67,800+ Women families Most of the families are now debt free
Income Generation Projects	900 training & awareness camps were organised in assam during the year for women & girls. Approx. 40 participants were present in each camp.  Total participants: 36,000 These camps are organised to create awareness about various topics such as:-  » Hygiene » Vices like alcohol, tobacco » Injectable drug abuse which is common in north east » Importance of education » Intruders like bangladeshi » Supplementry income by various means » Family planning » Organic farming, etc.
Mental Health Care	Under this project at present 1250+ Patients are treated in 9 Camps



## Livelihood Opportunities

**₹0.40 Crore**

Amount Spent

**15**

Lives Impacted

Along with our partner, the Samast Mahajan Foundation, Ahmedabad, we worked to enhance the livelihood opportunities for marginalised people by giving them opportunities to increase income through job creation and training.



## Livestock Opportunities and Other CSR Initiatives

**₹0.29 Crore**

Amount Spent

Details	Place	Lives Impacted	Amount Spent
Bhagwan Mahavir Pashu Raksha Kendra	Kutch	N.A.	₹ 0.20 Crore
Cattles in Gaushalas	Maharashtra	N.A.	₹0.08 Crore
Others	Kutch		₹0.01 Crore
Total		N.A.	₹0.29 Crore

Other CSR Initiatives- ₹0.09 Crore



**» How We Govern**

# Transparent Leadership: Our Governance Framework

Through good-governance, we arrive at effective decision-making that helps us strengthen our reputation as a ‘Global Partner of Choice’. Our Governance practices emphasises sustainability, prosperity, people well-being, and partner delight. We view Corporate Governance as a reflection of our commitment to ethical conduct and responsible business practices.

We embed the highest standards of corporate governance in our business operations, with prime focus on managing our affairs in a fair and transparent manner. Our robust corporate governance mechanism is driven through our policies, governance philosophy, and corporate codes, charters of Board Committees which is in accordance with evolving laws and regulations.

## Our Governance Framework



### Board Procedures

The regular meetings of the Board and its Committees are pre-scheduled. In case of special and urgent business matters such as; major capex, critical appointments etc., requisite meetings are convened ensuring utmost participation.

Based on the agenda, Meetings are attended by Members of the senior leadership as invitees which bring in the requisite accountability and also provide developmental inputs. With its sheer focus on ‘Safety-first’ besides other agenda items, measures taken by the Company on Safety and Sustainability, are discussed on a regular basis in periodical meetings.

The Board reviews the strategy, budgets & business plans, capital expenditure on an annual basis. It provides guidance and strategic direction to the management in the light of the economic developments, both locally and internationally, sectoral changes, competition, government regulations, etc.

## Code of Conduct

This Code of Conduct specifies and helps the continued implementation of the Company’s values (Care, Integrity, and Excellence) by establishing certain non-negotiable minimum standards of behaviour. It provides clear directives on addressing ethical dilemmas, establishes mechanisms for reporting unethical conduct, and fosters a culture of accountability across the Company.

Code of conduct orients daily conduct towards each other, our business partners and public accordingly. Through this code, employees are guided by following principles -

- » Avoid any conduct that could damage, or risk Company’s reputation.
- » Act legally and put the Company’s interests above personal interests.

Further every director, supplier, customer, contract worker, contractor, consultants, operating on behalf of or for the Company is subject to Code.

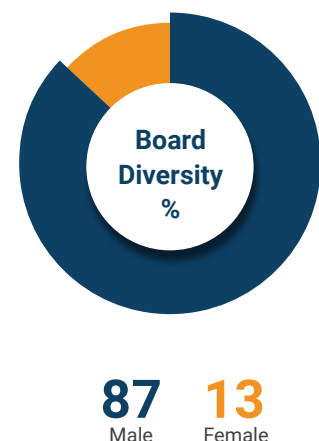
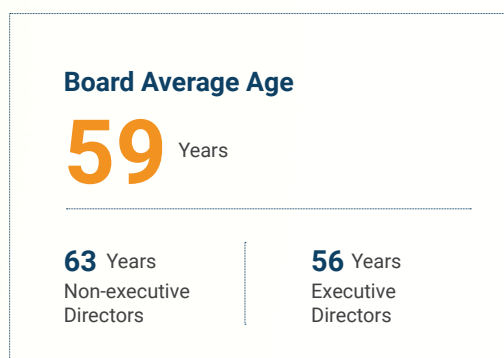
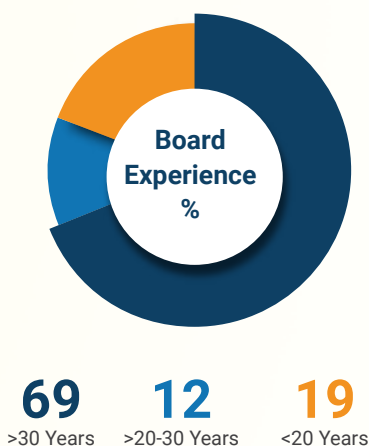
All Board Members and Senior Management Personnel affirm compliance with the code on an annual basis and the declaration to that effect by Managing Director and CEO is attached to this report.

## Compliance

We have an unwavering commitment to conduct business in strict adherence to relevant laws, regulations, and industry norms. In collaboration with a global renowned professional we have adopted a third-party managed IT-based Compliance Management System. It has a repository of all applicable regulations and requisite compliances. It has an in-built alert system that sends alerts to the users and intimates concerned personnel about upcoming compliances. A module on ‘Licence Management’ into our compliance management system is added. Newly added licence management system helps us in tracking the validity and renewal process of all applicable licences. Besides monthly reviews at functional level, the Board reviews compliance status and effectiveness of the set framework on a quarterly basis.

## Board Composition

Our Board of Directors comprises industry experts with significant leadership experience and skills in Diverse industries. The Board brings together a wealth of knowledge, perspective, professionalism, divergent thinking and experience. Our Board Members have a deep understanding of Industry, Operations, Technology, Sales, Marketing, Finance & Banking, Governance etc.



## Board Committees

The Board Committees are entitled to perform specialised activities and assist the Board of Directors in effectively discharging its responsibilities. These Committees are in charge of overseeing and managing day-to-day governance. They report accomplishments to the Board and seek its advice on significant issues.



### Audit Committee

#### Composition

##### 6 Independent Directors

Shri K.V.S. Shyamsunder  
(Chairman)  
Shri P. A. Sethi  
Shri Bhavesh R. Vora  
Shri Lalitkumar S. Naik  
Shri Shekhar S. Khanolkar  
Smt. Natasha Kersi  
Treasurywala

##### 3 Executive Directors

Shri Rajendra V. Gogri  
Shri Rashesh C. Gogri  
Shri Parimal H. Desai

#### Responsibilities

- » Oversight of the financial reporting process
- » Disclosure of financial information to ensure that the financial statement is correct, sufficient, and credible
- » Recommendation for appointment, remuneration and terms of appointment of auditors of the entity
- » Evaluation of internal financial controls and risk management systems
- » Review of the annual financial statements and Auditors' Report thereon, with the management, before submission, to the Board for approval
- » Review of the functioning of the whistleblower mechanism



### Nomination and Remuneration Committee

#### Composition

##### 3 Independent Directors

Shri P. A. Sethi (Chairman)  
Shri K.V.S. Shyamsunder  
Shri Bhavesh R. Vora

##### 1 Executive Director

Shri Rajendra V. Gogri

#### Responsibilities

- » Formulation of the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board of Directors policy regarding the remuneration of the Directors, Key Managerial Personnel and other employees
- » Formulation of criteria for performance evaluation of Independent Directors and the Board of Directors
- » Devising the Board Diversity policy
- » Identification of candidates for appointment in senior management roles in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal



### Stakeholders' Relationship Committee

#### Composition

##### 1 Independent Director

Shri K.V.S. Shyamsunder  
(Chairman)

##### 3 Executive Directors

Shri Rajendra V. Gogri  
Shri Rashesh C. Gogri  
Shri Manoj M. Chheda

##### 1 Non-Executive Director

Smt. Hetal Gogri Gala

#### Responsibilities

- » Resolving the grievances of security holders, including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- » Review of measures undertaken for effective exercise of voting rights by shareholders
- » Review of adherence to the service standards adopted in respect of various services rendered by the Registrar and Share Transfer Agent
- » Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company





### Corporate Social Responsibility Committee

#### Composition

##### 1 Independent Director

Shri K.V.S. Shyamsunder  
(Chairman)

##### 1 Executive Director

Shri Rajendra V. Gogri

##### 1 Non-Executive Director

Smt. Hetal Gogri Gala

#### Responsibilities

- » Identifying the areas of CSR activities. Recommend the amount of expenditure to be incurred on these activities
- » Recommending the amount of expenditure to be incurred on the identified CSR activities
- » Implementing and monitoring the CSR Policy from time to time
- » Formulating a CSR annual action plan and recommending it to the Board
- » Reviewing the Company's CSR initiatives and program
- » Review CSR reporting / disclosures as may be required under various statutes



### Risk Management Committee

#### Composition

##### 1 Independent Director

Shri Bhavesh R. Vora

##### 4 Executive Directors

Shri Rajendra V. Gogri  
(Chairman)

Shri Rashesh C. Gogri

Shri Renil R. Gogri

Shri Ajay Kumar Gupta

##### 1 Non-Executive Director

Smt. Hetal Gogri Gala

##### 1 Senior Executive

Shri Chetan Gandhi

#### Responsibilities

- » To formulate a detailed risk management policy
- » To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate the risks associated with the business of the Company
- » To monitor and oversee implementation of the risk management policy including evaluating the adequacy of risk management systems
- » To periodically review the risk management policy, at least once in 2 years including consideration of changing industry dynamics and evolving complexity
- » To keep the Board of Directors informed about the nature and contents of its discussions, recommendations and actions to be taken
- » The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by this Committee



### Finance and Investment Committee

#### Composition

##### 5 Executive Directors

Shri Rajendra V. Gogri  
(Chairman)

Shri Rashesh C. Gogri

Shri Parimal H. Desai

Shri Renil R. Gogri

Shri Manoj M. Chheda

##### 1 Non-Executive Director

Smt. Hetal Gogri Gala

#### Responsibilities

- » To act in accordance with the Terms of Reference determined by the Board of Directors
- » To review / evaluate various investment / expansion proposals, before putting up before the Board for approval
- » To delegate requisite authorities for carrying out operational activities of the Company
- » To deal with the Company's bankers for various banking / financial services / facilities as per the business needs

# Leading with a Vision



**Shri Chandrakant V. Gogri**  
Chairman Emeritus

Shri Chandrakant V. Gogri, with his unparalleled expertise in chemical industry projects, operations, process development, and marketing, played a pivotal role in the expansion of Aarti Group. His financial acumen was particularly crucial during the group's significant expansion. He graduated in Chemical Engineering from the Institute of Chemical Technology (ICT), formerly UDCT, and established Aarti Industries Limited (AIL) as a humble manufacturing unit, which he later transformed into the innovative company it is today. As the founding Chairman, he stepped down on August 16, 2012, and accepted the role of Chairman Emeritus in recognition of his invaluable counsel and experience.

For his contributions to the Indian chemical industry, Shri Chandrakant V. Gogri has received various honours like the Lifetime Contribution Award at the Chemical and Petrochemical Awards by FICCI, the ICC's D.M. Trivedi Lifetime Achievement Award, the Lala Shriram National Award for Leadership in the Chemical Industry and the Lifetime Achievement Award by GDMA (Gujarat Dyestuff Manufacturer Association).

## Executive Directors



From Left to Right

**Shri Manoj M. Chheda**  
Executive Director

**Shri Parimal H. Desai**  
Executive Director

**Shri Rashesh C. Gogri**  
Vice Chairman and  
Managing Director

**Shri Rajendra V. Gogri**  
Chairman and  
Managing Director

**Shri Renil R. Gogri**  
Vice Chairman and  
Executive Director

**Shri Suyog Kotecha**  
CEO and Executive Director

**Shri Ajay Kumar Gupta**  
Executive Director



## Non-Executive Director



**Smt. Hetal Gogri Gala**  
Non-Executive Director

## Independent Directors



**Shri K.V.S. Shyamsunder**  
Independent Director



**Shri P.A. Sethi**  
Independent Director



**Shri Bhavesh R. Vora**  
Independent Director



**Prof. Aniruddha Pandit**  
Independent Director



**Smt. Natasha Treasurywala**  
Independent Director



**Shri Lalitkumar Shantaram Naik**  
Independent Director



**Shri Shekhar Khanolkar**  
Independent Director



**Shri Belur K. Sethuram**  
Independent Director

## Acknowledging the Valuable Contributions of Board Members

(Retired during the FY 2023-24)



**Smt. Priti P. Savla**  
Independent Director



**Prof. Ganapati D. Yadav**  
Independent Director



**Dr. Vinay Gopal Nayak**  
Independent Director



**Shri Kirit R. Mehta**  
Executive Director



**Shri Narendra Salvi**  
Non - Executive Director



As you have retired from your esteemed positions, we want to extend our heartfelt gratitude for your invaluable guidance, dedication, and unwavering commitment to Aarti Industries Limited. Your strategic insights and leadership have been instrumental in shaping our path to success. Your legacy of excellence and vision will continue to inspire us as we move forward.

Thank you for your remarkable contributions and steadfast support.

## Key Managerial Personnel



**Shri Chetan Gandhi**  
Chief Financial Officer



**Shri Raj Sarraf**  
Company Secretary

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## Senior Management Team



**Shri Mirik Gogri**  
Head of Growth



**Dr Prashant Potnis**  
Chief Scientific Officer



**Shri Harendra Pandya**  
Chief Projects & Procurement Officer



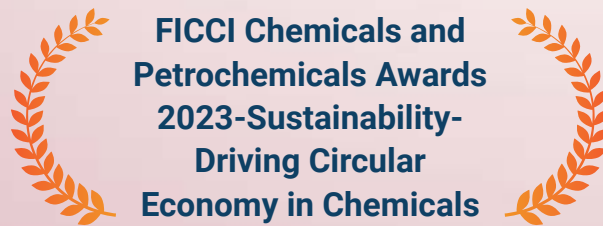
**Shri Manoj Sharma**  
Chief Human Resource Officer



**Shri Pankaj Mehta**  
Head-Corporate Relations & Strategy



**>> Awards and Accolades**









» Stakeholder Engagement

# Building Relations Through Collaborations

By engaging with stakeholders and understanding their concerns, we build strong relationships and make informed decisions. This collaborative approach enhances our reputation and contributes positively to society and the environment, fostering sustainable growth.

## Stakeholder Engagement Process

Stakeholders	Methods of engagement	Key expectations	Relevance to Company
 Customers	<ul style="list-style-type: none"> <li>» Collation and analysis of customer feedback</li> <li>» Engagement through website and trade events</li> <li>» In-house and third-party market research surveys and meetings</li> <li>» Brand campaigns</li> <li>» Timely response to queries and timely resolution of grievances</li> </ul>	<ul style="list-style-type: none"> <li>» Reliable and consistent quality at competitive prices</li> <li>» Timely deliveries</li> <li>» New and innovative</li> <li>» Products as per latest market requirements</li> <li>» Easy access to products and services</li> </ul>	Customers are one of our most important stakeholders as they enable us to drive profitably. Their satisfaction and happiness are critical to our success.
 Investors and lenders	<ul style="list-style-type: none"> <li>» Annual General Meetings</li> <li>» Investor/analyst calls, meets, including plant visits</li> <li>» Quarterly earnings communication</li> <li>» Media releases</li> <li>» Stock exchange filings</li> <li>» Dedicated investor relations department for regular interaction and dissemination of information to shareholders</li> <li>» Stakeholders' Relationship Committee to address grievances of shareholders and investors</li> </ul>	<ul style="list-style-type: none"> <li>» Timely and transparent communication regarding the</li> <li>» Company's performance</li> <li>» Solicit inputs on the growth plans and strategies</li> <li>» Good governance practices</li> <li>» Transparent and ethical disclosures</li> </ul>	Provide the necessary financial resources to fund our business. Their trust is critical to our future success.

Stakeholders	Methods of engagement	Key expectations	Relevance to Company
Employees 	<ul style="list-style-type: none"> <li>» Web-based performance management system, reporting, and review mechanisms</li> <li>» Transparent communication through platforms like CHRO connect, Metamorphosis, Kushal Varta, iEngage with Gen Z, Pahel, and Annual Leadership Conclaves</li> <li>» Quality management and productivity enhancement through regular skill upgradation programmes with general and job specific trainings with Aarti Talent Management System</li> <li>» Wellness initiatives like Nirvana program to promote holistic development of employees</li> <li>» Recognition programs like Arjan and Acclaim (on the spot recognition)</li> <li>» Townhall meetings-Pahel, internal newsletter-Aarti Insights, one to one meetings-Conversations to facilitate a forum for open interaction and knowledge dissemination</li> </ul>	<ul style="list-style-type: none"> <li>» Competitive rewards and remuneration</li> <li>» Health and Safety</li> <li>» Performance evaluation and recognition</li> <li>» Learning and development</li> <li>» Work-life balance and career progression</li> <li>» Transparency and employee involvement in growth strategies</li> </ul>	Important for business continuity, production, R&D, sales and marketing, and other operations. Their cooperation enables us to get closer to achieving our objectives.
Vendors 	<ul style="list-style-type: none"> <li>» Engagement by calls, virtual meets, email or in-person supplier meets</li> <li>» Capacity building and sustainability programmes for suppliers</li> </ul>	<ul style="list-style-type: none"> <li>» Registration as an approved vendor</li> <li>» Exact product specifications</li> <li>» Pricing and appropriate terms of payment</li> <li>» Timely clearance</li> <li>» Supporting the MSME ecosystem</li> </ul>	The availability of high-quality raw materials from registered suppliers enable us to deliver top-notch products on time.
Communities and environment 	<ul style="list-style-type: none"> <li>» Conducting regular community engagement activities</li> <li>» Implementing CSR initiatives</li> <li>» Volunteering initiatives</li> </ul>	<ul style="list-style-type: none"> <li>» Local infrastructure development</li> <li>» Employment generation</li> <li>» Health and sanitation</li> <li>» Environment care</li> <li>» Access to quality education</li> <li>» Safe and sustainable Manufacturing Methods</li> <li>» Assurance on sustainable Manufacturing and energy management</li> <li>» Clean energy</li> <li>» Water management</li> </ul>	Communities offer us with assistance and a social licence to function, while the environment provides us with natural resources.
Government and regulatory bodies 	<ul style="list-style-type: none"> <li>» Disclosures and filings for compliance reporting</li> <li>» Meeting authorities for permissions/ approvals</li> <li>» Reports, results, audits, etc.</li> </ul>	<ul style="list-style-type: none"> <li>» Regulatory compliance</li> <li>» Timely reporting through various compliance-based forms</li> </ul>	Government organisations and regulatory authorities give the necessary registrations to run the business successfully.




**Ten-year Consolidated Financial Highlights**

Particulars	(₹ in Crs)									
	Financial Year Ended on									
	31.03.2024	31.03.2023	31.03.2022	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015
Income from Operations	7,012	7,283	6,871	5,023	4,621	4,706	3,806	3,163	3,007	2,908
EBIDTA	984	1,089	1,720	982	986	967	707	655	578	471
Interest	211	168	102	86	125	183	132	117	117	138
Depreciation	378	310	246	231	185	163	146	123	99	82
Profit before Tax	395	611	1,372	665	676	622	429	416	363	255
Share of Profit from Associates	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	14
Profit after Tax	416	545	1,186	523	536	492	333	316	257	206
Dividend %	30	50	70	50	190	100	20	NA	170	110
Payout	54	91	127	44	105	44	10	1	69	52
Per Share Dividend (₹)	1.50	2.50	3.50	2.50	9.50	5.00	1.00	NA	8.50	5.50
Equity Share	181.25	181.25	+++181.25	87.12	++87.12	+43.33	****40.65	****41.06	***41.66	44.30
Reserve & Surplus	5,109	4,739	4,335	3,416	2,892	2,587	1,538	1,321	1,096	972
Networth	5,290	4,921	4,517	3,515	3,073	2,715	1,655	1,426	1,189	1,016
Long term & Short term Borrowings	3,184	2,874	2,568	2,492	1,811	2,106	1,921	1,436	1,233	1,068
Gross Fixed Assets	7,292	6,335	5,083	5,155	3,837	3,362	3,101	2,655	2,081	1,685
Net Fixed Assets	5,649	4,860	3,595	3,592	2,468	2,147	1,998	1,697	1,246	967
Capital work-in-progress	1,229	1,096	1,346	1,298	1,418	795	436	270	313	193
Investments	23	17	28	64	37	33	47	47	41	139
Net Working Capital	1,430	1,768	2,088	1,287	1,172	2,039	1,272	1,004	950	893
Book Value Per Share (₹)	145.94	135.74	124.60	201.75	176.39	313.23	203.62	173.69	142.75	114.73
EPS (Basic & Diluted) (₹)	11.49	15.04	32.71	30.04	++30.77	+60.39	****40.95	****38.45	***30.83	23.24
EBIDTA/Income from Operations	14.0%	15.0%	25.0%	19.6%	21.3%	20.5%	18.6%	20.7%	19.2%	16.2%
Net Profit Margin %	5.9%	7.5%	17.3%	10.4%	11.6%	10.5%	8.7%	10.0%	8.5%	7.1%
Debt/Equity Ratio	0.60	0.58	0.57	0.81	0.68	0.88	1.26	1.10	1.09	1.18
RONW %	8.1%	11.5%	29.5%	15.9%	18.5%	22.5%	21.6%	24.2%	23.3%	21.8%

Pursuant to the Scheme of Arrangement for Demerger of Pharma Business undertaking wef July 1, 2021, the financials for period prior to July 1, 2021 are inclusive of the Pharma Business undertaking and hence not comparable with the financials for FY 2021-22 and FY 2022-23. Financials for FY 2021-22 have been suitably recasted to consider the impact of the demerger for Pharma business undertaking.

\*\*\* Based on reduction in equity Pursuant to Scheme of Amalgamation between Aarti Industries Limited and Gogri and Sons Investments Private Limited.

Alchemie Leasing and Financing Private Limited, Anushakti Holdings Limited and Anushakti Chemicals and Drugs Limited

\*\*\*\* Based on reduction in equity Pursuant to Scheme of buy-back.

+Based on increased equity post QIP issue

++Based on increased equity post bonus shares issue in the ratio of 1:1 equity share

+++Based on increased equity post bonus shares issue in the ratio of 1:1 equity share & Based on increased equity post QIP issue.

Figures for FY 2016-17 and FY 2015-16 are in the compliance with the Ind AS

## Corporate Information

### Chairman Emeritus

Shri Chandrakant Vallabhaji Gogri

### Chairman & Managing Director

Shri Rajendra Vallabhaji Gogri

### Vice Chairman & Managing Director

Shri Rashesh Chandrakant Gogri

### Vice Chairman & Executive Director

Shri Renil Rajendra Gogri

### Chief Executive Officer & Executive Director

Shri Suyog Kalyanji Kotecha  
(w.e.f. June 17, 2024)

### Executive Directors

Shri Parimal Hasumukhlal Desai  
Shri Manoj Mulji Chheda  
Shri Ajay Kumar Gupta

### Non-Executive Directors

Smt. Hetal Gogri Gala

### Independent Directors

Shri K.V.S. Shyam Sunder  
Shri Premchandra Amolak Sethi  
Shri Bhavesh Rasiklal Vora  
Shri Lalitkumar Shantaram Naik  
Smt. Natasha Kersi Treasurywala  
Prof. Aniruddha B. Pandit  
Shri Shekhar S. Khanolkar  
Shri Belur Krishna Murthy Sethuram  
(w.e.f. June 1, 2024)

### Chief Financial Officer

Shri Chetan Bipin Gandhi

### Company Secretary

Shri Raj Sarraf

### Statutory Auditors

Gokhale & Sathe,  
Chartered Accountant

### Secretarial Auditor

CS Sunil M. Dedhia  
Sunil M. Dedhia & Co.

### Registrar & Transfer Agent

Link Intime India Private Limited  
C 101, 247 Park,  
L. B. S. Marg, Vikhroli (West),  
Mumbai, Maharashtra – 400 083.  
Tel No: +91 22 49186000  
Fax: +91 22 49186060

### Bank / Financial Institution

Axis Bank Limited  
Bank of Baroda  
Bank of Bahrain & Kuwait  
Citibank N.A.  
DBS Bank Limited  
Export Import Bank of India  
HDFC Bank Limited  
HSBC Bank Limited  
IDBI Bank Limited  
IndusInd Bank Limited  
International Finance Corporation  
JP Morgan Bank  
Kotak Bank Ltd  
RBL Bank Ltd.  
Standard Chartered Bank  
State Bank of India

### Registered Office

Plot Nos. 801, 801/23, G.I.D.C. Estate,  
Phase - III, Vapi, Dist. Valsad,  
Gujarat - 396 195.

### Corporate Office

71, Udyog Kshetra, 2<sup>nd</sup> Floor,  
Mulund - Goregaon Link Road,  
L.B.S. Marg, Mulund (West),  
Mumbai, Maharashtra - 400 080.

### Regional Office

4<sup>th</sup> Floor, Tower C, Embassy 247 Park,  
Gandhi Nagar, Vikhroli West, Mumbai  
400083, Maharashtra, India  
Visit us at [www.aarti-industries.com](http://www.aarti-industries.com)

### Corporate Identity Number (CIN)

L24110GJ1984PLC007301



# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. Economic Overview

### Global

The global economy defied expectations in 2023, achieving a GDP growth rate of about 3%, a full percentage point above earlier forecasts. This resilience is particularly remarkable considering the challenging backdrop – the most aggressive central bank interest rate hikes in four decades, significant stress in the banking sector, a period of tight financial conditions, inflationary pressures across various economies, inventory corrections, geo political issues due to ongoing conflicts in Ukraine and Israel, and supply chain challenges. Crucial factors underpinning the robust global economic performance included:

- A thriving labour market that boosted consumer purchasing power
  - The anticipated shift towards a service-led economy
  - Moderated impact of tighter monetary policy, due to robust household and corporate financial positions
  - Targeted fiscal measures in select economies
- World economy is experiencing a cautious recovery in 2024.

While inflationary pressures have eased somewhat and recessions in major economies seem less likely, growth remains moderated due to factors like persistent geopolitical tensions and ongoing disruptions to global trade. The labour market, however, shows some resilience with low unemployment rates, offering a glimmer of hope for endured consumer spending and economic activity. Consumer price inflation in most Advanced Economies (AEs) has moderated - while, banking sector risks also appear subdued. Global growth has increased, with the global composite Purchasing Managers' Index (PMI) remaining in the expansionary zone since February 2023.

### India

India's economic growth engine has demonstrated remarkable resilience in the face of strong global headwinds. This robust performance can be attributed to supportive policy & regulatory framework and gradual reinvigoration of the private sector. India has emerged as the fastest-growing major economy in the world in FY24 by clocking an impressive growth rate of about 8.2% despite several pressures in the global market. This was fueled by the manufacturing sector, which rebounded sharply from a contraction in the previous year. This revival, coupled with increased Government infrastructure spending and robust domestic demand,

steered the overall economic expansion. While the growth momentum is expected to moderate slightly in the coming year, India's strong performance in FY24 positions it well for continued economic progress. With its solid democratic framework and continued focus on building strong partnerships, India is well-positioned to be among the top three economic powers within the next decade or so. The current environment of global uncertainty has only amplified India's appeal as a stable and attractive destination for investment, solidifying its path towards sustainable economic growth.

For FY25, India's economy is poised for a solid 7% growth, as predicted by the RBI. Strong agricultural output, resilient services, and ongoing manufacturing profitability will steer activity. Rising household consumption and a surge in fixed investments driven by private spending, healthy financials, and Government infrastructure push will bolster domestic demand. Positive global trade and deeper supply chain integration will further boost the economy. However, geopolitical tensions, market volatility, and potential trade disruptions remain potential risks.

## 2. Industry Overview

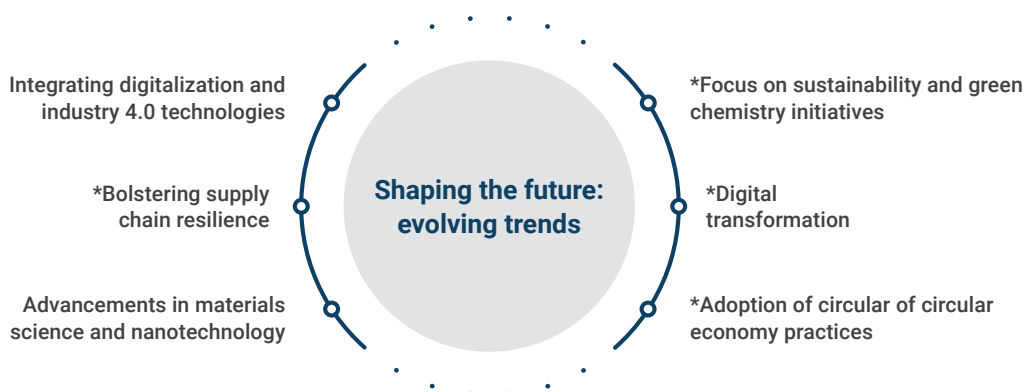
### Global Chemicals

The chemical industry is a cornerstone of the global economy, transforming base materials into essential products for everyday life. It encompasses through a wide variety of chemicals, broadly classified into bulk (commodities), specialty, and others. These chemicals serve as building blocks for numerous applications, prominent ones include petrochemicals, agrochemicals, pharmaceuticals, life-sciences, and specialty applications in dyes, pigments, polymers, adhesives and coatings among others. Sustainability is a growing focus, with global giants striving for cleaner production processes and developing eco-friendly products. Technological advancements are also driving innovation, with areas like bio-based chemicals gaining significant traction.

The global chemicals market has experienced significant growth in recent years. It is projected to increase at a Compound Annual Growth Rate (CAGR) above global GDP growth. This growth is anticipated to be driven mainly by stringent environmental regulations, shifting consumer preferences towards renewable and bio-based materials, geopolitical factors, and an increased focus on health and safety.

[Source: Monthly Economic Review Report – Jan 2024 by Department of Economic Affairs, Report on Global Economic Outlook by EY Parthenon]  
[Source: Report on Growth Marathon – CRISIL, Monthly Economic Review Report – Jan 2024 by Department of Economic Affairs]





Unlike bulk chemicals used in large quantities, specialty chemicals are high-performance, value-added products. They play a crucial role in various industries, enhancing the properties and functionalities of final goods. While pharma and agrochemicals are key end-markets of global speciality chemicals, this market is driven by multiple factors. Expansion of end-use industries is a leading driver as each industry relies on specialty chemicals for specific purposes, like improving durability or enhancing the performance. Moreover, growing demand for sustainable solutions is pushing the development of eco-friendly specialty chemicals, creating new opportunities within the market.

The past year has been challenging for the global chemical industry elevated interest rates, inflationary pressures resulting into destocking cycle, supply disruptions, and geopolitical tensions. Since the onset of the Russia-Ukraine conflict, the European chemical industry has faced significant challenges and lost competitiveness in global markets. Elevated energy and feedstock costs have led to reduced export and import volumes throughout CY23. This highlights the mounting pressure on the European chemical sector amid intense global competition, weakened demand, and low-capacity utilization. In this context, European players are losing market share to Indian and Chinese companies in several value chains.

#### Asia: The Chemical Powerhouse of the World

Asia holds a substantial position in the global chemicals market, representing about 60% of the market share. Within this, China is a dominant force, driving the recent increases in Asia's exports and consumption of chemicals. Other Southeast Asian countries, with its fast-growing economies and large population base, are also emerging as significant players. This region offers a dynamic market for specialty and commodity chemicals, attracting investments and contributing to the overall growth of the Asian chemical industry.

Looking ahead, Asia's chemical consumption is anticipated to rise at the fastest pace globally. This is due to factors like continued economic development, urbanization, and increasing demand for consumer goods and industrial products. While this presents vast opportunities, it also necessitates addressing challenges related to sustainability and environmental impact.

#### From Local to Global Force: India's Specialty Chemicals Take Centre Stage

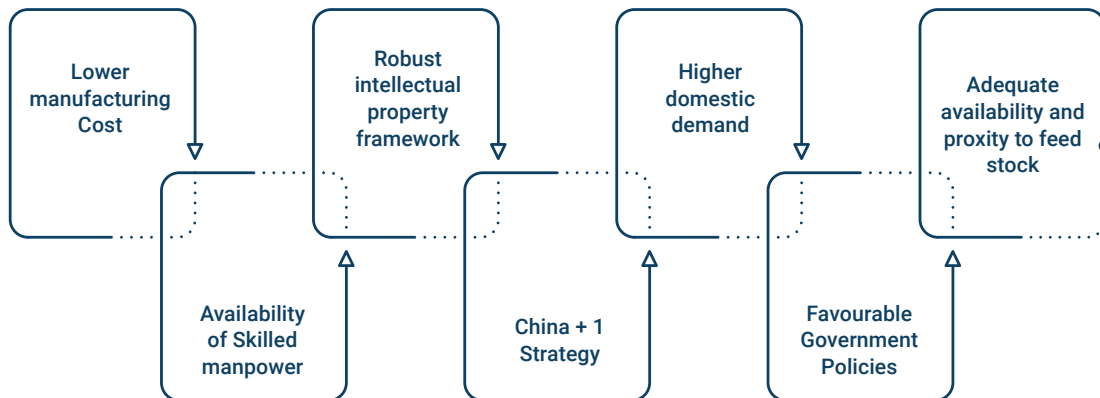
The Indian chemical industry is witnessing a remarkable transformation. From a USD 186 billion market in 2020 (around 4% of the global share), it's projected to reach a staggering USD 330 billion by 2025. This growth is fueled by a booming specialty chemicals sector, expected to climb at a stellar 11% CAGR, reaching USD 148 billion by 2025. Notably, this will contribute nearly half (47%) of the total Indian chemical market value.

Driving this surge is a rise in demand from diverse end-user industries like food, automobiles, construction, textiles, and cosmetics. India's rapid industrialization and robust domestic demand further propel this growth, putting it on track to outperform established players like China and Japan. This shift in the global landscape is stimulated by a strategic move in specialty chemicals manufacturing – a migration from Europe and North America to Asia, perfectly positioned to cater to the burgeoning needs of emerging markets.

While current per capita consumption of specialty chemicals increasing steadily, the future looks bright. A booming population, rising disposable income, and rapid urbanization are creating a massive potential for growth in this sector. Powering this potential is a surge in domestic demand from end-user industries. Indian manufacturers are also expanding production capacity and investing heavily in R&D to develop innovative and sustainable specialty chemicals. The Government is playing a key role too, with initiatives like the Production-Linked Incentive (PLI) scheme across various end applications, PCPIR zones, and dedicated chemical promotion programs. These efforts, coupled with the ambitious 2034 vision for the chemical sector, are creating a fertile ground for the Indian specialty chemicals industry to take centre stage on the global stage.

Indian specialty chemical companies started escalating their CAPEX plans due to robust demand visibility in the next few years, shifting from China to India, and diversifying their supply chain base. Some of the large Indian specialty chemicals announced CAPEX plans to expand production capacities and fulfil demand.

### Drivers of India's Competitive Edge in Chemical Manufacturing



#### Rising Star: How India is Capitalising on the Shift in Specialty Chemicals

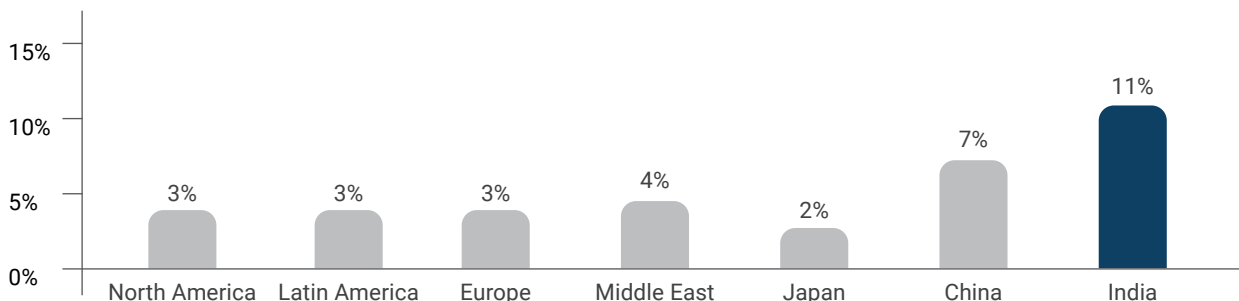
China’s environmental crackdown (post-2015) forced shutting down of several manufacturing facilities within the country. Rising labor costs, COVID-19 disruptions, and a changing geopolitical landscape further fueled the desire for alternatives. This gave rise to the China+1 strategy, prompting manufacturers to diversify their sourcing beyond China.

This shift presented a golden opportunity for Asia. Countries like India, with their well-established manufacturing capabilities, skilled workforce at competitive wages, and strong export infrastructure, emerged as attractive options. India, in particular, has become a preferred partner for global manufacturers due to its ability to offer cost-effective

production, strong engineering talent, and a readily available, affordable labor pool.

The war in Ukraine has thrown Europe’s chemical industry into disarray. Blackouts, factory closures, and crippled supply chains are forcing companies to rethink their production bases. Energy-intensive industries like chemicals are particularly hard-hit by soaring energy prices, creating a perfect storm for relocation. This turmoil presents a golden opportunity for India. With its comparatively low energy and labor costs, India offers a compelling alternative. The Government’s focus on infrastructure development further sweetens the deal for European companies seeking a more stable and cost-effective environment. This confluence of factors is making India a prime destination for European speciality chemical companies seeking to escape the turbulence in their home continent.

**Exhibit 1 : Region-wise Speciality Chemical Market Size Growth over CY 20-25E**



(Source: Frost & Sullivan Indian Speciality Chemicals Market Report)

### Susceptible to global economic headwinds

Indian chemical companies are deeply entwined with the global economic landscape. This is especially true in the agrochemical sector, where many companies export finished products or supply key ingredients for them. This tight link to global demand means that both prices and profit margins fluctuate with international market shifts. However, India has been making strategic

moves to weather these fluctuations. By diversifying the global supply chain, boosting manufacturing capabilities, and leveraging Government initiatives, the industry has gained significant traction in recent years. This has led to a surge in capital investment, positioning India as a strong player on the global stage. While global demand remains a factor, India's proactive approach is creating a more stable foundation for future growth.



### The Road Ahead: Charting a Sustainable Future

The Indian Speciality chemical industry is poised for a bright future, with the potential to become a major player in both demand and supply on the global stage.

India's booming economy and growing middle class position provides a foundation for strong domestic demand. India also represents as a potential powerhouse for the global chemical industry, offering manufacturers lower capital and operating costs. However, challenges like limited domestic raw materials, slow regulatory approvals, and a skilled R&D talent gap remain. These factors influence which chemical sub-segments are most attractive for India, requiring a focus on cost-competitive areas to solidify its position as a future leader in the global chemical landscape.

### 3. Company Overview

Established in 1984, pioneer by first-generation technocrats in India, Aarti Industries Limited (AIL) has globally emerged as one of the most competitive, highly integrated and diversified speciality chemical company. It carefully combines process chemistry expertise with its world class engineering capabilities to scale up its manufacturing powerhouses for optimal asset utilization.

Over the years, AIL has demonstrated significant growth and development, achieving operational excellence.

Based in India, the Company serves both domestic and global markets and offering over 100 products to more than 700 domestic and over 400 international customers, exporting to over 60 countries, including major markets like the USA, Europe, Asia and Rest of the world. Its presence also spans across various chemistries, utilizing base raw materials such as benzene, toluene, nitric acid, chlorine, methanol, aniline, Sulphur, etc.

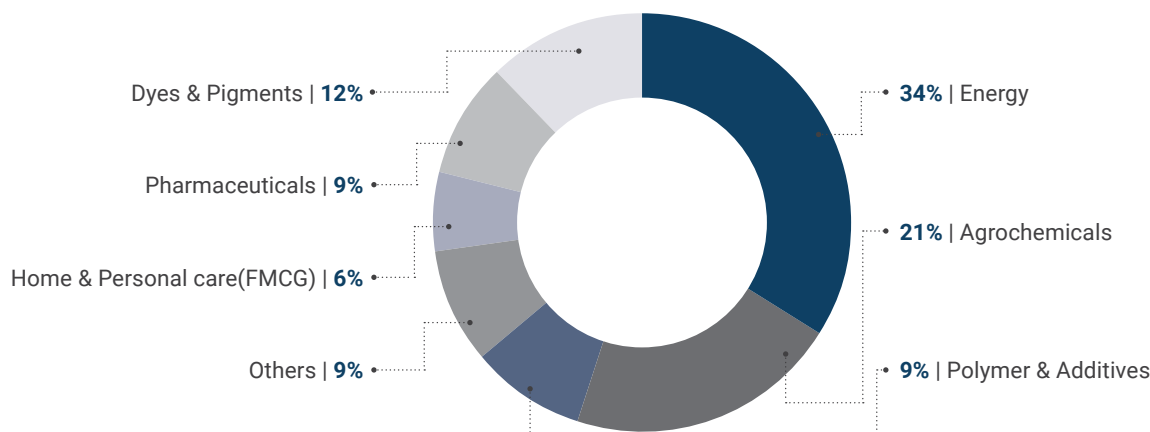
As a leader in the Indian market, AIL has diversified into several product value chains and innovative chemistries. Its integrated operations across product chains have enabled it to effectively utilize co-products and generate value-added products, reinforcing its position as a leading player in the speciality chemicals industry.

Internationally, AIL ranks among the top 4 for 75% of its portfolio, earning its reputation as the "Partner of Choice" for numerous major global and domestic customers. It is a leading global player, ranking in the top 3 for chlorination and nitration and in the top 2 for hydrogenation.

The Company's speciality chemical intermediates are integral to various industries, including Pharmaceuticals, Agrochemicals, Aromatics, Dyes and Pigments, Energy, Home and personal care (FMCG), polymers, printing inks, and rubber chemicals among others.



### Enduse-wise Revenue Split (FY24)



AIL has built a strong foundation through an integrated and diverse business model, driven by a relentless focus on R&D and advanced chemistry capabilities, including ammonolysis, chlorination, diazotisation, Halex (fluorination), hydrogenation, nitration, etc. AIL boasts its two state-of-the-art R&D centres across Maharashtra and Gujarat, covering ~40,000 sq. ft. with an ultramodern synthesis laboratory. Its R&D team, comprising over 250 engineers and scientists, including 19 PhDs, works on several high-potential projects. Currently, AIL has more than 40 products in its R&D pipeline at various stages of development, with many being introduced in India for the first time.

AIL operates 16 manufacturing facilities, including 11 Zero Discharge Units that emphasizes its principles of reduce-reuse-recycle. The Company's dedication to safety, health, and equipment quality is evident in its adherence to global standards across all facilities. As a signatory of esteemed initiatives such as "Responsible Care", "Together for Sustainability", "CDP – Driving Sustainable Economies", and "Eco Vadis", AIL underscores its commitment to enhancing overall performance, bolstering customer confidence and adding shareholder value.

#### Financial Performance

Throughout FY24, the chemicals sector faced a challenging landscape with sluggish global demand, oversupply situation in China, supply disruptions due to geopolitical tensions and widespread inventory corrections. Combined with a slowdown in key markets, these factors impacted AIL's performance trajectory for the year.

To counter these pressures, AIL implemented strategic initiatives to enhance its market position, optimise its product mix, and drive operational excellence. Despite challenges in certain end use categories like agrochemicals and pharmaceuticals, the Company's robust and diversified product portfolio, and unmatched expertise in high-end chemistries provided a buffer against adverse conditions.

Amid these headwinds, demand and pricing trends in segments such as dyes, pigments, polymers, and select speciality applications recovered noticeably. Yet, concerns around softening global demand and ongoing inventory destocking lingered. Geopolitical tensions, disrupted logistics, escalating freight costs and extending transit times possessed new challenges.

In light of this, the Company reported revenues of ₹7,012 Crore in FY24, compared to ₹7,283 Crore in FY23. Exports were ₹3,644 Crore in FY24, compared to ₹3,517 Crore in FY23. Exports as a percentage of sales increased over the year to ~52% from ~48% in FY23. The Company has robust pricing mechanisms in place to mitigate the impact of inflationary cost pressures by passing them on to the customers, thus protecting absolute profitability. During the year, AIL's profitability was supported by the contribution of value-added products with high growth and better margins. EBITDA inclusive of other income was ₹984 Crore for FY24 as compared to ₹1,089 Crore in the previous year. Depreciation increased with the commencement of new capacities. Interest costs were higher due to a mark-to-market/revaluation impact on unhedged long-term loans and increasing interest rates. The Company benefited from higher tax depreciation, resulting in lower tax liability and the accrual of deferred tax assets. Profit After Tax in FY24 was ₹416 Crore, compared to ₹545 Crore in FY23. Earnings Per Share were ₹11.49 in FY24 compared to ₹15.04 in FY23. For the financial year ended March 31, 2024, the Board of Directors recommended a dividend of ₹1 per Equity Share of Face Value of ₹5 each.

AIL's skillful maneuvering through a difficult year showcases its resilience and adaptability. The Company's focus on market growth and operational efficiency lays a strong groundwork for future success, positioning itself to seize opportunities as the market rebounds.

#### Update on Key Projects and CAPEX Initiatives

Despite a challenging FY24, AIL secured two important long-term supply contracts. This achievement is a tribute to our team's hard work and strengthens our integrated product value chain. These contracts solidify our

commitment to building long-lasting relationships that translate into future growth opportunities.

In December 2023, the Company secured a contract with a Global Agrochemicals major for a niche agrochemical intermediate, projecting a revenue potential exceeding ₹3,000 Crore over nine years starting from FY24. This intermediate serves as a crucial input for a widely used herbicide with a sizable and steadily growing global market. The product has been supplied to the customer for the past few years.

AIL secured a 4-year contract in January 2024 worth over ₹6,000 Crore with a multinational conglomerate for a niche speciality chemical. This contract, spanning from CY24 to CY27, involves a product in the Company's existing portfolio, which has been supplied to the customer for a few years with consistent annual volume increases. Volumes are expected to double in CY24 as compared to CY23, driven by strong demand from evolving new applications over the past 4-5 years. For both these contracts, no additional Capex was required.

Aside from the previously mentioned contracts, AIL has entered into several other long-term agreements in recent years.

The first contract, terminated in FY23, was intended to procure a key herbicide. Manufacturing activities at the associated plant are ongoing albeit at lower utilization levels. The Company is conducting a strategic evaluation of potential new avenues product lines for implementation over the next few years in order to optimize the utilization rates. Operations for the second contract were stabilized in FY23, with the facility continuing to meet the terms of the agreement. The facility related to the third contract commenced operations in FY23 and the scale-up in operations is underway in accordance with the contract terms.

Further as a strategic collaboration with Renew Power, AIL also commercialized a 13 MW renewable power generation unit, underscoring its commitment to sustainability by addressing power needs through cost-effective and renewable sources.

The year saw the successful commercialization of NCB Expansion, Phase 1 of the Acid Unit revamp at Vapi (Gujarat). Additionally, substantial progress was made in key projects, including the NT expansion at Jhagadia and ethylation expansion at Dahej SEZ with capital expenditure of about ₹200 Crore. Phase 2 of the Acid Unit expansion, and the debottlenecking and enhancement of Speciality Chemical units are underway.

The greenfield initiatives at Zone IV in Jhagadia (Gujarat), spanning ~95 acres and encompassing the MPP, the pilot plant, and Chloro Toluene project, has been advancing as planned. The Chloro Toluene project is slated in a phase wise manner starting by FY26. The Zone IV plant is intended to cater majorly to agrochemicals and pharma applications, producing niche, high value-added products,

with robust EBITDA margins of ~25-30%. These also open up niche opportunities in custom manufacturing for AIL.

The total Capex for the financial year was over ₹1,358 Crore. The Company has earmarked an estimated ₹1,500-1,800 Crore as Capex for FY25. This strategic investment aims to develop innovative chemical value chains and launch high-potential products, with the goal of expanding market reach and effectively meeting the growing demands of key customers.

#### Joint venture with UPL

UPL Limited (UPL) and Aarti Industries Limited (AIL) entered into a 50-50 joint venture (JV) in May 2024 to manufacture and market specialty chemicals. The JV will supply downstream derivatives of amines, which have diverse applications in the agro-chemical and paint industries. Commercial supplies are expected to commence by Q1 FY27, with peak revenue potential of ₹400-500 Crs anticipated 2-3 years' post-commercialization, likely in FY30. The total investment in the project is ₹300 Crs, with each partner contributing ₹150 Crs over a two-year period.

This partnership builds on the existing two-decade-long relationship between AIL and UPL, combining their strengths and resources. Both companies will provide key raw materials for manufacturing the desired chemicals. This JV demonstrates India's capability to collaborate and create world-class chemical manufacturing assets.

## 4. Business Outlook

AIL, a leading player in the Indian specialty chemical industry, is building on its decades of expertise and research prowess to drive future growth and solidify its position as a global leader. The Company recognizes the emerging opportunities in new chemical value chains and is expanding its capabilities by adding new chemistries such as photo chlorination and oxidation. Additionally, AIL is broadening its existing value chain to enhance its product offerings and maintain a competitive edge.

In a move to fortify its market dominance, AIL is actively pursuing several strategic initiatives. This includes strengthening existing partnerships, forging new alliances with key players, and exploring opportunities in contract manufacturing and CDMO (Contract Development and Manufacturing Organizations). By expanding its network and expertise through these collaborations, the company aims to further cement its position within the industry.

Despite a challenging FY24 riddled with sluggish global demand, slower exports, inventory adjustments, and logistical nightmares due to geopolitical crises, the Company forecasts a robust rebound in demand for the coming year. Encouragingly, discretionary applications like dyes, pigments, specialty polymers, energy and additives are already showing signs of demand revival, while non-discretionary portfolio including agrochemicals and pharma are expected to see gradual improvement in demand starting second half of FY25. While the increase in peer capacities in china along with demand

contraction had led to margin pressures, we expect the same to gradually normalize in coming years. Building on this momentum, the Company projects a healthy EBIDTA growth for FY25 and beyond. Operating leverage and increased volumes are expected to further fuel this growth trajectory.

AIL remains committed to its long-term goals by leveraging best-in-class manufacturing processes, continuous process enhancements, strong focus on R&D and a firm dedication to innovation. The Company is investing in R&D for products in emerging sectors, with a growing emphasis on sustainable and green solutions, battery chemicals, electronics chemicals, new-age materials and high-end polymers. By focusing on R&D-led product offerings and maximizing returns from existing value chains, AIL is poised to capitalize on long-term favorable industry trends. This strategy will create a stronger value proposition for all stakeholders, ensuring sustained growth and success in the evolving chemical industry landscape.

### 1. Key Risks and Mitigation

- 1. Regulatory Risk:** Widespread geographical presence leads to exposure to different prevailing rules and regulations. Non-compliance to any new policies or changes in existing policies may impact normal business functions.

**Mitigation:** The Company follows the highest Environment, Health, and Safety (EHS) standards. Dedicated team is responsible for tracking adherence to all applicable laws and statutes. AIL has developed its own SOPs and a best-in-class compliance framework to this end.

- 2. Innovation Risk:** R&D is crucial for sustainable growth in the speciality chemicals market. The Company has to remain ahead of competition with innovation and focused R&D.

**Mitigation:** AIL's two state-of-the-art R&D centres, with a strong team of PhDs and 250+ scientists, ensure a high level of innovation. The Company is a well-known knowledge-driven organisation, with product innovation as its USP. It has earned several awards for innovation in chemical engineering. AIL strives to strengthen its technical skill set around niche applications. Strong customer connect enables us to develop specialized products with unique features.

- 3. Forex Risk:** Due to its widespread business operations in over 60 countries, Aarti Industries Limited is exposed to several currencies. Fluctuations in Fore x may thus impact earnings.

**Mitigation:** The Company has ~52% export earnings, of which most is in USD. Lower exposure to multiple currencies reduces cross currency fluctuations. It enters hedging

contracts of maturities ranging from 3 months to 3 years to help insulate any untoward movement in Forex.

- 4. Raw Material Risk:** All manufacturing organisations face the inherent risk of unavailability/limited availability of key raw material(s). In addition, fluctuation in costs may impact earnings.

**Mitigation:** AIL's long-standing vendor relationships enable it to maintain uninterrupted flow of raw materials at competitive prices. It is also fully integrated for key products, thereby limiting the impact of raw material supply shortage. To insulate itself from the impact of price fluctuation, the Company signs cost-plus pricing contracts for various speciality chemicals, which helps it to protect margins in rising input costs scenarios.

### 2. Internal Controls, Systems and Adequacy

AIL has designed well-structured internal control systems comprising detailed policies, guidelines and procedures commensurate with the nature, size and complexity of the industry in which it operates. The comprehensive system ensures automatic checks and balances and robust financial reporting. Adhering to all applicable statutory compliances, AIL follows stringent procedures, enabling us to achieve high accuracy in recording and providing reliable financial and operational information. All business operations are monitored by the internal team and Audit Committee, ensuring smooth business functioning by designing, implementing and maintaining adequate internal financial controls. The Company is responsible for safeguarding assets, prevention and timely detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information. Any deviation from normal is reported to the management. Prompt action is ensured to run business as usual and keep these exposures at manageable levels. Internal control framework ensures business continuity.

### 3. Cautionary Statement

AIL may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with BSE and NSE, and the reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company. The Company does not accept any liability whatsoever for any loss, howsoever, arising from any use or reliance on this Annual Report or its contents or otherwise arising in connection therewith.

# BOARD'S REPORT

To  
The Members of  
**AARTI INDUSTRIES LIMITED**

Your Board of Directors ("Board") is pleased to present this 41<sup>st</sup> Annual Report on the performance of your Company ("the Company" or "Aarti" or "AIL") together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024.

[The consolidated performance of the Company and its subsidiaries has been referred to wherever required.]

## 1. Financial Highlights & Summary

### Financial Highlights

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Total Income from Operations (Gross)	6,985	7,226	7,012	7,283
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)	976	1,088	976	1,089
Depreciation & Amortisation	377	310	378	310
Profit from Operations before Other Income, Finance Cost and Exceptional Items	599	778	598	779
Other Income	8	0	8	1
Profit before Finance Cost	607	778	606	780
Finance Cost	211	166	211	168
Profit before Tax	396	613	395	611
Total Tax Expense	(21)	67	(21)	66
Non-controlling Interest	-	-	-	-
Net Profit for the period	417	546	416	545
Other Comprehensive Income (net of taxes)	6	(35)	6	(50)
Total Comprehensive income for the year	423	511	422	495
Earnings Per Share (₹) (Basic & Diluted)	11.51	15.06	11.49	15.04
Book Value Per Share (₹)	146	136	146	136

### Summary

Your Company reported gross total Income at ₹6,985 Crores for FY 2023-24 as against ₹7,226 Crores for FY 2022-23. Similarly, Exports during the year were reported at ₹3,644 Crores for FY 2023-24 as against ₹3,517 Crores for FY 2022-23.

Likewise, the consolidated total income from operations for FY 2023-24 was at ₹7,012 Crores as compared to ₹7,283 Crores for FY 2022-23 and Exports for FY 2023-24 were reported at ₹3,621 Crores as against ₹3,573 Crores for FY 2022-23.

### Consolidated Financial Statements

In accordance with the provisions of Companies Act, 2013, Regulation 33 of the Listing Regulations, and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for

the FY 2023-24, together with the Auditors' Report, form part of this Annual Report.

## 2. Dividend

Your Board of Directors recommend a Dividend of ₹1/- (@ 20%) per share subject to approval of the Shareholders at the ensuing 41<sup>st</sup> AGM, for the year 2023-24, resulting in a total payout ₹36.25 Crores (Previous Year: ₹90.63 Crores).

The Dividend payout is in accordance with the Dividend Distribution Policy which is available on the website of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Company's website and the web link thereto is : [https://www.aarti-industries.com/investors/GetReport?strcont\\_id=b22bcY6v1CA0IOL33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=b22bcY6v1CA0IOL33MM)



### 3. Transfer to Reserves

Your Company has transferred ₹42 Crores to the General Reserve (Previous Year: ₹55 Crores).

### 4. Subsidiary Companies, Associate & Joint Venture

As on March 31, 2024, the Company has 8 (Eight) direct subsidiaries, namely, Aarti Corporate Services Limited, Innovative Envirocare Jhagadia Limited, Aarti Polychem Private Limited, Aarti Bharuch Limited, Aarti Spechem Limited, Augene Chemical Private Limited, (w.e.f. May 18, 2023), Alchemie (Europe) Limited and Aarti Chemical Trading – FZCO (w.e.f. September 25, 2023) and 2 (Two) indirect subsidiaries namely Shanti Intermediates Private Limited, Nascent Chemical Industries Limited (both through its Holding Company: Aarti Corporate Services Limited).

The Company does not have any material subsidiary whose net worth exceeds 10% of the consolidated net worth of the Company in the immediately preceding accounting year or has generated 10% of the consolidated income of the Company during the immediately preceding accounting year. A policy on determining material subsidiaries is available on the website of the Company and the web link thereto is:

[https://www.aarti-industries.com/investors/GetReport?strcont\\_id=A8DuSuG1AT8OIQ133MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=A8DuSuG1AT8OIQ133MM)

The Company does not have any associate or Joint Venture. During the year, the Board of Directors reviewed the performance of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report.

Further a statements containing salient features of the financial statement of our Subsidiaries in the prescribed format AOC-1 is included in the Report as **Annexure-A** and forms an integral part of this Report.

### 5. Share Capital & Debentures

Particulars (As on March 31, 2024)	No. of Shares	Face Value Per Share (in ₹)	Total Amount (in ₹)
Authorised Share Capital	60,00,00,000	5	3,00,00,00,000
Issued, Subscribed & Paid-up Share Capital	36,25,04,035	5	1,81,25,20,175

During the year 2023-24, there was no change in the authorised, issued, subscribed and paid-up share capital of the Company.

Further FY 2023-24 had been a challenging year for the specialty chemical industry amid various geopolitical conflicts, inflation, inventory corrections, demand

challenges, supply chain disruptions and rising interest rates. Globally many specialty chemicals companies reported significantly weak performances which had an impact on the credit appetite of various financial institutions. AIL after having impacted significantly in Q1 of FY 2023-24, had been able to perform well and post quarter on quarter better performance, albeit being lower on an annual basis as compared to last year. On account of these major macro situations, the ability for raising debt through NCDs were impacted. Hence the company had to resort to raising its debt to domestic banks.

### 6. State of Affairs

The Company's State of Affairs is given in the Management Discussion and Analysis, which forms part of this Annual Report.

### 7. Directors and Key Managerial Personnel (KMP)

In accordance with the prevailing provisions of the Section 149 of the Companies Act, 2013 read with Regulation 17 of the Listing Regulations, as amended from time to time, as on March 31, 2024, the Board of Directors comprises of Fourteen Directors (with Six Executive Directors, One Non-Executive Non-Independent and Seven Independent Directors)

At the 40<sup>th</sup> Annual General Meeting held on August 4, 2023, the members approved appointment of following Directors:

- Prof. Aniruddha B. Pandit (DIN: 02471158) as an Independent Director for a term of five years w.e.f June 29, 2023.
- Shri Shekhar S. Khanolkar (DIN: 02202839) as an Independent Director for a term of five years w.e.f June 29, 2023.
- Shri Ajay K. Gupta (DIN: 08619902) as Executive Director with effect from June 29, 2023.

During the year, upon completion of their term as Independent Directors; Prof. Ganapati D. Yadav (DIN: 02235661) and Smt. Priti P. Savla (DIN: 00662996), both ceased to be Directors of the Company with effect from September 23, 2023 and Dr. Vinay Gopal Nayak (DIN: 02577389) ceased to be Director of the Company with effect from December 17, 2023. The Board placed on record its appreciation for their invaluable contribution and guidance.

During the year, Non-independent Directors; Shri Kirit R Mehta (DIN:00051703) and Shri Narendra J Salvi (DIN: 00299202), retired by rotation in the 40<sup>th</sup> Annual General Meeting held on August 04, 2023 and had not offered themselves for re-appointment. The Board placed on record its appreciation for their invaluable contribution and guidance.

In accordance with the regulatory requirements Shri Parimal Hasmukhlal Desai (DIN:00009272) retires by rotation in the ensuing Annual General Meeting. However, he did not offer himself for re-appointment. The Board of Directors in its meeting held on May 30, 2024, noted his request and considered to 'fill up' the

vacancy caused thereby. The Board placed on record appreciation for the technical support and his invaluable contribution and guidance towards Company's Growth and Success.

Smt. Hetal Gogri Gala (DIN: 00005499) retires by rotation and being eligible, offer's herself for re-appointment. A resolution seeking members approval for her re-appointment along with other required details forms part of the Notice of Annual General Meeting.

In addition, based on recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 10, 2024, re - appointed Shri Lalitkumar Shantaram Naik (DIN: 02943588) as an Independent Director of the Company for a second term of 5 (five) years with effect from May 21, 2024. His re - appointment is subject to approval of the members at the ensuing AGM of the Company.

Further, up to the date of this Report, based on recommendation of Nomination and Remuneration Committee, the Board of Directors approved the following appointments:

- Shri Belur Krishna Murthy Sethuram (DIN: 03498701) as an Additional Director in the category of Independent Director for a period of 5 years with effect from June 01, 2024.
- Shri Suyog Kalyanji Kotecha as Company's Chief Executive Officer (CEO) with effect from June 17, 2024 in place of Shri Rajendra V. Gogri, who relinquished his role as CEO effective from June 17, 2024, However Shri Rajendra V. Gogri continues to be the Chairman and Managing Director of the Company.
- Shri Suyog Kalyanji Kotecha (DIN: 10634964) as an Additional Director in the category of Executive Director for a period of 5 years with effect from June 17, 2024.
- Shri Nikhil Jaysinh Bhatia (DIN: 00414281) as an Independent Director for a period of 5 years with effect from September 15, 2024.
- Smt. Rupa Devi Singh (DIN: 02191943) as an Independent Director for a period of 5 years with effect from September 15, 2024.
- Shri Ashok Kumar Barat (DIN: 00492930) as an Independent Director for a period of 5 years with effect from September 15, 2024.

Their appointments as Directors are subject to approval of the members at the ensuing Annual General Meeting of the Company.

Pursuant to Regulation 36 of the Listing Regulations read with Secretarial Standard - 2 on General Meetings, a brief profile of the Directors proposed to be appointed / re-appointed is made available, as an Annexure to the Notice of the Annual General Meeting.

Pursuant to the provisions of Regulation 34(3) read with Schedule V to the Listing Regulations, the Company has

obtained a Certificate from CS Sunil M. Dedhia (COP No. 2031), of Sunil M. Dedhia & Co. Company Secretary in Practice and the Secretarial Auditor of the Company, certifying that none of the Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director of the Company by the Securities and Exchange Board of India or by the Ministry of Corporate Affairs or by any such statutory authority. The said Certificate is annexed to the Corporate Governance Report of the Company for the Financial Year 2023-24.

### Key Managerial Personnel

During the year under review, there was no change in the Key Managerial Personnel of the Company.

### Independent Directors

In accordance with Section 149(7) of the Companies Act, 2013, all Independent Directors have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after due assessment of the veracity of the same.

In the opinion of the Board of Directors, the Independent Directors fulfil the conditions specified in the Companies Act, 2013 read with the rules made thereunder as well as Listing Regulations and are independent from Management, hold the highest degree of integrity and possess expertise in their respective fields with enormous experience.

All the Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

All the Independent Directors of the Company have enrolled their names in the 'Independent Directors Data Bank' maintained by Indian Institute of Corporate Affairs ("IICA").

### Familiarisation Programme for Directors

During the year, the Company has conducted a well-structured familiarisation programme for its Directors, including those inducted during the year, so as to provide them with an opportunity to familiarise themselves with the Company's vision, mission, and values, its operational capabilities, category wise products distribution, geographies where the Company operates, Capex incurred in the last 3-5 years, ongoing Expansion Projects, R&D, Growth opportunities, Information Technology, Digital Transformation, Cyber Security, sustainability and Safety Measures taken. The programme includes one-to-one interactive sessions

with the senior management team, business and functional heads among others and also visits to the Company's Plants mainly situated in the State of Gujarat.

Presentations are made on a periodical basis during the Board and Committee meetings where, comprehensive presentations are made on various aspects such as business models, new business strategies and initiatives by business leaders, risk minimization procedures, recent trends in technology, changes in domestic/overseas industry scenario, digital transformation, state of global IT services industry, and regulatory regime affecting the Company.

During the year, the Independent Directors of the Company were familiarised and the details of familiarisation programmes imparted to them are placed on the website of the Company and the web link thereto is: <https://www.aarti-industries.com/Upload/PDF/Familiarisation-Programme-FY-2023-24.pdf>

## 8. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Act, the Directors, to the best of their knowledge and ability, confirm that for the year ended March 31, 2024

- a. in the preparation of the annual financial statements for the year ended March 31, 2024, the applicable accounting standards had been followed and there are no material departures;
- b. they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit of the company for that period;
- c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they had prepared the annual accounts on a going concern basis;
- e. they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 9. Meetings

During the Financial Year under review, Ten (10) Board Meetings were held. The details of the number of meetings of the Board and its Committees held during

the Financial Year 2023-24 and the attendance of each Director/Member at these meetings are provided in the Corporate Governance Report forming part of the Annual Report. The intervening gap between the Board meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

## 10. Annual Performance Evaluation

The Company has a structured assessment process, wherein the Nomination and Remuneration Committee of the Company has laid down the criteria of performance evaluation of the Board, its Committees and the Directors, including the Chairman. The evaluations are carried out in a confidential manner and each member of the Board provides his/her feedback by rating based on various metrics.

Under the two layers evaluation process, Independent Directors evaluate the performance of the Board of Directors, Non-independent Directors and the Chairman of the Company. Later the Board of Directors evaluate performance of the Board itself, its Committees and the Board members.

Under the fast changing regulatory regime, business scenario and Industry trend, an annual performance evaluation process aims to improve the effectiveness of the Board, its Committees and the individual members.

With a specific focus on functioning of the Board, Individual Roles & Responsibilities; the criteria of assessment includes; Board Composition, governance procedures, managing conflict of interest, contribution to Company's long-term strategy, flow of information on key strategic matters, investment / Capex, opportunities, quality of discussions at the meeting, leadership, succession planning, adequacy of risk management measures and overall value creation to all the stakeholders.

Rating given by the individual member against each criteria of assessment is kept strictly confidential and the abstract / summary is presented to the Independent Directors and the Board of Directors along with the suggestions from the members for deliberation / discussion on improvements wherever required.

The Board of Directors expressed their satisfaction with the outcome of evaluation and the process followed thereof.

## 11. Nomination and Remuneration Policy

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, your Company has in place a Nomination and Remuneration Policy which lays down a framework in relation to criteria and qualification for Nomination & Appointment of Directors, remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy also lays down criteria for selection and appointment of Board members. The said policy has been posted on the website of the Company and the web link thereto is: [https://www.aarti-industries.com/investors/GetReport?strcont\\_id=pTvbr0JryL00IQL33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=pTvbr0JryL00IQL33MM)

The details of this policy are given in the Corporate Governance Report.

## 12. Corporate Social Responsibility

Your Company through, Aarti Foundation and Dhanvallabh Charitable Trust – Our CSR arm's undertake community interventions to enhance the lives of the communities. Besides our direct involvement, we partner with numerous implementing agencies to carry out need assessment and make impactful interventions. Our Focus areas during the year are;

- Education & Skill Development
- Childcare & Healthcare Facilities
- Women Empowerment & Livelihood Opportunities
- Cluster & Rural Development
- Disaster Relief & Rehabilitation
- Eradication of Hunger & Poverty
- Water Conservation & Environment
- Research & Development work for upliftment of Society

The detailed policy on Corporate Social Responsibility is available on the website of the Company and the web link thereto is:

[https://www.aarti-industries.com/investors/GetReport?strcont\\_id=rQxVNYkXxlkOIQL33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=rQxVNYkXxlkOIQL33MM)

A brief note on various CSR initiatives undertaken during the year including the composition of the CSR Committee is presented in this Annual report. The CSR annual report is annexed as **Annexure-B** and forms an integral part of the Report.

## 13. Audit Committee and Corporate Social Responsibility Committee

The details of the composition of the Audit Committee & Corporate Social Responsibility Committee, their terms of reference, details etc. are provided in the Corporate Governance Report, which forms part of this Report. During the year there were no cases where the Board had not accepted any recommendation of the Audit Committee and Corporate Social Responsibility Committee.

## 14. Vigil Mechanism/Whistle Blower Policy

The Company has established a Vigil Mechanism and Whistle Blower Policy for its Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud, actual or suspected leak of UPSI or violation of Company's Code of Conduct. It also provides for adequate safeguards against the victimisation of employees and allows direct access to the Chairman of the audit committee in exceptional cases.

The awareness is provided to all the employees under 'Aarti Online Training Module' [ATOMs]. Upon joining, it is mandatory for each employee to participate and gain adequate knowledge of all the critical policies and codes to ensure Governance Level of the Company.

The said policy has been posted on the website of the Company and the web link thereto is:

[https://www.aarti-industries.com/investors/GetReport?strcont\\_id=ZMPluse33MMnrACTosYOIQL33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=ZMPluse33MMnrACTosYOIQL33MM)

The Company affirms that no person has been denied access to the Audit Committee Chairman.

## 15. Related Party Transactions

The Company has a Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions which is uploaded on the Company's website at the web-link given below:

[https://www.aarti-industries.com/investors/GetReport?strcont\\_id=TNJu6Gnbr7sOIQL33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=TNJu6Gnbr7sOIQL33MM)

All the transactions with the related parties carried out during the FY 2023-24 are in ordinary course of business and on an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other Designated Persons which may have potential conflict with interest of the Company at large.

The related party transactions are approved by the Audit Committee. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of transactions. A report of factual findings arising out of the accepted procedures carried out in regard to transactions with Related Parties is given by the Statutory Auditors on quarterly basis and the same is placed before the Audit Committee. The details of related party transactions are provided in the accompanying financial statements.

In terms of Regulation 23 of Listing Regulations, the Company submits details of related party transactions on a consolidated basis as per the specified format to stock exchanges on half yearly basis.

### Particulars of contracts or arrangements made with related parties

Since all related party transactions entered into by the Company were in ordinary course of business and on an arm's length's basis, disclosure in Form AOC-2 is not applicable to Company.

## 16. Credit Rating

Below are the details of Credit Ratings as on March 31, 2024

Facilities	CRISIL Ratings	India Ratings and Research Ratings
Long Term Issuers Rating and Bank Loan Ratings	CRISIL AA/ Stable	IND AA/ Stable
Commercial Paper	CRISL A1+	IND A1+

## 17. Deposits

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 [(i.e.,



deposits within the meaning of Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014)], during the Financial Year 2023-24 and as such no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2024.

## 18. Particulars of Loans, Guarantees, Investments

Particulars of loans given, investments made, guarantees given during the year under review and as covered under the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the notes to the financial statements forming part of the Annual Report.

## 19. Particulars of Employees and related disclosures

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and annexed as **Annexure - C**. As per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the report and financial statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2). However, these are available for inspection during business hours up to the date of the forthcoming AGM at the registered office of the Company. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office address of the Company.

## 20. Material Developments in Human Resources/ Industrial Relations Front, including number of people Employed

### Employee Wellbeing and Engagement

Employee wellbeing is a top priority. Engagement survey participation reached 100% in six days, with scores rising from 4.14 to 4.42. Key improvements included recognition (+0.96), promotion transparency (+0.76), and open communication (+0.58). Notably, 129 out of 250 managers scored in the top quartile, averaging 4.49-5.

The Nirvana Calendar engaged 5002 employees in 10 sessions. Metamorphosis 2.0 involved over 3,200 team members. The Arjan recognition platform recorded 127,999 instances, a 16.19% increase from FY 2022-2023, with cross-functional recognition rising to 16.42%.

A new conversation platform achieved a 53.15% integrity rate among leaders, with a 48% success rate by March 2024. Additionally, 6,000 team members and families enrolled in the Employee Assistance Program, with counseling sessions up 42%.

### Diversity and Inclusion Initiatives

Our Diversity and Inclusion policies ensure fair evaluation and performance assessment. Initiatives like Internal Job Postings (Navodaya), Individual Development Plans, and Knowledge Enhancement sessions provide equal growth opportunities. Unnati 1.0 and 2.0 drive digital transformation. All employees complete annual training

on POSH, Code of Conduct, Ethics, and more. Over 400 Listening Tours foster open communication. We hired 21 female graduates, increasing female employees to 195.

### Talent Management and Development

Our Talent Philosophy aims for 80% competency advancement within two years. Over 350 Managers were evaluated in the Manager Development Program, and 50 in the PACE program with Accenture. Employees are segmented using a 9-box matrix, with succession plans categorizing talent as Ready Now, Ready in 1-3 Years, and Ready in 3+ Years.

### Training and Education Programs

The Eklavya program achieved a 45% success rate, and training initiatives totaled 213,500 man-hours in FY 2023-24. The Meraki program assigned 61 mentors, and competency-based learning involved 1,600 participants.

As on March 31, 2024, the Company had 6,100 permanent employees on the rolls.

## 21. Aarti Industries Limited Performance Stock Option Plan 2022

Your Company has implemented and through the Nomination and Remuneration Committee, administers the Aarti Industries Limited Performance Stock Option Plan 2022 ("PSOP 2022"), under which stock options are granted to the Eligible Employees, in compliance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The particulars required to be disclosed pursuant to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 have been uploaded on the website of the company and the web link thereto is : <https://www.aarti-industries.com/upload/pdf/psop-disclosure-as-per-sebi-format.pdf>

Your Company has received a certificate from CS Sunil M. Dedhia (COP No. 2031), of Sunil M. Dedhia & Co. Company Secretary in Practice and the Secretarial Auditor of the Company that PSOP 2022 has been implemented in accordance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolution passed by the Shareholders. Any request for inspection of the said Certificate may please be sent to [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com).

## 22. Material changes and commitment if any affecting the financial position of the company occurred between the end of the Financial Year to which this financial statements relate and the date of the report

There are no other material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which these financial statements relate and the date of the report.

### 23. Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the rules, the shares on which Dividend has not been paid and claimed by the Shareholders for seven consecutive years or more shall be transferred to the Demat account of the IEPF Authority. Accordingly, during the year, the Company has transferred the unclaimed and unpaid dividend of ₹23,08,523/-. Further, 9,250 corresponding shares were transferred to IEPF authority as per the requirement of the IEPF Rules.

### 24. Annual Return

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, the Annual Return in form MGT- 7 as on March 31, 2024 is available on the Company's website and the web link thereto is: <https://www.aarti-industries.com/upload/pdf/form-mgt-7-fy-2023-24.pdf>

### 25. Corporate Governance

Corporate Governance essentially involves balancing the interests of a Company's stakeholders. The Company continues to nurture a culture of good governance practices across functions, offices and manufacturing facilities.

Your Company has complied with the mandatory Corporate Governance requirements stipulated under the Listing Regulations. The separate Report on Corporate Governance is annexed hereto forming part of this report. The requisite certificate from M/s Gokhale & Sathe, Chartered Accountants is attached to the Report on Corporate Governance.

### 26. Management's Discussion and Analysis Report

Pursuant to Regulation 34 read with Schedule V to the Listing Regulations, Management's Discussion and Analysis for the year under review is presented in a separate section forming part of the Annual Report.

### 27. Business Responsibility & Sustainability Reporting (BRSR)

The Listing Regulations mandate the inclusion of the Business Responsibility & Sustainability Reporting as part of the Annual Report for top 1000 listed entities based on market capitalisation. BRSR for the year under review, as stipulated under Regulation 34 (f) of Listing Regulations is in a separate section forming part of the Annual Report. The non-financial sustainability disclosures have been independently assured by TUV India Private Limited (TUV NORD GROUP).

### 28. Risk Management

Company recognises that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. With the vision to integrate risk management with the overall strategic and operational practices, an Enterprise Risk Management Framework has been established by AIL to enable the company to proactively respond to any changes in the business environment and to ensure sustainable business growth with stability and establish a structured approach to Risk Management at AIL.

The Committee through its risk management framework continuously identifies internal and external risks specifically faced by the Company, in particular including Financial risks, Operational risks, Business / Commercial risks, Sectoral, Project Execution Risks, Technology Risks, Sustainability (including Environment, Social & Governance (ESG) related risks), Technology, Regulatory Compliance Risks, Cyber Security risks, Geo-political risk, etc.

The Committee has designated the Company officials as a CRO (Chief Risk Officer) and Risk Owners for various types of the Risk. The Risk Owners along with the Committee members work on an appropriate risk mitigation framework and present the same along with the applicable governance reports at regular intervals. The Risk Management Committee meets periodically to ensure that appropriate methodologies, processes and systems are in place to monitor and evaluate risks associated with the business of the Company and also to monitor and oversee the implementation of the Risk Management Policy. The Committee and the Board also take necessary action as may be needed to upgrade the risk management framework as needed from time to time.

The Risk Management policy has been posted on the website of the Company and the web link thereto is:

[aarti-industries.com/investors/GetReport?strcont\\_id=dCIEPn8aX6wOIQL33MM](https://aarti-industries.com/investors/GetReport?strcont_id=dCIEPn8aX6wOIQL33MM)

### 29. Compliance Management System

The Company with its sheer focus committed to achieve 100% compliance. We have adopted a third-party managed IT-based Compliance Management System. It has a repository of all applicable regulations and requisite compliances. It has an in-built alert system that sends alerts to the users and intimates concerned personnel about upcoming compliances. A module on 'License Management' into our compliance management system is also added. Licence management system helps us in tracking the validity and renewal process of all applicable licences. We initiate the licence renewal process well in advance to avoid any delays.

### 30. Health and Safety:

**For Safety even world class is not enough...**

At AIL we live this tagline and continuously strive to better ourselves by bringing up various interventions **to be world Class, Shape the Future.**

At AIL, BESAFE was one of the mega interventions to provide assurance on Process Safety launched in 2019. During the last few years, BESAFE intervention has enhanced Safety Culture of AIL by several notches and now BESAFE is an integral part of AIL's DNA.

AIL conducted "Aarti Suraksha Survey" during FY-2022-23 to get a pulse on safety perception. The online survey indicated that AIL's safety culture is on the verge of becoming Independent and moving towards becoming Interdependent in Bradley's curve. The survey also threw many insights, and as an outcome of the survey, a Safety Culture Enhancement program is now in place.

Keeping the BESAFE DNA of AIL intact and bringing up a new perspective of "how we can better ourselves or what more(plus) can be done to improve from here?".

AIL launched the new initiative for safety culture enhancement journey during Dec '2023.



The main objective of the **BESAFE+** is to drive AIL towards an Interdependent (care for each other) Safety Maturity Level. For that we have collaborated with **world leaders in safety, the dss+ (Ex Dupont)**. **dss+** is known for building hard-hitting diagnostic solutions to help organizations improve their safety culture to the next level.

During FY 2023-24, we continued our emphasis on leading indicators which is reflected in following indicators:

1. **200+ Knowledge Capsules every year:** Every weekday an short communication through email on Safety topics by Corporate Safety and Compliance Head
2. **900+ Besafe Huddles :** Besafe huddle is a 15 minutes online session wherein various safety related learnings are shared three days a week with 200+ participants
3. **50+ Learning from Incidents (LFI) sessions:** LFI is a 1 Hr dedicated session every month for sharing learnings from internal and external incidents with 300+ participants
4. **2000+ BBS rounds** every month across organization to endorse positive safety behavior across AIL.
5. **2000+ internal inspections** every month across organization in the form of GPC (General Plant Conditions) rounds to identify and correct unsafe conditions
6. **1500+ work permit audits** every month to ensure compliance of the work permit conditions

7. **Monthly gate meeting** on 4<sup>th</sup> day of every month in all divisions to recognise the good work in safety by on roll and contract employees
8. **12 Monthly Safety Themes every year:** Every month focused efforts on one safety topic to raise awareness at the shopfloor.
9. **12 Monthly Safety video competitions** every year to foster involvement of employees and encourage learning from incidents
10. Celebrations and observation of **Road safety week, National Safety week, Fire services week and Process safety week** across organisation foster involvement from all the levels

As a result of efforts taken in improving learning indicators significant shift is evident in the lagging indicators as below -

1. LTIFR (Loss time injury frequency rate) has dropped down from 0.37 (in 2020-21) to 0.04 (in 2023-24)
2. LTISR (Loss time injury severity rate) has dropped from 460 (in 2020-21) to 2.37 (in 2023-24)
3. 10 divisions out of 16 have crossed 1000 safe days and 8 divisions have crossed 5 Safe Million Man hours.

#### Process Safety:

Process safety is a cornerstone of our commitment to sustainability . It is crucial for preventing incidents and the release of harmful substances that could jeopardize human health, the environment, and nearby communities. By implementing rigorous safety measures, conducting thorough risk assessments, maintaining strict safety protocols, and developing effective emergency response plans, we ensure the highest level of protection for our employees, facilities, and the public.

During FY 2023-24, AIL embarked on a journey of Barrier Management. The purpose of Barrier Management is to consolidate the identified risk from different sources and prioritize the top risks/event with their respective **preventive and mitigative barriers to ensure adequacy, reliability and effectiveness of barriers, Where we can get the benefit are**

- Risk Based Process Safety
- Assurance & robust control of high risks
- Understanding of risks at shop floor level
- Risk Sensitization
- Qualitative simple approach
- Proactive Emergency Preparedness
- Company level risks are focused & well managed

“The objective is assurance that all the top risks are in control & well managed”

<b>Top Risk Identification</b>	<b>Input from -</b>	<b>Barrier Management</b>	<ul style="list-style-type: none"> <li>• Identification of preventive &amp; Mitigative barrier</li> <li>• Adequacy Assessment</li> <li>• Barrier Assurance</li> <li>• Barrier Ownership</li> </ul>	<b>People Competency</b>	<b>For Barrier Owner</b>	<b>Audit &amp; Governance</b>	<b>Audit Programme</b>
	<ul style="list-style-type: none"> <li>• HAZOP</li> <li>• QRA</li> <li>• SIL &amp; LOPA study</li> <li>• Tacit Knowledge</li> <li>• Internal &amp; External Audit &amp; other sources</li> </ul>				<ul style="list-style-type: none"> <li>• Capabilities</li> <li>• Competency</li> <li>• Validation</li> </ul>		Plant to company Level
	<b>Risk Assessment</b> (As per Risk Matrix) Risk Calibration & Prioritization				<b>For other people</b> Training & awareness session on Top risk & its barrier		<b>Governance</b> Plant to BOD level

A robust governance mechanism is set through a comprehensive process safety dashboard wherein the status of various initiatives is available at a single source. The various platforms through which progress is reviewed are the operations group review, Process Safety Council, Zone Sustainability sub-council, and Apex sustainability council.

### 31. Environment

As a responsible organisation, we are committed to protect the environment and prevent resource depletion. AIL has published and implemented comprehensive guidelines for the Waste management and Environmental Management system. Efficient usage of water is imperative to us, making it a high priority material topic. A considerable number of Environmental Projects have been Successfully implemented, and we are beginning to see the benefits, such as effluent reduction, waste reduction, waste conversion into valuable products, Cost Reduction, CO2 Emission Reduction and space available for new effluent which will be generated from new expansion/products.

AIL has been recognized and acknowledged by various organizations with prestigious awards as FICCI chemical and Petrochemical awards 2023, for such driving sustainability in the chemical sector, and Gold award in chemical and fertilizer sector for outstanding achievement in Environmental preservation awarded by Sustainable Development Foundation.

#### Environment - Water Management

Towards reducing our water footprint, we are focussing on 3R (Reduce, Reuse & Recycle) and strategizing to achieve zero-liquid discharge (ZLD) for our facilities. During FY 2023-24, AIL has taken various initiatives for Water conservation by enhancing water harvesting system's capacity, increased steam condensate recovery, increased MEE condensate recovery, STP treated water recycling and RO permeate recycling etc. Currently, 11 nos of our manufacturing sites are ZLD ready facilities. Out of the total effluent generation about 83% effluent is being recycled back into process through the ZLD system and 17% treated effluent is being sent to CETP for further treatment and discharge to deep sea. As part of water conservation, AIL has recycled steam condensate about 66% in the Boiler. Overall water withdrawal was reduced by more than 44% due to ZLD units, steam condensate recycling in Boilers, Water Harvesting initiatives, STP treated water recycling etc. Further we have planned to achieve 100% ZLD ready status within the next 2 years.

We have adopted a proactive approach for ZLD and incorporated it in the conceptualisation & designing phase of new projects. ETP final discharge parameters are connected to CPCB and SPCB portals for real time monitoring.

#### Environment - Air Management

AIL has provided adequate Air pollution control measures to control process and flue gas emissions like wet scrubbers, dust collectors, Bag filters, Electrostatic Precipitators (ESP) etc. AIL has implemented a dry scrubber concept (lime dosing along with solid fuel) to control SO2 emissions significantly. All have implemented LDAR programs to detect and control fugitive emissions, VOC's etc. AIL has provided online sensors for Hazardous gases. We have provided an effective emission monitoring and selection of continuous on-line stack monitors. All our manufacturing locations are carrying out ambient air quality monitoring as per NAAQS. Online stack monitoring systems (OCEMS) have been connected to CPCB and SPCB portals for real time monitoring. AIL has verified that none of the Persistent Organic Pollutants (POPs) listed by Stockholm convention is emitted from our operations.

#### Environment - Waste Management

Our waste management approach is systematically divided into three priorities depending upon the various operating conditions and type of waste generated. First priority is to reduce waste, second priority is 4Rs (Reuse, Recover, Recycle, Reprocess), third priority is treatment and responsible disposal in scientific manner. AIL being a responsible organisation ensures utilisation of the hazardous waste and prioritize co-processing over landfilling and incineration. We are also conducting audits of the vendors responsible for reusing processing and disposal of waste. During FY 2023-24, we have improved Hazardous waste management by taking many initiatives like Waste management guideline were implemented with digital monitoring of hazardous waste from generation to disposal, introduction of compressive checklist for all HW vehicles, all the HW vehicles are connected to Aarti Logistic Control centre and monitored



24 hrs \*7. Completion of Rule 9 trials runs and obtained CPCB SOP for HCL conversion into CaCl<sub>2</sub> had enhanced our Waste Management system. AIL is also in the process of getting its sites certified on Zero waste to landfill. We have diverted 92% of hazardous waste to recycling and the other 8% was disposed of responsibly.

### 32. Sustainability

AIL has integrated sustainability into its business strategy through its 4 strategic dimensions: Sustainability, People Well being, Partner Delight and Prosperity. Every dimension has its goals and objectives. These are accomplished through a well devised implementation strategy of Aarti Management System. AIL has carried out ESG risk assessment to identify top risks from ESG perspective impacting the business operations. We have also prepared mitigation measures for the identified risk by involving the relevant stakeholders. The Goals and objectives are reviewed in well established councils which are chaired by the CEO. Sub councils are formed to drive the sustainability agenda at the zone level and these sub councils report to Apex Sustainability councils.

The following accomplishments endorse our progress in the sustainability journey.

#### Responsible Care:

AIL has been a Responsible Care Logo holder company since April 2022. As a responsible, sustainable and value driven chemical manufacturing company, AIL is focusing continuously to enhance performance with respect to the indicators of Responsible Care codes.

#### EcoVadis

Our significant efforts in improving our ESG performance has led to sustaining a gold medal in EcoVadis CSR assessment, placing AIL among the top 5 percentile of companies assessed by EcoVadis.

#### CDP Rating

AIL has received Management band "B" for the second consecutive year in CDP Climate Change, and "B" in CDP water security in the first disclosure indicating coordinated actions towards climate issues and water security by AIL. The B rating is higher than the global and asia average for the chemical sector.

#### Sustainalytics Rating

Sustainalytic has maintained medium risk for 2023 with the ESG risk score of 24.5 indicating the sustained ESG practices at AIL.

#### International Sustainability and Carbon Certification (ISCC)

We have obtained ISCC for one of our products manufactured at Zone 2, ISCC is an international certification system covering all kinds of bio based feedstocks and renewables catering to the chemical sector. This certification paves way for manufacturing certified green products.

### 33. Reliability

We have initiated an Operational Excellence journey with focus to improve reliability. Different initiatives by involvement of everyone in the manufacturing are implemented as below (few of them) -

#### - OEE (Overall Equipment Effectiveness) improvement

OEE measurement for all the products provide insights on various improvement opportunity areas in manufacturing to focus on. In the past, OEE has improved year on year.

#### - Model Plant Initiative

Under the Model Plant Initiative, 5S has been launched across organizations for effective workplace management to improve upon the working efficiency and workplace safety. It's creating a positive impact to improve the way we work at the workplace in a better manner.

#### - Quality Circles

This is the tool wherein shop floor teams become part of critical problem solvers and contribute to the organizational goals. The best implemented teams participate in local, state, national and international forums.

#### - Kaizen Idea

We launched this Kaizen Idea program to capture the brilliant improvement ideas specifically from the associate family members in the areas of safety, production, quality and cost etc. This is beneficial in both tangible and in-tangible ways.

### 34. Statutory Auditors & Auditors' Report

In accordance with the provisions of Section 139 of the Companies Act, 2013, Gokhale & Sathe, Chartered Accountants (Firm Registration No.: 103264W) were appointed as Statutory Auditor of your Company at the 39<sup>th</sup> Annual General Meeting for a term of 5 years, to hold office from that meeting till the conclusion of 44<sup>th</sup> Annual General Meeting to be held in 2027.

There are no qualifications, reservations or adverse remarks or disclaimer made by the Auditor in their report. The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

### 35. Cost Auditors & Records

In terms of the Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Rules, 2014, the Company is required to maintain cost accounting records and have them audited every year.

The Board on the recommendation of Audit Committee has appointed Ketaki D. Visariya, Cost Accountants, (Membership No.16028) as the "Cost Auditors" of the Company for FY 2024-25. The remuneration payable to the Cost Auditor is required to be placed before

the members in a General Meeting for their approval. Accordingly, a resolution for seeking member's approval for the remuneration payable to Ketaki D. Visariya, Cost Accountants, is included at Item No. 13 of the Notice convening the Annual General Meeting in terms of Rule 14 of the Companies (Audit & Auditors) Rules, 2014.

The Company has maintained cost records as specified under section 148(1) of the Act.

### 36. Secretarial Auditor & Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company had appointed CS Sunil M. Dedhia (COP No. 2031), Proprietor of Sunil M. Dedhia & Co., Company Secretary in Practice to undertake the Secretarial Audit of the Company.

Pursuant to provisions of Section 204(1) of the Companies Act, 2013 and Regulation 24A of the Listing Regulations, the Secretarial Audit Report for the Financial Year ended March 31, 2024 issued by CS Sunil M. Dedhia (COP No. 2031), of Sunil M. Dedhia & Co. Company Secretary in Practice and the Secretarial Auditor of the Company is annexed as **Annexure- D** and forms an integral part of this Report. During the year under review, the Secretarial Auditor had not reported any fraud under Section 143(12) of the Act.

There is no qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor in their report.

### 37. Internal Control Systems and their adequacy

The Company has an in-house internal audit department with a team of qualified professionals. The internal audit department prepares an annual audit plan and prioritises audit activities based on the criticality of system / process gaps.

Reviews are conducted on an ongoing basis based on a comprehensive risk-based audit plan, which is approved by the Audit Committee at the beginning of each year. The Internal Audit team reviews and reports to the management and the Audit Committee about compliance with internal controls, and the efficiency and effectiveness of operations as well as the key process risks.

The Audit Committee meets every quarter to review and discuss the various Internal Audit reports, and follow up on action plans of past significant audit issues and compliance with the audit plan

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

Statutory Auditors Report on Internal Financial Controls as required under Clause (i) of sub-section 3 of Section

143 of the Companies Act, 2013 is annexed with the Independent Auditors' Report.

### 38. Secretarial Standards Compliance

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

### 39. Number of cases filed, if any, and their disposal under section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company is fully committed to uphold and maintain the dignity of every woman working with the Company. The Company has Zero tolerance towards any action on the part of any one which may fall under the ambit of 'Sexual Harassment at workplace'. The Policy framed by the Company in this regard provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee ("ICC") under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. ICC have been set up to redress complaints received regarding sexual harassment.

The status of the Complaints during the FY 2023-24 is as follows:

Particulars	No. of Complaints
Number of Complaints pending as on beginning of the Financial Year	0
Number of Complaints filed and resolved during the Financial Year	0
Number of Complaints pending as on the end of the Financial Year	0

### 40. Conservation of energy, technology absorption, foreign exchange earnings and outgo

Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended from time to time, are provided in **Annexure-E** to this report.

### 41. Significant and material orders passed by the regulators or courts

During the FY 2023-24 there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### 42. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the Financial Year alongwith their status as at the end of the Financial Year

During the Financial Year 2023-24, there was no application made and proceeding initiated / pending by

any Financial and/or Operational Creditors against your Company under the Insolvency and Bankruptcy Code, 2016 ("the Code").

Further, there is no application or proceeding pending against your Company under the Code.

**43. Details of difference between the amount of valuation at the time of one time settlement and the valuation done at the time of taking a loan from the Banks or Financial Institutions along with the reasons thereof**

During the Financial Year 2023-24, the Company has not made any settlement with its bankers for any loan/facility availed or/and still in existence.

**Acknowledgement**

The Board of Directors places on record its sincere appreciation for the dedicated services rendered by the employees of the Company at all levels and the constructive cooperation extended by them. Your Directors would like to express their grateful appreciation for the assistance and support by all Shareholders, Government Authorities, Auditors, Financial Institutions, Customers, Employees, Suppliers, other business associates and various other stakeholders.

For and on behalf of the Board

**Rajendra V. Gogri**

Chairman and Managing Director

Mumbai / July 04, 2024

# ANNEXURE - A

## FORM AOC-1

### Statement containing salient features of the financial statement of subsidiaries as on March 31, 2024

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

#### SUBSIDIARIES

(₹ In Crores)

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reverse & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% Of Shareholding
1	Aarti Corporate Services Limited	₹	2.02	5.30	14.27	6.94	10.41	0.12	(0.53)	-	(0.53)	-	100.00
2	Innovative Envirocare Jhagada Limited	₹	0.35	(0.19)	0.16	-	-	-	(0.01)	-	(0.01)	-	100.00
3	Aarti Polychem Private Limited	₹	0.02	(0.03)	0.01	0.01	-	-	(0.01)	-	(0.01)	-	100.00
4	Aarti Bharuch Limited	₹	0.25	(0.46)	50.93	51.14	-	0.03	(0.42)	-	(0.42)	-	100.00
5	Aarti Specchem Limited	₹	0.25	(0.04)	0.21	-	-	-	(0.01)	-	(0.01)	-	100.00
6	Shanti Intermediate Private Limited	₹	0.07	0.10	4.22	4.05	0.01	10.80	(0.88)	(0.01)	(0.87)	-	100.00
7	Nascent Chemical Industries Limited	₹	0.60	(0.31)	0.31	0.01	-	-	(0.09)	-	(0.09)	-	50.49
8	Augene Chemical Private Limited	₹	0.05	-	0.05	-	-	-	-	-	-	-	100.00
9	Alchemie (Europe) Ltd.	GBP	0.01	(0.03)	0.18	0.20	-	0.45	-	-	-	-	88.89
		₹	0.92	(2.86)	51.95	53.42	-	46.69	0.03	-	0.03	-	
10	Aarti Chemical Trading - FZCO (Dubai)	AED	0.01	-	0.01	0.01	-	-	-	-	-	-	100.00
		₹	0.11	(0.10)	0.33	0.32	-	-	(0.10)	-	(0.10)	-	

The Financial Statement of Alchemie (Europe) Limited and Aarti Chemical Trading - FZCO (Dubai) whose reporting currency is other than ₹ are converted into Indian Rupees on the basis of appropriate exchange rate as per the applicable Accounting Standard. As at March 31, 2024 GBP 1 = ₹105.03 and AED 1 = ₹22.69 respectively.

For and on behalf of the Board

**Rajendra V. Gogri**

Chairman and Managing Director  
DIN: 00061003

**Rashesh C. Gogri**

Vice Chairman and Managing Director  
DIN: 00066291

**Chetan Gandhi**

Chief Financial Officer  
ICAI M.No. 111481

**Raj Sarraf**

Company Secretary  
ICSI M.No. A15526

Place: Mumbai

Date: July 04, 2024



# ANNEXURE - B

## The Annual Report on CSR Activities carried out during FY 2023-24

### 1 Brief outline on CSR Policy of the Company:

The Company's policy on CSR, sets out a statement containing the approach and direction given by the Board of Directors after taking into account the recommendations of its CSR Committee and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

This policy is framed pursuant to Section 135 of the Companies Act, 2013 read with rules made thereunder as amended time to time.

### 2 Composition of CSR Committee:

Sr. No.	Name of Director	Acting in the Committee as	Nature of Directorship
1	Shri KVS Shyam Sunder	Chairman	Independent Director
2	Smt. Hetal Gogri Gala	Member	Non - Executive Director
3	Smt. Priti P. Savla	Member (upto September 23, 2023)	Independent Director
4	Shri Kirit R. Mehta	Member (upto August 04, 2023)	Executive Director
5	Shri Rajendra V. Gogri	Member (w.e.f. October 13, 2023)	Managing Director

There was one Meeting held during the year, which was attended by all the Members.

### 3 Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

The Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company at [https://www.aarti-industries.com/investors/GetReport?strcont\\_id=rQxVNykXxIkOIQL33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=rQxVNykXxIkOIQL33MM)

### 4 Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable for the year under review

(₹ in Crores)

5	(a)	Average net profit of the Company as per sub-section (5) of Section 135	870.27
	(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135	17.41
	(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
	(d)	Amount required to be set-off for the financial year, if any	0.69
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	16.72
6	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	17.46
	(b)	Amount spent in Administrative Overheads	Nil
	(c)	Amount spent on Impact Assessment, if applicable	Nil
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	17.46

Note: The CFO Shri Chetan B. Gandhi has certified that funds of ₹17.46 Crores so disbursed for Corporate Social Responsibility (CSR) activities undertaken by the Company during the financial year 2023-24 were utilized for the purpose and in the manner as approved by the Board / CSR Committee.

## (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Crores)	Amount Unspent (₹ in Crores)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
17.46			Not Applicable		

## f. Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹ in Crores)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135 <sup>#</sup>	16.72
(ii)	Total amount spent for the Financial Year	17.46
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.74
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.74

<sup>#</sup>Net of excess contribution from previous year set-off in the current financial year.

## 7 Details of Unspent Corporate Social Responsibility amount for the preceding three financial years

1	2	3	4	5	6	7	8	
Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (₹ in Crores)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (₹ in Crores)	Amount spent in the Financial Year (₹ in Crores)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial Years (₹ in Crores)	Deficiency, if any
					Amount (₹ in Crores)	Date of transfer		
					Date of transfer			
Not Applicable								

## 8 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

## 9 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135 – Not Applicable

For and on behalf of the Board

**KVS Shyamsunder**  
Independent Director  
DIN : 00502621

**Hetal Gogri Gala**  
Non-Executive Director  
DIN : 00005499

Mumbai / July 04, 2024

# ANNEXURE - C

## Statement of Disclosure of Remuneration under Section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### A. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2023-24 as well as the percentage increase in remuneration of each Director, CEO, Chief Financial Officer and Company Secretary are as under :

[Explanation - (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values.]

Name of Director / Key Managerial Personnel	Ratio to Median Remuneration	% increase in remuneration over previous year
<b>Executive Directors</b>		
Shri Rajendra V. Gogri	139:1	~10
Shri Rashesh C. Gogri	139:1	
Shri Parimal H. Desai	38:1	
Shri Manoj M. Chheda	42:1	
Shri Renil R. Gogri	56:1	
Shri Ajay Kumar Gupta	64:1	
<b>Non Executive Directors</b>		
Smt. Hetal Gogri Gala	2:1	Refer Note 1
Shri KVS Shyam Sunder	5:1	
Shri P. A. Sethi	4:1	
Shri Bhavesh Vora	4:1	
Shri Lalitkumar Naik	4:1	
Smt. Natasha Treasurywala	4:1	
Prof. Aniruddha B. Pandit <sup>2</sup>	3:1	
Shri Shekhar Khanolkar <sup>2</sup>	3:1	
<b>Key Managerial Personnel</b>		
Shri Chetan B. Gandhi - CFO	-	8%
Shri Raj Sarraf - CS	-	21%

#### Notes :

- 1) The remuneration to the non-executive directors is paid only by way of sitting fees for attending the Board / Committees Meetings during the year. Increase in remuneration during the year is due to increase in the number of meetings and rate of sitting fees per meeting.
- 2) Inducted as Independent Director of the Company w.e.f. June 29, 2023.

### B. The percentage increase in the median remuneration of employees in FY24: 6.62%

### C. The number of permanent employees on the rolls of the Company as on March 31, 2024 : 6,100 nos.

### D. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Particulars	% Change in remuneration
Average increase in salary of employees (other than Managerial Personnel*)	9.8%
Average increase in remuneration of Managerial Personnel*	10.6%

\*Note - 'Managerial Personnel' means employees belong to categories such as Key Managerial Personnel, Senior Management and Senior Leaders but does not include executive Directors of the Company.

### E. Affirmation that the remuneration is as per the remuneration policy of the Company

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other employees is as per Remuneration Policy of the Company.

For and on behalf of the Board

#### Rajendra V. Gogri

Chairman and Managing Director

DIN: 00061003

Mumbai / July 04, 2024

# ANNEXURE - D

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

**Aarti Industries Limited**

(CIN: L24110GJ1984PLC007301)

Plot No. 801, 801/23, GIDC Estate,

Phase III, Vapi, Dist. Valsad, Gujarat 396195

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aarti Industries Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **March 31, 2024 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which were not applicable during the Review Period;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, which were not applicable during the Review Period;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 which were not applicable to the Company during Audit Period; and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 which were not applicable to the Company during Audit Period;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the Audit Period under review and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.



**I further report that** based on review of compliance system prevailing in the Company, I am of the opinion that the Company has adequate systems and processes in place commensurate with its size and nature of operations to monitor and ensure compliance with the following laws applicable specifically to the Company:

- (a) Petroleum Act, 1934 and Rules made thereunder;
- (b) Drugs and Cosmetic Act, 1940 and Rules made thereunder;
- (c) Fertilizer (Control) order, 1985;
- (d) The Explosive Act, 1884 and Rules made thereunder;
- (e) The Insecticides Act, 1968;
- (f) Narcotic Drugs and Psychotropic Substances Act, 1985;
- (g) The Indian Boilers Act, 1923 & The Indian Boilers Regulations, 1950;
- (h) The Chemical weapon convention Act 2000, and the Rules made thereunder;
- (i) Air (Prevention and Control of Pollution) Act, 1981;
- (j) Water(Prevention and Control of Pollution) Act, 1974;
- (k) The Noise (Regulation and Control) Rules, 2000;
- (l) Environment Protection Act, 1986 and other environmental laws;
- (m) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016; and
- (n) Public Liability Insurance Act, 1991.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that

took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the Audit Period under review, there were no specific events / actions, in my view, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This report is to be read with Annexure which forms an integral part of this report.

**CS Sunil M. Dedhia**

Proprietor, Sunil M. Dedhia & Co.  
Practising Company Secretary  
FCS No: 3483 C.P. No. 2031  
Peer Review Certificate No. 867/2020  
UDIN: F003483F000617899

Place: Mumbai  
Date: June 25, 2024

# ANNEXURE

To,  
The Members,  
Aarti Industries Limited  
(CIN: L24110GJ1984PLC007301)  
Plot No. 801, 801/23, GIDC Estate,  
Phase III, Vapi, Dist. Valsad, Gujarat 396195

My report of even date is to be read along with this letter.

- (1) Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**CS Sunil M. Dedhia**

Proprietor, Sunil M. Dedhia & Co.  
Practising Company Secretary  
FCS No: 3483 C.P. No. 2031  
Peer Review Certificate No. 867/2020  
UDIN: F003483F000617899

Place: Mumbai  
Date: June, 25, 2024

## ANNEXURE – E

### A) Conservation for Energy and reduction in Carbon emission

#### The Steps Taken or Impact on Conservation of Energy;

AIL has submitted its Science Based Target initiative (SBTi) and is under validation. Commitment to SBTi has intensified our focus on reduction of energy consumption and reducing carbon footprint. An utility expert group along with the process team at each location had conceptualized the Aarti's way toward being Net Zero. We have adopted three pronged mantras: Fit for purpose, Focus to Finish, Right the First time towards energy conservation and emission reduction. The focus areas for energy conservation and Carbon emission reduction are:

- Minimizing energy losses
- Improving energy efficiency through equipment
- upgrade and process
- Renewable energy and alternate fuel
- Adopting new technologies
- Eliminating process emission

Our approach of decarbonization through energy conservation efforts has been certified by ISO 50001 : 2018. It includes optimizing our energy demand and supply, energy efficiency based maintenance plans. Identifying and eliminating idle running hours of equipment through controls and procedures, upgrading equipment with modern and energy efficient devices. We have adopted an IT-based Energy Management System (EnMS) to achieve the above. EnMS supports us in monitoring critical electrical data & parameters, providing auto-generated customized energy reports and provision of real-time data for electrical systems.

We have adopted several energy-saving projects during the period 2023–24. Introduction of VFD in boilers, air conditioners with variable regulating volume (VRV) systems. Based on our energy efficiency initiatives, we have saved approx. 6.3 million KWH of energy in 2023-24.

In addition to cogeneration power plants at our various locations to optimize usage of coal as a source of energy, We have installed turbine to use excess high pressure steam of our neighboring industries which significantly reduce our coal consumption and CO2 emissions. Through process optimization we have recovered 1012622 GJ of steam from the distillation condenser during 2023-24.

We have regularized usage of Biomass for replacing coal gradually in order to reduce carbon emissions. Furthermore, trials of Bio-ethanol were taken to eliminate conventional liquid fuels.

We have revamped our Acid plant by adopting latest technologies, thereby enhancing steam economy ratio by > 15 % along with productivity improvement. We have invested 150 crores in the debottlenecking of a waste heat recovery boiler at Vapi to maximize the steam generation, it has potential to reduce our CO2 emissions by 30,000 TCO2e.

We have adopted VFD enabled air cooled chillers instead of conventional chillers for improving their energy efficiencies and specific energy consumption.

Conversion of batch process to continuous process for one of the product thereby reducing tar generation and enhancing yields

AIL has started receiving hybrid renewable energy during this financial year. AIL had invested ₹15.18 Crore for supply of its 13.2 MW of hybrid renewable energy.

#### Additional Investments & Proposals, if any, being implemented for Reduction of Consumption of Energy:

The following are the additional investments planned in upcoming years in order to conserve energy and reduce overall environmental footprints.

- Installation of dual fired boilers capable of running on 100% biomass load
- Proposal to procure 13 - 15 MW of hybrid renewable energy through group captive installation
- Replacement of Ammonia compressor chiller with VAM and utilizing the vent low pressure steam
- To minimize the carbon intensity of our operations, we have developed near-term plans to upgrade existing infrastructure to minimize
- Avoiding steam venting by installing Steam compressor for converting low pressure steam to medium pressure steam
- Installation of back pressure turbines in place of PRVs and condensing types turbines.
- It is planned to install MVR at 2 manufacturing locations to reduce energy consumption

#### The Capital Investment on Environment & Greenfield Projects.

Our Company has invested over 57.01 Crore during FY 23-24 on the environment improvement projects such as upgradation and installation of treatment plants and upgradation of waste storage yard.

- AIL has added effluent treatment plant including biological treatment, reverse osmosis, multiple effect

evaporator and STP's at one of our manufacturing plant at Vapi, Kutch, Jhagadia and Tarapur

- AIL has also invested in improving waste storage areas across manufacturing locations.
- AIL has conducted studies and diverted incinerable/ coprocessing/ MEE effluent to biological treatment thereby reducing energy and carbon footprint.
- Reduction of MEE+ATFD load has reduced by 55 KLD and steam consumption to 16 TPD at various manufacturing locations
- AIL has taken initiatives for reduction and recycling of hazardous waste last year we have recycled about 92% of hazardous waste and the rest 8% was disposed off responsibly major initiatives are
  - Sending waste to end user as raw material
  - Diversion of landfill and incinerable waste to coprocessing at cement industries
  - Waste reduction at source and conversion into valuable products
  - Moisture reduction of waste by performance improvement of existing equipments
  - 100% utilization of fly ash for brick manufacturing
- AIL has also constructed rainwater harvesting structures at different manufacturing locations thereby saving more than 8000 KL of water.
- Energy conservation and carbon footprint reduction by improving efficiency of EnMS like RO, MEE and ATFD
- MEE condensate recycling into cooling towers by providing carbon treatment.
- Existing RO recovery increased and New RO taken in line before feeding to MEE. Which resulted in MEE feed reduction contributing to reduction in steam requirement.

## B) Technology absorption, adaptation, and innovation

### Efforts made towards Technology Absorption, Adaptation, and Innovation:

- Validated Continuous vapor technology in pilot plant
- Developed in house Photochemistry technology and validated in pilot; currently under commercialization
- HCl purification technology currently under commercialization
- Process intensification laboratory was established for conducting various trials for highly hazardous chemicals
- Process intensification was established in lab for ammonalysis reaction to improve the productivity (batch cycle time reduction) (continuous)

- Batch to semi continuous in fluorination reaction to improve the productivity and yield
- Introduced pinch technology for the upcoming distillation project to reduce the energy consumption
- Incorporation of advanced separation processes for distillation for current and future products which also results in energy intensification.
- Evaluation of micro reaction technology for highly hazardous chemical reactions to enhance process safety and improvement in product yields.

### Benefits derived as a result of above efforts:

- Lower project costs for the expansion
- Reduction in production costs
- Reduction of carbon emissions, waste, and effluents
- Value addition
- Enhancing safety and sustainability

### Information regarding technology imported during the last 3 years

In the last 3 years, the company has imported the following technologies in order to reduce environmental footprints and for natural resource conservation.

- Spent Acid Concentration (SAC) technology for Nitration Plant
- Technology upgradation for Hydrogenation to enhance productivity and convert from semi batch to continuous mode of operation.

### Expenditure incurred on Research and Development:

₹ in crores	2023-2024	2022-2023	2021-2022*
Revenue	3.36	2.37	6.77
Capital (Incl. of product development expenses)	81.88	94.13	66.97
<b>Total</b>	<b>85.24</b>	<b>96.50</b>	<b>73.74</b>

\* Number are post demerger of Pharma Division.

## C) Total Foreign Exchange Earnings and Outgo

The Foreign Exchange Earnings and Outgo were ₹3,500.98 Crs. & ₹1,561.46 Crs. respectively (previous year ₹3,406.21 Crores & ₹1,270.89 Crores respectively).

For and on behalf of the Board

### Rajendra V. Gogri

Chairman and Managing Director

DIN: 00061003

Mumbai/July 04, 2024



# CORPORATE GOVERNANCE REPORT

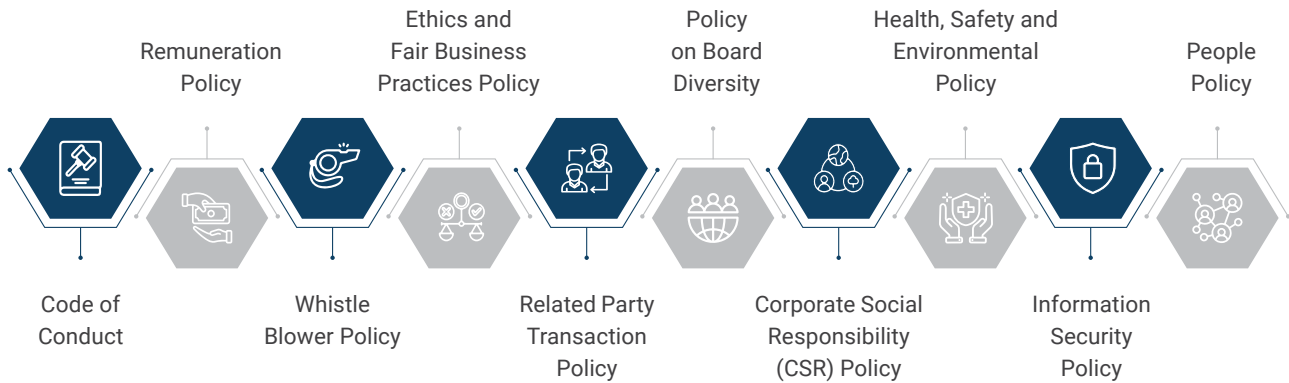
The Company’s Report on Corporate Governance for the financial year ended March 31, 2024 is in compliance with the principles of Corporate Governance as prescribed in Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”).

## COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Aarti Industries Limited (“AIL”) is committed towards the adoption of the best Corporate Governance practices and its adherence in the true spirit. Your Company is defined and driven by its core value of Care, Integrity and Excellence that ensures transparency

and enables us to make informed decisions. Through good – governance, we arrive at effective decision-making that helps us strengthen our reputation as a ‘Global Partner of Choice’. Governance practices at AIL emphasizes sustainability, prosperity, people well-being, and partner delight. We view corporate governance as a reflection of our commitment to ethical conduct and responsible business practices.

We, at AIL, embed the highest standards of corporate governance in our business operations, with prime focus on managing our affairs in a fair and transparent manner. Our robust corporate governance mechanism is driven through our policies, governance philosophy, and corporate codes, which is in accordance with evolving laws and regulations.



We understand that corporate governance is a journey rather than a destination, and as such, we are committed to continuous improvement. Our unwavering focus on strong governance practices has yielded tangible results, including heightened stakeholder confidence, increased valuation, greater market capitalization, and a favorable credit rating. These outcomes validate our belief that robust corporate governance is essential for safeguarding the interests of all stakeholders and fostering sustainable success in the long run.

The Company’s Corporate Governance torch bearers include Chairman, Board of Directors, Committees, Independent Directors, Company Secretary and Auditors.

## BOARD OF DIRECTORS

### Composition as on March 31, 2024

The Company has an active, experienced, diverse and a well - informed Board. The Company’s policy is to maintain an optimum combination of Executive and Non-Executive Directors. As on March 31, 2024, the Board comprised 14 (fourteen) Directors represented by 8 (Eight) Non-Executive Directors [out of which 7(Seven) are Independent Directors and 1 (one) is Non-Independent Director] and 6 (six) are

Executive Directors. The Company is in compliance with the provisions of Section 149(4) of the Companies Act, 2013 read with Regulation 17(1)(a) and 17(1)(b) of the Listing Regulations.

### Composition analysis of the Board

Category	Gender Diversity					
			Male		Women	
	Nos	%	Nos	%	Nos	%
Independent	7	50	6	42.86	1	7.14
Non-Independent	7	50	6	42.86	1	7.14
	(including 1 Non-Executive)					

Detailed profile of the Directors is available on the Company’s website at <https://www.aarti-industries.com/company/about-us>

### Independent Directors

**Eligibility:** The Independent Directors declare that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and the Listing Regulations. The Board further confirms that the Independent Directors

fulfil the conditions specified in terms of the Companies Act, 2013 and the Listing Regulations and that they are Independent of the management of the Company. All the Directors are in compliance with the limit on independent directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations.

The Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All the Directors have confirmed that they are not members of more than ten mandatory committees and do not act as Chairman of more than five mandatory committees in terms of the Regulation 26 of the Listing Regulations across all the listed companies in which they are Directors.

**Independent Director Databank Registration:** The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the Listing Regulations. Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors have done the registration with the Independent Directors Databank. Requisite disclosures have been received from the concerned Directors in this regard.

**Familiarisation Programme:** During the year, the Company has conducted a well-structured familiarisation programme for its Directors, including those inducted during the year, so as to provide them with an opportunity to familiarise themselves with the Company's vision, mission, and values, its operational capabilities, category wise products distribution, geographies where the Company operates, Capex incurred in the last 3-5 years, ongoing Expansion Projects, R&D, Growth opportunities, Information Technology, Digital Transformation, Cyber Security, sustainability and Safety Measures taken. The programme includes one-to-one interactive sessions with the senior management team, business and functional heads among others and also includes visits to the Company's plant mainly situated in the State of Gujarat.

Presentations are made on a periodical basis during the Board and Committee meetings where, comprehensive presentations are made on various aspects such as business models, new business strategies and initiatives by business leaders, risk minimization procedures, recent trends in technology, changes in domestic/overseas industry scenario, digital transformation, state of global IT services industry, and regulatory regime affecting the Company.

Details of familiarisation Programmes imparted to independent Directors are disclosed on the website of the Company and the web link thereto is :

<https://www.aarti-industries.com/Upload/PDF/Familiarisation-Programme-FY-2023-24.pdf>

**Meeting of Independent Directors:** In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors was held on

March 09, 2024 without the participation of non-Independent Directors and the members of the management. The meeting was attended by all the Independent Directors. The Independent Directors discussed various aspects, viz. performance of non-Independent Directors and the Board as a whole, performance of the Chairperson of the Company, quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform duties.



#### **Board procedure:**

The regular meetings of the Board and its Committees are pre-scheduled. Invites are sent to the members well in advance, to facilitate them plan their participation effectively. Additionally, in case of special and urgent business matters such as; major capex, critical appointments etc., requisite meetings are convened ensuring utmost participation.

Except for the agendas dealing with price sensitive information, requisite information / discussion papers are circulated to the members well within prescribed timeline. The agendas are mainly bifurcated into those requiring Noting, Review and Approval.

Additionally, based on the agenda, Meetings are attended by Members of the senior leadership as invitees which bring in the requisite accountability and also provide developmental inputs.

With its sheer focus on 'Safety-first' besides other agenda items, measures taken by the Company on Safety and Sustainability, are discussed on a regular basis in periodical meetings.

The discussions are then followed by review of the performance against the Budget and Industrial Trend, overall strategy, Financial results, subsidiary's performance, fund flow position and investments status, Forex, Related Party Transactions, Compliance Status, Governance & Regulatory matters, pay-out policy, progress of ESG commitments of the Company and such other matters as required under the prevailing regulatory requirements.

The Board reviews the strategy, budgets & business plans, capital expenditure on an annual basis. It provides guidance and strategic direction to the management in the light of the economic developments, both locally and internationally, sectoral changes, competition, government regulations, etc.

While preparing the agenda, explanatory notes, minutes of the meeting(s) and during conduct of the meetings; adherence, to

the Act and the Rules made thereunder, Listing Regulations, Secretarial Standards and other applicable laws is ensured.

During the year, the Board of Directors met 10 (Ten) times on April 10, 2023, May 08, 2023, June 28, 2023, July 14, 2023, August 8, 2023, October 13, 2023, November 04, 2023, January 09, 2024, February 08, 2024 and March 09, 2024.

The interval between two meetings was well within the maximum period prescribed.

The category of Directors, attendance at Board Meetings held during the Financial Year ('FY') under review, the number of Directorships/ Chairpersonships and Committee positions held by them in other public limited companies Shareholding and Directorships held by them in other listed entities as on March 31, 2024 are given below. All the directors attended the Annual General Meeting of the Company held on August 04, 2023.

Sr. No	Name of the Director	Category	No. of Board Meetings attended in the year	Number of Directorships in other public limited companies ^	Number of committee positions in other public limited companies*		Directorships in other listed entities		Number of Shares held along with % of paid up share capital
					Chairperson	Member	Name of the listed entity	Category of Directorship	
1	Shri Rajendra V. Gogri (DIN: 00061003)	P - MD	10/10	3	1	1	Aarti Pharmalabs Limited	NED - NID	57,03,600 (1.57%)
							Prince Pipes and Fittings Limited	ID	
2	Shri Rashesh C. Gogri (DIN: 00066291)	PG - MD	10/10	3	-	1	Aarti Drugs Limited	ED - MD	1,48,37,616 (4.09%)
							Aarti Pharmalabs Limited	NED - NID	
3	Shri Parimal H. Desai (DIN: 00009272)	P - ED	10/10	3	-	-	Aarti Pharmalabs Limited	NED - NID	15,98,284 (0.44%)
4	Shri Manoj M. Chheda (DIN: 00022699)	ED	10/10	1	-	-	-	-	30,46,524 (0.84%)
5	Shri Renil R. Gogri (DIN: 01582147)	PG - ED	10/10	-	-	-	-	-	1,11,71,008 (3.08%)
6	Shri Ajay Kumar Gupta (DIN: 08619902) (w.e.f. June 29, 2023)	ED	7/7	2	-	-	-	-	Nil
7	Smt. Hetal Gogri Gala (DIN: 00005499)	PG - NED - NID	10/10	2	-	1	Aarti Pharmalabs Limited	ED - MD	99,62,192 (2.75%)
8	Shri P.A. Sethi (DIN: : 00004038)	ID	10/10	-	-	-	-	-	Nil
9	Shri KVS Shyamsunder (DIN: : 00502621)	ID	10/10	-	-	-	-	-	Nil
10	Shri Bhavesh R. Vora (DIN: 00267604)	ID	10/10	2	1	1	Aarti Pharmalabs Limited	ID	Nil
11	Shri Lalitkumar S. Naik DIN: 02943588	ID	10/10	-	-	-	-	-	Nil
12	Smt. Natasha K.Treasurywala DIN: 07049212	ID	10/10	-	-	-	-	-	Nil

Sr. No	Name of the Director	Category	No. of Board Meetings attended in the year	Number of Directorships in other public limited companies ^	Number of committee positions in other public limited companies*		Directorships in other listed entities		Number of Shares held along with % of paid up share capital
					Chairperson	Member	Name of the listed entity	Category of Directorship	
13	Prof. Aniruddha B. Pandit DIN: 02471158 (w.e.f. June 29, 2023)	ID	7/7	-	-	-	-	-	Nil
14	Shri Shekhar S. Khanolkar DIN: 02202839 (w.e.f. June 29, 2023)	ID	7/7	-	-	-	-	-	Nil
15	Shri Kirit R. Mehta DIN: 00051703	ED	4/4	Ceased to be Directors w.e.f. August 04, 2023					
16	Shri Narendra J. Salvi DIN: 00299202	NED - NID	4/4						
17	Prof. Ganpati D. Yadav DIN: 02235661	ID	5/5	Ceased to be Directors of the Company w.e.f. September 23, 2023					
18	Smt. Priti P. Savla DIN: 00662996	ID	5/5						
19	Shri Vinay Gopal Nayak DIN: 02577389	ID	7/7	Ceased to be director w.e.f. December 17, 2023					

P - Promoter; PG - Promoter Group, ED - Executive Director, MD - Managing Director, NED - Non-Executive Director; NID - Non Independent Director, ID – Independent Director.

^ Excludes Directorships/Chairpersonships in private limited companies, foreign companies, companies registered under Section 8 of the Act, Government Bodies and Alternate Directorships

\*Represents Chairpersonships/Memberships of Audit and Stakeholders Relationship Committees in all public limited companies as required under Regulation 26(1)(b) of the SEBI Listing Regulations.

Shri Rajendra V. Gogri, Chairman & Managing Director is father of Shri Renil R. Gogri, Executive Director. Shri Rashesh C. Gogri, Vice – Chairman & Managing Director is brother of Smt. Hetal Gogri Gala, Non-Executive Director. Except for the above there is no other inter-se relationship amongst other directors.

#### Directors Competence/ Skills/Expertise Chart:

The Company is engaged in the manufacturing of Speciality Chemicals. The table below summarises the broad list of core skills / expertise / competencies identified by the Board of Directors, as required in the context of the Company's business / sector and the said skills are available with the Board members:

#### List of core skills/expertise/competencies identified by the Board of Directors as required in the context of the business (es) and sector(s)

	Industry Experience	Experience in Chemical industry
	Operations, Technology, Sales and Marketing	Experience in sales and marketing management based on understanding of the consumer & consumer goods industry
	Leadership	Extensive leadership experience of an organisation for practical understanding of the organisation, its processes, strategic planning, risk management for driving change and long-term growth
	Understanding of Global Business	Owing to presence across the globe, the understanding of global business & market is seen as pivotal.
	Finance and Banking	Finance field skills/competencies/ expertise is seen as important for intricate and high quality financial management and financial reporting Processes
	Legal/Governance/ Compliance	In order to strengthen and maintain the governance levels & practices in the organisation



Name of Director	Industry Experience	Operations, Technology, Sales and Marketing	Leadership	Understanding of Global Business	Finance and Banking	Governance/ Risk/ Compliance/ Legal
Shri Rajendra V. Gogri				***		
Shri Rashesh C. Gogri				***		
Shri Parimal H. Desai						
Shri Manoj M. Chheda			**			
Shri Renil R. Gogri						**
Shri Ajay Kumar Gupta						
Smt. Hetal Gogri Gala						
Shri P.A. Sethi						
Shri KVS Shyamsunder			**		**	**
Shri Bhavesh R. Vora						
Shri Lalitkumar S. Naik	**	**		**		**
Smt. Natasha K.Treasurywala			**			**
Prof. Aniruddha B. Pandit			**			**
Shri Shekhar S. Khanolkar			**			**



Domain Expert



Proficient Knowledge



Adequate Knowledge

#### Appointment / Cessation of Directors during the year and upto the date of this Report

The details of Appointment / cessation of Directors during the year and upto the date of this report forms part of Board Report. Refer to point No. 7 of Board Report.

#### Certificate from Company Secretary in Practice

Certificate as required under Part C of Schedule V of Listing Regulations, received from CS Sunil M. Dedhia proprietor of Sunil M. Dedhia & Co., Practicing Company Secretaries is attached in this Annual Report, stating that none of Directors on the Board of the Company have been debarred and disqualified from being appointed or continuing as directors of the Company by an order from the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

#### KYC of Directors

Pursuant to Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2019, all the Directors of the Company completed the KYC for the financial year 2023-24.

#### Code of Conduct

The Company has prescribed a code of conduct for its Directors and Senior Management. This code has been posted on the website of the Company and the web link thereto is [https://www.aarti-industries.com/investors/GetReport?strcont\\_id=Pluse33MMrQlx998GpUOIQl33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=Pluse33MMrQlx998GpUOIQl33MM).

#### Code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct to regulate, monitor and report trading by Insiders

The Board has approved and adopted the code of practices and procedures for fair disclosure of unpublished price sensitive information and the code of conduct to regulate, monitor and report trading by Insiders in terms of Regulation 8 and 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down procedures to be followed and disclosures to be made while trading in the Company's shares from time to time. Also this code includes practices and procedures for fair disclosure of unpublished price sensitive information. The same is posted on the Company's website on the web link

[https://www.aarti-industries.com/investors/GetReport?strcont\\_id=EjQwZCXRJPkOIQl33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=EjQwZCXRJPkOIQl33MM)

#### COMMITTEES OF THE BOARD

The Board Committees focus on certain specific areas and make informed decisions within the delegated authority. Each Committee of the Board, whether mandatorily required to be constituted or otherwise, functions according to its scope that defines its composition, power and role particularly in accordance with the Companies Act, 2013 and the Listing Regulations.

The Company has 5 Statutory Committees of the Board, namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate

Social Responsibility Committee and Risk Management Committee. The Board has constituted the Finance and Investment Committee to deal with routine operational matters. The Board also constitutes other functional Committees, from time to time, depending on business needs. The recommendations of the Committees are submitted to the Board for approval. During the year, all the recommendations of the Committees were accepted by the Board.

**Procedure at Committee meetings:** The composition and terms of reference of all the Committees are in compliance with the prevailing Regulatory requirements. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functioning. Minutes of the proceedings of Committee meetings are circulated to the respective Committee members and also placed before the Board for its noting.

## 1. AUDIT COMMITTEE

The Audit Committee has been constituted in line with the prevailing Regulatory requirements.

### Composition, Meeting and Attendance:

During the financial year 2023-24, the Audit Committee met 5 (five) times on May 08, 2023, August 08, 2023, November 04, 2023, December 11, 2023 and February 08, 2024. The Composition of the Committee and attendance of the Audit Committee members in meetings is given below –

Members	Category	No. of Meetings Attended
Shri KVS Shyamsunder (Chairman)	ID	5/5
Shri P. A. Sethi	ID	5/5
Prof. Ganapati D. Yadav (upto September 23, 2023)	ID	2/2
Shri Lalitkumar S. Naik	ID	5/5
Shri Parimal H. Desai	ED	5/5
Shri Rashesh C. Gogri	ED	5/5
Shri Rajendra V. Gogri	ED	5/5
Shri Bhavesh R. Vora	ID	5/5
Smt. Priti P. Savla (upto September 23, 2023)	ID	2/2
Smt. Natasha K. Treasurywala (w.e.f. October 13, 2023)	ID	3/3
Shri Shekhar S. Khanolkar (w.e.f. October 13, 2023)	ID	3/3

ID - Independent Director; ED - Executive Director

The intervening period between 2 consecutive Audit Committee meetings was well within the maximum allowed gap of 120 days. The Chief Financial Officer, Functional Heads, Representatives of the Statutory Auditors, Internal Auditors, Cost Auditor, as and when required attend the meetings of the Audit Committee from time to time. The Chairperson of the Audit Committee attended the 40<sup>th</sup> AGM held on August 4, 2023. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

### Terms of Reference:

The terms of reference of this Committee include matters specified in the Companies Act, 2013, Rules made thereunder, the Listing Regulations and those specified by the Board in writing. Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required.

The Audit Committee acts in accordance with the terms of reference which, inter alia, include:

- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv) Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the Director's Responsibility Statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- v) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
- vi) Reviewing with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus/

notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;

- vii) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- viii) Approval or any subsequent modification of transactions of the Company with related parties;
- ix) Scrutiny of inter-corporate loans and investments;
- x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi) Evaluation of internal financial controls and risk management systems;
- xii) Reviewing, with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv) Discussion with internal auditors of any significant findings and follow up thereon;
- xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi) Discussion with Statutory Auditors before the Audit Commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii) To review the functioning of the Whistle Blower Mechanism;
- xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx) Reviewing the utilisation of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- xxi) Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the entity and its shareholders

xxii) Carrying out any other function as is included in the terms of reference of the Audit Committee;

xxiii) Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

#### **Mandatorily review the following information:**

- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii) Management Discussion and Analysis of financial condition and results of operations;
- iii) Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- iv) Internal audit reports relating to internal control weaknesses;
- v) The appointment, removal and terms of remuneration of the Internal Auditor; and
- vi) Statement of deviations
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

## **2. NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee has been constituted in line with the prevailing Regulatory requirements.

#### **Composition, Meeting and Attendance:**

During the financial year 2023-24, the Nomination and Remuneration Committee met 6 (six) times on May 06, 2023, June 21, 2023, October 31, 2023, December 13, 2023, March 09, 2024, March 28, 2024. The Composition of the Committee and attendance of Nomination and Remuneration Committee members in meetings is given below:

Members	Category	No. of Meetings Attended
Shri P.A. Sethi (Chairman)	ID	6/6
Shri KVS Shyamsunder	ID	6/6
Shri Bhavesh R. Vora	ID	6/6
Shri Rajendra V. Gogri	ED	6/6

ID - Independent Director; ED - Executive Director

**Terms of Reference:**

The broad terms of reference of the Nomination and Remuneration Committee shall inter alia, include the following:

- i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- ii) For every appointment of an Independent Director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- iii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iv) Devising a policy on diversity of Board of Directors;
- v) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- vi) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- vii) recommend to the Board, all remuneration, in whatever form, payable to senior management.
- viii) Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

**Particulars of Senior Management Personnel**

Details of Senior Management Personnel as on March 31, 2024 are as follows :

Sr. No.	Name	Designation
1	Shri Chetan Gandhi	Chief Financial Officer
2	Shri Raj Sarraf	Company Secretary
3	Shri Pankaj Mehta	Head - Corporate Relations & Strategy
4	Shri Prashant Potnis	Chief Scientific Officer
5	Shri Manoj Sharma	Chief Human Resource Officer
6	Shri Harendra Pandya	Chief Projects & Procurement Officer

During the year there were no changes in Senior Management Personnel.

**Nomination and Remuneration Policy:****I. Criteria and Qualification for Nomination & Appointment**

A person to be appointed as Director, Key Managerial Personnel or at Senior Management level should possess adequate and relevant qualification, expertise and experience for the position that he / she is being considered for.

**II. Policy on Remuneration-**

The Company considers human resources as its invaluable assets. The remuneration policy endorses equitable remuneration to all Directors, Key Managerial Personnel and Employees of the Company consistent with the goals of the Company. The Nomination and Remuneration Policy as approved by the Board of Directors of the Company is posted on the website of the Company and the web link thereto is [https://www.aarti-industries.com/investors/GetReport?strcont\\_id=pTvbr0JryL00IQI33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=pTvbr0JryL00IQI33MM)

The Remuneration policy for all the employees is designed in a way to attract talented executives and remunerate them fairly and responsibly, this being a continuous on-going exercise at each level in the organisation.

In accordance of the said Policy following is the criteria for payment of remuneration to Directors, KMPs and other employees:

**Executive Directors:**

The Company remunerates its Executive Directors by way of salary, perquisites, allowances, Profit related Commission and Stock Options, if eligible. Remuneration is paid within the limits as approved by the shareholders within the stipulated limits of the Companies Act, 2013 and the Rules made



thereunder. The remuneration paid to the Executive Directors is determined keeping in view the industry benchmark and the performance of the Company.

#### Non-Executive Directors:

The Non-Executive Directors are entitled for sitting fees for attending the meeting of the Board and its Committees and Commission as per the shareholders approval as per the provisions of the Companies Act, 2013 and the rules made thereunder. No Stock options have been given to the Non-Executive Directors during the year.

#### Key Managerial Personnel [KMP] and other employees:

The remuneration of KMP and other employees largely consists of basic salary, perquisites, allowances, Stock Options, if eligible and performance incentives (wherever paid). Perquisites and retirement benefits are paid according to the Company policy. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, and performance of each employee.

#### Remuneration to Executive Directors

(₹ in Crores)			
Name of the Director	Salary and other Perquisites	Commission	Total Remuneration
Shri Rajendra Vallabhaji Gogri	1.12	4.71	5.83
Shri Rashesh Chandrakant Gogri	1.12	4.71	5.83
Shri Parimal Hasmukhlal Desai	0.97	0.62	1.59
Shri Manoj Murjibhai Chheda	0.97	0.62	1.59
Shri Renil Rajendra Gogri	0.81	1.54	2.35
Shri Ajay Kumar Gupta* (w.e.f. June 29, 2023)	2.67	0.00	2.67
Shri Kirit R. Mehta ^ (upto August 4, 2023)	0.25	0.04	0.29

Notes:

- Figures are exclusive of contribution to provident fund and superannuation fund.
- The respective tenure of the aforesaid executive shall be governed by the resolutions passed by the shareholders in general meeting with a notice period as per Company Policy.
- \* It excludes grant of 13,768 Options pursuant to Aarti Industries Limited Performance Stock Option Plan 2022. It shall vest as per Aarti Industries Limited Performance Stock Option Plan 2022 approved by the shareholders on October 29, 2022.
- ^ Remuneration excludes retirement benefits (Ex-Gratia & Gratuity) amounting to ₹1.15 Cr.

**Remuneration to Non - Executive Directors:** The Non-Executive Directors were paid remuneration in the form of sitting fees for attending the meetings of the Board and/or Committees thereof which is within the limits prescribed by the Act. The details of the sitting fees paid and shares held by the Non-Executive Directors as on March 31, 2024 are as under:

Name of the Director	Sitting Fee (₹ in Crore)	Shareholding in the Company	% of Total Shareholding
Shri KVS Shyamsunder	0.20	Nil	Nil
Shri P.A. Sethi	0.20	Nil	Nil
Shri Bhavesh R. Vora	0.19	Nil	Nil
Shri Lalitkumar S. Naik	0.17	Nil	Nil
Smt. Natasha K. Treasurywala	0.17	Nil	Nil
Prof. Aniruddha B. Pandit (w.e.f. June 29, 2023)	0.13	Nil	Nil
Shri Shekhar S. Khanolkar (w.e.f. June 29, 2023)	0.15	Nil	Nil
Smt. Hetal Gogri Gala	0.10	99,62,192	2.75
Shri Narendra J. Salvi (upto August 4, 2023)	0.02	72,616	0.02
Prof. Ganapati D. Yadav (upto September 23, 2023)	0.03	4,800	0.00
Smt. Priti P. Savla (upto September 23, 2023)	0.03	Nil	Nil
Dr. Vinay G. Nayak (upto December 17, 2023)	0.04	Nil	Nil

#### Transactions with the Independent Directors:

The Company does not have material pecuniary relationship or transactions with its Independent Directors except the payment of sitting fees for attending the meetings of Board / Committees, as disclosed in this Report.

#### Performance Evaluation:

The Company has in place performance evaluation criteria for Board, Committees, Chairperson and Directors. The criteria for evaluation of independent directors, inter alia, include areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The details of Annual performance evaluation are provided in Board's Report.

		Board	Committees	Non-Independent Director	Independent Director	Chairman
Evaluation by	Independent Directors	√	-	√	-	√
	Board	√	√	√	√	-

### 3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been constituted in line with the prevailing Regulatory requirements.

During the financial year 2023-24, the Stakeholder Relationship Committee met 1 (One) time on August 08, 2023. The Composition of the Committee and attendance of Stakeholder Relationship Committee members in the said meeting is given below:

	Category	No. of Meetings Attended
Shri K. V. Shyam Sunder (Chairman)	ID	1/1
Shri Rajendra V. Gogri	ED	1/1
Shri Rashesh C. Gogri	ED	1/1
Smr. Hetal Gogri Gala	ED	1/1
Shri Manoj M. Chhheda	ED	1/1

ID - Independent Director; ED - Executive Director

#### Terms of Reference:

The broad terms of reference of the Stakeholder Relationship Committee shall inter alia, include the following:

- i) Noting: Shareholding Pattern, category wise composition of the ownership viz institutional, non-institutional and promoters;
- ii) Detailed deliberations on shareholders complaint received, resolved and pending for the resolution;
- iii) Review: measures taken for effective exercise of voting rights by shareholders;
- iv) Review: Status of Cases in Suspense Accounts;
- v) Review: Balances Pending in Unclaimed Dividend/ Fractional Shares Dividend account and measures taken by Company to reduce the same;
- vi) Review: Status of IEPF Cases;
- vii) Review: Adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- viii) Review : Trainings conducted on Takeover / Insider Regulations/ Code of Conduct to the Stakeholders of Company;

- ix) Review : Compliances pertaining to Investors Meet;
- x) Review : Recommendations of Proxy Advisors;
- xi) Authorise/ Review : Printing of Share Certificate and status of blank Share Certificates;
- xii) Review : Internal Audit Report of RTA Activities;
- xiii) Updation - Regulatory changes impacting shareholders;
- xiv) Process Improvement initiatives;
- xv) Review and monitoring compliance under SEBI Takeover Regulations and SEBI Prohibition of Insider Trading Regulations.
- xvi) Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

#### Name, Designation and Contact details of the Compliance Officer -

Shri Raj Sarraf, Company Secretary (M. No. A15526) is the Compliance Officer of the Company. The Compliance Officer can be contacted at the Corporate Office of the Company at:

Udyog Kshetra, 2<sup>nd</sup> Floor,  
Mulund Goregaon Link Road, Mulund (West),  
Mumbai - 400080, Maharashtra, India;  
Tel.: +91 22 6797 6666, +91 22 6943 6100;  
Fax: +91 22 25653234, +912225653185;  
Email: [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com)  
Website: [www.aarti-industries.com](http://www.aarti-industries.com).

#### Separate email id for the redressal of investors' complaints-

As per Regulation 6 of Listing Regulations, Company has designated a separate e-mail id [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com) exclusively for the registering complaints by the investors.

#### Shareholders' Complaints -

During the year under review 19 (Nineteen) complaints were received through SEBI and Stock Exchanges and all were resolved to the satisfaction of the complainants. No request for Share Transfer or Dematerialisation was pending for approval as on March 31, 2024.

#### 4. RISK MANAGEMENT COMMITTEE

The Board of Directors has constituted a Risk Management Committee and also approved Risk Management Policy in accordance with the provisions of the Listing Regulations.

##### Composition, Meeting and Attendance:

During the financial year 2023-24, the Risk Management Committee met 2 (two) times on July 28, 2023, January 23, 2024. The Composition of the Committee and attendance of Risk Management Committee members in the meetings is given below:

Members	Category	No. of Meetings Attended
Shri Rajendra V. Gogri (Chairman)	ED	2/2
Shri Rashesh C. Gogri	ED	2/2
Smt. Hetal Gogri Gala	NED	2/2
Shri Renil R. Gogri	ED	2/2
Shri Ajaykumar Gupta	ED	1/2
Shri Narendra J. Salvi (upto August 4, 2023)	NED	1/1
Shri Bhavesh R. Vora	ID	2/2
Shri Chetan B. Gandhi	CFO	2/2

ID - Independent Director; ED - Executive Director, NED - Non Executive Director, CFO - Chief Financial Officer

##### Terms of Reference-

The brief terms of reference of the Risk Management Committee are as under-

- (i) Formulate a detailed risk management policy which shall include:

- a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c) Business continuity plan
- (ii) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
  - (iii) Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
  - (iv) Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
  - (v) Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
  - (vi) The appointment, removal and terms of remuneration of the Chief Risk Officer;
  - (vii) Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations and/ or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider fit.

#### 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been constituted in line with the prevailing Regulatory requirements.

The Committee is composed of three Directors including an Independent Director who chairs the meetings

Members	Shri KVS Shyamsunder (Chairman)	Smt. Priti P. Savla (upto September 23, 2023)	Smt. Hetal Gogri Gala	Shri Kirit R. Mehta (upto August 4, 2023)	Shri Rajendra V. Gogri (w.e.f. October 13, 2023)
Category	ID	ID	NED	ED	ED

ID - Independent Director; ED - Executive Director, NED - Non Executive Director

As and when required the Committee meets and discuss the agenda items as set for it by the Board of Directors of the Company including;

- i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended, read with Rules framed thereunder;
- ii. Recommend the amount of expenditure to be incurred on such activities and

- iii. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Board has also approved Corporate Social Responsibility Policy. The Annual Report on Corporate Social Responsibility Activities as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure which forms part of the Board's Report.

## GENERAL BODY MEETINGS –

Details of last three Annual General Meetings are as under:-

Financial Year	Day, Date & Time	Venue	Special resolution passed for
2022-23	Friday, August 4, 2023, 11:00 a.m.	Through Video Conferencing / Other Audio-Visual Means	<ul style="list-style-type: none"> <li>- To approve appointment of Prof. Aniruddha Pandit (DIN: 02471158) as an Independent Director of the Company</li> <li>- To approve appointment of Shri Shekhar Khanolkar (DIN: 02202839) as an Independent Director of the Company</li> <li>- To approve revision in terms &amp; conditions of appointment of Chairman &amp; Managing Director Shri Rajendra Vallabhaji Gogri (DIN:00061003)</li> <li>- To approve revision in terms and conditions of appointment of Vice-Chairman and Managing Director Shri Rashesh Chandrakant Gogri (DIN:00066291)</li> <li>- To approve revision in terms and conditions of appointment of Executive Director Shri Parimal Has Mukhlal Desai (DIN:00009272)</li> <li>- To approve revision in terms and conditions of appointment of Executive Director Shri Manoj Mulji Chheda (DIN:00022699)</li> <li>- To approve revision in terms and conditions of appointment of Executive Director Shri Renil Rajendra Gogri (DIN:01582147)</li> <li>- To approve revision in terms and conditions of appointment of Executive Director Shri Kirit Ratilal Mehta (DIN: 00051703), for a period from April 1, 2023 till August 4, 2023</li> </ul>
2021-22	Monday, September 26, 2022, 11:00 a.m.	Through Video Conferencing / Other Audio-Visual Means	-
2020-21	Tuesday, September 28, 2021, 11:00 a.m.	Through Video Conferencing / Other Audio-Visual Means	-

### Extraordinary General Meetings –

No Extraordinary General Meetings of Members was convened during the Financial Year.

### Details of resolutions passed through Postal Ballot

During the Financial Year 2023-24, no resolution was passed through postal ballot.

## MEANS OF COMMUNICATION:

### Quarterly Results-

The Company communicates to the Stock Exchanges about the quarterly financial results within 30 minutes from the conclusion of the Board Meeting in which the same is approved. The results are usually published in Financial Express (English) edition and (Gujarati) edition published from Ahmedabad. These results and official press releases are also available on the website of the Company [www.aarti-industries.com](http://www.aarti-industries.com).

Period	Date of Announcement on the Stock Exchanges	Date of Newspaper Publication
First Quarter	August 8, 2023	August 10, 2023
Half Year	November 4, 2023	November 6, 2023
Third Quarter	February 8, 2024	February 9, 2024
Annual	May 10, 2024	May 11, 2024

All data required to be filed electronically or otherwise pursuant to the Listing Regulations with the Stock Exchanges, such as annual report, quarterly financial statements, Shareholding Pattern, report on Corporate Governance are being regularly filed with the Stock Exchanges, namely, National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and available on their websites as well.

Detailed presentations are made to Institutional Investors and Financial Analysts on the Company's audited quarterly and yearly financial results. These presentations / Concall transcripts are also uploaded on the Company's website [www.aarti-industries.co.in](http://www.aarti-industries.co.in)

### Designated e-mail address for investor services-

To serve the investors better and as required under Listing Regulations, the designated e-mail address for investors complaints is [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com)

## GENERAL SHAREHOLDERS INFORMATION

Our prolific journey of the last 40 years in our vision of creating 'Right Chemistry for a Brighter Tomorrow' through our sustainability model of innovation has been fuelled by the trust that our shareholders have in us, thus making us the 'Global Partner of Choice' in the Specialty Chemicals Industry. The trust of our shareholders across the globe through collaborative partnership is a testimony and reflection of our brand value proposition in the Chemical Industry.



**i) The day, date, time & venue of the 41<sup>st</sup> Annual General Meeting (AGM):**

Day	Date	Time	Venue
Friday	August 02, 2024	11:00 a.m.	through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

**ii) Financial year and Tentative Financial Calendar:**

The Company's financial year begins on April 1 and ends on March 31. Our tentative calendar for declaration of the quarterly results during financial year 2024-25 are as follows:

Financial Year	2024-25
June, 2024	1 <sup>st</sup> /2 <sup>nd</sup> week of August, 2024
September, 2024	1 <sup>st</sup> /2 <sup>nd</sup> week of November, 2024
December, 2024	1 <sup>st</sup> /2 <sup>nd</sup> week of February, 2025
March, 2025	1 <sup>st</sup> /2 <sup>nd</sup> /3 <sup>rd</sup> week of May, 2025

**(iii) Record Date:** July 26, 2024

**(iv) Payment of Dividend:** On or before August 31, 2024

**(v) Listing on Stock Exchanges:**

Stock Exchange	Stock Code/ Symbol
<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001,	524208
<b>National Stock Exchange of India Limited</b> "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	AARTIIND

**vi) Listing fees and Annual Custodial Fee:**

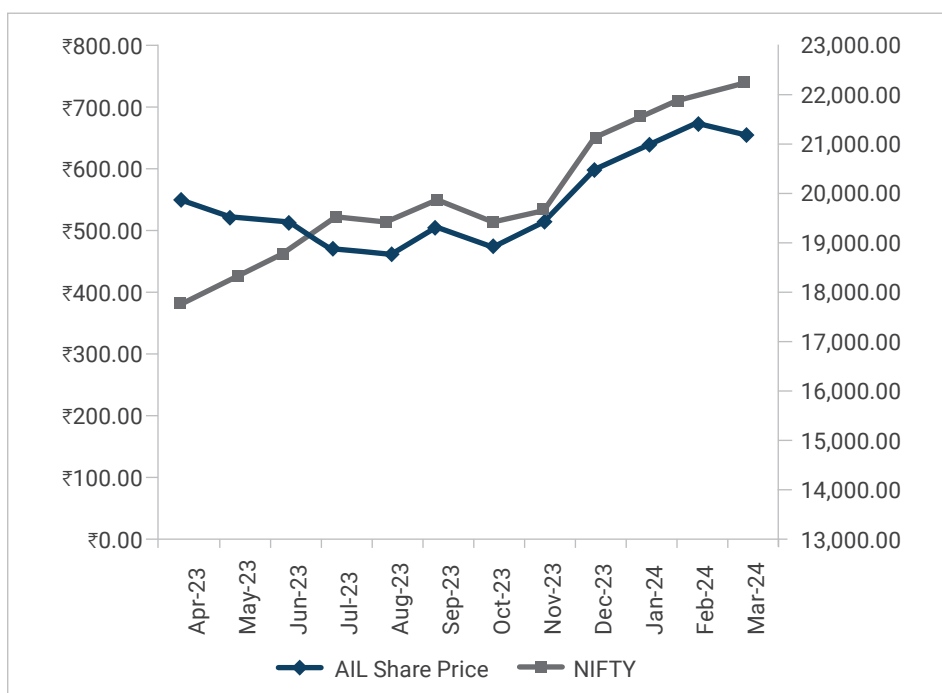
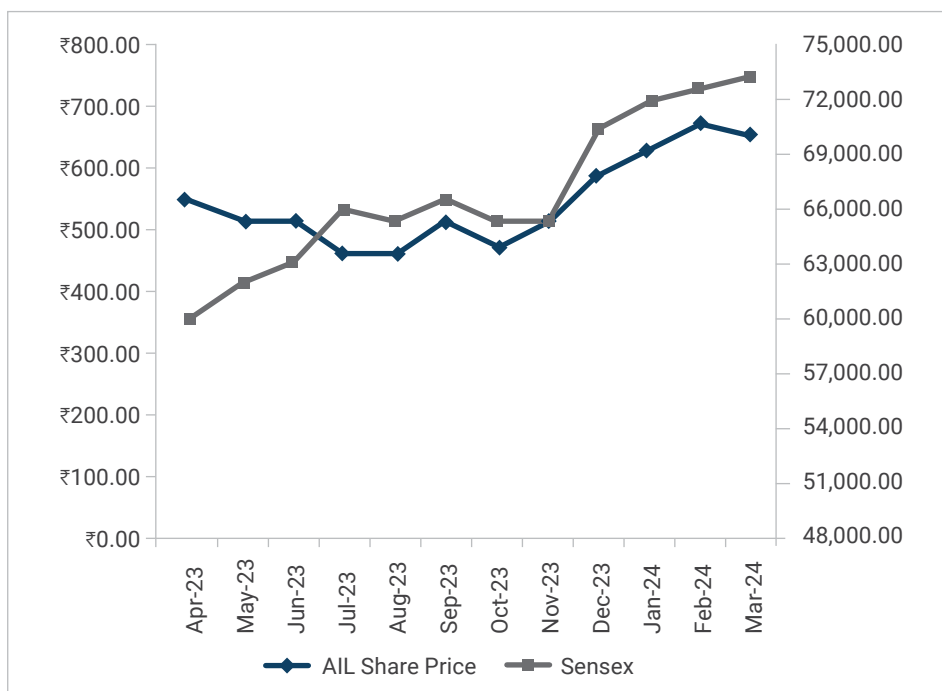
The Company had paid the Annual Listing Fees of the Stock Exchanges and Annual Custodial Fees of the Depositories for the financial year 2024-25.

**(vii) Market Price Data (high, low in each month in last financial year):**

Month	BSE Ltd. (BSE)			National Stock Exchange of India Limited (NSE)		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2023	571.55	517.85	5,87,518	571.65	518.00	88,20,014
May, 2023	567.75	489.25	14,69,047	567.80	489.05	3,01,92,941
June, 2023	539.10	500.55	11,96,363	539.25	501.00	2,38,31,261
July, 2023	509.90	445.00	25,98,374	508.95	445.00	3,17,35,832
August, 2023	497.50	447.00	18,30,984	497.50	446.80	3,29,80,578
September, 2023	534.85	484.05	20,09,778	534.90	484.25	3,47,10,056
October, 2023	495.40	438.05	12,67,190	495.50	438.00	1,92,93,839
November, 2023	570.40	446.20	27,31,209	570.70	446.00	4,70,66,614
December, 2023	661.40	546.00	23,55,653	661.50	546.20	5,06,41,171
January, 2024	689.75	580.00	36,83,014	691.75	580.15	5,88,77,132
February, 2024	712.30	623.20	21,14,492	712.00	623.00	4,23,84,141
March, 2024	680.00	607.25	6,86,123	680.00	606.55	1,74,18,203

**(viii) Performance in comparison to broad based indices:**

Month	BSE Ltd. (BSE)		National Stock Exchange of India Limited (NSE)	
	AIL Price	Sensex	AIL Price	Nifty
April, 2023	545.61	60,011.70	545.66	17,710.68
May, 2023	519.06	61,921.88	519.11	18,307.05
June, 2023	514.09	63,134.73	514.10	18,726.77
July, 2023	467.18	66,110.14	467.18	19,586.00
August, 2023	466.99	65,411.41	467.03	19,438.29
September, 2023	505.55	66,438.75	505.59	19,786.05
October, 2023	474.59	65,307.98	474.62	19,481.67
November, 2023	513.84	65,426.55	513.98	19,599.17
December, 2023	590.99	70,448.11	591.23	21,165.99
January, 2024	631.27	71,695.45	631.33	21,631.89
February, 2024	667.54	72,244.39	667.70	21,947.28
March, 2024	651.94	73,180.67	652.33	22,187.31



**(ix) Registrar & Transfer Agents & Address for Correspondence:**

M/s. Link Intime India Private Limited  
C-101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai – 400 083,  
Tel. No. +91 22 49186000 | Fax No. 022 – 4918 6060  
Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

The shareholders are requested to address all their communications/ suggestions/grievances to the Share Transfer Agents at the above address.

**(x) Share Transfer Process & Dematerialisation:**

In accordance with Regulation 40 of the Listing Regulations, as amended from time to time, transfer/ transmission and transposition of securities shall be effected only in dematerialised form. Listed companies shall issue the

securities in dematerialised form only, for processing any service request from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition etc. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4/ ISR5, the format of which is available on the Company's website at <https://www.aarti-industries.com/investors/download>. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant ('DP') for dematerialising those shares. If the shareholder fails to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat Account ('SEDA') held by the Company. Shareholders can claim those shares transferred to SEDA on submission of necessary documentation.

Details of Shares transferred to / released from SEDA during the FY 2023-24 are as under

Particulars	No. of Shareholders	No. of Shares
No. of shareholders and their shares lying in SEDA as on April 1, 2023	0	0
No. of shareholders and their shares transferred to SEDA during FY 2023-24	3	5340
No. of shareholders to whom shares were transferred from SEDA during FY 2023-24	2	5040
No. of shareholders and their shares lying in SEDA as on March 31, 2024	1	300

**(xi) Shareholding Pattern as on March 31, 2024:**

Category	As on March 31, 2024		As on March 31, 2023		% Change
	No. of Shares	%	No. of Shares	%	
Promoter and Promoter Group	15,74,39,824	43.43	15,97,48,998	44.07	-0.64
Individuals	8,74,61,488	24.13	8,99,65,857	24.82	-0.69
Foreign Portfolio Investors	3,96,09,375	10.93	4,46,44,880	12.32	-1.39
Insurance Companies	2,85,17,825	7.87	2,72,32,481	7.51	0.36
Mutual Funds	3,22,80,154	8.90	2,51,66,699	6.94	1.96
Others	1,40,87,859	3.89	1,30,22,138	3.59	0.30
Body Corporate	31,07,510	0.86	27,22,982	0.75	0.11
<b>Total</b>	<b>36,25,04,035</b>	<b>100.00</b>	<b>36,25,04,035</b>	<b>100.00</b>	<b>-</b>

**(xii) Distribution of Shareholding as on March 31, 2024:**

No. of Shares	Shareholders		Shares	
	Number	%	No.	%
1-2500	3,70,505	95.50	2,02,06,141	5.57
2501-5000	8,258	2.13	61,27,078	1.69
5001-10000	3,956	1.02	58,24,384	1.61
10001-15000	1,741	0.45	43,14,446	1.19
15001-20000	841	0.22	30,25,187	0.83
20001-25000	877	0.23	41,16,912	1.14
25001-50000	764	0.20	54,99,736	1.52
above 50001	1017	0.26	3,13,39,0151	86.45
<b>Total</b>	<b>3,87,959</b>	<b>100.00</b>	<b>36,25,04,035</b>	<b>100.00</b>

**(xiii) Dematerialisation of Shares and Liquidity:**

99.56% of the Paid-up Capital is held in Dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2024 under ISIN No: INE769A01020.

Particulars	NSDL	CDSL	Physical	Total
Shares (nos.)	32,67,91,310	3,41,02,316	16,10,409	36,25,04,035
Shares (%)	90.15	9.41	0.44	100.00

**(xiv) Liquidity of shares:**

The Shares of the Company are traded under 'A' Category at BSE Ltd. The shares are also traded regularly at the National Stock Exchange of India Ltd.

**(xv) Green initiative:**

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, and Securities & Exchange Board of India enabling electronic delivery of documents including the Annual

Report to shareholders at their e-mail address registered with the Depository Participant (DPs) and Registrar and Transfer Agent (RTA).

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with RTA, by sending a letter, duly signed by the first/joint holder quoting details of Folio Number.

**(xvi) ADRs/ GDRs/ Warrants:**

The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments.

**(xvii) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

During the financial year 2023-24, the Company had managed the foreign exchange risk and hedged to the

extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in **Note No. 42** to the Annual Accounts.

**(xviii) Plant Locations:**

- Plot No. 902,923,927,930, Phase III, GIDC, Vapi- 396195
- Plot No. 801/23,806,807, Phase III, GIDC, Vapi- 396195
- Plot No. 285,286/1 A-1-322/23, 322/12, 322/24 III Phase, GIDC, Vapi- 396195
- Plot No. 801/15 to 19,21 & 22, III Phase, GIDC, Vapi- 396195
- Plot No. 802, 803, 804/3, Phase III, GIDC, Vapi- 396195
- Plot No. 801/15 to 19,21 & 22, III Phase, GIDC, Vapi- 396195
- Plot No. 24, Phase-I, GIDC, Vapi-396195
- Plot No. 609/610,100 Shed area, GIDC Estate, Pardi, Vapi, Dist:- Valsad
- Plot No. L-5,L-8, L-9/1, MIDC, Tarapur, Tal. & Dist: Palghar
- Plot No. 1430/1, NH No. 8A Bhachau-370140, Tal: Bhachau
- Plot No. Z/103/H, Tal. Vagra, SEZ-II, Dahej
- Plot No. Z/103/C, Tal. Vagra, SEZ-II, Dahej
- Plot No. Z/111/B, Z/111/C & D Tal. Vagra, SEZ - II, Dahej

- Plot No. 758, 1-2-3 GIDC Estate Jhagadia, Dist- Bharuch
- Plot No. 756/2 A&B, 756/3 A&B,756/4 A&B, 756/5 A&B, 756/6, 756/7, 756/8+9 & 779 GIDC Estate Jhagadia.

**(xix) Address for Correspondence:**

- **Corporate and Head Office:** 71, Udyog Kshetra, 2<sup>nd</sup> Floor, Mulund-Goregaon Link Road, L.B.S. Marg, Mulund (West), Mumbai-400 080.
- **Registered Office:** Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi-396 195, Dist. Valsad, Gujarat.

**(xx) Credit Rating:**

The Company does not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended March 31, 2024.

Below are the details of Credit Ratings as on March 31, 2024

Facilities	CRISIL Rating	India Ratings and Research Rating
Long Term Issuers Rating and Bank Loan Ratings	CRISIL AA/ Stable	IND AA/Stable
Commercial Paper	CRISIL A1+	IND A1+

**(xxi) R & D Centres:**

- Plot No. 801/23, 806, 807, Phase III, GIDC, Vapi- 396195
- Plot No. A-94/1, MIDC, TTC Industrial Area, Trans, Village Limits of Khairane Taluka, Navi Mumbai 400709

**(xxii) Disclosure in respect of Equity Shares transferred to Unclaimed Suspense Account**

Particulars	Demat		Physical	
	No. of Shareholders	No. of equity Shares	No. of Shareholders	No. of equity shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2023	181	3,47,196	-	-
No. of shareholders who approached the Company for transfer of shares from suspense account during the year.	10	9,100	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year	10	9,100	-	-
Shares transferred from suspense account to IEPF A/c during the year	8	9,600	-	-
Undelivered Share Certificate cancelled and Transferred to Unclaimed Suspense Account by the Company during the year	147	1,66,852	-	-
<b>Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2024</b>	<b>310</b>	<b>4,95,348</b>	<b>-</b>	<b>-</b>

The voting rights on shares lying in Unclaimed Suspense Account shall remain frozen till the rightful owner claims the shares.



**(xxiii) CEO/ CFO Certification:**

As required under Regulations 17(8) of Listing Regulations, certificates are duly signed by Shri Rajendra V. Gogri, CEO and Shri Chetan B. Gandhi, CFO were placed at the Meeting of the Board of Directors held on May 10, 2024 copy of which is attached in this Annual Report.

The CEO and the CFO also give quarterly certification on financial results while placing the financial results.

**DISCLOSURES:**

(i) During the year, there were no material related party transactions that may have a potential conflict with the interests of the Company at large. All related party transactions are mentioned in the notes to the accounts. Further there are no Loans and advances in the nature of loans to firms/companies in which directors of the Company or Subsidiaries are interested.

As required under Regulation 23(1) of Listing Regulations, the Company has formulated a policy on dealing with related party transactions. The said policy is also available under "investor" section of the website of the Company at the following web link [https://www.aarti-industries.com/investors/GetReport?strcont\\_id=TNJu6Gnbr7sOIQL33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=TNJu6Gnbr7sOIQL33MM)

(ii) There was no non-Compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI), or any statutory authority on any matter related to the capital markets during the last three years.

(iii) Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has formulated Whistle Blower Policy for Vigil Mechanism for Directors and Employees to report to the Management about the unethical behaviour, fraud or violation of Company's code of conduct. The same has been hosted under "investor" section of the website of the Company at weblink: [https://www.aarti-industries.com/investors/GetReport?strcont\\_id=ZMPluse33MMnrACtosYOIQL33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=ZMPluse33MMnrACtosYOIQL33MM)

The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel has been denied access to the Audit Committee.

(iv) In order to restrict communication of Unpublished Price Sensitive Information (UPS), the Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The said Code is available on the website of the Company at the following Web link: [https://www.aarti-industries.com/investors/GetReport?strcont\\_id=EjQwZCXRJPkOIQL33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=EjQwZCXRJPkOIQL33MM)

(v) To determine 'material subsidiary', the Company has adopted a 'Policy for Determining Material Subsidiary' and the same has been hosted under "investor" section of the website of the Company at the following Web link: [https://www.aarti-industries.com/investors/GetReport?strcont\\_id=A8DuSuG1AT8OIQL33MM](https://www.aarti-industries.com/investors/GetReport?strcont_id=A8DuSuG1AT8OIQL33MM)

(vi) The Company has complied with all the mandatory requirements under Listing Regulations.

(vii) There were no instances during the FY 23-24, wherein the Board had not accepted recommendations made by any committee of the Board

(viii) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is part

Particulars	₹ In Crs.
Audit Fees	0.36
Certification Charges	0.04
Out of pocket expenses	0.01
<b>Total</b>	<b>0.41</b>

(ix) During the FY 23-24, the Company has not raised funds through any kind of issue (public issue, rights issue, preferential issue, etc.)

(x) Disclosures in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

(xi) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

(xii) With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a code of Conduct to regulate, monitor and report trading by Insiders.

(xiii) None of the Independent Directors of the Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

(xiv) The Company does not have any material subsidiary pursuant Regulation 16 of the Listing Regulations.

## DISCRETIONARY REQUIREMENTS

The status of compliance with discretionary requirements of Part E of schedule II of Listing Regulations with Stock Exchanges is provided below:

Sr. No.	Particulars	Remarks
1	Non-Executive Chairman's Office	The Company does not have Non-Executive Chairman.
2	Shareholder's Rights	As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
3	Audit Qualifications	Auditors' Report on Company's financial statement for the financial year 2023-24 is unmodified.
4	Separate posts of Chairman and CEO	The Company has a separate post of Chairman and MD and CEO.
5	Reporting of Internal Auditor	The Internal Auditor reports to Chairman & Managing Director and has direct access to the Audit Committee.

For and on behalf of the Board

Place: Mumbai  
Date: July 04, 2024

**Rajendra V. Gogri**  
Chairman and Managing Director

## DECLARATION BY CHIEF EXECUTIVE OFFICER

All the Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Regulation 17(5)(a) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board

**Rajendra V. Gogri**  
Chief Executive Officer  
DIN: 00061003

Mumbai / May 10, 2024

**CEO/CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT (PURSUANT TO REGULATION 17(8) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2024 and we hereby certify and confirm to the best of our knowledge and belief the following:

- a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- c. There are no transactions entered into by the Company during the year ended March 31, 2024 which are fraudulent, illegal or violative of Company' Code of Conduct.
- d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.
- e. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.
- f. That there have been no significant changes in the accounting policies during the relevant period.
- g. We have not noticed any significant fraud particularly those involving the management or an employee having a significant role in the Company's internal control system over Financial Reporting.

For **Aarti Industries Limited**

**Rajendra V. Gogri**

Chief Executive Officer

DIN : 00061003

**Chetan B. Gandhi**

Chief Financial Officer

ICAI M. No. 111481

Mumbai / May 10, 2024

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To: **Aarti Industries Limited**

(CIN: L24110GJ1984PLC007301)  
Plot No. 801, 801/23, GIDC Estate,  
Phase III, Vapi, Dist. Valsad,  
Gujarat 396195

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Aarti Industries Limited having CIN: L24110GJ1984PLC007301 and having registered office at Plot No. 801, 801/23, GIDC Estate, Phase III, Vapi, Dist. Valsad, Gujarat 396195 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below as on the Financial Year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

DIN	Name	Designation	Begin date
00004038	Premchandra Amolak Sethi	Director	23/09/2008
00005499	Hetal Gogri Gala	Director	01/11/2006
00009272	Parimal Hasmukhlal Desai	Wholetime Director	28/09/1984
00022699	Manoj Mulji Chheda	Wholetime Director	25/11/1993
00061003	Rajendra Vallabhaji Gogri	Managing Director	01/07/2013
00066291	Rashesh Chandrakant Gogri	Managing Director	09/06/1997
00267604	Bhavesh Rasiklal Vora	Director	23/09/2008
00502621	Kvs Shyamsunder Rammurthy	Director	23/09/2008
01582147	Renil Rajendra Gogri	Wholetime Director	16/08/2012
02943588	Lalitkumar Shantaram Naik	Director	21/05/2019
07049212	Natasha Kersi Treasurywala	Director	14/10/2021
08619902	Ajay Kumar Gupta	Director	29/06/2023
02471158	Aniruddha Bhalchandra Pandit	Director	29/06/2023
02202839	Shekhar Shreedhar Khanolkar	Director	29/06/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**CS Sunil M. Dedhia**

(Peer Review Certificate No. 867/2020)  
Proprietor, Sunil M. Dedhia & Co.  
Company Secretaries  
**FCS No: 3483 C.P. No. 2031**  
UDIN: F003483F000435838  
Mumbai, Dated May 23, 2024



# AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of Aarti Industries Limited**

Plot Nos. 801, 801/23,  
GIDC Estate, Phase III,  
Vapi, Dist. Valsad,  
Gujarat – 396195, India

Dear Members,

**Background:**

We, Gokhale & Sathe, Chartered Accountants, being the Statutory Auditors of Aarti Industries Limited ("the Company") are issuing this certificate as required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company. The Corporate Governance Report prepared by Aarti Industries Limited, contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended 31 March 2024.

**Management Responsibility:**

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility:**

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.

The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance

of the Corporate Governance Report with the applicable criteria. We have examined (a) the minutes of the meetings of the board of directors of the Company (the "Board") and of committees of the Board, the annual general meeting of the shareholders of the Company; (b) declarations made by the Board under relevant statutory / regulatory requirements; (c) relevant statutory registers maintained by the Company; and (d) such other documents and records of the Company as we deemed necessary, in connection with ascertaining compliance with the conditions of corporate governance by the Company, as prescribed under the, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations").

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion:**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, in our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with SEBI Listing Regulations, and the rules made thereunder, each as amended on Corporate Governance.

**Restriction on use:**

The Certificate is issued to the company solely for their consideration and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**Disclaimer:**

Such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Yours faithfully,

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

**Uday Girjapure**

Partner  
Membership No. 161776  
UDIN: 24161776BKFXPS4386  
Date: July 4, 2024  
Place: Mumbai

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

## FORMAT SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity : L24110GJ1984PLC007301
2. Name of the Listed Entity: Aarti Industries Limited (AIL)
3. Year of incorporation: 1984
4. Registered office address : Plot Nos. 801, 801/23, G.I.D.C. Estate, Phase-III, Vapi, Dist. Valsad, Gujarat-396195
5. Corporate address : 71, 2<sup>nd</sup> Floor, Udyog Kshetra, Mulund-Goregaon Link Road, Salpa Devi Pada, Mulund West, Mumbai - 400 080, Maharashtra
6. E-mail: [Investorrelations@aarti-industries.com](mailto:Investorrelations@aarti-industries.com)
7. Telephone: +91 22 69436100 / +91 22 69436200
8. Website: [www.aarti-industries.com](http://www.aarti-industries.com)
9. Financial year for which reporting is being done: 1 April, 2023 to 31 March, 2024
10. Name of the Stock Exchange(s) where shares are listed: BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11. Paid-up Capital: ₹ 181.25 Crore
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:
 

**Name:** Shri Raj Sarraf  
**Telephone:** +91 22 6943 6170  
**Email:** [raj.sarraf@aarti-industries.com](mailto:raj.sarraf@aarti-industries.com)
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): The reporting boundary includes all the activities and operations of Aarti industries Limited including subsidiaries
14. Name of assurance provider: TUV India Private Limited (TUV NORD GROUP)
15. Type of assurance obtained : Limited Assurance

### II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing of speciality chemical	Manufacturing, Distributing, Trading, sales and marketing	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of basic chemicals, fertilizer and nitrogen compounds, plastics and synthetic rubber in primary forms	201	100%
2	Manufacture of other chemical products	202	

### III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	16	2	18
International	-	5	5

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	23
International (No. of Countries)	53

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Our contribution to export is 52% of our total turnover

c. A brief on types of customers:

Aarti Industries Limited reigns as an unrivaled force, standing firm with an unwavering presence across diverse end-use segments. From agrochemicals to dyes and pigments, additives to polymers, and FMCG, we traverse the expanse of industries with unparalleled dexterity. Our extensive portfolio is a testament to our multifaceted prowess, as we flawlessly adapt to the ever-evolving demands of a diverse market landscape. We served around 700+ customers across India and 400+ international customers spread across the globe.

### IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	2650	2496	94.19%	154	5.81%
2.	Other than Permanent (E)	36	33	91.67%	3	8.33%
<b>3.</b>	<b>Total employees (D + E)</b>	<b>2686</b>	<b>2529</b>	<b>94.15%</b>	<b>157</b>	<b>5.85%</b>
<b>WORKERS</b>						
4.	Permanent (F)	3450	3416	99.01%	34	0.99%
5.	Other than Permanent (G)	9308	8920	95.83%	388	4.17%
<b>6.</b>	<b>Total workers (F + G)</b>	<b>12758</b>	<b>12336</b>	<b>96.69%</b>	<b>422</b>	<b>3.31%</b>

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	27	26	96.30%	1	3.70%
2.	Other than Permanent (E)	0	0	0	0	0
<b>3.</b>	<b>Total differently abled employees (D + E)</b>	<b>27</b>	<b>26</b>	<b>96.30%</b>	<b>1</b>	<b>3.70%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	39	39	100%	0	0%
5.	Other than permanent (G)	28	27	96.43%	1	3.57%
<b>6.</b>	<b>Total differently abled workers (F + G)</b>	<b>67</b>	<b>66</b>	<b>98.51%</b>	<b>1</b>	<b>1.49%</b>

## 21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	14	2	14.29 %
Key Management Personnel	2	0	0 %

## 22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27.57%	25.32%	27.44%	23.83%	36.66%	24.51%	17.62%	29.34%	18.20%
Permanent Workers	17.75%	22.95%	17.80%	28.07%	25.81%	28.06%	14.84%	14.29%	14.84%

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Aarti Corporate Services Limited	Subsidiary	100%	No
2	Aarti Polychem Private Limited	Subsidiary	100%	No
3	Innovative Envirocare Jhagadia	Subsidiary	100%	No
4	Alchemic (Europe) Limited	Subsidiary	88.89%	No
5	Shanti Intermediates Private Limited (Through Aarti Corporate Services Limited)	Subsidiary	100%	No
6	Nascent Chemical Industries Limited (Through Aarti Corporate Services Limited)	Subsidiary	50.49%	No
7	Aarti Bharuch Limited	Subsidiary	100%	No
8	Aarti Spechem Limited	Subsidiary	100%	No
9	Aarti Chemical Trading FZCO	Subsidiary	100%	No
10	Augene Chemical Private Limited	Subsidiary	100%	No

## VI. CSR Details

## 24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(ii) Turnover (in ₹) - 7012.11 Crore

(iii) Net worth (in ₹) - 5290.48 Crore



## VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023 -24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholder)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	19	0	NA	24	0	NA
Employees And workers	Yes	0	0	NA	1	0	NA
Customers	Yes	52	0	NA	45	0	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (please specify)	NA	-	-	-	-	-	-

26. Overview of the entity's material responsible business conduct issues Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Occupational Health and Safety	Risk	<p>As a responsible chemical manufacturing company, we are cognisant of our responsibility to safeguard the health and safety of individuals. AIL strives to prevent injury by sustaining an injury-free workplace with a mindset of zero tolerance towards any incident or injury.</p> <p>Health impact or injury during working may lead to financial implications and reputation loss to AIL. Any accident may also impact the morale of the workers leading to production losses. Non adherence to OHS requirement may also lead to fines and penalties</p>	<p>We have developed and adopted a robust, comprehensive, and reliable Occupational Health and Safety Management System under Aarti Management System. All our employees, contract employees and visitors are covered under our Occupational Health and Safety Management System. Process safety and risk management, Emergency mitigation system.</p> <p>In addition we have implemented following safety interventions across our manufacturing locations:</p> <ul style="list-style-type: none"> <li>Plant-level initiatives such as daily toolbox talk, monthly awareness sessions, etc.</li> <li>Process safety is managed through process management guidelines. Risk assessment is carried out through HAZOP, HIRA, QRA and chemical exposure study. JCC is also done to check the adherence to SOP, other than these regular third party audit through external auditor (expert in the field) is done to identify process risks</li> </ul>	Negative

S. Material issue No. identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			<ul style="list-style-type: none"> <li>• Daily safety pledge to reaffirm our commitment for safety</li> <li>• BE SAFE Huddle-</li> <li>• TACIT Knowledge sharing sessions</li> <li>• Learning from Incident - Safety Alert</li> <li>• Reward and Recognition</li> <li>• Listening Tour</li> <li>• Knowledge Capsule</li> <li>• Safety Audits</li> </ul>	
2	Waste management	<p>Risk</p> <p>Waste generated from our operations consists of hazardous as well as non-hazardous waste. Environmental Impact due to improper disposal of these waste is a compliance as well as regulatory risk. It may lead to fines and penalties from regulatory authorities</p>	<p>Our waste management approach is systematically divided into three priorities depending upon the various operating conditions and type of waste generated.</p> <p>Primary pollution, waste prevention and our priority to reduce hazardous wastes are:</p> <ul style="list-style-type: none"> <li>• Change industrial process to eliminate use of harmful chemicals</li> <li>• Use less of a harmful / product</li> <li>• Reduce packaging materials in products</li> <li>• Change industrial processes to reduce or eliminate hazardous waste production</li> </ul> <p>Secondary pollution and waste prevention and second priority to reduce Hazardous or Non-Hazardous wastes are:</p> <ul style="list-style-type: none"> <li>• Reuse</li> <li>• Recovery</li> <li>• Recycle</li> <li>• Repair</li> <li>• Buy reusable and recyclable products</li> </ul> <p>Last Priority – Treatment &amp; disposal of all our waste:</p> <ul style="list-style-type: none"> <li>• Treating waste to reduce toxicity</li> <li>• Incinerate waste</li> <li>• Waste in landfills</li> </ul>	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Climate change and Governance	Risk and Opportunity	<p><b>Risk:</b> There are risks associated with climate change such as manufacturing losses due to climate events, restrictions due to existing and emerging regulations leading to reputational damage.</p> <p><b>Opportunity:</b> Reduction of carbon emissions by the deployment of technologies, collaboration with other peers and industries, etc</p>	We are in the process of embedding climate action governance across the firm and defining the roles and responsibilities of individuals in assessing and managing climate-related risks and opportunities. We also plan to integrate the process of addressing climate-related issues when reviewing and guiding strategy, risk management policies, annual budgets, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures.	Positive and Negative both
4	Employee Development and Engagement	Opportunity	People are the backbone of our organization. Recruitment, training, and retention of talent are crucial to our growth story	We believe in ensuring that our workplaces are safe and inclusive. We make efforts to build a satisfactory work culture that nurtures employee growth and increases employee satisfaction. We provide training and awareness programmes to our employees to ensure capacity building and skill upgradation across all levels. We also provide medical and non-medical benefits to all our employees	Positive
5	Human Rights	Risk	Human rights impact the business internally and externally from procurement of raw materials to distribution and disposal. It may also impact the reputation of the company and lead to regulatory non-compliances making this topic significant for AIL.	We have developed a comprehensive Human Rights due diligence framework for a systematic assessing of our operations. We have undertaken human right vulnerability assessment at our operation location for addressing human rights risks, mitigating impacts, and monitoring and reporting performance to substantiate our commitment to respect to Human rights in all our business operations. Responsibility of respecting human rights is also extended to our business partners in the form of their alignment with our policies, contract agreements.	Negative
6	Business Ethics and compliance	Risk	Negative brand reputation due to non-compliance with regulatory and legal requirements.	We have in place stringent and comprehensive Code of Conduct and policies to ensure ethical behaviour at all levels. We also provide training on the Code of Conduct to all our employees and workers to educate them about appropriate behaviour at the workplace. To adhere and track the regulatory compliance applicable on AIL we are using online compliance management tool.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	IT security and data privacy	Risk	Enterprise risks associated with IT and cybersecurity such as Operational costs related to dealing with cyber crime, theft of sensitive information, non-compliance and fines and penalties.	<p>We are building cybersecurity architecture through a layered defense approach. We are also undertaking Vulnerability Assessment and Penetration Testing (VAPT) of its IT Systems and Network Infrastructure with an intent of providing a safe and secure environment to its customers. We have taken several measures to protect its IT security systems and adhere to regulatory guidelines. We reported zero cases of data breaches and IT-related issues.</p> <p>AIL has also obtained ISO 27001 Information security management system certification for its R&amp;D facility in Navi Mumbai, R&amp;D office at Vadodara and the pilot plant at Vapi and we are in process of obtaining the same for various manufacturing locations this will reduce IT related risk of AIL.</p>	Negative
8	Water and effluent	Risk	Water supply is important for our manufacturing locations, water scarcity can affect our operations leading to impact on revenue generation. Additionally, the probability of polluting a water resource and nearby habitat as a result of improper treatment or failure of technologies also poses a risk.	We have taken measures to ensure availability of water for our operations as well as the local communities through CSR initiatives. 11 out of 16 of our locations are ZLD ready. We are in the process of reducing the amount of water being discharged from other locations. At the same time, we are also making process improvements such as recycling back condensate, RO permeate to reduce the volume effluent generated to decrease the requirement of freshwater as well as decrease the load on our effluent treatment plants	Negative
9	Energy Management	Opportunity	Leveraging renewable energy sources, adopting energy efficient solutions and reducing dependency on non-renewable sources for energy consumption will assist us in reducing the GHG emissions, improve resource efficiency, cost saving, cleaner environment etc.	<p>We have adopted an IT-based Energy Management System (EnMS) for controlling, managing and conserving energy.</p> <p>AIL has started receiving 13.2 MW of hybrid renewable energy.</p> <p>We have regularized usage of Biomass for replacing coal gradually in order to reduce carbon emissions.</p> <p>Based on our energy efficiency initiatives, we have saved approx. 6.3 million KWH of energy in 2023-24.</p>	Positive

For more details on the material topics, please refer to our sustainability report of FY 2023-24



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
<b>Policy and management processes</b>																		
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
c. Web Link of the Policies, if available	https://www.aarti-industries.com/investors/code-and-policies																	
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	(1,3)	(2,4,8)	(5,8)	(1,3)	(7,8)	(4,8)	(7)	(1,3)	(2)									
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Y	Y	Y	Y	Y	Y	Y	Y	Y									
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors																	
<b>Governance, leadership and oversight</b>																		
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) <i>Kindly refer to our Chairman statement in the Annual report at Page number 4 and 5</i>																		
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Implementation mechanism of all the Policies and Codes is presented to and reviewed by the Board periodically.																	
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	We have established a Sustainability Council to guide and help the Board achieve its sustainability goals. It is led by our Chairman, Mr. Rajendra V. Gogri, and has key representatives from the Board, executive, and senior leadership teams from all the manufacturing locations.																	
UN Global Compact (1), Responsible care (2), GRI (3), ISO 14001 & ISO 50001(4), ISO 45001 (5), ISO 27001 (6), Aarti Code of Conduct (7) Ecovadis & Together for Sustainability Tfs (8)																		
10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, the policies have been reviewed by the Board of Directors.									Annual Review								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes									Quarterly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Y	Y	Y	Y	Y	Y	Y	Y	Y									

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	11	The Company has provided training on Nature of the Industry i.e., Business Overview & Trend, Sustainability, quality and Manufacturing excellence; Business Model and Strategic Roadmap, Marketing and governance, Expansion and people review, Asset management, technology review , code for independent director, board procedures	100%
Key Managerial Personnel	11	The Company has provided training on Forex, CSR, Project management, Fund raising, Takeover Rules, Insider Trading, RPT, Risk Management, Sustainability, Leadership Skills, AIL Code of conduct, Prevention of Sexual Harassment (POSH), Anti Bribery Anti Corruption (ABAC) to the KMPs.	100%
Employees other than BoD and KMPs	1842	The company has a structured training programmes for all permanent employees and workers. Trainings imparted are on following themes: Behavioural; Ethics, Code of Conduct, and Compliance; Technical Skills Functional; Safety; sustainability, ESG, Waste and Water Management; Energy Management,	100%
Workers	2458	Climate change, Cyber security	87.97%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine		Nil		
Settlement				
Compounding fee				
Non-Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment		Nil		
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, we have a Code of Conduct which covers the areas of Anti Bribery and Anti corruption, Gifts and Hospitality, Anti Money Laundering, Anti-Fraud, Conflict of Interest, Anti-Competitive/Antitrust practices, Accurate Business Records and public disclosures, no insider trading. The details about the same are published on the Company website at:

<https://www.aarti-industries.com/investors/code-and-policies>.

We have adopted the 'Whistle Blower Policy' through which employees, directors, and internal and external stakeholders can report their concerns or grievances to the management. The policy covers and promotes responsible vigil mechanisms regarding aspects of unethical behavior, actual or suspected fraud, actual or suspected leak of UPSI, violation of the Company's Code of Conduct. abuse, wrongdoing or violation of any Indian law. It also provides for adequate safeguards against the victimization of employees and allows direct access to the chairperson of the audit committee. We also have a Gift and Hospitality policy which guides our employees, directors, KPMs or person who perform for or on behalf of the company on the acceptable and non acceptable gifts, hospitality and offerings.

We provide training to directors, employees and workers on the accepted ethical behaviors and we did a series of communications with our business partners informing them about our policies and CoC and other ethical practices.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs		
Employees		
Workers		

## 6. Details of complaints with regard to conflict of interest:

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

## 7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

## 8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	35	19

## 9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.71%	1.99%
	b. Sales (Sales to related parties / Total Sales)	0.52%	1.26%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	86.82%	87.36%
	d. Investments (Investments in related parties / Total Investments made)	21.21%	25.84%



## Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
3 (113 Participants)	<ul style="list-style-type: none"> <li>Business Ethics Fair</li> <li>Labour and Human Right Practices</li> <li>Environment Sustainability</li> <li>Safety and Security Compliance</li> <li>Responsible Procurement</li> </ul>	51.45%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has a mechanism in place where Board members who have any conflict of interest are obligated to report it through annual independence disclosures. In the board meeting where the directors have any conflict of interest, due to any related party transactions, and code of conduct compliance they abstain themselves.

## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	100%	100%	<ul style="list-style-type: none"> <li>We have integrated the principles of sustainability throughout the life cycle of our products. Our objective is to minimize the environmental and social impact of our products by embracing circularity through efficient systems, innovative solutions, waste minimization, and ensuring product safety.</li> <li>We have aligned our entire product lifecycle with the intricacies of product stewardship. At AIL we corroborate our approach to product stewardship by delving into each phase, integrating the synergy of research, technological advancement, and innovation ensuring optimum efficiency and minimized environmental and social impact.</li> <li>We have a strong team of 260+ scientists, and 20 PhDs involved in R&amp;D activities at our research center.</li> <li>Our efforts resulted in In-house process development of 45+ products with successful and first time right pilot scale up of 20+ products</li> </ul>
Capex	13%	100%	<ul style="list-style-type: none"> <li>For details on our environment and social initiative for the year FY 23-24 kindly refer to the environment section of our sustainability report.</li> </ul>

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, we have established procedures to ensure sustainable sourcing. We provide all our suppliers with the General Conditions of the Contract (GCC), General Conditions of Purchase (GCP), Supplier Code of Conduct, Responsible Procurement Policy and POSH policy that comprehensively cover ESG issues. AIL also carries out assessment of critical business partners and engages with them on closing the sustainability related gaps.

- b. If yes, what percentage of inputs were sourced sustainably?

During FY 2023-24, 51.45% of our input material by value is sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

- a. Plastic Waste (Including packaging) - Plastic waste generated due to packaging our product is collected under EPR through third parties as per Plastic waste management rules, plastic waste collected is recycled. During last FY 23-24, 300 MT of total plastic waste was collected, of which 88.74 MT was collected from Gujarat, 105.96 MT from Maharashtra and 105.3 MT was collected from Madhya Pradesh. For plastic material exported or sent to other industries as raw material, the customer are required to safely dispose off the product as per local regulations
- b. E-waste - E-waste is not generated by AIL products as we are into manufacturing of speciality chemicals. The E-waste generated from after use in-house is sold to approved vendors for recycling and safe disposal

- c) Hazardous waste - Our products are used as intermediate by other industries to produce finished goods. Hazardous waste generated during usage of the product is handled by our customers as per respective regulatory approvals.
- d) Other waste -
- i) Battery Waste - Battery-waste is not generated by AIL products as we are into manufacturing of speciality chemicals. The Battery-waste generated by AIL after use is sold to approved authorized recyclers .
- ii) Fly Ash - Fly ash Generated during our operations is sent to authorized recycle for brick manufacturing & other recycling.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to AIL. We are manufacturing speciality chemicals which are intermediate products for our customers, they use it as raw material to produce finished products. Hence the packaging material becomes a pre-consumer plastic waste for customers who recycle it through authorized recyclers. We have one B2C Product (fertilizer) and EPR is applicable to us for that product. We are registered under the category of 'Brand Owner' on the CPCB EPR Portal. A detailed waste collection plan has been developed and submitted to the Central Pollution Control Board. The registration has been completed for the same.

In FY 23-24 we had a target of 250.26 MT Collection of Plastic waste as per EPR against which we have collected and recycled 300 MT of plastic waste.

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.*
201	Manufacture of basic chemicals, fertilizer and nitrogen compounds, plastics and synthetic rubber in primary forms	56.53%	Cradle-to-Gate	The study was performed in collaboration with third party	*Results are shared with relevant stakeholders
202	Manufacture of other chemical products				

\*Results are not showcased on public domain but are shared with the relevant internal and external stakeholders

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Nil	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Spent Acid (MT)	204376.21	152669.06*

\*Note : Quantity Changed due to Double Accounting in Spent Data.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	300	0	0	202	0
E-waste	0	13	0	0	21	0
Hazardous waste	0	326631	30235	0	314464	34852
Other waste	0	31736	114	0	41916	433

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

We are manufacturing speciality chemicals which are intermediate products for our customers, they use it as raw material to produce finished products. During last FY 23-24 there were no recalls of the product.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

Note : One of our B2C products uses plastic as packaging material that comes under EPR guideline and we have collected back and recycled 120% of our EPR Target.

### PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	2496	2496	100%	2496	100%	NA	NA	2496	100%	2496	100%
Female	154	154	100%	154	100%	154	100%	NA	NA	154	100%
<b>Total</b>	<b>2650</b>	<b>2650</b>	<b>100%</b>	<b>2650</b>	<b>100%</b>	<b>154</b>	<b>100%</b>	<b>2496</b>	<b>100%</b>	<b>2650</b>	<b>100%</b>
<b>Other than Permanent Employees</b>											
Male	33	33	100%	33	100%	NA	NA	33	100%	33	100%
Female	3	3	100%	3	100%	3	100%	NA	NA	3	100%
<b>Total</b>	<b>36</b>	<b>36</b>	<b>100%</b>	<b>36</b>	<b>100%</b>	<b>33</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>36</b>	<b>100%</b>

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	3416	3416	100%	3416	100%	NA	NA	3416	100%	3416	100%
Female	34	34	100%	34	100%	34	100%	NA	NA	34	100%
<b>Total</b>	<b>3450</b>	<b>3450</b>	<b>100%</b>	<b>3450</b>	<b>100%</b>	<b>34</b>	<b>100%</b>	<b>3416</b>	<b>100%</b>	<b>3450</b>	<b>100%</b>
<b>Other than Permanent Workers</b>											
Male	8920	8920	100%	8920	100%	NA	NA	8920	100%	8920	100%
Female	388	388	100%	388	100%	388	100%	NA	NA	388	100%
<b>Total</b>	<b>9308</b>	<b>9308</b>	<b>100%</b>	<b>9308</b>	<b>100%</b>	<b>388</b>	<b>100%</b>	<b>8920</b>	<b>100%</b>	<b>9308</b>	<b>100%</b>

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the company	0.62	0.62

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	N.A	100%	100%	N.A
ESI	0.15%	4.10 %	Y	0.08%*	6.4%*	Y
Others – please specify	–	–	–	–	–	–

\*Note : Percentage calculated based on total Employee & worker

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The premises of AIL has a state-of-the-art infrastructure equipped with requisite machinery and advanced technology and are accessible to special needs / differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. We work consistently to provide workplaces free of discrimination for differently abled employees and workers. This diversity is promoted and respected without exception. Our office premises has wheelchair ramps for easy movement of differently abled people and has wheelchair accessible restrooms.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Aarti Industries is committed to uphold Diversity, Integrity, and Equal Opportunity when it comes to providing employment. We do not discriminate on the grounds of religion, caste, gender, ethnicity, race, etc. We have adopted a merit-based transparent recruitment process comprising campus mode and lateral hiring. At AIL, we adhere to merit-based recruitment norms. Our People Policy highlights our endeavor to build a culture of equality and safety at our workplace. Equal opportunity is also covered as part of our Code of Conduct (CoC)

Weblink of the policy: people policy V1 ( [aarti-industries.com](http://aarti-industries.com) )

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	65.12%	100%	71.36%
Female	100%	60.00%	NA -As no female availed the maternity leave	NA -As no female availed the maternity leave
<b>Total</b>	<b>100%</b>	<b>65.02%</b>	<b>100%</b>	<b>71.36%</b>



6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

**The redress mechanism is as follows:** At AIL, we are committed to adhering to the highest standards of ethical, moral, and legal conduct of business operations. We have adopted the 'Whistle Blower Policy' through which employees, directors, and stakeholders can report their concerns or grievances to the management. The policy covers and promotes responsible vigil mechanisms regarding aspects of unethical behavior, actual or suspected fraud, actual or suspected leak of UPSI, violation of the Company's Code of Conduct, abuse, wrongdoing or violation of any Indian law. It also provides for adequate safeguards against the victimization of employees and allows direct access to the chairperson of the audit committee.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	<b>2650</b>	<b>0</b>	<b>0</b>	<b>2736</b>	<b>0</b>	<b>0</b>
- Male	2496	0	0	2582	0	0
- Female	154	0	0	154	0	0
<b>Total Permanent Workers</b>	<b>3450</b>	<b>75</b>	<b>2.17 %</b>	<b>3449</b>	<b>40</b>	<b>1.16</b>
- Male	3416	75	2.20%	3422	40	1.17
- Female	34	0	0	27	0	0

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	2496	2496	100%	2358	94.47%	2582	2582	100%	2582	100%
Female	154	154	100%	151	98.05%	154	154	100%	154	100%
<b>Total</b>	<b>2650</b>	<b>2650</b>	<b>100%</b>	<b>2509</b>	<b>94.68%</b>	<b>2736</b>	<b>2736</b>	<b>100%</b>	<b>2736</b>	<b>100%</b>
<b>Workers</b>										
Male	3416	3416	100%	3106	90.93%	3422	2569	75.07%	2569	75.07%
Female	34	34	100%	32	94.12%	27	27	100%	27	100%
<b>Total</b>	<b>3450</b>	<b>3450</b>	<b>100%</b>	<b>3138</b>	<b>90.96%</b>	<b>3449</b>	<b>2598</b>	<b>75.33%</b>	<b>2598</b>	<b>75.33%</b>

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total* (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	2496	2496	100 %	2582	2582	100 %
Female	154	154	100 %	154	154	100 %
<b>Total</b>	<b>2650</b>	<b>2650</b>	<b>100 %</b>	<b>2736</b>	<b>2736</b>	<b>100 %</b>
<b>Workers</b>						
Male	3416	3416	100 %	3422	3422	100 %
Female	34	34	100 %	27	27	100 %
<b>Total</b>	<b>3450</b>	<b>3450</b>	<b>100 %</b>	<b>3449</b>	<b>3449</b>	<b>100 %</b>

\* Numbers Indicates total employee eligible for performance evaluation.

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage of such a system?

Yes, we have developed and adopted a robust and comprehensive Occupational Health and Safety Management System. All our employees, contract employees and visitors are covered under our Occupational Health and Safety Management System.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

With commitment of Zero harm to our people and the environment, it becomes very essential that the hazards at the workplace are effectively assessed and managed. This also ensures reliability of our operations.

We have developed several tools to regularly evaluate potential workplace-related health and safety hazards and their risks. We deploy Hazard Identification and Risk Assessment (HIRA), a qualitative risk assessment tool for our routine activities.

Additionally, for non-routine tasks, we conduct Job Safety Analysis to identify and analyze job-related hazards. We then implement control measures to minimize risks. Safety audits are being conducted internally by deploying external subject matter experts to verify our control measures. These audits are documented, tracked, and reviewed regularly at various governance platforms. The concept of TACIT Knowledge for learning and development is introduced which enables safety capability building. To ensure inherent safe design and operation, we conduct process safety studies for existing and new projects, including Thermal Safety Studies (DSC, TSu, RC1e) and Powder Safety studies & also to ensure continual Risk reduction, process parameters validation, Criticality Class Study, SIL, QRA, and HAC studies are conducted.

Implementation of Risk based process safety through risk register & barrier management plant-wise top risk identified to monitor the healthiness of existing barriers.

External assessments and certifications further validate our commitment to excellence. At AIL, our unwavering dedication to health and safety assessment guarantees the wellbeing and protection of our valued employees and other relevant stakeholders.

The risk assessment process has helped us identify significant risks and ensure adequate control measures for managing them effectively.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. **(Yes/No)**

Yes, To create a safe and supportive work environment, we have processes in place for workers to report work-related hazards and hazardous situations. We actively encourage incident reporting and investigation, allowing and recognising anyone in the plant to report unsafe conditions and unsafe acts for prompt action.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, we have a 12-member Medical Board which comprises highly qualified doctors including specialists from diverse fields such as toxicology, cardiology etc. We also provide 24x7 well-equipped Occupational Health Centers with a dedicated full time medical team (FMOs & Nurses) and state of art medical facilities (Lab for testing Methemoglobin, in house G6PD testing, Audiometry, AED, Central Oxygen Line, Decontamination room, and Ambulances with advanced facilities) for our workforce.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.08	0.16
	Workers	0	0.14
Total recordable work-related injuries	Employees	10	20
	Workers	22	27
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Note: Employees include Permanent workers; Workers include non-permanent workers.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Occupational health and safety is one of our key priorities. We have institutionalized a well-defined HSE policy and a health and safety management system with a robust monitoring plan, to ensure the effective implementation of the HSE policy. We conduct periodic review of our HSE performance and the outcomes from this review are discussed during the Sustainability Council under the able leadership of our Board and other senior leadership of ALL.

Along with this, we strive to foster a culture of safety throughout our organization. We have implemented several initiatives to improve process and workplace safety in the organization. Also we have created awareness about health and safety programs. We also provide platforms such as Safety Symposium, monthly safety themes, safety celebrations, safety competitions, safety training, engagement with neighboring industries, etc. to promote engagement amongst our workforce.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

ALL fosters a culture of safety, accountability, and transparency, ultimately creating a safer and more productive work environment for all employees. We have established and implemented a clearly defined process for incident reporting and investigation of occupational injuries and illness. A well-defined incident investigation process helps to identify the critical factors that are involved in an incident. It also helps to take appropriate corrective actions to avoid such recurrence. The investigation is being carried out through the '5 Whys technique' in which for each identified cause, the team asks "why" repeatedly to identify the root cause of the incident. It helps to cover the causes involving organizational, procedural, and systemic factors that may have contributed to the incident. We follow a hierarchy of controls to determine appropriate corrective measures.. The learnings from the incident investigation are shared with other locations for horizontal deployment.

## Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/No) (B) Workers (Yes/No).

Yes, ALL extends compensatory packages to employees as well as workers in the event of death.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We have adopted requisite systems and processes in forms of General Conditions and Contracts that mandates our contractors to deduct and deposit statutory dues. Furthermore, we conduct regular audits to ensure that these dues have been duly deducted and deposited in accordance with applicable norms. All contractors have to submit wage register and PF proof to our Contract Labour Management (CLM) team on a monthly basis, our CLM team is authorized to charge a hefty penalty in case of any default. CLM team is also authorized to hold the payment of any contractor in case any default on statutory payments.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, for the selected & interested employees, we continue their employment as retainer for a fixed amount of agreed tenure.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	51.45%
Working Conditions	51.45%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

We have identified and prioritized our suppliers and conduct sustainability programs to engage high risk suppliers and create awareness among them, build their competencies through training programs and help them to enhance their sustainability practices. No significant risk/concern regarding health and safety were identified during FY 23-24.

## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

We believe that communication is the key to developing long-term relationships with our stakeholders. We have identified our key internal and external stakeholders through a structured stakeholder identification and prioritization process. We use a collaborative approach and actively engage with our stakeholders to understand their key expectations. Listening and responding to stakeholder's needs is a vital element of our sustainability strategy. The feedback received helps us in identifying ESG and business-related challenges, create solutions and drive our sustainability strategy. The below listed stakeholders have direct impact on operations and working of the company.



## 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Investor and Lenders	No	<ul style="list-style-type: none"> <li>Annual Reports and Sustainability Reports</li> <li>Investor/ Analyst Meets, calls Including Plant Visits</li> <li>Quarterly Results</li> <li>Company Website</li> <li>Stock Exchange Filings</li> <li>Media Release</li> </ul>	Annually/ Quarterly	<ul style="list-style-type: none"> <li>Economic Value Generated and Distributed</li> <li>Long-Term Value Creation</li> <li>Transparency</li> <li>Good ESG Governance</li> <li>High Reputation and Brand image</li> <li>Data Privacy</li> </ul>
Regulatory bodies and government agencies	No	<ul style="list-style-type: none"> <li>Open Invitations</li> <li>Specialised Programmes</li> <li>Seminars</li> <li>Media Releases</li> <li>Conferences</li> <li>Membership and Associations</li> </ul>	Quarterly, Need base	<ul style="list-style-type: none"> <li>Proactive Compliance to regulatory approvals</li> <li>Implementation of Compliance Management System</li> </ul>
Employees	No	<ul style="list-style-type: none"> <li>Leadership Development Interventions</li> <li>Monthly manufacturing connect</li> <li>Web Based Performance Dialogue</li> <li>Continuous Feedback</li> <li>Anahata – Employee Assistance Program</li> <li>Nirvana – Employee Wellness Program</li> <li>Employee Induction</li> <li>Employee Experience</li> <li>Town hall Briefing</li> <li>Listening Tour</li> <li>Employee Engagement Survey</li> <li>Emails</li> <li>Quarterly/Publications</li> <li>Newsletters</li> </ul>	Quarterly, Weekly, Monthly, Annually, Need base	<ul style="list-style-type: none"> <li>Diversity</li> <li>Quality of Work &amp; Life</li> <li>Fair Wages and Remuneration Benefits</li> <li>Skill upgradation</li> <li>Career Growth</li> <li>Health &amp; Safety</li> <li>Continuous performance dialogue and feedback</li> </ul>
Customers	No	<ul style="list-style-type: none"> <li>Video Conferencing</li> <li>Emails</li> <li>Customer Satisfaction Survey</li> <li>One on one meetings</li> </ul>	Daily, Weekly, Monthly, Annually, Need base	<ul style="list-style-type: none"> <li>Product Quality and Timely Delivery</li> <li>Product availability</li> <li>Competitive Cost</li> <li>Responsible Production</li> <li>Transparency in Disclosure</li> <li>Climate change disclosure and GHG emission reduction targets</li> <li>Life cycle assessment</li> </ul>

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Suppliers and Contractors	No	<ul style="list-style-type: none"> <li>Supplier Meets</li> <li>Supplier Assessment</li> <li>MoU Agreements</li> <li>Contract Discussion Meetings</li> <li>Daily Toolbox Talks, Weekly Discussion Meetings</li> <li>Performance Review</li> </ul>	Daily, Weekly, Need base	<ul style="list-style-type: none"> <li>On Time Payment</li> <li>Ethical Behavior</li> <li>Sustainable Growth</li> </ul>
Local Communities	No	<ul style="list-style-type: none"> <li>Community engagement during CSR Initiatives</li> <li>Regular Engagement to understand concerns and requirement</li> </ul>	Quarterly, Need base	<ul style="list-style-type: none"> <li>Development Interventions</li> <li>Local Employment Generation</li> </ul>

### Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

AIL has an intensive stakeholder consultation mechanism. The Board consults the relevant stakeholders on economic, environmental, and social topics. The consultation is delegated to various functions. Feedback from stakeholders is compiled and presented to the Board by the Apex Sustainability Council.

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (**Yes / No**). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, AIL derives business resilience in the operations through a robust materiality assessment process and risk management framework which are based on stakeholder consultations. For details regarding the materiality assessment kindly refer to the materiality assessment section of the sustainability report.

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

AIL invests in efforts to uplift local communities, support marginalized sections, and ensure inclusive growth and development. AIL focuses on the themes of healthcare, education, and environmental protection under CSR program.

### PRINCIPLE 5 Businesses should respect and promote human rights

#### Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	2650	2650	100%	2736	2736	100%
Other permanent	36	36	100%	26	26	100%
<b>Total Employees</b>	<b>2686</b>	<b>2686</b>	<b>100%</b>	<b>2762</b>	<b>2762</b>	<b>100%</b>
<b>Workers</b>						
Permanent	3450	3450	100%	3449	3449	100%
Other than permanent	9308	9308	100%	7262	7262	100%
<b>Total Workers</b>	<b>12758</b>	<b>12758</b>	<b>100%</b>	<b>10711</b>	<b>10711</b>	<b>100%</b>

## 2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal Minimum to Wage		More than Minimum Wage		Total (D)	Equal Minimum to Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent Employees</b>										
Male	2496	0	0	2496	100%	2582	0	0	2582	100%
Female	154	0	0	154	100%	154	0	0	154	100%
<b>Other than permanent Employees</b>										
Male	33	0	0	33	100%	25	0	0	25	100%
Female	3	0	0	3	100%	1	0	0	1	100%
<b>Workers</b>										
<b>Permanent Workers</b>										
Male	3416	0	0	3416	100%	3422	0	0	3422	100%
Female	34	0	0	34	100%	27	0	0	27	100%
<b>Other than permanent workers</b>										
Male	8920	3100	34.8%	5820	65.2%	6918	0	0	6918	100%
Female	388	142	36.6%	246	63.4%	344	0	0	344	100%

## 3. Details of remuneration/salary/wages

## a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in lakhs ₹)	Number	Median remuneration/ salary/ wages of respective category (in lakhs ₹)
Board of Directors (BoD)- Executive Directors	6	260.13	0	-
Board of Directors (BoD)- Non-executive Directors	0	-	1	9.9
Key Managerial Personnel*	2	133.0	0	-
Employees other than BoD and KMP	2496	7.34	154	6.91
Workers	3416	3.6	34	3.58

Note : Median salary of all AIL employees excluding BOD is ₹4.37 lakhs

\*KMP exclusive of those already covered in Executive Directors

## b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	4%	3.6%

## 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, we have appointed our Chief human resource officer (CHRO) as the Ethics officer for AIL who is responsible for investigating and addressing human rights issues. We have also established an Internal Complaints Committee at each of our operational locations.

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We are committed to providing a safe workplace to all our employees. Adherence to human rights issues is ensured by our company's code of conduct through robust internal controls and governance practices. In case of any concern related to human rights, employees can raise their grievances through our vigil mechanism/ whistle blower policy.

## 6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

## 7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

## 8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The complainant's identity is kept strictly confidential through our procedures for anonymous complaint submission. The complainant is provided with the necessary assistance and counseling. Our whistleblower protocol addresses the protection of the complainant during the investigation.

## 9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the vendor onboarding and monitoring process is outlined in our procurement policy. We evaluate our suppliers based on performance in terms of quality, environmental, health, and safety (EHS) features. The evaluation criteria also include aspects such as governance, ethics and compliance, fair business practices, labour and human rights, health and safety, and the environment.

## 10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Not Assessed - As no child labour is employed
Forced/involuntary labour	Not Assessed - As no forced/ in voluntary labor is employed
Sexual harassment	100% - By internal committee
Discrimination at workplace	100%
Wages	100% - By internal audit

## 11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable as there was no audit concerns in the above area during FY 23-24



## Leadership Indicators

- Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.  
We did not receive any complaint or any grievance during FY 2023-24. Maintaining a proactive approach, we have established comprehensive policies and internal controls to ensure that there are no issues related to Human Rights.
- Details of the scope and coverage of any Human rights due-diligence conducted.  
We have conducted Human rights assessment for all of our manufacturing units internally. We have validated our internal assessment through a third party for 4 divisions and the remaining are in progress.
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?  
Yes, our facilities are accessible to differently abled visitors and those with special needs.
- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	51.45%
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No significant risks/ concerns were identified from the above assessment. Hence not applicable.

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

- Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23* (Previous Financial Year)
<b>From renewable sources (GJ)</b>		
Total electricity consumption (A)	54,952	745
Total fuel consumption (B)	6,134	3,426
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>61,086</b>	<b>4,170</b>
<b>From non-renewable sources (GJ)</b>		
Total electricity consumption (D)	563183	617,588
Total fuel consumption (E)	6,014,507	6,810,562
Energy consumption through other sources (F)	1071829	448310
<b>Total energy consumed from non renewable sources (D+E+F)</b>	<b>7,649,519</b>	<b>7,876,460</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>7,710,605</b>	<b>7,880,630</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations) (GJ/ Turnover in lakhs (₹))	11.00	10.82
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP) (GJ/ Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	2.93	Not monitored
Energy intensity in terms of physical output	8.325	9.095
Energy intensity (optional) – the relevant metric may be selected by the entity		

\*Note : Energy Consumption Value Changed as per revision in BRSR format

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? **(Yes/No)** If yes, name of the external agency.

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? **(Yes/No)** If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	2,657,491	2,596,187
(iv) Seawater / desalinated water	0	0
(v) Others (KL) (Rain Water)	8,223	6,547
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>2,665,714</b>	<b>2,602,734</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>2,429,970</b>	<b>2,386,749</b>
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations) (KL/turnover in lakhs (₹))	3.47	3.28
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP) (KL/ Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	0.92	Not monitored
<b>Water intensity in terms of physical output (KL/ MT of Product)</b>	2.624	2.755
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? **(Yes/No)** If yes, name of the external agency.

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

4. Provide the following details related to water discharged:

Parameter	FY 23-24 (Current Financial Year)	FY 22-23 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary,secondary and tertiary treatment)	102756	76465
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary,secondary and tertiary treatment)	132988	139,520
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>235,744</b>	<b>215,985</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? **(Yes/No)** If yes, name of the external agency.

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. Yes, 11 (8 Zero Liquid Discharge & 3 Zero Liquid Discharge ready plant) out of 16 of our manufacturing facilities are Zero Liquid Discharge ready. We have built in-house water treatment plants to recycle used water and further used for industrial operations. We are currently working towards making all our units ZLD ready facilities that will increase the amount of water recycled by us thereby reducing freshwater consumption. The secondary treated wastewater is sent to a common effluent treatment plant for tertiary treatment and discharge from the manufacturing facilities that do not have ZLD status currently.
6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	MT	440	493
SOx	MT	987	1,147
Particulate matter (PM)	MT	549	530
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	MT	70	50
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? **(Yes/No)** If yes, name of the external agency.

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	605,619	685,701
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	169,223	134,478*
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	TCO <sub>2</sub> e/ Turnover in Lakhs (₹)	1.11	1.13
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	(TCO <sub>2</sub> e/ Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	0.29	Not monitored
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	TCO <sub>2</sub> e/MT of Product	0.837	0.947
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity		–	–

\*Note : Quantity changed due to typing error in the BRSR report

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? **(Yes/No)** If yes, name of the external agency.

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

## 8. Does the entity have any project related to reducing GreenHouse Gas emission? If Yes, then provide details.

Yes, at ALL we have taken various initiatives for reduction of GHG emissions, and have embarked on the GHG emission reduction journey by signing the Science Based Target Initiative (SBTi). We have submitted our targets and they are under validation at present. Commitment to SBTi has intensified our focus on reduction of energy consumption and reducing carbon footprint. An utility expert group along with the process team at each location had conceptualized the Aarti's way toward being Net Zero. The focus areas for energy conservation and Carbon emission reduction are:

- Minimizing energy losses
- Improving energy efficiency through equipment
- upgrade and process
- Renewable energy and alternate fuel
- Adopting new technologies
- Eliminating process emission

Some major initiatives undertaken to reduce greenhouse gas emissions are as below:

1. Reduction in energy consumption through equipment upgrades
2. Reduction in GHG emissions through process optimization
3. Measures to ensure enclosure of emission sources and airtightness of equipment
4. Implemented process for recovery/abatement of NOx
5. Work process implemented to reduce, recycle or reuse HW
6. Measures to re-use process by products
7. Enhancement in Waste Heat Recovery System
8. Purchase of Renewable energy through Purchase Power Agreement
9. Installation of onsite solar Power plant
10. Replacement of Coal with Biomass
11. Substituting of incineration of waste with co-processing

## 9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	300	202
E-waste (B)	13	21
Bio-medical waste (C)	0.07	0.1
Construction and demolition waste (D)	0	0
Battery waste (E)	8	17
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	356866	349316*
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	31842	42332
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>389030</b>	<b>391888</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations) (MT/ Turnover in Lakhs (₹))	0.55	0.54
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP) (MT/ Turnover adjusted for Purchasing Power Parity (PPP) in Lakhs (₹))	0.15	Not monitored
<b>Waste intensity in terms of physical output</b>	0.42	0.45
<b>Waste intensity (optional) – the relevant metric may be selected by the entity</b>	--	--

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category of waste		
(i) Recycled (Including plastic waste)	347197	349200
(ii) Re-used	0	0
(iii) Other recovery operations (E-Waste and Battery)	11484	7403
<b>Total</b>	<b>358681</b>	<b>356603</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category of waste		
(i) Incineration	4,469	6366
(ii) Landfilling	25,880	28,919
(iii) Other disposal operations (BMW)	0.07	0.1
<b>Total</b>	<b>30349</b>	<b>35285</b>

\*Note : Quantity changed due to error in accounting of waste data.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? **(Yes/No)** If yes, name of the external agency.

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We are in the process of manufacturing specialty chemicals that are hazardous in nature. By the nature of chemistry itself, our operations are subjected to the generation of hazardous waste. Our R&D and technology management teams continuously strive to reduce waste generation by improving the performance of existing technologies and considering the principles of sustainability in the design of new products. We have adopted standardized protocols for waste identification and categorization, waste collection and segregation, labelling, storage, and responsible disposal of hazardous and non-hazardous waste. Our waste management policies are intended to handle hazardous and non-hazardous waste in accordance with legal requirements and globally accepted best practices.

Our waste management approach is systematically divided into three priorities depending upon the various operating conditions and type of waste generated. These are as follows:

Measures taken to minimize primary pollution, waste prevention and our priority to reduce hazardous waste are:

- Change industrial process to eliminate use of harmful chemicals
- Use less of a harmful / product
- Reduce packaging and materials in products
- Make products last longer and are recyclable, reusable, or easy to repair
- Change industrial processes to reduce or eliminate hazardous waste production

Measures taken to minimize secondary pollution and waste prevention and second priority to reduce Hazardous or Non-Hazardous waste are:

- Reuse
- Recovery
- Recycle
- Repair
- Buy reusable and recyclable products

Treatment and disposal of all our waste:

- Treating waste to reduce toxicity
- Incinerate waste
- Waste in landfills
- Co- processing



11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable, as our manufacturing facilities are situated in the GIDC/MIDC industrial complex and offices are located in corporate parks away from any ecologically sensitive areas.

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	NA	NA	NA

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
EXPANSION OF CHEMICAL FERTILIZER UNIT BY M/S. AARTI FERTILIZERS (A DIVISION OF AARTI INDUSTRIES) -Vapi	EIA Notification S.O. 141(E) [14-09-2006] as amended	24/12/2023	Yes	Yes	<a href="https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FGJ%2FIND3%2F442787%2F2023&amp;proposal=8934252">https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FGJ%2FIND3%2F442787%2F2023&amp;proposal=8934252</a>
Proposed Expansion Project for the Manufacturing of Synthetic Organic Chemicals by M/s. Aarti Industries Limited (Unit-III) - Dahej	EIA Notification S.O. 141(E) [14-09-2006] as amended	11/04/2023	Yes	Yes	<a href="https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FGJ%2FIND3%2F419266%2F2023&amp;proposal=3208754">https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FGJ%2FIND3%2F419266%2F2023&amp;proposal=3208754</a>
Production capacity expansion by 20% of existing production capacity within the existing plant facility for manufacturing of Synthetic organic chemicals (i.e. Dyes & Dye Intermediates, Bulk Drugs and intermediates excluding drug formulation, synthetic rubbers, basic organic chemicals, other synthetic organic chemicals and chemical intermediates) located at plot no. 1430/1, NH no. 8A, Village & Taluka Bhachau, District Kutch, Gujarat.	EIA Notification S.O. 141(E) [14-09-2006] as amended	06/03/2024	Yes	Yes	<a href="https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FGJ%2FIND3%2F465160%2F2024&amp;proposal=51634363">https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FGJ%2FIND3%2F465160%2F2024&amp;proposal=51634363</a>

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Yes/No). If not, provide details of all such non-compliances, in the following format:

Yes, During the reporting period AIL was in compliance with applicable environmental norms.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1.	Nil	Nil	Nil	Nil

## Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information: (i) Name of the area: Manufacturing locations situated in Gujarat & Maharashtra

(ii) Nature of operations: Manufacturing of speciality chemical

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	2,657,491	2,596,187
(iv) Seawater / desalinated water	0	0
(v) Others	8,223	6,547
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>2,665,714</b>	<b>2,602,734</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>2,429,970</b>	<b>2,386,749</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover) (Water Consumed in KL/ Turnover in lakhs (₹))	3.47	3.28
<b>Water intensity (optional)</b> – the relevant metric may be selected by the entity (Water consumed in KL/ MT of product)	2.624	2.755
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary,secondary and tertiary treatment)	102756	76465
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment (ETP having primary,secondary treatment)	132988.38	139,519.54
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>235,744.38</b>	<b>215,984.54</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	2,068,585	2,301,952*
Total Scope 3 emissions per rupee of turnover	TCO <sub>2</sub> e/ Turnover In Lakhs (₹)	2.9	3.16
Total Scope 3 emission intensity (optional) –	TCO <sub>2</sub> e / MT of product	2.23	2.66

\*Note : Scope 3 emission value change due to incorrect decimal marking in emission factor

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? **(Yes/No)** If yes, name of the external agency.

Yes, TUV Nord has carried out an independent limited assurance of the selected non-financial disclosures presented in the Business Responsibility and Sustainability Report (BRSR) for FY 2023-24.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Conversion of batch process to semi continuous	The team of scientists studied the entire process to convert aromatic chlorides to the corresponding aromatic fluorides and the chemistry proposed the changes and validated its pilot plant before commercializing to convert the batch process to semi continuous.  The change has lead us to significant positive impact of product performance as wells as environment	<ul style="list-style-type: none"> <li>• 26% reduction in reaction time thus reducing the exposure</li> <li>• 15% increase in the conversion rate</li> <li>• 4% in the yield</li> <li>• Negligible residue</li> </ul>
2	Ammonolysis	Ammonolysis is one of the high-pressure reactions that is carried out in which one of the hazardous chemicals ammonia is used. We needed to reduce the batch cycle time (BCT) and its exposure.  The hydrodynamic/mixing study and kinetics study were conducted with the help of CFD software, alongside several pilot trials, aimed at reducing BCT.  These studies were conducted for this process using a unique software. Based on these studies several DOEs were proposed for Lab Trials at LCTM ensuring the alignment with the Process safety via systematic ARC & TSU studies. The proposed DOEs have changes in operating parameters like Temperature, mixing, Concentrations, etc & validated in the Pilot plant.	Through the power of process intensification studies, we were able to achieve a remarkable over 50% reduction in batch cycle time.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

In line with our commitment to prevent injury and provide a safe and healthy workplace we have developed and adopted detailed onsite and off site emergency plans (OSEP) for all our manufacturing locations. These carefully drafted plans outline the strategies for detailed response, escalation hierarchies and control measures to contain the emergencies effectively. We have a dedicated team of skilled experts equipped with infrastructure at each of our manufacturing locations to handle any emergency. By conducting regular mock drills we prepare our employees ready to tackle a variety of emergencies.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

As our raw materials are sources from oil and gas value chains which are highly energy intensive operations, we are cautious of the environmental impact arising from our value chain. In order to better understand the emission hotspot, we have conducted PCF studies for 80% of our goods and performed LCA for our 56.53% product by spending. Additionally, we have undertaken various initiatives to reduce emissions across our value chain and promote the use of a diverse energy mix.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We screen our supplier based on Environmental, Social and Governance (ESG) aspects as per ALL's sustainability protocol. The protocol includes ESG criteria such as- Climate change, environment, health & safety, labour and human rights and governance such as ethics and compliance, fair business practices, anti-bribery, etc. During the reporting period, 51.45% of our suppliers were assessed for environmental impacts

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.  
We have membership of associations with ten industry chambers/associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Chemical Council	National
2	CHEMEXCIL- Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council	National
3	Indian Institute of Chemical Engineering	National
4	Gujarat Chamber of Commerce and Industry	National
5	Confederation of Indian Industry	National
6	United Nations Global Compact Network of India	National
7	Federation of Indian Export Organization	National
8	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
9	Chemicals and Petrochemicals Manufacturers' Association	National
10	Indian Speciality Chemical Manufacturers' Association	National

2. Provide details of corrective action taken or underway on any issues related to anti competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable since there were no cases of anti-competitive conduct in FY 2023-24.

Name of authority	Brief of the case	Corrective action taken
-	-	-

## Leadership Indicator

1. Details of public policy positions advocated by the entity:

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web link, if available
1	Advocated for policy amendments to promote chemical recycling, fostering circularity and reducing carbon footprint.	Collaborating with industry associations and peers to establish policy recommendations through consensus, followed by actively advocating for them to pertinent government bodies and ministries to drive industry development.	Yes	NA	
2	Advocated for "Ease of Doing Business" through simplified statutory approvals.		Yes	NA	
3	Recommended trade facilitation measures and duty rationalization.		Yes	NA	

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

As per the applicable laws, none of the projects undertaken by our company can be categorized under the SIA mandate. Hence no SIA done during FY 23-24

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil	Nil	Nil	Nil	Nil	Nil

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

We do not have any ongoing projects for which Rehabilitation and Resettlement (R&R) has been undertaken.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
1.	Nil	Nil	Nil	Nil	Nil	Nil

3. Describe the mechanisms to receive and redress grievances of the community.

We frequently interact with the local community at our manufacturing facilities to learn about their issues and grievances. A grievance redressal mechanism has been established for our stakeholders including the local community. In accordance with this mechanism, the local communities can raise their grievances and file complaints. The reported grievances are further reviewed and examined by respective functions and corrective actions are implemented.



## 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	24.76%	18.80%
Directly from within India	77.37%	72.67%

\*Note : Number is changed due to changes in BRSR format

## 5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	0	0
Semi-urban	9%	8%
Urban	58%	61%
Metropolitan	33%	31%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

### Leadership Indicators

## 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable since Company did not undertake any Social Impact Assessment (SIA) for its CSR Projects during the FY 2023-24.

Details of negative social impact identified	Corrective action taken
Nil	Nil

## 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
1.	-	-	-

## 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Yes

## (b) From which marginalized /vulnerable groups do you procure?

From businesses led by women, veteran, person with disability, minority owned business

## (c) What percentage of total procurement (by value) does it constitute?

8%

## 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Benefit shared (Yes / No)
1.	Nil	-	-	-

## 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Nil	Nil	Nil

## 6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education & Skill Development	2450	100%
2	Healthcare	755	100%
3	Tribal & Rural Development	41183	100%
4	Environment & Water Conservation	54863	100%
5	Women Empowerment	54680	100%
6	Livelihood Opportunities & Housing Aid	15	100%

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner****Essential Indicators**

## 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

AIL has a comprehensive process to facilitate timely redressal of the consumer complaints received which can be understood as follows:

**Consumer Complaints:**

1. Business, sales and marketing team are the primary contact of all the customers' complaints.
2. Business, sales and marketing team shall be responsible to forward the complaint to zone quality Head/Division Head and QA Manager / Designee.
  - Sales team report the customer complaint on the AIL's digital platform- AIMS
3. During sharing the complaint to the manufacturing site, following information shall be shared by business through e-mail to division head and zonal quality head. Business, sales and marketing team shall inform the customer complaint within one working day to the division head / zone quality head.
4. Quality manager evaluate the detail of the customer complaint, do site visits and prepare customer complaint report
  - QA manager / designee shall assign the customer complaint number and log in the customer complaint sheet.
 Customer complaints shall be assigned by a unique set of maximum character as per AKA/CC/YY/ZZZ. After logging of the complaint, the QA department shall check the nature of the complaint and categorize the complaint accordingly.
5. Zone quality head prepare investigation team for through investigation of complaint and preparing Corrective and preventive action plan
6. Based on the investigation report, Quality head shall communicate the customer complaint response to the business.
7. Business would be the SPOC for communication to the customer. All activities related to complaint investigation shall be completed within 30 working days from the date of receipt of complaint. Based on CAPA, action plans may take longer The entire process of receipt of customer complaints and its investigation and CAPA happens on AIL digital platform-AIMS.

**Feedback:**

We regularly conduct customer satisfaction surveys to understand our quality of delivery and identify areas of improvement which also includes customers' health and safety. The survey comprised three Key areas: a) Packaging Quality b) Product Quality c) MSDS Information.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

As a percentage to total turnover	
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

We engage closely with its customer base to understand their requirements, preferences and concerns. We strive to maintain a good relationship with its customers with its timely support, effective information dissemination, and continuous engagement.

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other - Quality of Product	65	14	-	57	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide a web-link of the policy.

Yes, we have an information security policy in place related to data privacy. This policy has been developed in accordance with ISO 27001.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

- 7 Provide the following information relating to data breaches:

- Number of instances of data breaches  
No data breaches were recorded in FY 2022-23
- Percentage of data breaches involving personally identifiable information of customers  
Not Applicable
- Impact, if any, of the data breaches  
Not Applicable

## Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).  
The details of our products and services are disclosed publicly at: <https://www.aarti-industries.com/products>
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.  
We adhere to EU REACH Compliance and MSDS regulations to maintain information transparency with our customers. We interact with our customers on the quality and safety of our products, as well as their appropriate use and disposal.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.  
We engage with our customers on a frequent basis to update them on business continuity and product supply. In case of any potential disruption of supplies the customers and relevant stakeholders are informed well in advance to ensure seamless operation. The communication with our customers is conducted via emails in case of any disruptions or shutdown and further mitigation actions are conveyed.
4. Does the entity display product information on the product over and above what is mandated as per local laws? **(Yes/No/Not Applicable)** If yes, provide details in brief.  
Yes, we adhere to GHS labeling and MSDS for describing and conveying product details, hazards, and safety precautions. We adopt the standards set forth by the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) rules of the European Union.
5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? **(Yes/No)**  
We constantly undertake customer satisfaction surveys to understand our delivery quality and areas for improvement, including the health and safety of our consumers. The survey is focused on three key areas: 1) Packaging Quality, 2) Product Quality c) MSDS Information, in addition to other areas. We achieved a score of 4.2 out of 5 in the customer satisfaction survey conducted during FY 23-24.

# INDEPENDENT AUDITORS' REPORT

To The Members of  
Aarti Industries Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Aarti Industries Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including the statement on Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements (including summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) 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 standalone financial statements 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 ("ICAI") together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment (including Capital Work-in-Progress)</b></p> <p>The carrying value of property, plant and equipment (including capital work in progress) as on March 31, 2024 of ₹6,602.40 Crore (as on March 31, 2023 of ₹5,780.97 Crore) includes ₹1,176.54 Crore capitalised /transferred from capital work in progress during the year (₹1,500.29 Crore for FY 2023).</p> <p>Cost Recognition of Property, Plant and Equipment as specified in Ind AS 16 is based on completion of asset construction activities and management assessment and judgement that the asset is capable of operating in the manner intended.</p> <p>The asset capitalisation is the outcome of various procurements, approvals from operations experts in the Company and judgements by the management and therefore, required significant audit attention.</p> <p>Refer Note 1: Property, Plant and Equipment in Notes to the standalone financial statements.</p>	<p><b>Our audit procedures, amongst others, include the following –</b></p> <ul style="list-style-type: none"> <li>a) Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.</li> <li>b) We assessed Company'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: Property, Plant and Equipment.</li> <li>c) We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment.</li> <li>d) We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23: Borrowing Costs.</li> <li>e) Ensuring adequacy of disclosures in the standalone financial statements.</li> </ul>



### Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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 management 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.

### Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 statements.

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 statements, 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 standalone financial statements 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 statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report 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.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 33 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief as disclosed in note no 44(v) to the standalone financial statements, no funds (which

- are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in note no 44(vi) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in note no 14.7 to the standalone financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, and proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1<sup>st</sup> April 2023. Based on our examination which included test checks, the Company has used accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March, 2024.

For **Gokhale & Sathe**  
**Chartered Accountants**  
 FRN: - 103264W

**Tejas Parikh**  
**Partner**

Place: - Mumbai  
 Date: - 10 May 2024

Membership No. 123215  
 UDIN: - 24123215BKBNZJ2660

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Industries Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right-of-use of assets and capital work in progress.

(B) The Company is maintaining proper records showing full particulars of intangible assets as at the year end.

(b) The Property, Plant and Equipment of the Company have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification which were not properly dealt with in the books of accounts in the current year.

(c) According to the information and explanations given to us, the records examined by us and based on examination of the copies of the Sale Deed / Conveyance Deed / Transfer Deed, land revenue records provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed separately in Property Plant & Equipment in the financial statements, the lease agreements are in the name of the Company itself.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) during the year.

(e) On the basis of information provided by management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed and discrepancies if any are properly dealt with by the Management of the Company.

The Company has been sanctioned working capital limits in excess of five Crore rupees, in aggregate, from banks on the basis of security of current assets; As mentioned in note no 19(ii) to the standalone financial statements, the difference between quarterly returns filed by the Company with banks / financial institutions and books of accounts were on account of explainable items and not material in nature.

iii. According to the information and explanation given to us and on the basis of our examination the Company has made investments in its two wholly subsidiary companies of ₹0.16 crores and other than subsidiary of ₹6.08 crores during the year. The Company has not provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties during the year.

a) the Company has not granted loans, provided any advances in the nature of loan or guarantee or security to any entity during the year. The Company had provided loans or advances in the nature of loans during earlier years and details of which are given below (other than advances to employees in the ordinary course of employment).

(₹ in Crore)

Particulars	Amount
A) balance outstanding as at the balance sheet date	
– wholly owned subsidiary	57.32

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and loans and advances granted during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and based on basis of our examination of the records, the Company has granted loans payable on demand. During the year, the Company has not demanded such loan. Having regard to the fact that the repayment of principal or payment of interest has not been

demand by the Company, in our opinion, the repayments of principal amounts and receipts of interest are regular.

- (d) According to the information and explanations given to us and based on basis of our examination of the records of the Company, since loans granted are repayable on demand, there are no overdue amounts for more than ninety days in respect of loan given.
- (e) According to the information and explanations given to us and based on basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the over dues of existing loans given to the same party.
- (f) According to the information and explanations given to us and based on basis of our examination of the records of the Company, the Company has not granted loans which are repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of investment made and loans and advances.
- v. The Company has not accepted deposits or amounts which are deemed as deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provision of section 73 to 76 any other relevant provisions of the At and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, GST, Custom duty, and any other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and based on the records of the company examined by us, particulars of Income Tax, Goods & Service Tax Customs Duty, Excise Duty, States respective Sales Tax, Service Tax and other statutory dues which have not been deposited on account of any disputes are as under

Nature of Statute	Nature of Dues	Period for which amount relates	Forum where Dispute is pending	₹ in Crore
Customs Act,1962	Custom Duty	FY 2006-07 to FY 2018-19	Customs, Excise and Service Tax Appellate Tribunal	2.61
Customs Act,1962	Custom Duty	FY 2016-17 to FY 2017-18	Commissionerate	0.19
Customs Act,1962	Custom Duty	FY 2016-17 to FY 2019-20	Adjudicating Authority Asst. Commissioner / Deputy Commissioner	1.45
Central Excise Act, 1944	Excise Duty	FY 2009-10 to FY 2016-17	Customs, Excise and Service Tax Appellate Tribunal	9.91
Central Excise Act, 1944	Excise Duty	FY 2009-10 to FY 2017-18	Commissionerate	1.62
Central Excise Act, 1944	Excise Duty	FY 2005-06 to FY 17-18	Adjudicating Authority Asst. Commissioner / Deputy Commissioner	17.33
Finance Act, 1994	Service Tax	FY 1997-98 to FY 2016-17	Customs, Excise and Service Tax Appellate Tribunal	5.10



Nature of Statute	Nature of Dues	Period for which amount relates	Forum where Dispute is pending	₹ in Crore
Finance Act, 1994	Service Tax	FY 2008-09 to FY 2011-12	Adjudicating Authority Asst. Commissioner / Deputy Commissioner	0.15
Gujarat Goods and Services Tax Act, 2017	GST	FY 2017-18 to FY 2020-21	Adjudicating Authority Asst. Commissioner / Deputy Commissioner	9.97
Maharashtra Goods and Services Tax Act, 2017	GST	FY 2012-13 to FY 2017-18	Adjudicating Authority Asst. Commissioner / Deputy Commissioner	3.47
Dadra & Nagar Haveli Value Added Tax Regulation 2005	VAT Plus Interest	FY 2010-11 to FY 2017-18	Commissioner of VAT, Dadra & Nagar Haveli	1.23
Madhya Pradesh Value Added Tax Act, 2002	VAT Plus Interest	FY 2010-11 & 2017-18	Appellate Board, Commercial Tax, Indore	0.44
Income-tax Act, 1961	Income Tax plus Interest & Penalty	FY 2009-10 to 2019-20	Commissioner Of Income-Tax (Appeals)	45.41

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of dues or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanation given to us and the Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) In our opinion and according to information and explanations given to us, the Company has utilised the money obtained by way of term loans for the purposes for which they were raised.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie not been used during the year for long term purposes.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) According to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) As informed by the management, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there were no whistle blower complaints received by the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

- xiii. In our opinion and on the basis of our examination of the information and documentation available to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion and on the basis of explanation / information provided by management, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act.
- xxi. The reporting under Clause 3(xxii) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Gokhale & Sathe**  
**Chartered Accountants**  
 FRN: - 103264W

**Tejas Parikh**  
**Partner**

Place: - Mumbai  
 Date: - 10 May 2024

Membership No. 123215  
 UDIN: - 24123215BKBNZJ2660

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Aarti Industries Limited of even date)

### Report on the Internal Financial Controls under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the “Act”)

#### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Aarti Industries Limited (the “Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### Managements’ Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control over financial reporting criteria established by the Company 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 (the “ICAI”). 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 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 Act.

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone

financial statements 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 ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

#### Meaning of Internal Financial Controls with reference to standalone financial statements

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 standalone 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 standalone Ind AS financial statements in accordance

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Gokhale & Sathe**  
**Chartered Accountants**  
FRN: - 103264W

**Tejas Parikh**  
**Partner**

Place: - Mumbai  
Date: - 10 May 2024

Membership No. 123215  
UDIN: - 24123215BKBNZJ2660

# BALANCE SHEET

as at March 31, 2024

Particulars	Note No.	(₹ In Crs)	
		As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	1	5,543.86	4,792.24
Capital Work-in-Progress	1	1,058.54	988.73
Right of use Assets	1	53.42	30.30
Intangible Assets	1	8.06	1.47
Intangible Assets under Development	1	170.51	107.24
<b>Financial Assets</b>			
Investments	2	18.67	12.41
Loans and Advances	3	57.65	49.65
Deferred Tax Assets (Net & incl of MAT Credit)	4	142.89	52.17
Other Non-Current Assets	5	93.82	87.13
<b>Total Non-Current Assets</b>		<b>7,147.42</b>	<b>6,121.34</b>
<b>Current Assets</b>			
Inventories	6	1,151.05	1,015.07
<b>Financial Assets</b>			
i) Trade Receivables	7	867.04	973.83
ii) Cash and Cash Equivalents	8	37.56	161.06
iii) Bank Balances other than (ii) above	9	87.95	33.28
iv) Loans and Advances	10	8.26	32.03
Others Financial Assets	11	228.30	160.79
Current Tax Assets (Net)	12	76.31	55.21
Other Current Assets	13	38.97	37.44
<b>Total Current Assets</b>		<b>2,495.44</b>	<b>2,468.71</b>
<b>TOTAL ASSETS</b>		<b>9,642.86</b>	<b>8,590.05</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	14	181.25	181.25
Other Equity	15	5,111.16	4,739.70
<b>Total Equity</b>		<b>5,292.41</b>	<b>4,920.95</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	16	1,523.87	634.71
ii) Lease Liabilities	17	49.31	25.26
Other Non Current Liabilities	18	175.29	216.68
<b>Total Non-Current Liabilities</b>		<b>1,748.47</b>	<b>876.65</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	19	1,659.09	2,239.27
ii) Lease Liabilities	17	9.07	8.02
iii) Trade Payables due to:			
Micro and Small Enterprises	20	44.39	48.67
Other than Micro and Small Enterprises	20	504.45	178.58
iv) Other Financial Liabilities	21	251.92	191.26
Other Current Liabilities	22	93.44	99.08
Provisions	23	39.62	27.57
<b>Total Current Liabilities</b>		<b>2,601.98</b>	<b>2,792.45</b>
<b>Total Liabilities</b>		<b>4,350.45</b>	<b>3,669.10</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,642.86</b>	<b>8,590.05</b>
Material Accounting Policies			
The accompanying notes are an integral part of these Standalone Financial Statements.	1-45		

As per our report of even date  
For **Gokhale & Sathe**  
Chartered Accountants  
FRN: 103264W

**Tejas Parikh**  
Partner  
M.No. 123215  
UDIN: - 24123215BKBNZJ2660

Place: Mumbai  
Date: May 10, 2024

For and on behalf of the Board

**Rajendra V. Gogri**  
Chairman and  
Managing Director  
DIN: 00061003

**Chetan Gandhi**  
Chief Financial Officer  
ICAI M.No. 111481

**Rashesh C. Gogri**  
Vice Chairman and  
Managing Director  
DIN: 00066291

**Raj Sarraf**  
Company Secretary  
ICSI M.No. A15526



# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(₹ In Crs)

Particulars	Note No.	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>REVENUE</b>			
Revenue from Operations	24	6,985.29	7,226.45
Less: GST Collected		638.11	661.37
Net Revenue from Operations		6,347.18	6,565.08
Other Income	25	8.41	0.42
<b>Total Income</b>		<b>6,355.59</b>	<b>6,565.50</b>
<b>EXPENSES</b>			
Cost of Materials Consumed (Incl. Packing Material, Fuel, Stores & Spares)	26	3,771.20	3,465.13
Purchases of Stock-in-Trade		193.55	290.40
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	27	(101.02)	46.09
Employee Benefits Expense	28	401.66	383.10
Finance Costs	29	210.66	165.80
Depreciation and Amortisation Expenses	1	377.45	310.01
Other Expenses	30	1,105.74	1,291.97
<b>Total Expenses</b>		<b>5,959.24</b>	<b>5,952.50</b>
<b>PROFIT BEFORE TAX</b>		<b>396.35</b>	<b>613.00</b>
<b>TAX EXPENSES</b>			
Current Year Tax	31	69.72	107.25
Earlier Year Tax		-	(16.52)
MAT Credit Entitlement		(69.72)	(41.00)
Deferred Tax		(21.00)	17.50
<b>Total Tax Expenses</b>		<b>(21.00)</b>	<b>67.23</b>
<b>PROFIT AFTER TAX</b>		<b>417.35</b>	<b>545.77</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to Statement of Profit and Loss			
Change in fair value of equity instruments		0.00	0.00
Change in fair value of long term advances		-	(21.65)
Change in fair value of Foreign currency hedge		6.14	(13.41)
Total Other comprehensive income		6.14	(35.05)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>423.49</b>	<b>510.72</b>
<b>Earnings Per Equity Share (EPS) (in ₹)</b>			
Basic	32	11.51	15.06
Diluted		11.51	15.06
Material Accounting Policies			
See accompanying Notes to the Financial Statements	1-45		

As per our report of even date

For **Gokhale & Sathe**

Chartered Accountants

FRN: 103264W

**Tejas Parikh**

Partner

M.No. 123215

UDIN: - 24123215BKBNZJ2660

Place: Mumbai

Date: May 10, 2024

For and on behalf of the Board

**Rajendra V. Gogri**

Chairman and

Managing Director

DIN: 00061003

**Chetan Gandhi**

Chief Financial Officer

ICAI M.No. 111481

**Rashesh C. Gogri**

Vice Chairman and

Managing Director

DIN: 00066291

**Raj Sarraf**

Company Secretary

ICSI M.No. A15526

# STATEMENT OF CASH FLOW

for the year ended March 31, 2024

(₹ in Crs)

Sr. No.	Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>A. Cash Flow from Operating Activities:</b>			
	Net Profit before Tax and Exceptional/Extraordinary Items	396.35	613.00
<b>Adjustments for:</b>			
	Finance Costs	210.66	165.80
	Depreciation and Amortisation Expenses	377.45	310.01
		<b>984.46</b>	<b>1,088.81</b>
	Profit on Sale of Assets/Investments	3.99	(0.23)
	Lease Rent Income	(0.06)	(0.06)
	<b>Operating Profit before Working Capital Changes</b>	<b>988.39</b>	<b>1,088.52</b>
<b>Movements in working capital:</b>			
	(Increase)/Decrease in Trade and Other Receivables	52.97	400.42
	Increase/(Decrease) in Trade Payables and Other Current Liabilities	351.20	(0.27)
	(Increase)/Decrease in Inventories	(135.98)	(116.52)
	<b>Cash Generated from Operations</b>	<b>1,256.58</b>	<b>1,372.15</b>
	Direct Taxes Paid (Net of Refund)	(90.82)	(90.81)
	<b>Net Cash Flow from Operating Activities (A)</b>	<b>1,165.77</b>	<b>1,281.34</b>
<b>B. Cash Flow from Investing Activities:</b>			
	Addition to Property, Plant & Equipment/Capital WIP	(1,285.13)	(1,304.20)
	Sale/Written off of Property, Plant & Equipment	21.98	12.52
	Investment in Subsidiary Companies	(0.18)	0.00
	(Increase)/Decrease in Other Investments	(6.08)	(9.11)
	Lease Rent Income	0.06	0.06
	<b>Net Cash Flow from Investing Activities (B)</b>	<b>(1,269.35)</b>	<b>(1,300.72)</b>
<b>C. Cash Flow from Financing Activities:</b>			
	Proceeds of Long-Term Borrowings	1,291.87	920.00
	Repayment of Long-Term Borrowings	(402.71)	(1,220.90)
	Proceeds/(Repayment) of Other Borrowings	(580.18)	612.61
	Principal Repayment of Lease Liability	(9.19)	(8.94)
	Finance Costs	(210.66)	(165.80)
	Dividend Paid	(54.38)	(90.63)
	<b>Net Cash Flow from Financing Activities (C)</b>	<b>34.76</b>	<b>46.34</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(68.83)</b>	<b>26.96</b>
	Cash and Cash Equivalents (Opening Balance)	194.34	167.38
	Cash and Cash Equivalents (Closing Balance)	125.51	194.34

## Notes:

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on the Statement of Cash Flow as notified under Companies (Indian Accounting Standard) Rules, 2015 as amended.
- (ii) Cash and Cash Equivalent comprised of Cash and Cash Equivalents and Other Bank Balances as per Balance Sheet. (Refer Note 8 & 9)

# STATEMENT OF CASH FLOW

for the year ended March 31, 2024

(iii) Changes in liabilities arising from financing activities:

(₹ in Crs)

Particulars	1 <sup>st</sup> April 2023	Cash Flow	Foreign exchange movement	31 <sup>st</sup> March 2024
Current Borrowings	1,885.09	(700.75)	5.40	1,189.74
Non - current Borrowings (including current portion of Long term Debt)	988.89	996.18	8.15	1,993.22
<b>Total</b>	<b>2,873.98</b>	<b>295.43</b>	<b>13.55</b>	<b>3,182.96</b>

(₹ in Crs)

Particulars	1 <sup>st</sup> April 2022	Cash Flow	Foreign exchange movement	31 <sup>st</sup> March 2023
Current Borrowings	1,272.48	595.82	16.79	1,885.09
Non - current Borrowings (including current portion of Long term Debt)	1,289.79	(355.67)	54.77	988.89
<b>Total</b>	<b>2,562.27</b>	<b>240.15</b>	<b>71.56</b>	<b>2,873.98</b>

(iv) Refer note 17 for movement in Lease Liabilities

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

As per our report of even date  
For **Gokhale & Sathe**  
Chartered Accountants  
FRN: 103264W

**Tejas Parikh**  
Partner  
M.No. 123215  
UDIN: - 24123215BKBNZJ2660

Place: Mumbai  
Date: May 10, 2024

For and on behalf of the Board

**Rajendra V. Gogri**  
Chairman and  
Managing Director  
DIN: 00061003

**Chetan Gandhi**  
Chief Financial Officer  
ICAI M.No. 111481

**Rashesh C. Gogri**  
Vice Chairman and  
Managing Director  
DIN: 00066291

**Raj Sarraf**  
Company Secretary  
ICSI M.No. A15526

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

## A. EQUITY SHARE CAPITAL

	(₹ in Crs)
<b>As at April 1, 2022</b>	<b>181.25</b>
Changes in equity share capital during the year 2022-23	NIL
<b>As at March 31, 2023</b>	<b>181.25</b>
Changes in equity share capital during the year 2023-24	NIL
<b>As at March 31, 2024</b>	<b>181.25</b>

## B. OTHER EQUITY

Particulars	Other Equity							Total Other Equity
	Reserves and Surplus						Other Comprehensive Income	
	Capital Reserve	Securities Premium	General Reserve	Forfeiture Reserve	Share Based Payment Reserve	Retained Earnings		
<b>Balance as at April 1, 2022</b>	<b>9.70</b>	<b>1,348.35</b>	<b>380.07</b>	<b>1.85</b>	<b>NIL</b>	<b>2,578.67</b>	<b>1.14</b>	<b>4,319.78</b>
Dividend Paid	-	-	-	-	-	(90.63)	-	(90.63)
Transfer to Other Reserves from Retained Earnings	-	-	55.00	-	-	(55.00)	-	-
Profit for the Period	-	-	-	-	-	545.77	-	545.77
Other Adjustments	-	-	(0.17)	-	-	-	-	(0.17)
Other Comprehensive Income	-	-	-	-	-	-	(35.05)	(35.05)
<b>Balance as at March 31, 2023</b>	<b>9.70</b>	<b>1,348.35</b>	<b>434.90</b>	<b>1.85</b>	<b>NIL</b>	<b>2,978.81</b>	<b>(33.91)</b>	<b>4,739.70</b>
Dividend Paid	-	-	-	-	-	(54.38)	-	(54.38)
Transfer to Other Reserves from Retained Earnings	-	-	42.00	-	-	(42.00)	-	-
Profit for the Period	-	-	-	-	-	417.35	-	417.35
Other Adjustments	-	-	-	-	2.34	-	-	2.34
Other Comprehensive Income	-	-	-	-	-	-	6.14	6.14
<b>Balance as at March 31, 2024</b>	<b>9.70</b>	<b>1,348.35</b>	<b>476.90</b>	<b>1.85</b>	<b>2.34</b>	<b>3,299.79</b>	<b>(27.77)</b>	<b>5,111.16</b>

As per our report of even date  
For **Gokhale & Sathe**  
Chartered Accountants  
FRN: 103264W

**Tejas Parikh**  
Partner  
M.No. 123215  
UDIN: - 24123215BKBNZJ2660

Place: Mumbai  
Date: May 10, 2024

For and on behalf of the Board

**Rajendra V. Gogri**  
Chairman and  
Managing Director  
DIN: 00061003

**Chetan Gandhi**  
Chief Financial Officer  
ICAI M.No. 111481

**Rashesh C. Gogri**  
Vice Chairman and  
Managing Director  
DIN: 00066291

**Raj Sarraf**  
Company Secretary  
ICSI M.No. A15526

## CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICIES:

### Corporate Information

Aarti Industries Limited ("The Company") is a public limited company incorporated in India under provisions of Companies Act, 2013. The equity shares of the Company are listed on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE). The registered office of the Company is located at Plot No. 801,801/23 G.I.D.C. Estate, Phase III, Vapi, Dist. Valsad Gujarat 396 195 India. The Company is engaged in manufacturing and dealing in Speciality Chemicals and intermediates.

The Financial Statements were approved for issue in accordance with a resolution passed in Board Meeting held on May 10, 2024

### Material Accounting Policies

#### (a) Basis Of Preparation and Presentation:

The Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 including presentation and disclosure requirements of Division II of Schedule III of the Act as amended from time to time.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss for the year ended March 31, 2024, the Statement of Cash Flows for the year ended March 31, 2024 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Financial Statements').

In addition, the financial statements are presented in INR which is also the Company's functional currency and all values are rounded to the nearest Crore except when otherwise indicated.

#### (b) Basis Of Measurement:

The financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value;
- Plan assets under defined benefit plans – measured at fair value
- In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at

cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

#### (c) Significant Accounting Estimates, Judgements Assumptions:

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates according to the nature of the assumption and other circumstances. This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

The following are areas involving critical estimates and judgments:

##### Judgements:

- Leases
- Evaluation of recoverability of deferred tax assets, and estimation of income tax payable and income tax expense in relation to an uncertain tax position
- Provisions and Contingencies

##### Estimates:

- Impairment
- Accounting for Defined benefit plans
- Useful lives of property, plant and equipment and intangible assets
- Fair Valuation of Financial instruments
- Valuation of inventories

#### (d) Current and Non-Current Classification:

The Company presents assets and liabilities in the Balance sheet based on current/non-current classification, an asset is treated as current when it is:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle, or
- ii) Held primarily for the purpose of trading, or
- iii) Expected to be realized within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period



## CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICIES:

A liability is treated as current when it is:

- (i) Expected to be settled in normal operating cycle, or
- (ii) Held primarily for the purpose of trading, or
- (iii) Due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### (e) Property, Plant and equipment, Intangible Assets and Depreciation/Amortization:

#### 1. Property, Plant and Equipment (PPE)

PPEs held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less applicable accumulated depreciation/amortisation and accumulated impairment losses (if any).

The cost of PPE comprises its purchase price (including the costs of materials / components) net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and such other incidental costs that may be associated with acquisition or creation of the asset ready for its intended use.

An item or part of PPE is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss as and when the asset is derecognized.

PPE which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction/erection or are pending to be commercialized and put to use. The same is

carried at cost which is determined in the same manner as for any PPE.

#### 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. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### 3. Depreciation/Amortization

Pursuant to the notification of Schedule II of the Companies Act, 2013, the management has reassessed and changed based on 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:

Assets Class	Useful Life
Leasehold Land	Over the remaining tenure of lease
Building	Over a period of 3 - 31 years
Residential Quarters	Over a period of 30 years
Plant & Equipments	Over its useful life as technically assessed, i.e over a period of 7 - 19 years, based on the type of processes and equipments installed

## CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICIES:

Assets Class	Useful Life
Computers	Over a period of 3 - 6 years
Office Equipment	Over a period of 5 years
Furniture and Fixtures	Over a period of 10 years
Vehicles	Over a period of 8 years
Intangible assets (including Product / Process Development)	Over a period of 5-7 years, except for those where the finite periods are provided for
Leasehold Improvements	Over the remaining tenure of lease

#### 4. Impairment

The Company assesses at each reporting that the carrying amounts of its property, plant and equipment, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

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 asset or its value in use. Value in use is the 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:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the company intends to, and has sufficient resources to complete development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

#### (g) Intangible Assets Under Development:

Expenditure incurred on acquisition/development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development.

#### (h) Valuation of Inventories:

Inventories have been valued on the following basis:

Raw Materials, Packing Material, Stores and Spares and Traded goods	At cost on weighted Average basis Or net realisable value whichever is lower. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
Work-in-Process	At cost plus appropriate allocation of overheads or net realisable value whichever is lower.
Finished Good	At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Provisions are made for obsolete and non-moving inventories. Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

#### (i) Revenue Recognition:

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

#### (i) Sale of Goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

## CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICIES:

The Company recognizes net revenue from goods sold and services rendered at Transaction Price which is the amount of consideration the Company expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding the amounts collected on behalf of a third party. The Transaction price is net of discounts, sales incentives, rebates granted, returns, sales taxes, GST and duties and any other recoverable taxes.

Generally, In case of domestic sales, performance obligations are satisfied when the goods are dispatched or delivery is handed over to transporter, revenue from export of goods is recognized at the time of Bill of lading or airway bill or any other similar document evidencing delivery thereof.

### (ii) Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### (iii) Dividend Income

Revenue is recognized when the Company's right to receive the dividend is established, which is generally when shareholders approve the dividend.

### (iv) Export Benefits

Export incentives are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### (v) Subsidy Received

Subsidy from the 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.

### (j) Financial Instruments:

#### Recognition and initial measurement

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. However, Trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition

of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### Classification and Subsequent Measurement of Financial Assets:

The Company classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

#### (a) Financial Assets measured at Amortised Cost:

A Financial Asset is measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

#### (b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

#### (c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

#### Classification and Subsequent Measurement of Financial Liabilities:

#### (a) Financial liabilities measured at Fair Value Through Profit or Loss (FVTPL):

Financial liabilities are classified as FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or Losses, including

## CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICIES:

any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

### (b) Other Financial Liabilities:

Other financial liabilities (including loans and borrowings, bank overdrafts and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### Debt and Equity Instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

### Equity Investments

All equity investments (excluding the investments in Subsidiaries) in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### Investments in Subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

### De-recognition of Financial Instruments:

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

### Impairment of Financial Assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all Financial Assets subsequent to initial recognition other than financial assets measured at fair value through profit and loss (FVTPL). The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other financial assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used. The impairment losses and reversals are recognised in Statement of Profit and Loss.

## CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICIES:

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

### Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

### Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

### Derivative Financial Instruments:

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

### Cash Flow Hedge

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions. The company risk management policy is to hedge forecasted foreign currency sales for the subsequent 12 to 36 months. As per the risk management policy, appropriate foreign currency hedges are executed or undertaken to hedge forecasted sales.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately classified to statement of profit and loss.

### (k) Cash and Cash Equivalents:

For the purpose of presentation in the Balance sheet, Cash and Cash equivalents comprises cash at bank and on hand and other short-term, highly liquid investments with an original maturity (or with an option to or can be readily converted or liquidated into cash) of three months or less, 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.



## CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICIES:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank and on hand and 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.

### (l) Provisions:

Provisions are recognized when the Company has a present obligation (legal and constructive) 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.

### (m) 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 are 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 future lease payments. 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.

For short-term and low value leases, the Company recognises the lease payments as an operating expense.

### (n) Employee Benefits :

#### (a) Employee Benefits:

All employee benefits such as salaries, wages, short-term compensated absences, expected cost of bonus, etc. are recognised in the period in which the employee renders the related services.

### (b) Post-Employment Benefits:

#### (i) Defined Contribution Plan:

The Company makes defined contributions to Employee Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance, and superannuation Schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related services which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

#### (ii) Defined Benefit Plan

The gratuity liability of the company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

### (c) Share Based Payment:

The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in Other Equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Share Based Payment Reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

## CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICIES:

### (o) Foreign Currency Transactions:

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates (functional currency). The Standalone Financial Statements of the Company are presented in Indian currency (₹), which is also the functional currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate as applicable in the period of such transaction. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each reporting period are appropriately dealt in the financial statements in accordance with the applicable Indian Accounting standards.

### (p) Income Taxes:

Income tax expense comprises of current tax expense and deferred tax expenses.

Current and deferred taxes are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

#### Current Income Tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

#### Deferred Tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

#### Minimum Alternate Tax (MAT) :

MAT credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### (q) Borrowing Costs:

Borrowing costs, general or specific, that are attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

### (r) Contingent Liabilities

#### Contingent Liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 1. PROPERTY, PLANT AND EQUIPMENT:

F.Y. 2023-24 Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at April 1, 2023	Additions/ (Disposals)	Deduction/ Adjustment	Balance as at April 1, 2023	Depreciation charge for the year	Deduction/ Adjustment	Balance as at March 31, 2024	Balance as at March 31, 2023
<b>(i) Tangible Assets</b>								
Free Hold Land	3.56	-	-	0.26	-	-	0.26	3.30
Lease Hold Land	232.44	9.54	-	12.91	2.15	-	15.06	219.53
Buildings	586.46	84.63	0.00	125.57	51.63	0.00	177.20	460.89
Plant and Equipment	5,158.68	997.23	213.28	1,218.16	293.69	186.62	1,325.23	3,940.52
R&D Assets & Equipments	159.44	15.59	19.24	34.33	8.71	0.70	42.34	113.45
Leasehold Improvements	-	26.78	-	-	5.51	-	5.51	21.27
Furniture and Fixtures	44.29	20.97	1.26	13.67	10.32	1.26	22.73	30.62
Vehicles	23.08	20.25	3.04	10.81	5.06	1.93	13.94	12.27
<b>Total (i)</b>	<b>6,207.95</b>	<b>1,174.99</b>	<b>236.82</b>	<b>1,415.71</b>	<b>377.07</b>	<b>190.51</b>	<b>1,602.27</b>	<b>4,792.24</b>
<b>(ii) Capital Work-in-Progress</b>							<b>1,058.54</b>	<b>988.73</b>
<b>(iii) Right of use Assets</b>								
Buildings	51.19	35.18	2.49	20.89	11.38	1.81	30.46	30.30
<b>(iv) Intangible Assets</b>								
Technical Knowhow	0.08	6.50	-	0.08	0.00	-	0.08	-
Computer Software	1.86	0.92	-	0.39	0.82	-	1.21	1.47
<b>Total (iv)</b>	<b>1.94</b>	<b>7.42</b>	<b>-</b>	<b>0.47</b>	<b>0.82</b>	<b>-</b>	<b>1.29</b>	<b>1.47</b>
<b>(v) Intangible assets under development</b>							<b>170.51</b>	<b>107.24</b>
<b>TOTAL (i+ii+iii+iv+v)</b>	<b>6,261.08</b>	<b>1,217.59</b>	<b>239.31</b>	<b>1,437.07</b>	<b>389.27</b>	<b>192.32</b>	<b>1,634.02</b>	<b>5,919.98</b>

Notes:

- Depreciation to the extent of ₹11.82 Crs (previous year ₹11.90 Crs) in respect of assets utilised for creation/generation of intangible assets are appropriately capitalised under applicable intangible assets under development.
- Additions during the year and capital work-in-progress include borrowing cost capitalised in accordance with Accounting Standard (Ind AS) 23 on "Borrowing Costs". The rate used to determine the amount of borrowing costs eligible for capitalisation is ranging from 8% to 8.6% (previous year 6.7% to 8%).

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

F.Y. 2022-23	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Balance as at April 1, 2022	Additions/ (Disposals)	Deduction/ Adjustment	Balance as at March 31, 2023	Balance as at April 1, 2022	Depreciation / charge for the year	Deduction / Adjustment	Balance as at March 31, 2023	Balance as at March 31, 2022
<b>(i) Tangible Assets</b>									
Free Hold Land	3.56	-	-	3.56	0.26	-	-	0.26	3.30
Lease Hold Land	189.74	54.10	11.40	232.44	9.13	3.92	0.14	12.91	219.53
Buildings	458.30	128.41	0.25	586.46	94.90	30.92	0.25	125.57	460.89
Plant and Equipment	4,141.96	1,264.48	247.76	5,158.68	1,206.61	258.98	247.43	1,218.16	3,940.52
R&D Assets & Equipments	130.44	29.86	0.86	159.44	23.53	11.66	0.86	34.33	125.11
Furniture and Fixtures	49.66	18.75	24.12	44.29	31.93	5.67	23.93	13.67	30.62
Vehicles	31.62	4.69	13.23	23.08	20.87	3.17	13.23	10.81	12.27
<b>Total (i)</b>	<b>5,005.28</b>	<b>1,500.29</b>	<b>297.62</b>	<b>6,207.95</b>	<b>1,387.23</b>	<b>314.32</b>	<b>285.84</b>	<b>1,415.71</b>	<b>3,618.05</b>
<b>(ii) Capital Work-in-Progress</b>								<b>988.73</b>	<b>1,260.05</b>
<b>(iii) Right of use Assets</b>									
Buildings	30.25	20.94	-	51.19	13.29	7.60	-	20.89	30.30
<b>(iv) Intangible Assets</b>									
Technical Knowhow	0.08	-	-	0.08	0.08	-	-	0.08	-
Computer Software	0.39	1.47	-	1.86	0.39	0.00	-	0.39	1.47
<b>Total (iv)</b>	<b>0.47</b>	<b>1.47</b>	<b>-</b>	<b>1.94</b>	<b>0.47</b>	<b>0.00</b>	<b>-</b>	<b>0.47</b>	<b>1.47</b>
<b>(v) Intangible assets under development</b>								<b>107.24</b>	<b>42.97</b>
<b>TOTAL (i+ii+iii+iv+v)</b>	<b>5,036.00</b>	<b>1,522.70</b>	<b>297.62</b>	<b>6,261.08</b>	<b>1,400.99</b>	<b>321.92</b>	<b>285.84</b>	<b>1,437.07</b>	<b>4,938.03</b>

(₹ in Crs)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## (a) Capital-Work-in Progress (CWIP):

Capital Work-In-Progress (CWIP) Ageing Schedule as on March 31, 2024:

(₹ in Crs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	832.04	172.76	45.57	8.16	1,058.54
Projects temporarily suspended	-	-	-	-	-

Capital Work-In-Progress (CWIP) Ageing Schedule as on March 31, 2023:

(₹ in Crs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	407.97	177.22	159.58	243.96	988.73
Projects temporarily suspended	-	-	-	-	-

## (b) Intangible assets under development:

Intangible assets under development ageing schedule as on March 31, 2024:

(₹ in Crs)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	69.25	60.69	40.57	-	170.51
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule as on March 31, 2023:

(₹ in Crs)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	64.27	42.97	-	-	107.24
Projects temporarily suspended	-	-	-	-	-

## (c) Notes :

- (i) There are no material projects whose completion is overdue as compared to its original plan as at March 31, 2024.
- (ii) There were no material projects which have exceeded their original plan cost as at March 31, 2024.
- (iii) The Company has not recognised any impairment loss during the current year.
- (iv) The title deeds of property plant and equipment are held in name of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 2. NON-CURRENT INVESTMENTS:

(₹ In Crs)

Name of the Company	Face Value (in ₹)	No. of Shares/Units	As at March 31, 2024	No. of Shares/Units	As at March 31, 2023
<b>Investments - (Unquoted) in Equity Shares of Subsidiary Companies (At Cost)</b>					
Aarti Corporate Services Limited	10	20,24,680	1.73	20,24,680	1.73
Alchemie (Europe) Limited	₹1.00	80,000	0.54	80,000	0.54
Innovative Envirocare Jhagadia Limited	10	3,50,000	0.35	3,50,000	0.35
Aarti Polychem Private Limited	10	20,500	0.02	1,500	0.00
Aarti Bharuch Limited	10	2,50,000	0.25	2,50,000	0.25
Aarti Spechem Limited	10	2,50,000	0.25	2,50,000	0.25
Augene Chemical Private Limited	10	50,000	0.05	NIL	NIL
Aarti Chemical Trading FZCO	AED 100	500	0.11	NIL	NIL
			<b>3.30</b>		<b>3.12</b>
<b>Investments - (Unquoted) in Equity Shares of Other Companies (At FVTOCI)</b>					
Ichalkaranji Janata Sahakari Bank Limited	50	1,000	0.01	1,000	0.01
Damanganga Saha Khand Udyog Mandali Limited	2000	61	0.01	61	0.01
Narmada Clean Tech Limited	10	2,87,550	0.13	2,87,550	0.13
U.K.I.P. Co-Op. Society Limited	50	80	0.00	80	0.00
Perfect Enviro Control Systems Limited	10	36,800	0.03	36,800	0.03
Shamrao Vithal Co-op. Bank Limited	10	100	0.00	100	0.00
ReNew Green (GJ Six) Private Limited	10	1,51,80,000	15.19	91,08,000	9.11
			<b>15.37</b>		<b>9.29</b>
<b>TOTAL</b>			<b>18.67</b>		<b>12.41</b>

## 3. NON CURRENT LOANS AND ADVANCES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans and Advances (Refer Note 36 for Related Party Balances)	57.65	49.65
<b>TOTAL</b>	<b>57.65</b>	<b>49.65</b>

## 4. DEFERRED TAX ASSETS (NET):

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance for the year	52.17	28.67
<b>Deferred Tax Assets</b>		
MAT Credit Entitlement	69.72	41.00
Items allowed for tax purpose on payment	0.35	5.85
DTA on Loss	59.14	-
<b>Deferred Tax Liabilities</b>		
Difference between net book value of depreciable capital assets as per books vis - a - vis written down value as per Tax Laws.	(38.49)	(23.35)
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>142.89</b>	<b>52.17</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 5. OTHER NON-CURRENT ASSETS:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Advances (Refer note 36 for Related Party Balances)	43.70	44.59
Other Deposits	50.12	42.55
<b>TOTAL</b>	<b>93.82</b>	<b>87.13</b>

## 6. INVENTORIES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials and Components (incl In-transit stock)	224.67	222.93
Work-in-progress	303.90	274.46
Finished Goods (incl In-transit stock)	402.44	330.86
Stock-in-trade	0.04	2.39
Stores and Spares	203.80	168.62
Fuel (incl In-transit stock)	6.95	8.08
Packing Materials	9.25	7.73
<b>TOTAL</b>	<b>1,151.05</b>	<b>1,015.07</b>

### 6.1 IN-TRANSIT INVENTORIES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials	17.85	68.57
Finished Goods	90.77	48.70
Fuel	-	0.24
<b>TOTAL</b>	<b>108.62</b>	<b>117.51</b>

## 7. TRADE RECEIVABLES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables considered good - Unsecured (Refer Note 36 for Related Party Balances)	867.04	973.83
Unsecured, credit impaired	1.46	2.19
Less: Impairment loss allowance	(1.46)	(2.19)
<b>TOTAL</b>	<b>867.04</b>	<b>973.83</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## Trade Receivables ageing schedule as on March 31, 2024

(₹ In Crs)

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	354.48	97.50	30.31	0.57	-	482.86
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	1.46	-	1.46
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance						(1.46)
<b>TOTAL</b>	<b>354.48</b>	<b>97.50</b>	<b>30.31</b>	<b>2.03</b>	<b>-</b>	<b>482.86</b>

## Trade Receivables ageing schedule as on March 31, 2023

(₹ In Crs)

Particulars	Outstanding for following periods from due date of payments *					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	477.03	39.05	6.21	-	-	522.29
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	2.19	-	-	2.19
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance						(2.19)
<b>TOTAL</b>	<b>477.03</b>	<b>39.05</b>	<b>8.40</b>	<b>-</b>	<b>-</b>	<b>522.29</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 8. CASH AND CASH EQUIVALENTS:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.68	0.45
Bank balance in Current Accounts	36.89	160.61
<b>TOTAL</b>	<b>37.56</b>	<b>161.06</b>

## 9. OTHER BANK BALANCES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Bank balance in Deposit Accounts	86.17	31.35
Earmarked Balances (Unpaid Dividend Accounts)	1.78	1.93
<b>TOTAL</b>	<b>87.95</b>	<b>33.28</b>

## 10. LOANS AND ADVANCES CURRENT:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans & Advances given to:		
(i) Employees	8.26	10.32
(ii) Related Parties (Refer Note 36 for Balances)	-	21.71
<b>TOTAL</b>	<b>8.26</b>	<b>32.03</b>

## 11. OTHER CURRENT FINANCIAL ASSETS:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Customs, Port Trust, Central Excise, Sales Tax & Goods & Services Tax Authorities	218.11	148.92
Subsidy Receivable	10.19	11.87
<b>TOTAL</b>	<b>228.30</b>	<b>160.79</b>

## 12. CURRENT TAX ASSETS (NET):

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Tax and Tax Deducted at Source (Net of Provisions)	76.31	55.21
<b>TOTAL</b>	<b>76.31</b>	<b>55.21</b>

## 13. OTHER CURRENT ASSETS:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Others Receivables	11.60	10.95
Prepaid Expenses	27.37	26.49
<b>TOTAL</b>	<b>38.97</b>	<b>37.44</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 14. EQUITY SHARE CAPITAL:

(₹ In Crs)

Particulars	No. of Shares	As at		
		March 31, 2024	March 31, 2023	
<b>Authorised Share Capital</b>				
Equity Shares of ₹5/- each	60,00,00,000	300.00	60,00,00,000	300.00
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of ₹5/- each fully paid up	36,25,04,035	181.25	36,25,04,035	181.25
<b>TOTAL</b>		<b>181.25</b>		<b>181.25</b>

### 14.1 Reconciliation of the number of Shares outstanding:

Particulars	No. of Shares outstanding	
	As at March 31, 2024	As at March 31, 2023
Equity Shares at the beginning of the year	36,25,04,035	36,25,04,035
Add: Shares issued during the year	NIL	NIL
Less: Shares buy-back during the year	NIL	NIL
<b>Equity Shares at the end of the year</b>	<b>36,25,04,035</b>	<b>36,25,04,035</b>

### 14.2 Rights, preferences and restrictions attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of ₹5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### 14.3 Details of shareholders holding more than 5% shares:

Name of the Shareholders	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% held	No. of Shares	% held
Life Insurance Corporation of India	2,46,56,272	6.80	2,46,56,272	6.80

### 14.4 The details of Equity Shares outstanding during last 5 years:

Particulars	Financial Year				
	2023-24	2022-23	2021-22	2020-21	2019-20
No. of Equity Shares outstanding	36,25,04,035	36,25,04,035	36,25,04,035	17,42,34,474	17,42,34,474

(Refer Note 14.5)

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

- During the year 2021-22, 1,40,35,087 Shares were issued through Qualified Institutions Placement at the issue price of ₹855 per Equity Share (including ₹850 towards share premium) to qualified institutional buyers.
- During the year 2021-22 17,42,34,474 Shares are issued as Bonus Shares in the ratio of 1:1 Equity Share of ₹5 each.
- During the year 2019-20 8,71,17,237 Shares are issued as Bonus Shares in the ratio of 1:1 Equity Share of ₹5 each.
- During the year 2019-20, 448,590 Shares were allotted to the shareholders of Nascent Chemical Industries Limited pursuant to the terms of the Scheme of Arrangement approved by the Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 14.6 Details of shares held by promoters and promoter group:

Sr. No.	Promoters Name	As at March 31, 2024		As at March 31, 2023		% change during the year
		Number of Shares held	% of Holding	Number of Shares held	% of Holding	
1	Rashesh Chandrakant Gogri	1,48,37,616	4.09	1,53,37,616	4.23	(0.14)
2	Mirik Rajendra Gogri	1,11,72,384	3.08	1,11,72,384	3.08	0.00
3	Renil Rajendra Gogri	1,11,71,008	3.08	1,11,71,008	3.08	0.00
4	Anushakti Enterprise Private Limited	99,70,000	2.75	99,70,000	2.75	0.00
5	Hetal Gogri Gala	99,62,192	2.75	1,04,62,192	2.89	(0.14)
6	Jaya Chandrakant Gogri	97,98,548	2.70	97,98,548	2.70	0.00
7	Sarla Shantilal Shah	95,89,028	2.65	96,68,322	2.67	(0.02)
8	Labdhi Business Trust (Saswat Trusteeship Private Limited)	92,00,000	2.54	92,00,000	2.54	0.00
9	Tulip Family Trust (Gloire Trusteeship Services Private Limited)	65,96,000	1.82	65,96,000	1.82	0.00
10	Orchid Family Trust (Relacion Trusteeship Services Private Limited)	65,96,000	1.82	65,96,000	1.82	0.00
11	Safechem Enterprises Private Limited	58,52,000	1.61	58,52,000	1.61	0.00
12	Rajendra Vallabhaji Gogri	57,03,600	1.57	57,03,600	1.57	0.00
13	Nehal Garewal	39,14,190	1.08	39,77,070	1.10	(0.02)
14	Heena Family Private Trust (Barclays Wealth Trustees India Private Limited)	33,35,436	0.92	33,35,436	0.92	0.00
15	Bhavna Family Private Trust (Barclays Wealth Trustees India Private Limited)	32,16,404	0.89	32,16,404	0.89	0.00
16	Nikhil Parimal Desai	30,05,016	0.83	30,75,016	0.85	(0.02)
17	Jasmine Family Trust (Relacion Trusteeship Services Private Limited)	27,50,000	0.76	27,50,000	0.76	0.00
18	Alchemie Financial Services Limited	26,92,024	0.74	26,92,024	0.74	0.00
19	Lotus Family Trust (Gloire Trusteeship Services Private Limited)	24,98,000	0.69	24,98,000	0.69	0.00
20	Manomaya Business Trust (Alabhya Trusteeship Private Limited)	24,00,000	0.66	24,00,000	0.66	0.00
21	Aarnav Rashesh Gogri	23,82,000	0.66	22,00,000	0.61	0.05
22	Aashay Rashesh Gogri	22,00,000	0.61	22,00,000	0.61	0.00
23	Manisha Rashesh Gogri	22,00,000	0.61	22,00,000	0.61	0.00
24	Arti Rajendra Gogri	19,01,024	0.52	19,01,024	0.52	0.00
25	Bhavna Shah Lalka	16,55,764	0.46	20,55,764	0.57	(0.11)
26	Parimal Hasmukslal Desai	15,98,284	0.44	15,98,284	0.44	0.00
27	Ratanben Premji Gogri	13,51,230	0.37	13,51,230	0.37	0.00
28	Heena Bhatia	12,90,352	0.36	12,90,352	0.36	0.00
29	Rajendra Vallabhaji Gogri (HUF) (Karta - Rajendra Vallabhaji Gogri)	12,33,096	0.34	12,33,096	0.34	0.00

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

Sr. No.	Promoters Name	As at March 31, 2024		As at March 31, 2023		% change during the year
		Number of Shares held	% of Holding	Number of Shares held	% of Holding	
30	Shantilal Tejshi Shah HUF (Karta - Nehal Garewal)	11,15,526	0.31	11,15,526	0.31	0.00
31	Alchemie Finserv Private Limited	10,56,420	0.29	10,56,420	0.29	0.00
32	Gogri Finserv Private Limited	10,56,420	0.29	10,56,420	0.29	0.00
33	Mananjay Singh Garewal	10,50,040	0.29	10,50,040	0.29	0.00
34	Indira Madan Dedhia	6,82,500	0.19	7,08,400	0.20	(0.01)
35	Bhanu Pradip Savla	6,22,948	0.17	6,22,948	0.17	0.00
36	Shreya Suneja	4,50,000	0.12	4,50,000	0.12	0.00
37	Monisha Bhatia	3,64,484	0.10	3,64,484	0.10	0.00
38	Gunavanti Navin Shah	3,46,578	0.10	3,46,578	0.10	0.00
39	Nikhil Holdings Private Limited	3,43,566	0.09	7,08,566	0.20	(0.10)
40	Chandrakant Vallabhaji Gogri	1,42,000	0.04	6,22,000	0.17	(0.13)
41	Jayesh Shah	65,666	0.02	65,666	0.02	0.00
42	Dilesh Roadlines Private Limited	33,272	0.01	33,272	0.01	0.00
43	Valiant Organics Limited	30,000	0.01	30,000	0.01	0.00
44	Prasadi Yogesh Banatwala	7,680	0.00	15,780	0.00	(0.00)
45	Pooja Renil Gogri	1,528	0.00	1,528	0.00	0.00
<b>Total</b>		<b>15,74,39,824</b>	<b>43.43</b>	<b>15,97,48,998</b>	<b>44.07</b>	<b>(0.64)</b>

## 14.7 Dividends:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(i) Dividend paid during the year</b>		
Final dividend for the year ended March 31, 2023 of ₹1.50 (previous year: ₹1.50) per fully paid share	54.38	54.38
Interim Dividend for 2023-24 of ₹NIL (previous year: ₹1.00) per fully paid share	-	36.25
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of dividend of ₹1.00 (previous year: ₹1.50) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	36.25	54.38

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 15. OTHER EQUITY:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Capital Reserves</b>		
Opening Balance	9.70	9.70
Addition	-	-
Deduction	-	-
<b>Closing Balance</b>	<b>9.70</b>	<b>9.70</b>
<b>Footnote</b> : Capital Reserves represents the difference between the consideration paid and net assets received under business combination transactions.		
<b>Securities Premium Account</b>		
Opening Balance	1,348.35	1,348.35
Addition	-	-
Deduction	-	-
<b>Closing Balance</b>	<b>1,348.35</b>	<b>1,348.35</b>
<b>Footnote</b> : Securities premium represents the amount received in excess of the face value upon issue of equity shares. The same may be, inter alia, utilised for issue of fully paid bonus shares or for buy-back of equity shares by the Company, in accordance with the provisions of the Act.		
<b>General Reserve</b>		
Opening Balance	434.90	380.07
Addition:		
Transferred from Profit & Loss Account	42.00	55.00
Deduction:		
Other Adjustments	-	0.17
<b>Closing Balance</b>	<b>476.90</b>	<b>434.90</b>
<b>Footnote</b> : The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.		
<b>Profit and Loss Account</b>		
Opening Balance	2,978.81	2,578.67
Addition:		
Net Profit/(Loss) for the year	417.35	545.77
Deduction:		
Final Dividend paid on Equity Share for the previous year	54.38	54.38
Interim Dividend paid on Equity Share during the year	-	36.25
Transferred to General Reserve	42.00	55.00
<b>Closing Balance</b>	<b>3,299.79</b>	<b>2,978.81</b>
<b>Footnote</b> : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividend or other distributions paid to shareholders.		
<b>Other Reserves</b>		
Employee Share Based Payment Reserve	2.34	-
Forfeiture Reserve	1.85	1.85
<b>Closing Balance</b>	<b>4.19</b>	<b>1.85</b>
<b>Footnote</b> : The Company has offered equity shares to certain employees and officers under an employee share purchase scheme. The employee share based payment reserve is used to recognise the value of equity settled share based payments provided to such employees and officers. Forfeiture reserve is created on account of forfeiture of shares.		
<b>Other Comprehensive Income</b>		
Opening Balance	(33.91)	1.14
Addition:		
OCI for the year	6.14	(35.05)
Deduction		
<b>Closing Balance</b>	<b>(27.77)</b>	<b>(33.91)</b>
<b>Footnote</b> : This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments, long term advances and foreign currency hedge measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		
<b>TOTAL</b>	<b>5,111.16</b>	<b>4,739.70</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 16. NON-CURRENT BORROWINGS:

(₹ In Crs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	Current	Non-Current	Current
<b>Secured</b>				
(a) ECB/Term loans from Banks/Financial Institutions	1,520.87	467.71	629.77	352.25
(b) Vehicle Loans from Banks/Financial Institutions	3.00	1.64	4.94	1.93
<b>TOTAL</b>	<b>1,523.87</b>	<b>469.35</b>	<b>634.71</b>	<b>354.18</b>

(₹ In Crs)

Details of Long term Loans from Banks / Financial Institutions	Maturity	Terms of Repayment	Interest rate p.a.	As at March 31, 2024	As at March 31, 2023
<b>Long Term Rupee Loans</b>					
From HSBC Limited	Last instalment due in 2025-26	16 quarterly repayments of ₹6.25 crs each	3 Month T-Bill + spread of 191 bps	50.00	75.00
From State Bank of India	Already paid off	N.A.	N.A.	-	19.60
From Kotak Mahindra Bank Limited	Last instalment due in 2025-26	16 quarterly repayments of ₹6.25 crs each	Fixed rate of 6.25% p.a.	43.75	68.75
From HDFC Bank Limited	Already paid off	N.A.	N.A.	-	16.67
From Citibank N.A.	Last instalment due in 2025-26	16 quarterly repayments of ₹6.25 crs each	3 Month T-Bill + Spread of 268 bps	43.75	68.75
From HDFC Bank Limited	Last instalment due in 2030-31	28 quarterly stepped up instalments of ₹1.25 - 14.69 crs each	1 month T-Bill + Spread of 165 bps	246.38	-
From Standard Chartered Bank	Last instalment due in 2024-25	2 quarterly repayments of ₹25 crs each	MIBOR linked Rate, presently at 8.5%	50.00	-
From Citibank N.A.	Last instalment due in 2029-30	16 quarterly repayments of ₹21.87 crs each	RBI Repo Rate + Spread of 150 bps	347.31	-
From Axis Bank Limited	Last instalment due in 2030-31	20 quarterly repayments of ₹10 crs each	RBI Repo Rate + Spread of 175 bps	200.00	-

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(₹ In Crs)

Details of Long term Loans from Banks / Financial Institutions	Maturity	Terms of Repayment	Interest rate p.a.	As at	As at
				March 31, 2024	March 31, 2023
<b>Foreign Currency Loans (incl ECBs)</b>					
From DBS Bank Limited	Already paid off	N.A.	N.A.	-	6.46
From Axis Bank Limited	Already paid off	N.A.	N.A.	-	16.05
From State Bank of India (ECB1)	Last instalment due in 2024-25	17 quarterly repayments of USD 1.18 mn each	3 months SOFR + spread of 130 bps	52.17	67.42
From Citibank N.A.	Last instalment due in 2025-26	18 quarterly repayments of JPY 60 mn each	3 Month JPY Libor + spread of 50 bps	36.30	53.64
From State Bank of India (ECB2)	Last instalment due in 2025-26	10 quarterly repayments of USD 4 mn each	3 months SOFR + spread of 140 bps	232.92	327.04
From Export Import Bank of India	Last instalment due in 2025-26	14 quarterly stepped up instalment of USD 1 mn - 4.50 mn each	6 months SOFR + spread of 190 bps	196.08	262.65
From International Finance Corporation	Last instalment due in 2033-34	15 semi annually instalments of USD 4.00 mn each	6 months SOFR + spread of 100 bps	489.92	-

## Details of Security

- a) The above Outstanding Term Loans/ECBs are secured by way of Pari Passu Hypothecation of the Moveable Plant & Machinery, Machinery Spares, Tools and Accessories and other movables, both present and future (except book debts, inventories and other current assets) wherever situated, excluding those charged exclusively to other Term Lenders/Specifically excluded.
- b) Vehicle loans from Banks/Financial Institutions are secured by way of hypothecation of respective vehicles.

## 17. LEASE LIABILITIES:

(₹ In Crs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	Current	Non-Current	Current
Lease Liabilities Account	49.31	9.07	25.26	8.02
<b>TOTAL</b>	<b>49.31</b>	<b>9.07</b>	<b>25.26</b>	<b>8.02</b>

The movements in lease liabilities during the ended 31 March, 2024 and 31 March, 2023 is as follows :

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	33.28	18.98
Additions during the year	35.23	25.42
Deletion during the year	(0.98)	(4.52)
Finance Cost incurred during the year	4.41	2.34
Payment of Lease Liabilities	(13.56)	(8.94)
<b>Balance at the end of the year</b>	<b>58.38</b>	<b>33.28</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 18. OTHER NON CURRENT LIABILITIES:

(₹ In Crs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	Current	Non-Current	Current
Long Term Advance for Exports Received From Customer	175.29	67.55	216.68	66.71
<b>TOTAL</b>	<b>175.29</b>	<b>67.55</b>	<b>216.68</b>	<b>66.71</b>

The Company has received aforesaid advances for export commitments under the long term contracts (contracts with period more than five year) executed by the company with its customers. The advances shall be adjusted against the export sales/ supplies over a period of time, as per the terms of these contracts. Further, as per the terms of said contracts, the Company has issued a Bank Guarantee in favour of the customer as a security for the said advances.

## 19. SHORT-TERM BORROWINGS:

(₹ In Crs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>Secured</b>		
Working Capital Loan From Banks	1,139.70	1,481.68
Current maturities of Long-Term Debt (Refer Note 16 (a))	467.71	352.25
Current maturities of Vehicle Loan ((Refer Note 16 (b))	1.64	1.93
	<b>1,609.05</b>	<b>1,835.86</b>
<b>Unsecured</b>		
From Banks	50.04	403.41
	<b>50.04</b>	<b>403.41</b>
<b>TOTAL</b>	<b>1,659.09</b>	<b>2,239.27</b>

- (i) Working Capital Loans availed from Scheduled Banks, are secured by way of Pari Passu first charge by hypothecation of Raw Materials, Stock-In-Process, Semi-Finished Goods, Finished Goods, Packing Materials and Stores and Spares, Bills Receivables and Book Debts and all other moveable, both present and future. Also by way of hypothecation of all moveable plant & machinery, machinery spares, tools and accessories and other movables, both present and future (except book debts & inventories) wherever situated, ranking second to the charge held by ECB/Other Term Lenders.
- (ii) In respect of working capital borrowings from banks timely stock statements are submitted to the banks and there are no material discrepancies noted in comparison with the books of accounts.

## 20. TRADE PAYABLES:

(₹ In Crs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Trade payables due to:		
Micro and Small Enterprises (MSME)	44.39	48.67
Other than Micro and Small Enterprises	504.45	178.58
<b>TOTAL</b>	<b>548.84</b>	<b>227.25</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## Trade Payables ageing schedule as on March 31, 2024

(₹ In Crs)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
Micro and Small Enterprises (MSME)	-	-	-	-	-
Other than Micro and Small Enterprises	39.71	3.41	-	-	43.12
Disputed Dues to MSME	-	-	-	-	-
Disputed Dues to Others	-	-	-	-	-
<b>TOTAL</b>	<b>39.71</b>	<b>3.41</b>	<b>-</b>	<b>-</b>	<b>43.12</b>

## Trade Payables ageing schedule as on March 31, 2023

(₹ In Crs)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
Micro and Small Enterprises (MSME)	-	-	-	-	-
Other than Micro and Small Enterprises	81.79	3.08	-	-	84.87
Disputed Dues to MSME	-	-	-	-	-
Disputed Dues to Others	-	-	-	-	-
<b>TOTAL</b>	<b>81.79</b>	<b>3.08</b>	<b>-</b>	<b>-</b>	<b>84.87</b>

There are no Micro and Small Enterprise, to whom the Company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 21. OTHER FINANCIAL LIABILITIES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unpaid Dividends	1.78	1.93
Project Payables	250.14	189.33
<b>TOTAL</b>	<b>251.92</b>	<b>191.26</b>

## 22. OTHER CURRENT LIABILITIES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance for Exports Received From Customer (Current) (Refer Note 18)	67.55	66.71
Other Current Liabilities & Taxes	25.89	32.37
<b>TOTAL</b>	<b>93.44</b>	<b>99.08</b>

## 23. SHORT-TERM PROVISIONS:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Employees' Benefits	39.62	27.57
<b>TOTAL</b>	<b>39.62</b>	<b>27.57</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 24. REVENUE FROM OPERATIONS:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Sale of Products & Services	6,806.19	7,100.03
Other Operating Revenues	179.10	126.42
Gross Revenue From Operation	6,985.29	7,226.45
Less: GST Collected	638.11	661.37
<b>NET REVENUE FROM OPERATIONS</b>	<b>6,347.18</b>	<b>6,565.08</b>

### 24.1 GEOGRAPHICAL GROSS REVENUE:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Local Sales	3,341.75	3,709.45
Export Sales	3,643.54	3,517.00
<b>TOTAL</b>	<b>6,985.29</b>	<b>7,226.45</b>

### 24.2 OTHER OPERATING REVENUES:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Fertilizers Subsidy Received	30.58	48.38
Export Benefits/Incentives Received	18.80	29.59
Contract Shortfall Fees	119.80	31.85
Scrap Sales	9.92	16.60
<b>TOTAL</b>	<b>179.10</b>	<b>126.42</b>

### 24.3 RECONCILIATION OF REVENUE FROM SALE OF PRODUCTS & SERVICES WITH THE CONTRACTED PRICE:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Contracted Price	6,832.35	7,125.41
Less: Trade discounts, volume rebates etc.	(26.16)	(25.38)
<b>TOTAL</b>	<b>6,806.19</b>	<b>7,100.03</b>

## 25. OTHER INCOME:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Profit on Sale of Assets/Investments	0.94	0.23
Interest Income	7.09	-
Other Income	0.38	0.19
<b>TOTAL</b>	<b>8.41</b>	<b>0.42</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 26. COST OF MATERIALS CONSUMED:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Consumption of Raw Materials	3,375.36	2,885.75
Consumption of Packing Materials	45.22	53.29
Consumption of Fuel	286.89	430.91
Consumption of Stores & Spares	63.73	95.18
<b>TOTAL</b>	<b>3,771.20</b>	<b>3,465.13</b>

## 27. CHANGE IN INVENTORY:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Opening Stock		
Finished Goods	330.86	419.41
Work-in-Progress	274.46	232.01
<b>Total (A)</b>	<b>605.32</b>	<b>651.42</b>
Closing Stock		
Finished Goods	402.44	330.86
Work-in-Progress	303.90	274.46
<b>Total (B)</b>	<b>706.34</b>	<b>605.32</b>
<b>TOTAL (A-B)</b>	<b>(101.02)</b>	<b>46.09</b>

## 28. EMPLOYEE BENEFITS:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Salaries, Wages & Bonus	347.35	324.69
Share Based Payment Expenses	2.34	-
Contribution to PF and other Funds	24.68	23.90
Workmen & Staff Welfare Expenses	27.29	34.50
<b>TOTAL</b>	<b>401.66</b>	<b>383.10</b>

## 29. FINANCE COST:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest Expenses	178.00	101.49
Exchange difference on borrowing costs	16.47	54.77
Lease Liability	4.41	2.34
Other borrowing Costs (includes bank charges, etc.)	11.78	7.20
<b>TOTAL</b>	<b>210.66</b>	<b>165.80</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 30. OTHER EXPENSES:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Manufacturing Expenses:</b>		
Freight, Cartage & Transport	136.91	163.97
Power	151.91	143.41
Water Charges	17.69	16.28
Processing Charges	64.35	88.47
Other Manufacturing Expenses	177.80	188.02
Repairs & Maintenance	112.27	151.35
Insurance Charges	16.98	10.81
Research & Development Expenses	3.36	2.37
Factory Administrative Expenses	89.63	76.39
<b>Total (A)</b>	<b>770.90</b>	<b>841.06</b>
<b>Office Administrative Expenses:</b>		
Rent, Rates and Taxes	2.13	0.85
Travelling and Conveyance	4.86	4.38
Auditor's Remuneration	0.42	0.41
Legal & Professional Charges	12.57	11.37
Other Administrative Expenses	17.26	12.45
<b>Total (B)</b>	<b>37.24</b>	<b>29.46</b>
<b>Selling &amp; Distribution Expenses:</b>		
Advertisement & Sales Promotion	5.84	3.57
Export Freight Expenses	100.83	217.72
Freight and Forwarding Expenses	157.40	171.01
Commission	5.04	7.81
Export Insurance Charges	2.19	2.23
Sample Testing & Analysis Charges	1.39	1.87
Lease Rent Paid	0.38	0.08
Bad debts/Sundry Balance Written Off/(Back)	1.72	0.04
<b>Total (C)</b>	<b>274.79</b>	<b>404.33</b>
<b>Non-Operating Expenses:</b>		
Donations/CSR Expenses	17.88	17.12
Loss on Sale of Assets/Investment	4.93	-
<b>Total (D)</b>	<b>22.81</b>	<b>17.12</b>
<b>TOTAL (A+B+C+D)</b>	<b>1,105.74</b>	<b>1,291.97</b>

### 30.1 AUDITOR'S REMUNERATION:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Audit Fees	0.36	0.36
Certification Charges	0.04	0.04
Out of Pocket Expenses	0.01	0.01
<b>TOTAL</b>	<b>0.42</b>	<b>0.41</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 30.2 CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Amount required to be spent as per Section 135 of the Companies Act, 2013	17.45	17.66
Amount approved by the Board to be spent during the year	17.50	17.50
<b>Amount of expenditure incurred during the year on :</b>		
Name of the Projects		
1. Education and Skill Development	6.79	8.78
2. Environment Conservation	0.84	1.81
3. Tribal Welfare & Rural Development	1.02	1.36
4. Healthcare	7.70	2.03
5. Rural Development projects	0.71	0.31
6. Women Empowerment	0.40	0.36
<b>Total CSR Expenses</b>	<b>17.46</b>	<b>14.65</b>
Brought forward excess spending from previous years	0.61	3.62
Excess spending carried forward to subsequent year	(0.62)	(0.61)
<b>Total eligible CSR Spent for the year</b>	<b>17.45</b>	<b>17.66</b>

## 31. RECONCILIATION OF EFFECTIVE TAX RATE:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Profit Before Tax</b>	<b>396.35</b>	<b>613.00</b>
Current Year Tax	69.72	107.25
Less: MAT Credit Available	(69.72)	(41.00)
	-	<b>66.25</b>
Tax Using the Company's Domestic Tax Rate 34.944%	138.50	214.21
Tax effect on deductible and non reversible expenses	(8.94)	(11.35)
Effect of Depreciation under Income Tax	(129.35)	(134.85)
Others Deductible Expenses/ Non Deductible Expenses	(83.36)	(1.77)
MAT reversal/DTA on losses	83.15	-
	-	<b>66.23</b>
<b>Effective Tax Rate</b>	<b>0.0%</b>	<b>10.8%</b>

## 32. EARNING PER SHARE (EPS):

(₹ In Crs)

Particulars		For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Net Profit available for Equity Shareholders	(₹ in Crs)	417.35	545.77
No. of Equity Shares	(Nos.)	36,25,04,035	36,25,04,035
Basic EPS	(₹)	11.51	15.06
Diluted EPS	(₹)	11.51	15.06
Nominal Value of Equity Share	(₹)	5.00	5.00

**32.1** 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.

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 33. CONTINGENT LIABILITIES AND COMMITMENTS:

(to the extent not provided for)

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Contingent Liabilities:		
(a) Claims against the company not acknowledged as Debts	98.87	124.62
(b) Letters of Credit, Bank Guarantees & Bills Discounted	413.28	336.81
	<b>512.15</b>	<b>461.43</b>
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	544.36	191.39
	<b>544.36</b>	<b>191.39</b>
<b>TOTAL</b>	<b>1,056.51</b>	<b>652.82</b>

**34** Interest received of ₹ 35.94 Crs (Tax Deducted at Source ₹0.65 Crs) [previous year ₹7.26 Crs (Tax Deducted at Source ₹0.47 Cr)] is netted off against interest paid on Working Capital.

## 35. RESEARCH & DEVELOPMENT ACTIVITIES:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Revenue Expenditure	3.36	2.37
<b>Total Revenue Expenditure</b>	<b>3.36</b>	<b>2.37</b>
<b>Capital Expenditure:</b>		
R&D under development/developed	69.76	64.27
Plant & Equipment	10.42	28.64
Furniture and Fixtures	1.70	1.22
<b>Total Capital Expenditure</b>	<b>81.88</b>	<b>94.13</b>

## 36. RELATED PARTY DISCLOSURE UNDER ACCOUNTING STANDARD (Ind AS: 24):

<b>I</b>	<b>Following are the Subsidiaries of the Company</b>
1.	Aarti Corporate Services Limited
2.	Nascent Chemical Industries Limited (Through its holding Company: Aarti Corporate Services Limited)
3.	Shanti Intermediates Private Limited Through its holding Company: Aarti Corporate Services Limited)
4.	Innovative Envirocare Jhagadia Limited
5.	Alchemie (Europe) Limited
6.	Aarti Polychem Private Limited
7.	Aarti Bharuch Limited
8.	Aarti Spechem Limited
9.	Augene Chemical Private Limited (w.e.f. May 18, 2023)
10.	Aarti Chemical Trading FZCO (w.e.f. September 25, 2023)
<b>II</b>	<b>Following are the Enterprises/Firms over which controlling individuals/Key Management Personnel, of the Company along with their relatives, have significant influence</b>
1.	Alchemie Speciality Chemicals Private Limited
2.	Alchemie Finechem Private Limited (formerly known as Alchemie Laboratories)
3.	Alchemie Gases & Chemicals Private Limited

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

4.	Alchemie Dye Chem Private Limited
5.	Aarti Drugs Limited
6.	Aarti Pharmed Labs Limited
7.	Aarti Surfactants Limited
8.	Aarti USA Inc.
9.	Ganesh Polychem Limited
10.	Amulya Techline Engineers (Unit of Dilesh Roadlines Private Limited)
11.	Valiant Laboratories Limited
12.	Valiant Organics 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 including non-executive directors

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 (upto August 4, 2023)	Director
6.	Shri Renil R. Gogri	Director
7.	Shri Ajay Kumar Gupta (w.e.f. June 29, 2023)	Director
8.	Smt. Hetal Gogri Gala	Non-executive Director
9.	Shri Narendra J. Salvi (upto August 4, 2023)	Non-executive Director
10.	Shri P.A. Sethi	Non-executive Director
11.	Shri KVS Shyamsunder	Non-executive Director
12.	Shri Bhavesh R. Vora	Non-executive Director
13.	Prof. Ganpati D. Yadav (upto September 23, 2023)	Non-executive Director
14.	Smt. Priti P. Savla (upto September 23, 2023)	Non-executive Director
15.	Shri Vinay Gopal Nayak (upto December 17, 2023)	Non-executive Director
16.	Shri Lalitkumar S. Naik	Non-executive Director
17.	Smt. Natasha K. Treasurywala	Non-executive Director
18.	Prof. Aniruddha B. Pandit (w.e.f. June 29, 2023)	Non-executive Director
19.	Shri Shekhar S. Khanolkar (w.e.f. June 29, 2023)	Non-executive Director
20.	Shri Chetan Gandhi	Chief Financial Officer
21.	Shri Raj Sarraf	Company Secretary
22.	Shri Chandrakant V. Gogri	Relatives of Director
23.	Smt. Jaya C. Gogri	Relatives of Director
24.	Smt. Arti R. Gogri	Relatives of Director
25.	Smt. Manisha R. Gogri	Relatives of Director
26.	Shri Mirik R. Gogri	Relatives of Director
27.	Smt. Pooja R. Gogri	Relatives of Director

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 and II above.

		(₹ In Crs)	
Name of related party	Nature of Transaction	As at March 31, 2024	As at March 31, 2023
Aarti Corporate Services Limited	Reimbursement of Expenses	0.66	0.45
	ICD given	-	5.00
	ICD received back	-	0.10
	Interest Income	0.61	0.97
Shanti Intermediates Private Limited	Purchase of Goods & Services	10.80	15.79
	Sales of Goods & Services	0.20	0.36

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(₹ In Crs)

Name of related party	Nature of Transaction	As at March 31, 2024	As at March 31, 2023
Alchemie Europe Limited	Purchase of Goods & Services	-	0.40
	Sales of Goods & Services	23.22	67.19
Aarti Polychem Private Limited	Loans & Advances	0.01	-
	Equity Contribution	0.02	-
Aarti Bharuch Limited	Capital Advance/Loans & Advance	0.56	30.97
	Purchase of Goods & Services	0.03	-
	Reimbursement of Expenses	2.70	-
	Interest Income	4.35	-
Augene Chemical Private Limited	Sales of assets	-	12.52
	Equity Contribution	0.05	-
Aarti Chemical Trading - FZCO	Loans & Advances	0.11	-
	Equity Contribution	0.11	-
Alchemie Speciality Chemical Private Limited	Reimbursement of Expenses	0.17	-
	Purchase of Goods & Services	3.88	3.36
	Reimbursement of Expenses	-	0.04
Alchemie Finechem Private Limited	Sales of Goods & Services	4.09	6.54
	Purchase of Goods & Services	10.78	10.64
Alchemie Gases & Chemicals Private Limited	Reimbursement of Expenses	-	0.04
	Sales of Goods & Services	21.44	26.82
Aarti Drugs Limited	Purchase of Goods & Services	0.02	0.05
	Sales of Goods & Services	10.95	14.74
Aarti Pharmalabs Limited	Reimbursement of Expenses	0.00	0.49
	Purchase of Goods & Services	37.68	72.20
	Sales of Goods & Services	95.70	132.61
Aarti Surfactants Limited	Reimbursement of Expenses	-	0.35
	Purchase of Goods & Services	-	7.89
	Sales of Goods & Services	0.06	2.73
Aarti USA INC	Reimbursement of Expenses	-	0.11
	Sales of Goods & Services	156.02	221.74
Ganesh Polychem Limited	Purchase of Goods & Services	17.63	16.45
	Sales of Goods & Services	75.14	132.14
	Reimbursement of Expenses	-	0.10
Amulya Techline Engineers (Unit of Dilesh Roadlines Private Limited)	Purchase of Assets	7.53	3.81
Valiant Laboratories Limited	Purchase of Goods	-	0.24
	Purchase of Goods & Services	79.47	147.46
Valiant Organics Limited	Purchase of Assets	12.53	-
	Sales of Goods & Services	247.56	364.44
	Interest Income	3.90	-

(₹ In Crs)

Name of related party	Net Closing Balances	As at March 31, 2024	As at March 31, 2023
Aarti Corporate Services Limited+	Loans & Advances	6.69	6.14
Shanti Intermediates Private Limited	Trade Payable	-	0.45
	Trade Payable	1.48	1.07
Alchemie Europe Limited	Trade Receivable	44.18	61.60
	Trade Payable	3.91	3.91

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(₹ In Crs)

Name of related party	Net Closing Balances	As at March 31, 2024	As at March 31, 2023
Aarti Bharuch Limited+	Capital Advance/Loans & Advance	50.66	43.48
	Trade Payable	0.03	-
Aarti Polychem Private Limited	Loans & Advances	0.01	0.02
Aarti Chemical Trading - FZCO	Loans & Advances	0.28	-
Alchemie Gases & Chemicals Private Limited	Trade Payable	-	0.01
Alchemie Speciality Chemical Private Limited	Trade Receivable	1.56	6.95
Alchemie Finechem Private Limited	Trade Payable	2.93	1.31
	Trade Receivable	8.72	10.97
Aarti Drugs Limited	Trade Payable	-	0.02
	Trade Receivable	3.94	3.99
Valiant Organics Limited	Trade Receivable	134.64	99.90
	Trade Payable	3.40	-
Aarti Surfactants Limited	Trade Receivable	0.08	0.07
Aarti Pharmed Labs Limited	Trade Payable	32.50	4.73
	Trade Receivable	78.13	-
Ganesh Polychem Limited	Loans & Advances*	-	21.71
	Trade Receivable	14.68	3.16
Aarti USA INC	Trade Receivable	109.13	116.99
Amulya Techline Engineers (Unit of Dilish Roadlines Private Limited)	Capital Advance/Loans & Advance	0.71	-
	Trade Payable	(4.47)	(3.21)

+The Company has given unsecured loan to its wholly owned subsidiary Aarti Corporate Services Limited & Aarti Bharuch Limited. The loan carries an interest rate of 10% p.a. and is repayable on demand.

\*Arising Pursuant to the Scheme of Arrangement.

## (B) Details relating to persons referred to in item III above

(₹ In Crs)

Particulars	Financial Year 2023-24	Financial Year 2022-23
a. Remuneration including perquisites #	9.75	8.74
b. Commission to Directors	12.01	18.39
c. Sitting Fees	1.41	0.31
d. Rent paid	0.76	0.98
e. Travelling Expenses	0.14	0.45
f. Telephone Expenses	0.06	0.03
<b>TOTAL</b>	<b>24.13</b>	<b>28.90</b>

# Value of Perquisites includes non Cash Perquisites of ₹0.02 Crs (previous year ₹0.02 Crs).

\* Provision towards gratuity & leave salary expenses are determined actuarially for the Company as a whole on an annual basis and accordingly have not been considered in the above information.

## 37. EMPLOYEE BENEFITS:

### Defined Benefit Plan

The employees' gratuity fund scheme managed by Life Insurance of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ In Crs)

Particulars	Gratuity (funded) 2023-24	Gratuity (funded) 2022-23
<b>a. Reconciliation of Opening and Closing balances of Defined Benefit Obligation:</b>		
Defined Benefit Obligation at beginning of the Year	32.16	38.86



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(₹ In Crs)

Particulars	Gratuity (funded) 2023-24	Gratuity (funded) 2022-23
Current Service Cost	4.81	4.43
Interest Cost	2.38	2.68
Actuarial(Gain)/Loss	3.80	(1.09)
Liability Transferred Out/Demerger	-	(10.50)
Benefits Paid	(3.88)	(2.22)
Defined Benefit Obligation at year end	39.27	32.16
<b>b. Reconciliation of opening and closing balances fair value of plan assets:</b>		
Fair value of plan assets at beginning of the year	31.22	33.42
Expected return of plan assets	2.31	2.30
Assets Transferred In/Acquisitions	(3.23)	(9.79)
Return on Plan Assets, Excluding Interest Income	(0.73)	(0.04)
Employer Contribution	1.52	7.55
Benefits Paid	(3.88)	(2.22)
Fair value of plan assets at year end	27.21	31.22
Actual return on plan assets	1.58	2.26
<b>c. Reconciliation of Fair Value of Assets and Obligations:</b>		
Fair Value of Plan Assets	27.21	31.22
Present Value of Benefit Obligation	39.27	32.16
Amount Recognized in Balance Sheet	12.06	0.94
<b>d. Expenses recognized during the year:</b>		
Current Service Cost	4.81	4.43
Interest Cost	2.38	2.68
Expected return on plan assets	(2.31)	(2.30)
Net Cost	4.88	4.81
<b>e. Investment Details:</b>		
L.I.C Group Gratuity (Cash Accumulation) Policy	100% Invested with L.I.C.	100% Invested with L.I.C.
<b>f. Actuarial assumptions:</b>		
Mortality Table (L.I.C.)	2012-14 (Ultimate)	2012-14 (Ultimate)
Discount rate (per annum)	7.21%	7.41%
Expected rate of return on plan assets (per annum)	7.21%	7.41%
Rate of escalation in Salary (per annum)	5.00%	5.00%

**Note:**

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion, other relevant factor's including supply and demand in the employment market. The above information is certified by the actuary.

Leave Encashment liability amounting to ₹20.69 Crs (previous year ₹19.51 Crs) has been provided in the Books of Accounts.

## 38. DERIVATIVES & FORWARD CONTRACT INSTRUMENTS:

(A) The Company uses Forward Exchange Contract to hedge against its Foreign Exchange exposures relating to underlying transactions and firm commitments. The Company does not enter into any derivatives instruments for Trading or Speculative purposes.

During the Year Company had hedged in aggregate an amount of ₹487.47 Crs (previous year ₹477.65 Crs) out of its annual trade related operations (Exports & Imports) aggregating to ₹5,062.44 Crs (previous year ₹4,677.10 Crs).

The Company had hedged its currency risks to the tune of ₹248.25 Crs (previous year ₹66.70 Crs), in respect of its long term Foreign Currency Loans/Borrowings. Relating to the same, the Company had also swapped its floating interest rate borrowing of ₹269.22 Crs (previous year ₹370.69 Crs) into a fixed rate loan through an interest rate swap.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

- (B) Net foreign exchange gain arriving out of export and import activities of the Company of ₹6.24 Crs (previous year gain of ₹48.67 Crs) is included in Profit & Loss Account.

Company had entered into forward contracts to hedge its medium and long term exports contracts. Mark to Market gain on such contracts to the tune of ₹6.52 Crs (including gain of ₹4.33 Crs for contracts of more than one year) is recognised in the Profit & Loss Account. Company had further provided for Revaluation loss on long term borrowing (ECBs) to the extent of ₹8.15 Crs as at March 31, 2024 and have recognised the same in the Profit & Loss Account.

## 39. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART II OF SCHEDULE III TO THE COMPANIES ACT, 2013.

Particulars	(₹ In Crs)	
	Financial Year 2023-24	Financial Year 2022-23
<b>(A) Details of Raw Material Consumption:</b>		
Benzene	776.00	849.08
Aniline	1,159.56	685.32
Concentrated Nitric Acid (C.N.A.)	251.22	316.48
Others	1,188.58	1,034.86
<b>TOTAL</b>	<b>3,375.36</b>	<b>2,885.75</b>
<b>(B) Value and percentage of Raw Materials and Stores and Spares consumed:</b>		
<b>Raw Materials:</b>		
Indigenous	2,103.19	1,929.94
	62.31%	66.88%
Imported	1,272.17	955.81
	37.69%	33.12%
<b>TOTAL</b>	<b>3,375.36</b>	<b>2,885.75</b>
	<b>100.00%</b>	<b>100.00%</b>
<b>Stores and Spares:</b>		
Indigenous	62.90	93.80
	98.71%	98.55%
Imported	0.82	1.38
	1.29%	1.45%
<b>TOTAL</b>	<b>63.72</b>	<b>95.18</b>
	<b>100.00%</b>	<b>100.00%</b>
<b>Fuel:</b>		
Indigenous	216.98	409.83
	75.63%	95.11%
Imported	69.90	21.08
	24.37%	4.89%
<b>TOTAL</b>	<b>286.88</b>	<b>430.91</b>
	<b>100.00%</b>	<b>100.00%</b>
<b>(C) C.I.F. Value of Imports:</b>		
Capital Goods	7.96	5.02
Raw Materials	1,405.24	1,198.61
Stores and Spares	1.48	4.35
Fuel	146.79	62.91
<b>TOTAL</b>	<b>1,561.47</b>	<b>1,270.89</b>
<b>(D) Expenditure in Foreign Currency:</b>		
Commission on Export Sales	0.49	3.92
Import of Goods for Resale	-	34.71
Other Expenses	91.99	88.98
<b>TOTAL</b>	<b>92.48</b>	<b>127.61</b>
<b>(E) Earnings in Foreign Currency:</b>		
F.O.B. Value of Export Sales	3,395.23	3,182.57

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 40. FAIR VALUE MEASUREMENTS:

### Financial Instruments by category

(₹ In Crs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Carrying Amount	Level 1	Level 2	Carrying Amount	Level 1	Level 2
<b>Financial Assets</b>						
<b>At Amortised Cost:</b>						
Investments	18.64			12.38		
Loans and Advances (Non-current)	57.65			49.65		
Trade Receivables	867.04			973.83		
Cash and Cash Equivalents	37.56			161.06		
Other Bank Balances	87.95			33.28		
Loans and Advances (Current)	8.26			32.03		
Other Financial Assets	228.30			160.79		
<b>At FVTOCI:</b>						
Investments	0.03		0.03	0.03		0.03
<b>Financial Liabilities</b>						
<b>At Amortised Cost:</b>						
Borrowings	3,182.96			2,873.98		
Lease Liabilities	58.38			33.28		
Trade Payables	548.84			227.25		
Other Current Financial Liabilities	251.92			191.26		

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.

## 41. 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.

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Gross Debts	3,182.96	2,873.98
Less: Cash and Marketable Securities	(125.51)	(194.34)
Net Debt (A)	3,057.45	2,679.64
Total Equity (B)	5,292.41	4,920.95
<b>Net Gearing ratio (A/B)</b>	<b>0.58</b>	<b>0.54</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 42. 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 ALL.

#### Credit Risk Management

To manage the credit risk, the Company follows an adequate credit control policy and also has an external credit insurance cover 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 materially 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 March 31, 2024

Maturities of non-derivative financial liabilities

(₹ In Crs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade Payables	548.84	-	-	548.84
Other Financial Liabilities	1,920.08	955.64	577.54	3,493.26
<b>Total</b>	<b>2,468.92</b>	<b>955.64</b>	<b>577.54</b>	<b>4,042.10</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

As at March 31, 2023

Maturities of non-derivative financial liabilities

(₹ In Crs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade Payables	227.25	-	-	227.25
Other Financial Liabilities	2,408.55	658.64	1.33	3,098.52
<b>Total</b>	<b>2,665.80</b>	<b>658.64</b>	<b>1.33</b>	<b>3,325.77</b>

### 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.

### 43. RATIO ANALYSIS:

Particulars	Numerator	Denominator	2023-24	2022-23	% Variance
Current Ratio	Total Current Assets	Total Current Liabilities	0.99	1.01	(1.98)%
Debt-Equity Ratio	Total Debt	Total Equity	0.60	0.58	3.45%
Debt Service Coverage Ratio <sup>(b)</sup>	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest + Principal repayments of Long Term Borrowings	1.01	1.49	(32.21)%
Return on Equity Ratio <sup>(a)</sup>	Net Profits after Taxes	Average Total Equity	8.17%	11.59%	(29.46)%
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	4.72	5.18	(8.88)%
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivable	7.59	6.87	10.48%
Trade Payables Turnover Ratio <sup>(c)</sup>	Purchase of materials and stock in trade	Average Trade Payables	10.22	18.07	(43.45)%
Net Capital Turnover Ratio	Revenue from Operations	Working capital = Current assets – Current liabilities	14.52	17.28	(15.96)%
Net Profit Ratio	Net Profit after Tax	Revenue from Operations	5.97%	7.55%	(20.93)%
Return on Capital Employed	Earnings before Interest and Taxes & Depreciation	Average Capital Employed = Tangible Net Worth + Total Debt	12.34%	15.02%	(17.83)%
Return on Investment <sup>(a)</sup>	Profit for the year	Total Equity	7.89%	11.09%	(28.90)%

#### Notes for Ratio:

- During the year, the operations of the company were impacted due to various macro challenges. As a result the profit for the year were lower as compared to that of previous year. This had resulted into decline of return ratio such as Return on Equity, Return on Investment & Return on Capital Employed, etc. for the year.
- Debt service coverage ratio declined because of lower profits and higher finance costs during the year.
- Trade Payable Turnover ratio declined due to availability of higher credit in respect of its sourcing of material.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

## 44. OTHER DISCLOSURES:

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) The Company do not have any transactions with companies struck off. under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

### (viii) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors in case of a company, and, by the corresponding approving authority in case of any other entity for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

As on May 10, 2024 there were no material subsequent events to be recognized or reported that are not already disclosed.

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

As per our report of even date  
For **Gokhale & Sathe**  
Chartered Accountants  
FRN: 103264W

**Tejas Parikh**  
Partner  
M.No. 123215  
UDIN: - 24123215BKBNZJ2660

Place: Mumbai  
Date: May 10, 2024

For and on behalf of the Board

**Rajendra V. Gogri**  
Chairman and  
Managing Director  
DIN: 00061003

**Chetan Gandhi**  
Chief Financial Officer  
ICAI M.No. 111481

**Rashesh C. Gogri**  
Vice Chairman and  
Managing Director  
DIN: 00066291

**Raj Sarraf**  
Company Secretary  
ICSI M.No. A15526



# **Consolidated Financial Statements**

# Independent Auditors' 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 (the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including the statement on Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year ended on that date and notes to the consolidated financial statements (including summary of the significant accounting policies and other explanatory information (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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its consolidated profit, and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Accuracy, Completeness, and disclosure with reference to Ind AS-16 of Property, Plant and Equipment (including Capital Work-in-Progress)</b></p> <p>The carrying value of property, plant and equipment (including capital work in progress) as on March 31, 2024 of ₹6,639.96 crores (as on March 31, 2023 of ₹5,818.16 crores) includes ₹1,182.79 crores capitalised /transferred from capital work in progress during the year (₹1,536.54 crores for FY 2023).</p> <p>Cost Recognition of Property, Plant and Equipment as specified in IndAS 16 is based on completion of asset construction activities and management assessment and judgement that the asset is capable of operating in the manner intended.</p>	<p><b>Our audit procedures, amongst others, include the following –</b></p> <ul style="list-style-type: none"> <li>a) Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.</li> <li>b) We assessed Company'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: Property, Plant and Equipment.</li> <li>c) We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment.</li> <li>d) We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23: Borrowing Costs.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The asset capitalisation is the outcome of various procurements, approvals from operations experts in the Company and judgements by the management and therefore, required significant audit attention.</p> <p>Refer Note 1: Property, Plant and Equipment in Notes to the consolidated financial statements.</p>	<p>e) Ensuring adequacy of disclosures in the consolidated financial statements.</p>

### Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors of the companies included in the Group are also responsible for overseeing the Company's financial reporting process.

### Auditors' 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 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 statements.

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 statements, 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's 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 statements 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

### I. Financial Results of Subsidiaries not audited by us.

We did not audit the financial statements/financial information of 5 subsidiaries, whose financial statements/financial information reflect total assets of ₹55.50 crores as at March 31, 2024, total revenues of ₹10.83 crores, total net loss after tax of ₹1.39 crores and net cash flows amounting to ₹0.93 crores for the year ended on that date, as considered in the consolidated financial statements.

We did not audit the financial statements/ financial information of 2 foreign subsidiaries, whose financial statements/financial information reflect total assets of ₹18.88 crores as at 31 March 2024, total revenues of ₹46.69 crores, total net loss after tax of ₹0.07 crores and net cash inflows amounting to ₹0.32 crores for the year ended as 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 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, 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

1. As required by Section 143(3) of the Act, based on our audit we report 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 including Other Comprehensive Income, Statement of Changes in Equity and the Consolidated Statement of Cash



Flows dealt with by this Report are in agreement with the 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 Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements 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 Auditors) Rules, 2014, as amended, 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 its consolidated financial position of the Group – Refer note 32(i)(a) to the consolidated financial statements.
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - 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.
  - iv. (a) The Management of the Holding Company and its subsidiaries which are companies incorporated in India, whose Financial Statements have been audited under the Act, have represented that, to the best of its knowledge and belief, other than disclosed in note 39(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed

funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The respective Management of the Holding Company and its subsidiaries which are companies incorporated in India, whose Financial Statements have been audited under the Act, have represented, that, to the best of its knowledge and belief, other than disclosed in note 39(vi) to the consolidated financial statements, no funds have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries which are companies incorporated in India, whose Financial Statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in note no 14.7 to the consolidated financial statements
  - (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
  - (b) The Board of Directors of the Holding Company have proposed final dividend for

the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination which included test checks, performed by us on the Company and its subsidiaries incorporated in India, except for the instances mentioned below, have used accounting softwares for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

The financial statements of 4 subsidiaries, incorporated in India, has accounting software which is in process of implementing the feature of recording audit trail (edit log) facility. The said subsidiaries are not material to the consolidated financial statements of the Group and also having insignificant transactions. since the total net profit (loss) and total networth of these subsidiaries is (0.14)% and 0.14% of the Consolidated net profit and networth of the Group.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Gokhale & Sathe**  
Chartered Accountants  
FRN: - 103264W

**Tejas Parikh**  
Partner

Place: - Mumbai  
Date: - May 10, 2024

Membership No. 123215  
UDIN: 24123215BKBNZK6056

## Annexure “A” to the Independent Auditor’s Report

Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Aarti Industries Limited of even date)

### Report on the Internal Financial Controls under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the “Act”)

#### Opinion

We have audited internal financial controls with reference to consolidated financial statements of Aarti Industries Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (together referred to as “the Group”) as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

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 and its subsidiaries, which are incorporated in India, have, in all material respects, an adequate internal financial and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company 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.

#### Managements’ Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company 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 (the “ICAI”). 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 Act.

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to consolidated financial statements 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 ICAI 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements include obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 judgement, 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 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 Company’s internal financial controls with reference to consolidated financial statements.

#### Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company’s internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to financial statements of subsidiary companies, to the extent applicable, is based on the corresponding reports of the auditors of such company.

Our opinion is not modified in respect of this matter.

For **Gokhale & Sathe**  
**Chartered Accountants**  
 FRN: - 103264W

**Tejas Parikh**  
**Partner**

Place: - Mumbai  
 Date: - May 10, 2024

Membership No. 123215  
 UDIN: 24123215BKBNZK6056

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2024

(₹ In Crs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property Plant and Equipment	1	5,587.92	4,829.18
Capital Work-in-Progress	1	1,052.04	988.98
Right of use Assets	1	53.42	30.30
Intangible Assets	1	8.06	1.47
Intangible Assets under Development	1	177.00	107.24
Financial Assets:			
Investments	2	22.92	17.17
Loans and Advances	3	0.30	0.01
Deferred Tax Assets (Net & incl of MAT Credit)	4	143.55	52.78
Other Non-Current Assets	5	101.40	94.50
<b>Total Non-Current Assets</b>		<b>7,146.61</b>	<b>6,121.63</b>
<b>Current Assets</b>			
Inventories	6	1,159.65	1,031.05
Financial Assets			
Trade Receivables	7	826.35	940.49
Cash and Cash Equivalents	8	41.78	167.45
Bank Balances other than above	9	87.95	33.28
Loans and Advances	10	8.28	32.03
Others Current Financial Assets	11	228.42	160.74
Current Tax Assets (Net)	12	76.63	55.48
Other Current Assets	13	39.84	38.75
<b>Total Current Assets</b>		<b>2,468.90</b>	<b>2,459.27</b>
<b>TOTAL ASSETS</b>		<b>9,615.51</b>	<b>8,580.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	14	181.25	181.25
Other Equity	15	5,108.51	4,738.83
Non Controlling Interest		0.72	0.72
<b>Total Equity</b>		<b>5,290.48</b>	<b>4,920.80</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
i) Borrowings	16	1,523.87	634.71
ii) Lease Liabilities	17	49.31	25.26
Other Non Current Liabilities	18	175.44	216.81
<b>Total Non-Current Liabilities</b>		<b>1,748.62</b>	<b>876.78</b>
<b>Current Liabilities</b>			
Financial Liabilities			
i) Borrowings	19	1,659.94	2,239.32
ii) Lease Liabilities	17	9.07	8.02
iii) Trade Payables due to:	20		
Micro and Small Enterprise Enterprises		44.39	48.66
Other than Micro and Small Enterprises		476.88	166.94
iv) Other Financial Liabilities	21	251.92	191.26
Other Current Liabilities	22	94.09	99.26
Provisions	23	40.12	29.86
<b>Total Current Liabilities</b>		<b>2,576.41</b>	<b>2,783.32</b>
<b>Total Liabilities</b>		<b>4,325.03</b>	<b>3,660.10</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,615.51</b>	<b>8,580.90</b>
Material Accounting Policies			
The accompanying notes are an integral part of these Consolidated Financial Statements.	1-40		

As per our report of even date

For **Gokhale & Sathe**  
Chartered Accountants  
FRN: 103264W

**Tejas Parikh**  
Partner  
M.No. 123215  
UDIN: 24123215BKBNZK6056

Place: Mumbai  
Date: May 10, 2024

For and on behalf of the Board

**Rajendra V. Gogri**  
Chairman and  
Managing Director  
DIN: 00061003

**Chetan Gandhi**  
Chief Financial Officer  
ICAI M.No. 111481

**Rashesh C. Gogri**  
Vice Chairman and  
Managing Director  
DIN: 00066291

**Raj Sarraf**  
Company Secretary  
ICSI M.No. A15526



# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2024

(₹ In Crs)

Particulars	Note No.	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>REVENUE</b>			
Consolidated Statement of Profit and Loss	24	7,012.08	7,282.62
Less: GST Collected		639.76	664.04
Net Revenue from Operations		6,372.32	6,618.58
Other Income	25	8.41	0.86
<b>Total Income</b>		<b>6,380.73</b>	<b>6,619.44</b>
<b>EXPENSES</b>			
Cost of Materials Consumed (Incl. Packing Material Fuel Stores & Spares)	26	3,769.64	3,462.03
Purchases of Stock-in-Trade		203.95	313.94
Changes in Inventories of Finished Goods Work-in-progress and Stock-in-Trade	27	(93.57)	65.70
Employee Benefits Expenses	28	403.74	385.33
Finance Costs	29	211.47	168.28
Depreciation and Amortisation Expenses	1	378.12	310.45
Other Expenses	30	1,111.97	1,302.61
<b>Total Expenses</b>		<b>5,985.32</b>	<b>6,008.34</b>
<b>PROFIT BEFORE TAX</b>		<b>395.41</b>	<b>611.10</b>
<b>TAX EXPENSES</b>			
Current Year Tax		69.72	107.35
Earlier Year Tax		0.00	(16.52)
MAT Credit Entitlement		(69.72)	(40.92)
Deferred Tax		(21.05)	15.96
<b>Total Tax Expenses</b>		<b>(21.05)</b>	<b>65.87</b>
<b>PROFIT AFTER TAX BEFORE NON CONTROLLING INTEREST AND SHARE OF PROFIT/(LOSS) OF ASSOCIATES</b>			
Profit attributable to Non Controlling Interest		-	-
Share of Profit/(Loss) of Associates		-	-
Profit/(Loss) for the period		416.46	545.23
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to Statement of Profit and Loss			
Change in fair value of equity instruments		(0.34)	(14.69)
Change in fair value of long term advances		-	(21.65)
Change in fair value of Foreign currency hedge		6.14	(13.41)
Total Other comprehensive income		5.80	(49.75)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>422.26</b>	<b>495.48</b>
Earnings Per Equity Share (EPS) (in ₹)	31		
Basic		11.49	15.04
Diluted		11.49	15.04
Material Accounting Policies See accompanying Notes to the Consolidated Financial Statements	1-40		

As per our report of even date  
For **Gokhale & Sathe**  
Chartered Accountants  
FRN: 103264W

**Tejas Parikh**  
Partner  
M.No. 123215  
UDIN: 24123215BKBNZK6056

Place: Mumbai  
Date: May 10, 2024

For and on behalf of the Board

**Rajendra V. Gogri**  
Chairman and  
Managing Director  
DIN: 00061003

**Chetan Gandhi**  
Chief Financial Officer  
ICAI M.No. 111481

**Rashesh C. Gogri**  
Vice Chairman and  
Managing Director  
DIN: 00066291

**Raj Sarraf**  
Company Secretary  
ICSI M.No. A15526

# Consolidated Statement of Cash Flow

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crs)

Sr. No.	Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>A. Cash Flow from Operating Activities:</b>			
	Net Profit before Tax and Exceptional/Extraordinary Items	395.41	611.10
	<b>Adjustments for:</b>		
	Finance Costs	211.47	168.28
	Depreciation	378.12	310.45
	Loss on Sale of Assets	12.48	0.00
	Consolidated Adjustments (Foreign Exchange Difference on Translation)	(0.51)	(0.61)
		<b>996.97</b>	<b>1,089.22</b>
	Profit on Sale of Investments/Assets	(8.49)	(0.23)
	Lease Rent Income	(0.03)	(0.06)
	<b>Operating Profit before Working Capital Changes</b>	<b>988.45</b>	<b>1,088.93</b>
	<b>Adjustments for:</b>		
	(Increase)/Decrease in Trade and Other Receivables	68.55	421.99
	Increase/(Decrease) in Trade Payables and Other Current Liabilities	366.34	(4.37)
	(Increase)/Decrease in Inventories	(128.60)	(96.92)
	<b>Cash Generated from Operations</b>	<b>1,294.74</b>	<b>1,409.63</b>
	Direct Taxes Paid (Net of Refund)	(90.87)	(90.89)
	<b>Net Cash Flow from Operating Activities (A)</b>	<b>1,203.87</b>	<b>1,318.74</b>
<b>B. Cash Flow from Investing Activities:</b>			
	Addition to Property Plant & Equipment/Capital WIP	(1,328.06)	(1,326.30)
	Sale/Written off of Property Plant & Equipment	24.47	0.00
	(Increase)/Decrease in Other Investments	(6.08)	(3.54)
	Lease Rent Income	0.03	0.06
	<b>Net Cash Flow from Investing Activities (B)</b>	<b>(1,309.63)</b>	<b>(1,329.78)</b>

# Consolidated Statement of Cash Flow

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crs)

Sr. No.	Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>C.</b>	<b>Cash Flow from Financing Activities:</b>		
	Proceeds of Long-Term Borrowings	1,291.87	920.00
	Repayment of Long-Term Borrowings	(402.71)	(1,220.90)
	Proceeds/(Repayment) of Other Borrowings	(579.38)	606.96
	Principal Repayment of Lease Liability	(9.19)	(8.94)
	Finance Costs	(211.47)	(168.28)
	Dividend Paid	(54.38)	(90.63)
	<b>Net Cash Flow from Financing Activities (C)</b>	<b>34.74</b>	<b>38.21</b>
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(71.01)</b>	<b>27.17</b>
	Cash and Cash Equivalents (Opening Balance)	200.73	173.56
	Cash and Cash Equivalents (Closing Balance)	129.72	200.73

**Notes:** (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on the Statement of Cash Flow as notified under Companies (Indian Accounting Standard) Rules, 2015 as amended.

(ii) Cash and Cash Equivalent comprised of Cash and Cash Equivalents and Other Bank Balances as per Balance Sheet. (Refer Note 8 & 9)

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

As per our report of even date

For **Gokhale & Sathe**  
Chartered Accountants  
FRN: 103264W

For and on behalf of the Board

**Tejas Parikh**  
Partner  
M.No. 123215  
UDIN: 24123215BKBNZK6056

**Rajendra V. Gogri**  
Chairman and  
Managing Director  
DIN: 00061003

**Rashesh C. Gogri**  
Vice Chairman and  
Managing Director  
DIN: 00066291

Place: Mumbai  
Date: May 10, 2024

**Chetan Gandhi**  
Chief Financial Officer  
ICAI M.No. 111481

**Raj Sarraf**  
Company Secretary  
ICSI M.No. A15526

## Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2024

### A. EQUITY SHARE CAPITAL

	(₹ in Crs)
As at April 1, 2022	181.25
Changes in equity share capital during the year 2022-23	NIL
As at March 31, 2023	181.25
Changes in equity share capital during the year 2023-24	NIL
As at March 31, 2024	181.25

### B. OTHER EQUITY

Particulars	Other Equity										Total Other Equity
	Capital Reserve	Securities Premium Account	General Reserve	Forfeiture Reserve	Share Application Pending Allotment	Share Based Payment Reserve	RBI Reserve U/s 45(1C)	Retained Earnings	Other Comprehensive Income		
As at April 1, 2022	9.70	1,348.78	380.50	1.85	-	-	3.70	2,581.89	8.32		4,334.74
Transfer to Other Reserves from Retained Earnings	-	-	55.00	-	-	-	-	(55.00)	-	-	-
Other Adjustments	-	-	(0.17)	-	0.02	-	-	-	-	-	(0.15)
Dividend Paid	-	-	-	-	-	-	-	(90.63)	-	-	(90.63)
Foreign Exchange Difference on Translation	-	-	-	-	-	-	-	(0.61)	-	-	(0.61)
Profit for the Period	-	-	-	-	-	-	-	545.23	-	-	545.23
Other Comprehensive Income	-	-	-	-	-	-	-	-	(49.75)	-	(49.75)
<b>Balance as at March 31, 2023</b>	<b>9.70</b>	<b>1,348.78</b>	<b>435.33</b>	<b>1.85</b>	<b>0.02</b>	<b>-</b>	<b>3.70</b>	<b>2,980.88</b>	<b>(41.43)</b>	<b>-</b>	<b>4,738.83</b>

(₹ in Crs)

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2024

(₹ in Crs)

Particulars	Other Equity										Total Other Equity
	Reserves and Surplus										
	Capital Reserve	Securities Premium Account	General Reserve	Forfeiture Reserve	Share Application Pending Allotment	Share Based Payment Reserve	RBI Reserve U/s 45(IC)	Retained Earnings	Other Comprehensive Income		
Transfer to Other Reserves from Retained Earnings	-	-	42.00	-	-	-	-	(42.00)	-	-	-
Other Adjustments	-	-	-	-	(0.02)	2.34	-	-	-	-	2.32
Dividend Paid	-	-	-	-	-	-	-	(54.38)	-	-	(54.38)
Foreign Exchange Difference on Translation	-	-	-	-	-	-	-	(0.51)	-	-	(0.51)
Profit for the Period	-	-	-	-	-	-	-	416.46	-	-	416.46
Other Comprehensive Income	-	-	-	-	-	-	-	-	5.80	5.80	5.80
<b>Balance as at March 31, 2024</b>	<b>9.70</b>	<b>1,348.78</b>	<b>477.33</b>	<b>1.85</b>	<b>-</b>	<b>2.34</b>	<b>3.70</b>	<b>3,300.45</b>	<b>(35.63)</b>	<b>5,108.51</b>	

As per our report of even date  
For **Gokhale & Sathe**  
Chartered Accountants  
FRN: 103264W

**Tejas Parikh**  
Partner  
M.No. 123215  
UDIN: 24123215BKBNZK6056

Place: Mumbai  
Date: May 10, 2024

For and on behalf of the Board

**Rajendra V. Gogri**  
Chairman and  
Managing Director  
DIN: 00061003

**Chetan Gandhi**  
Chief Financial Officer  
ICAI M.No. 111481

**Rashesh C. Gogri**  
Vice Chairman and  
Managing Director  
DIN: 00066291

**Raj Sarraf**  
Company Secretary  
ICSI M.No. A15526



# Corporate Information and Material Accounting Policies:

## Corporate Information

The Consolidated Financial Statements comprise financial statements of Aarti Industries Limited ("The Company" or "the Parent") and subsidiaries (collectively referred to as "the Group") for the year ended March 31, 2024.

The Financial Statements were approved for issue in accordance with a resolution passed in Board Meeting held on May 10, 2024.

## Material Accounting Policies

This note provides a list of the significant accounting policies adopted by the Group in preparation of these Consolidated Financial Statements. The Consolidated Financial Statements are for the Group consisting of the Company and its subsidiary companies.

### (a) Background:

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest (%)
<b>Indian Subsidiary:</b>		
(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 Bharuch Limited	India	100.00%
(vii) Aarti Spechem Limited	India	100.00%
(viii) Augene Chemcial Private Limited	India	100.00%
<b>Foreign Subsidiary:</b>		
(ix) Aarti Chemical Trading FZCO	UAE	100.00%
(x) Alchemie (Europe) Limited	United Kingdom	88.89%

### (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 the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 including presentation and disclosure requirements of Division II of Schedule III of the Act as amended from time to time.

The consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

Financial instruments – measured at fair value;

Assets held for sale – measured at fair value less cost of sale;

Plan assets under defined benefit plans – measured at fair value

Liability for cash settled - measured at fair value

In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

In addition, the consolidated financial statements are presented in ₹ which is also the Company's functional currency and all values are rounded to the nearest crore except when otherwise indicated.

### (c) Principles of Consolidation:

(i) The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements.

(ii) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company and Subsidiary Companies drawn up to the same reporting date i.e March 31, 2024.

Subsidiary Companies are all the entities over which the Group has control. Subsidiary companies are consolidated on the date on which control is transferred to the Group. The Group re assesses

## Corporate Information and Material Accounting Policies:

whether or not it controls an investee if facts and circumstances indicate that there are one or more changes to elements of control described above.

- (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) Process of Consolidation

- a) Combine like items of assets, liabilities, other equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the form of subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

- (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.

**(d) Basis Of Measurement:**

The financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

Financial instruments – measured at fair value;

Plan assets under defined benefit plans – measured at fair value

In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

**(e) Significant Accounting Estimates, Judgements Assumptions:**

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates according to the nature of the assumption and other circumstances. This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

The following are areas involving critical estimates and judgments:

**Judgements:**

Leases

Evaluation of recoverability of deferred tax assets, and estimation of income tax payable and income tax expense in relation to an uncertain tax position

Provisions and Contingencies

**Estimates:**

Impairment

Accounting for Defined benefit plans

## Corporate Information and Material Accounting Policies:

Useful lives of property, plant and equipment and intangible assets

Fair Valuation of Financial instruments

Valuation of inventories

### (f) Current and Non-Current Classification:

The Company presents assets and liabilities in the Balance sheet based on current/non-current classification, an asset is treated as current when it is:

Expected to be realized or intended to be sold or consumed in normal operating cycle, or

Held primarily for the purpose of trading, or

Expected to be realized within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is treated as current when it is:

- (i) Expected to be settled in normal operating cycle, or
- (ii) Held primarily for the purpose of trading, or
- (iii) Due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### (g) Property, Plant and equipment, Intangible Assets and Depreciation/Amortization:

#### 1. Property, Plant and Equipment (PPE)

PPEs held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less applicable accumulated depreciation/amortisation and accumulated impairment losses (if any).

The cost of PPE comprises its purchase price (including the costs of materials / components) net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets including exchange

differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and such other incidental costs that may be associated with acquisition or creation of the asset ready for its intended use.

An item or part of PPE is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss as and when the asset is derecognized.

PPE which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction/erection or are pending to be commercialized and put to use. The same is carried at cost which is determined in the same manner as for any PPE.

#### 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. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

## Corporate Information and Material Accounting Policies:

### 3. Depreciation/Amortization

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

Assets Class	Useful Life
Leasehold Land	Over the remaining tenure of lease
Building	Over a period of 3 - 31 years
Residential Quarters	Over a period of 30 years
Plant & Equipments	Over its useful life as technically assessed, i.e over a period of 7 - 19 years, based on the type of processes and equipments installed
Computers	Over a period of 3 - 6 years
Office Equipment	Over a period of 5 years
Furniture and Fixtures	Over a period of 10 years
Vehicles	Over a period of 8 years
Intangible assets (including Product / Process Development)	Over a period of 5-7 years, except for those where the finite periods are provided for
Leasehold Improvements	Over the remaining tenure of lease

### 4. Impairment

The Company assesses at each reporting that the carrying amounts of its property, plant and equipment, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

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 asset or its value in use. Value in use is the 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.

### (h) Research and Development:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the company intends to, and has sufficient resources to complete development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

### (i) Intangible Assets Under Development:

Expenditure incurred on acquisition/development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development.

### (j) Valuation of Inventories:

Inventories have been valued on the following basis:

Raw Materials, Packing Material, Stores and Spares and Traded goods	At cost on weighted Average basis Or net realisable value whichever is lower. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
Work-in-Process	At cost plus appropriate allocation of overheads or net realisable value whichever is lower.
Finished Goods	At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Provisions are made for obsolete and non-moving inventories. Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

## Corporate Information and Material Accounting Policies:

### (k) Revenue Recognition:

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

#### (i) Sale of Goods:

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

The Company recognizes net revenue from goods sold and services rendered at Transaction Price which is the amount of consideration the Company expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding the amounts collected on behalf of a third party. The Transaction price is net of discounts, sales incentives, rebates granted, returns, sales taxes, GST and duties and any other recoverable taxes.

Generally, In case of domestic sales, performance obligations are satisfied when the goods are dispatched or delivery is handed over to transporter, revenue from export of goods is recognized at the time of Bill of lading or airway bill or any other similar document evidencing delivery thereof.

#### (ii) Interest Income:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### (iii) Dividend Income:

Revenue is recognized when the Company's right to receive the dividend is established, which is generally when shareholders approve the dividend.

### (iv) Export Benefits:

Export incentives are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### (v) Subsidy Received:

Subsidy from the 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.

### (j) Financial Instruments:

#### Recognition and initial measurement

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. However, Trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

#### Classification and Subsequent Measurement of Financial Assets:

The Company classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

the entity's business model for managing the financial assets and

the contractual cash flow characteristics of the financial asset.

#### (a) Financial Assets measured at Amortised Cost:

A Financial Asset is measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that



## Corporate Information and Material Accounting Policies:

represent solely payments of principal and interest on the principal amount outstanding.

**(b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

**(c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):**

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

### Classification and Subsequent Measurement of Financial Liabilities:

**(a) Financial liabilities measured at Fair Value Through Profit or Loss (FVTPL):**

Financial liabilities are classified as FVTPL when the financial liability is held for trading or is a derivative (except for effective hedge) or are designated upon initial recognition as FVTPL. Gains or Losses, including any interest expense on liabilities held for trading are recognised in the Statement of Profit and Loss.

**(b) Other Financial Liabilities:**

Other financial liabilities (including loans and borrowings, bank overdrafts and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### Debt and Equity Instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

### Equity Investments

All equity investments (excluding the investments in Subsidiaries) in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### Investments in Subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

### De-recognition of Financial Instruments:

The Company derecognises a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for de-recognition under Ind AS 109. In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

## Corporate Information and Material Accounting Policies:

A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

### Impairment of Financial Assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of all Financial Assets subsequent to initial recognition other than financial assets measured at fair value through profit and loss (FVTPL). The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. For other financial assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk since its initial recognition. If there is significant increase in credit risk since its initial recognition full lifetime ECL is used. The impairment losses and reversals are recognised in Statement of Profit and Loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

### Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

### Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

### Derivative Financial Instruments:

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

### Cash Flow Hedge

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹).

The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions. The company risk management policy is to hedge forecasted foreign currency sales for the subsequent 12 to 36 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge forecasted sales.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of

## Corporate Information and Material Accounting Policies:

changes in the fair value of the derivative is recognised immediately in statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to statement of profit and loss.

### (m) Cash and Cash Equivalents:

For the purpose of presentation in the Balance sheet, Cash and Cash equivalents comprises cash at bank and on hand and other short-term, highly liquid investments with an original maturity (or with an option to or can be readily converted or liquidated into cash) of three months or less, 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.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank and on hand and 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.

### (n) Provisions:

Provisions are recognized when the Company has a present obligation (legal and constructive) 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.

### (o) 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 are 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 future lease payments. 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.

For short-term and low value leases, the Company recognises the lease payments as an operating expense.

### (p) Employee Benefits :

#### (a) Employee Benefits:

All employee benefits such as salaries, wages, short-term compensated absences, expected cost of bonus, etc. are recognised in the period in which the employee renders the related services.

#### (b) Post-employment Benefits:

##### (i) Defined Contribution Plan:

The Company makes defined contributions to Employee Provident Fund, Employee Pension Fund, Employee Deposit Linked Insurance, and Superannuation Schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related services which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

##### (ii) Defined Benefit Plan

The gratuity liability of the company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the

## Corporate Information and Material Accounting Policies:

terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

### (c) Share Based Payment:

The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in Other Equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Share Based Payment Reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

### (q) Foreign Currency Transactions:

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates (functional currency). The Standalone Financial Statements of the Company are presented in Indian currency (₹), which is also the functional currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate as applicable in the period of such transaction. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each reporting period are appropriately dealt in the financial statements in accordance with the applicable Indian Accounting standards.

### (r) Income Taxes:

Income tax expense comprises of current tax expense and deferred tax expenses.

Current and deferred taxes are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

#### Current Income Tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with

the provisions of the Income Tax Act of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

#### Deferred Tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets are to be recovered. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

#### Minimum Alternate Tax (MAT) :

MAT credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### (s) Borrowing Costs:

Borrowing costs, general or specific, that are attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to

## Corporate Information and Material Accounting Policies:

get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

**(t) Contingent Liabilities**

**Contingent Liability is:**

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognised because:

- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) the amount of the obligation cannot be measured with sufficient reliability



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 1. PROPERTY, PLANT AND EQUIPMENT:

F.Y. 2023-24	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at 1 <sup>st</sup> April, 2023	Additions/ (Disposals)	Deduction/ Adjustment	Balance as at 31 <sup>st</sup> March, 2024	Depreciation charge for the year	Deduction / Adjustment	Balance as at 31 <sup>st</sup> March, 2024	Balance as at 31 <sup>st</sup> March, 2023
(i) <b>Tangible Assets</b>								
Free Hold Land	3.59	-	-	3.59	-	-	0.26	3.33
Lease Hold Land	269.02	9.54	-	278.56	2.51	-	15.67	255.86
Buildings	586.87	84.63	0.00	671.50	51.64	0.00	177.55	460.96
Lease Hold Improvements	-	26.78	-	26.78	5.51	-	5.51	21.27
Plant and Equipment	5,165.82	1,005.03	213.28	5,957.57	293.98	186.62	1,332.47	3,940.71
R&D Assets & Equipments	159.44	15.59	19.24	155.79	8.71	0.70	42.34	113.45
Furniture and Fixtures	45.31	20.97	1.26	65.02	10.33	1.26	23.43	30.95
Vehicles	23.09	20.25	3.04	40.30	5.06	1.93	13.96	12.26
<b>Total (i)</b>	<b>6,253.14</b>	<b>1,182.79</b>	<b>236.82</b>	<b>7,199.11</b>	<b>377.74</b>	<b>190.51</b>	<b>1,611.19</b>	<b>4,829.18</b>
(ii) <b>Capital Work-in-Progress</b>							<b>1,052.04</b>	<b>988.98</b>
(iii) <b>Right of use Assets</b>								
Buildings	51.19	35.18	2.49	83.88	11.38	1.81	30.46	30.30
(iv) <b>Intangible Assets</b>								
Technical Knowhow	0.08	6.50	-	6.58	0.00	-	0.08	6.49
Computer Software	1.85	0.92	-	2.77	0.82	-	1.20	1.47
<b>Total (iv)</b>	<b>1.93</b>	<b>7.42</b>	<b>-</b>	<b>9.35</b>	<b>0.82</b>	<b>-</b>	<b>1.28</b>	<b>1.47</b>
(v) <b>Intangible assets under development</b>							<b>177.00</b>	<b>107.24</b>
<b>TOTAL (i+ii+iii+iv+v)</b>	<b>6,306.26</b>	<b>1,225.39</b>	<b>239.31</b>	<b>7,292.34</b>	<b>389.94</b>	<b>192.32</b>	<b>1,642.93</b>	<b>5,957.17</b>

**Note :-** (i) Depreciation to the extent of ₹11.82 Crs (previous year ₹12.08 Crs) in respect of assets utilised for creation/generation of intangible assets are appropriately capitalised under applicable intangible assets under development.

(ii) Additions during the year and capital work-in-progress include borrowing cost capitalised in accordance with Accounting Standard (Ind AS) 23 on "Borrowing Costs". The rate used to determine the amount of borrowing costs eligible for capitalisation is ranging from 8% to 8.6% (previous year 6.7% to 8%).

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in Crs)

F.Y. 2022-23	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1 <sup>st</sup> April, 2022	Additions/ (Disposals)	Deduction/ Adjustment	Balance as at 31 <sup>st</sup> March, 2023	Balance as at 1 <sup>st</sup> April, 2022	Depreciation charge for the year	Deduction / Adjustment	Balance as at 31 <sup>st</sup> March, 2023	Balance as at 31 <sup>st</sup> March, 2023	Balance as at 31 <sup>st</sup> March, 2022
<b>(i) Tangible Assets</b>										
Free Hold Land	3.59	-	-	3.59	0.26	-	-	0.26	3.33	3.33
Lease Hold Land	190.14	90.28	11.40	269.02	9.19	4.11	0.14	13.16	255.86	180.95
Residential Flat	0.00	-	-	0.00	0.00	0.00	-	0.00	0.00	0.00
Buildings	458.71	128.41	0.25	586.87	95.23	30.93	0.25	125.91	460.96	363.48
Plant and Equipment	4,149.03	1,264.55	247.76	5,165.82	1,212.00	259.23	246.12	1,225.11	3,940.71	2,937.03
R&D Assets & Equipments	130.44	29.86	0.86	159.44	23.53	11.66	0.86	34.33	125.11	106.91
Furniture and Fixtures	50.68	18.75	24.12	45.31	32.54	5.76	23.94	14.36	30.95	18.14
Vehicles	33.43	4.69	15.03	23.09	22.61	3.24	15.02	10.83	12.26	10.82
<b>Total (i)</b>	<b>5,016.02</b>	<b>1,536.54</b>	<b>299.42</b>	<b>6,253.14</b>	<b>1,395.36</b>	<b>314.93</b>	<b>286.33</b>	<b>1,423.96</b>	<b>4,829.18</b>	<b>3,577.69</b>
<b>(ii) Capital Work-in-Progress</b>									<b>988.98</b>	<b>1,303.02</b>
<b>(iii) Right of use Assets</b>										
Buildings	30.25	20.94	-	51.19	13.29	7.60	-	20.89	30.30	16.96
<b>(iv) Intangible Assets</b>										
Technical Knowhow	0.08	-	-	0.08	0.08	-	-	0.08	-	-
Computer Software	0.38	1.47	-	1.85	0.38	-	-	0.38	1.47	-
Goodwill on Consolidation	1.24	-	1.24	-	1.24	-	1.24	-	-	-
<b>Total (iv)</b>	<b>1.70</b>	<b>1.47</b>	<b>1.24</b>	<b>1.93</b>	<b>1.70</b>	<b>-</b>	<b>1.24</b>	<b>0.46</b>	<b>1.47</b>	<b>-</b>
<b>(v) Intangible assets under development</b>									<b>107.24</b>	<b>42.97</b>
<b>TOTAL (i+ii+iii+iv+v)</b>	<b>5,047.97</b>	<b>1,558.95</b>	<b>300.66</b>	<b>6,306.26</b>	<b>1,410.35</b>	<b>322.53</b>	<b>287.57</b>	<b>1,445.31</b>	<b>5,957.17</b>	<b>4,940.64</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## (a) Capital-Work-in Progress (CWIP):

Capital Work-In-Progress (CWIP) Ageing Schedule as on 31st March, 2024:

(₹ in Crs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	825.55	172.76	45.57	8.16	1052.04
Projects temporarily suspended	-	-	-	-	-

Capital Work-In-Progress (CWIP) Ageing Schedule as on 31st March, 2023:

(₹ in Crs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	408.22	177.22	159.58	243.96	988.98
Projects temporarily suspended	-	-	-	-	-

## (b) Intangible assets under development:

Intangible assets under development ageing schedule as on 31st March, 2024:

(₹ in Crs)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	75.74	60.69	40.57	-	177.00
Projects temporarily suspended	-	-	-	-	-

Intangible assets under development ageing schedule as on 31st March, 2023:

(₹ in Crs)

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	64.27	42.97	-	-	107.24
Projects temporarily suspended	-	-	-	-	-

## (c) Notes :

- (i) There are no material projects whose completion is overdue as compared to its original plan as at March 31, 2024.
- (ii) There were no material projects which have exceeded their original plan cost as at 31<sup>st</sup> March, 2024.
- (iii) The Company has not recognised any impairment loss during the current year.
- (iv) The title deeds of property plant and equipment are held in name of the Company.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 2. NON-CURRENT INVESTMENTS:

(₹ In Crs)

Name of the Company	Face Value (in ₹)	No. of Shares/Units	As at March 31, 2024	No. of Shares/Units	As at March 31, 2023
<b>Investments - (Unquoted) in Equity Shares of Other Companies (At FVTOCI)</b>					
Ichalkaranji Janata Sahakari Bank Limited	50	1,020	0.01	1,020	0.01
Damanganga Saha Khand Udyog Mandali Limited	2,000	61	0.01	61	0.01
Narmada Clean Tech Limited	10	2,87,550	0.13	2,87,550	0.13
U.K.I.P. Co-Op. Soc. Limited	50	35	0.00	80	0.00
SBPP Bank Limited	100	783	0.01	783	0.01
Deltecs Infotech Private Limited	10	858	0.26	858	0.26
Valiant Organic Limited	10	99,412	3.79	99,412	4.14
Polygamma Industries Private Limited	10	0	0.00	5,33,358	0.00
Numbermask Digital Private Limited	10	1,125	0.00	1,125	0.00
Trans Retail Ventures Private Limited	10	28,796	0.01	28,796	0.01
Aarti Biotech Limited	10	4,21,700	0.13	4,21,700	0.13
Aarti Intermediates Private Limited	10	22,125	0.00	22,125	0.00
ReNew Green (GJ Six) Pvt. Ltd.	10	1,51,80,000	15.19	91,08,000	9.11
Perfect Enviro Control Systems Limited	10	3,80,640	0.30	3,80,640	0.28
Shamrao Vithal Co-op. Bank Limited	10	100	0.00	100	0.00
			<b>19.84</b>		<b>14.09</b>
<b>Investments - (Unquoted) Convertible Pref. Shares</b>					
Deltecs Infotech Private Limited	10	858	0.26	7,50,000	0.26
Valiant Oraganics Limited	10	2,614	0.00	2,614	0.00
			<b>0.26</b>		<b>0.26</b>
<b>Investments - (Unquoted) in Warrant Certificate</b>					
Deltecs Infotech Private Limited		93	0.00	93	0.00
			<b>0.00</b>	<b>93</b>	<b>0.00</b>
<b>Investments - (Unquoted) in Unsecured Convertible Debentures</b>					
Polygamma Industries Private Limited	100	2,82,448	2.82	2,82,448	2.82
			<b>2.82</b>		<b>2.82</b>
<b>TOTAL</b>			<b>22.92</b>		<b>17.17</b>

## 3. NON CURRENT LOANS AND ADVANCES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans and Advances	0.30	-
<b>TOTAL</b>	<b>0.30</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 4. DEFERRED TAX ASSETS (NET):

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance for the year	52.78	27.74
<b>Deferred Tax Assets</b>		
MAT Credit Entitlement	69.72	41.00
Items allowed for tax purpose on payment	0.35	5.85
DTA on Losses	59.14	-
<b>Deferred Tax Liabilities</b>		
Difference between net book value of depreciable capital assets as per books vis - a - vis written down value as per Tax Laws.	(38.44)	(21.81)
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>143.55</b>	<b>52.78</b>

## 5. OTHER NON-CURRENT ASSETS:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Advances	50.76	51.71
Other Deposits	50.64	42.79
<b>TOTAL</b>	<b>101.40</b>	<b>94.50</b>

## 6. INVENTORIES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials and Components	224.78	217.34
Work-in-progress	303.90	274.46
Finished Goods	402.44	354.06
Stock-in-trade	8.51	0.76
Stores and spares	203.81	168.62
Fuel	6.96	8.08
Packing Materials	9.25	7.73
<b>TOTAL</b>	<b>1,159.65</b>	<b>1,031.05</b>

## 7. TRADE RECEIVABLES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables considered good - Unsecured (Refer Note 33 for Related Party Balances)	826.35	940.49
Unsecured, credit impaired	1.46	2.19
Less: Impairment loss allowance	(1.46)	(2.19)
<b>TOTAL</b>	<b>826.35</b>	<b>940.49</b>



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## Trade Receivables ageing schedule as on 31st March, 2024

(₹ In Crs)

Particulars	Outstanding for following periods from due date of payments *					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	354.48	97.50	30.31	0.57	-	482.86
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	1.46	-	1.46
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance						(1.46)
<b>TOTAL</b>	<b>354.48</b>	<b>97.50</b>	<b>30.31</b>	<b>2.03</b>	<b>-</b>	<b>482.86</b>

## Trade Receivables ageing schedule as on 31st March, 2023

(₹ In Crs)

Particulars	Outstanding for following periods from due date of payments *					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	477.03	39.05	6.21	-	-	522.29
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	2.19	-	-	2.19
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Less: Impairment loss allowance						(2.19)
<b>TOTAL</b>	<b>477.03</b>	<b>39.05</b>	<b>8.40</b>	<b>-</b>	<b>-</b>	<b>522.29</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 8. CASH AND CASH EQUIVALENTS:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.72	0.49
Bank balance in Current Accounts	41.06	166.96
<b>TOTAL</b>	<b>41.78</b>	<b>167.45</b>

## 9. OTHER BANK BALANCES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Bank balance in Deposit Accounts	86.17	31.35
Earmarked Balances (Unpaid Dividend Accounts)	1.78	1.93
<b>TOTAL</b>	<b>87.95</b>	<b>33.28</b>

## 10. LOANS AND ADVANCES CURRENT:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans & Advances Given to:		
i) Employees	8.28	10.32
ii) Related Parties (Refer Note 33 for balances)	-	21.71
<b>TOTAL</b>	<b>8.28</b>	<b>32.03</b>

## 11. OTHER CURRENT FINANCIAL ASSETS:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Customs Port Trust Central Excise Sales Tax and Goods & Services Tax Authorities	218.23	148.87
Subsidy Receivable	10.19	11.87
<b>TOTAL</b>	<b>228.42</b>	<b>160.74</b>

## 12. CURRENT TAX ASSETS (NET):

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Tax and Tax Deducted at Source (Net of Provisions)	76.63	55.48
<b>TOTAL</b>	<b>76.63</b>	<b>55.48</b>

## 13. OTHER CURRENT ASSETS:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Others Receivables	12.36	12.25
Prepaid Expenses	27.48	26.50
<b>TOTAL</b>	<b>39.84</b>	<b>38.75</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 14. EQUITY SHARE CAPITAL:

(₹ In Crs)

Particulars	No. of Shares	As at	
		March 31, 2024	March 31, 2023
<b>Authorised Share Capital</b>			
Equity Shares of ₹5/- each	60,00,00,000	300.00	300.00
<b>Issued, Subscribed &amp; Paid up</b>			
Equity Shares of ₹5/- each fully paid up	36,25,04,035	181.25	181.25
<b>TOTAL</b>		<b>181.25</b>	<b>181.25</b>

### 14.1 Reconciliation of the number of Shares outstanding:

Particulars	No. of Shares outstanding	
	As at March 31, 2024	As at March 31, 2023
Equity Shares at the beginning of the year	36,25,04,035	36,25,04,035
Add: Shares issued during the year	NIL	NIL
Less: Shares buy-back during the year	NIL	NIL
<b>Equity Shares at the end of the year</b>	<b>36,25,04,035</b>	<b>36,25,04,035</b>

### 14.2 Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of ₹5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### 14.3 Details of shareholders holding more than 5% shares:

Name of the Shareholders	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% held	No. of Shares	% held
Life Insurance Corporation of India	2,46,56,272	6.80	2,46,56,272	6.80

### 14.4 The details of Equity Shares outstanding during last 5 years:

Particulars	Financial Year				
	2023-24	2022-23	2021-22	2020-21	2019-20
No. of Equity Shares outstanding	36,25,04,035	36,25,04,035	36,25,04,035	17,42,34,474	17,42,34,474

(Refer Note No. 14.5)

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

- During the year 2021-22, 1,40,35,087 Shares were issued through Qualified Institutions Placement at the issue price of ₹855 per Equity Share (including ₹850 towards share premium) to qualified institutional buyers.
- During the year 2021-22 17,42,34,474 shares are issued as Bonus Shares in the ratio of 1:1 equity share of ₹5 each.
- During the year 2019-20 8,71,17,237 shares are issued as Bonus Shares in the ratio of 1:1 equity share of ₹5 each.
- During the year 2019-20, 448,590 Shares were allotted to the shareholders of Nascent Chemical Industries Limited pursuant to the terms of the Scheme of Arrangement approved by the Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 14.6 Details of shares held by promoters and promoter group:

Sr. No.	Promoters Name	As at March 31, 2024		As at March 31, 2023		% change during the year
		Number of Shares held	% of Holding	Number of Shares held	% of Holding	
1	Rashesh Chandrakant Gogri	1,48,37,616	4.09	1,53,37,616	4.23	(0.14)
2	Mirik Rajendra Gogri	1,11,72,384	3.08	1,11,72,384	3.08	0.00
3	Renil Rajendra Gogri	1,11,71,008	3.08	1,11,71,008	3.08	0.00
4	Anushakti Enterprise Private Limited	99,70,000	2.75	99,70,000	2.75	0.00
5	Hetal Gogri Gala	99,62,192	2.75	1,04,62,192	2.89	(0.14)
6	Jaya Chandrakant Gogri	97,98,548	2.70	97,98,548	2.70	0.00
7	Sarla Shantilal Shah	95,89,028	2.65	96,68,322	2.67	(0.02)
8	Labdhi Business Trust (Saswat Trusteeship Private Limited)	92,00,000	2.54	92,00,000	2.54	0.00
9	Tulip Family Trust (Gloire Trusteeship Services Private Limited)	65,96,000	1.82	65,96,000	1.82	0.00
10	Orchid Family Trust (Relacion Trusteeship Services Private Limited)	65,96,000	1.82	65,96,000	1.82	0.00
11	Safechem Enterprises Private Limited	58,52,000	1.61	58,52,000	1.61	0.00
12	Rajendra Vallabhaji Gogri	57,03,600	1.57	57,03,600	1.57	0.00
13	Nehal Garewal	39,14,190	1.08	39,77,070	1.10	(0.02)
14	Heena Family Private Trust (Barclays Wealth Trustees India Private Limited)	33,35,436	0.92	33,35,436	0.92	0.00
15	Bhavna Family Private Trust (Barclays Wealth Trustees India Private Limited)	32,16,404	0.89	32,16,404	0.89	0.00
16	Nikhil Parimal Desai	30,05,016	0.83	30,75,016	0.85	(0.02)
17	Jasmine Family Trust (Relacion Trusteeship Services Private Limited)	27,50,000	0.76	27,50,000	0.76	0.00
18	Alchemie Financial Services Limited	26,92,024	0.74	26,92,024	0.74	0.00
19	Lotus Family Trust (Gloire Trusteeship Services Private Limited)	24,98,000	0.69	24,98,000	0.69	0.00
20	Manomaya Business Trust (Alabhya Trusteeship Private Limited)	24,00,000	0.66	24,00,000	0.66	0.00
21	Aarnav Rashesh Gogri	23,82,000	0.66	22,00,000	0.61	0.05
22	Aashay Rashesh Gogri	22,00,000	0.61	22,00,000	0.61	0.00
23	Manisha Rashesh Gogri	22,00,000	0.61	22,00,000	0.61	0.00
24	Arti Rajendra Gogri	19,01,024	0.52	19,01,024	0.52	0.00
25	Bhavna Shah Lalka	16,55,764	0.46	20,55,764	0.57	(0.11)
26	Parimal Has Mukhlal Desai	15,98,284	0.44	15,98,284	0.44	0.00
27	Ratanben Premji Gogri	13,51,230	0.37	13,51,230	0.37	0.00
28	Heena Bhatia	12,90,352	0.36	12,90,352	0.36	0.00
29	Rajendra Vallabhaji Gogri (HUF) (Karta - Rajendra Vallabhaji Gogri)	12,33,096	0.34	12,33,096	0.34	0.00
30	Shantilal Tejshi Shah HUF (Karta - Nehal Garewal)	11,15,526	0.31	11,15,526	0.31	0.00
31	Alchemie Finserv Private Limited	10,56,420	0.29	10,56,420	0.29	0.00
32	Gogri Finserv Private Limited	10,56,420	0.29	10,56,420	0.29	0.00
33	Mananjay Singh Garewal	10,50,040	0.29	10,50,040	0.29	0.00
34	Indira Madan Dedhia	6,82,500	0.19	7,08,400	0.20	(0.01)
35	Bhanu Pradip Savla	6,22,948	0.17	6,22,948	0.17	0.00
36	Shreya Suneja	4,50,000	0.12	4,50,000	0.12	0.00
37	Monisha Bhatia	3,64,484	0.10	3,64,484	0.10	0.00

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

Sr. No.	Promoters Name	As at March 31, 2024		As at March 31, 2023		% change during the year
		Number of Shares held	% of Holding	Number of Shares held	% of Holding	
38	Gunavanti Navin Shah	3,46,578	0.10	3,46,578	0.10	0.00
39	Nikhil Holdings Private Limited	3,43,566	0.09	7,08,566	0.20	(0.10)
40	Chandrakant Vallabhaji Gogri	1,42,000	0.04	6,22,000	0.17	(0.13)
41	Jayesh Shah	65,666	0.02	65,666	0.02	0.00
42	Dilesh Roadlines Private Limited	33,272	0.01	33,272	0.01	0.00
43	Valiant Organics Limited	30,000	0.01	30,000	0.01	0.00
44	Prasadi Yogesh Banatwala	7,680	0.00	15,780	0.00	(0.00)
45	Pooja Renil Gogri	1,528	0.00	1,528	0.00	0.00
<b>Total</b>		<b>15,74,39,824</b>	<b>43.43</b>	<b>15,97,48,998</b>	<b>44.07</b>	<b>(0.64)</b>

## 14.7 Dividends:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(i) Dividend paid during the year</b>		
Final dividend for the year ended March 31, 2023 of ₹1.50 (previous year: ₹1.50) per fully paid share	54.38	54.38
Interim Dividend for 2023-24 of ₹NIL (previous year: ₹1.00) per fully paid share	-	36.25
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of dividend of ₹1.00 (previous year: ₹1.50) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	36.25	54.38

## 15. OTHER EQUITY:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a. Capital Reserves</b>		
Opening Balance	9.70	9.70
Addition:	-	-
Deduction:	-	-
<b>Closing Balance</b>	<b>9.70</b>	<b>9.70</b>
<b>Footnote</b> : Capital reserves represents the difference between the consideration paid and net assets received under business combination transactions.		
<b>b. Securities Premium Account</b>		
Opening Balance	1,348.78	1,348.78
Addition:	-	-
Deduction:	-	-
<b>Closing Balance</b>	<b>1,348.78</b>	<b>1,348.78</b>
<b>Footnote</b> : Securities premium represents the amount received in excess of the face value upon issue of equity shares. The same may be, inter-alia, utilised for issue of fully paid bonus shares or for buy-back of equity shares by the Company or such purpose in accordance with the provisions of the Act.		
<b>c. RBI Reserve U/s 45 (IC)</b>		
Opening Balance	3.70	3.70
Addition	-	-
Deduction	-	-
<b>Closing Balance</b>	<b>3.70</b>	<b>3.70</b>
<b>Footnote</b> : RBI Reserve U/s 45 (IC) is created as per the requirement of law.		



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ In Crs)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>d. General Reserve</b>		
Opening Balance	435.33	380.50
Addition:		
Transferred from Profit & Loss Account	42.00	55.00
Deduction:		
Other Adjustments	-	0.17
<b>Closing Balance</b>	<b>477.33</b>	<b>435.33</b>
<b>Footnote :</b> The general reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.		
<b>e. Profit and Loss Account</b>		
Opening balance	2,980.88	2,581.89
Addition:		
Net Profit/(Loss) for the year	416.46	545.23
Deduction:		
Final Dividend Paid on Equity Shares	54.38	54.38
Interim Dividend paid on Equity Share for the year	-	36.25
Foreign Exchange Difference on Translation	0.51	0.61
Transferred to other Reserves	42.00	55.00
<b>Closing Balance</b>	<b>3,300.45</b>	<b>2,980.88</b>
<b>Footnote :</b> Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividend or other distributions paid to shareholders.		
<b>f. Other Reserves</b>		
Share Application Money Pending Allotment	-	0.02
Employee Share Based Payment Reserve	2.34	-
Forfeiture Reserve	1.85	1.85
<b>Closing Balance</b>	<b>4.19</b>	<b>1.87</b>
<b>Footnote :</b> The Company has offered equity shares to certain employees and officers under an employee share purchase scheme. The employee share based payment reserve is used to recognise the value of equity settled share based payments provided to such employees and officers. Forfeiture reserve is created on account of forfeiture of shares.		
<b>g. Other Comprehensive Income</b>		
Opening Balance	(41.43)	8.32
OCI for the year	5.80	(49.75)
<b>Closing Balance</b>	<b>(35.63)</b>	<b>(41.43)</b>
<b>Footnote :</b> This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments, long term advances and foreign currency hedge measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		
<b>TOTAL</b>	<b>5,108.51</b>	<b>4,738.83</b>

## 16. NON-CURRENT BORROWINGS:

(₹ In Crs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	Current	Non-Current	Current
<b>Secured</b>				
(a) ECB/Term loans from Banks/Financial Institutions	1,520.87	467.71	629.77	352.25
(b) Vehicle Loans from Banks/Financial Institutions	3.00	1.64	4.94	1.93
<b>TOTAL</b>	<b>1,523.87</b>	<b>469.35</b>	<b>634.71</b>	<b>354.18</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ In Crs)

Details of Long term Loans from Banks / Financial Institutions	Maturity	Terms of Repayment	Interest rate p.a.	As at March 31, 2024	As at March 31, 2023
<b>Long Term Rupee Loans</b>					
From HSBC Limited	Last instalment due in 2025-26	16 quarterly repayments of ₹6.25 crs each	3 Month T-Bill + spread of 191 bps	50.00	75.00
From State Bank of India	Already paid off	N.A.	N.A.	-	19.60
From Kotak Mahindra Bank Limited	Last instalment due in 2025-26	16 quarterly repayments of ₹6.25 crs each	Fixed rate of 6.25% p.a.	43.75	68.75
From HDFC Bank Limited	Already paid off	N.A.	N.A.	-	16.67
From Citibank N.A.	Last instalment due in 2025-26	16 quarterly repayments of ₹6.25 crs each	3 Month T-Bill + Spread of 268 bps	43.75	68.75
From HDFC Bank Limited	Last instalment due in 2030-31	28 quarterly stepped up instalments of ₹1.25 - 14.69 crs each	1 month T-Bill + Spread of 165 bps	246.38	-
From Standard Chartered Bank	Last instalment due in 2024-25	2 quarterly repayments of ₹25 crs each	MIBOR linked Rate, presently at 8.5%	50.00	-
From Citibank N.A.	Last instalment due in 2029-30	16 quarterly repayments of ₹21.87 crs each	RBI Repo Rate + Spread of 150 bps	347.31	-
From Axis Bank Limited	Last instalment due in 2030-31	20 quarterly repayments of ₹10 crs each	RBI Repo Rate + Spread of 175 bps	200.00	-
<b>Foreign Currency Loans (incl ECBs)</b>					
From DBS Bank Limited	Already paid off	N.A.	N.A.	-	6.46
From Axis Bank Limited	Already paid off	N.A.	N.A.	-	16.05
From State Bank of India (ECB1)	Last instalment due in 2024-25	17 quarterly repayments of USD 1.18 mn each	3 months SOFR + spread of 130 bps	52.17	67.42
From Citibank N.A.	Last instalment due in 2025-26	18 quarterly repayments of JPY 60 mn each	3 Month JPY Libor + spread of 50 bps	36.30	53.64
From State Bank of India (ECB2)	Last instalment due in 2025-26	10 quarterly repayments of USD 4 mn each	3 months SOFR + spread of 140 bps	232.92	327.04
From Export Import Bank of India	Last instalment due in 2025-26	14 quarterly stepped up instalment of USD 1 mn - 4.50 mn each	6 months SOFR + spread of 190 bps	196.08	262.65
From International Finance Corporation	Last instalment due in 2033-34	15 semi annually stepped up instalments of USD 4.00 mn each	6 months SOFR + spread of 100 bps	489.92	-

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## Details of Security

- a) The above Outstanding Term Loans/ECBs are secured by way of Pari Passu Hypothecation of the Moveable Plant & Machinery, Machinery Spares, Tools and Accessories and other movables, both present and future (except book debts, inventories and other current assets) wherever situated, excluding those charged exclusively to other Term Lenders/ Specifically excluded.
- b) Vehicle loans from Banks/Financial Institutions are secured by way of hypothecation of respective vehicles.

## 17. LEASE LIABILITIES:

(₹ In Crs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	Current	Non-Current	Current
Lease Liabilities Account	49.31	9.07	25.26	8.02
<b>TOTAL</b>	<b>49.31</b>	<b>9.07</b>	<b>25.26</b>	<b>8.02</b>

The movements in lease liabilities during the ended 31st March, 2024 and 31st March, 2023 is as follows :

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	33.28	18.98
Additions during the year	35.23	25.42
Deletion during the year	(0.98)	(4.52)
Finance Cost Incurred during the year	4.41	2.34
Payment of lease liabilities	(13.56)	(8.94)
<b>Balance at the end</b>	<b>58.38</b>	<b>33.28</b>

## 18. OTHER NON CURRENT LIABILITIES:

(₹ In Crs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non-Current	Current	Non-Current	Current
Long Term Advances for Exports received from Customer	175.29	67.55	216.68	66.71
Provision for Gratuity	0.15	-	0.13	-
<b>TOTAL</b>	<b>175.44</b>	<b>67.55</b>	<b>216.81</b>	<b>66.71</b>

The Company has received aforesaid advances for export commitments under the long term contracts (contracts with period more than five year) executed by the company with its customers. The advances shall be adjusted against the export sales/ supplies over a period of time, as per the terms of these contracts. Further, as per the terms of said contracts, the Company has issued a Bank Guarantee in favour of the customer as a security for the said advances.

## 19. SHORT-TERM BORROWINGS:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
	<b>Secured</b>	
Working Capital Loan From Banks	1,139.70	1,481.68
Current maturities of Long-Term Debt {Refer Note 16(a)}	467.71	352.25
Current maturities of Vehicle Loan {Refer Note 16(b)}	1.64	1.93
<b>Total</b>	<b>1,609.05</b>	<b>1,835.86</b>
<b>Unsecured</b>		
From Banks	50.04	403.41
From Others	0.85	0.05
<b>Total</b>	<b>50.89</b>	<b>403.46</b>
<b>TOTAL</b>	<b>1,659.94</b>	<b>2,239.32</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 20. TRADE PAYABLES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables due to:		
Micro and Small Enterprises (MSME)	44.39	48.66
Other than Micro and Small Enterprises	476.88	166.94
<b>TOTAL</b>	<b>521.27</b>	<b>215.60</b>

Note : Refer Note 33 for Related Party Balances

### Trade Payables ageing schedule as on 31st March, 2024

(₹ In Crs)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1 -2 years	2 -3 years	More than 3 years	
Micro and Small Enterprises (MSME)	-	-	-	-	-
Other than Micro and Small Enterprises	39.71	3.41	-	-	43.12
Disputed Dues to MSME	-	-	-	-	-
Disputed Dues to Others	-	-	-	-	-
<b>TOTAL</b>	<b>39.71</b>	<b>3.41</b>	<b>-</b>	<b>-</b>	<b>43.12</b>

### Trade Payables ageing schedule as on 31st March, 2023

(₹ In Crs)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1 -2 years	2-3 years	More than 3 years	
Micro and Small Enterprises (MSME)	-	-	-	-	-
Other than Micro and Small Enterprises	81.79	3.08	-	-	84.87
Disputed Dues to MSME	-	-	-	-	-
Disputed Dues to Others	-	-	-	-	-
<b>TOTAL</b>	<b>81.79</b>	<b>3.08</b>	<b>-</b>	<b>-</b>	<b>84.87</b>

There are no Micro and Small Enterprise, to whom the Company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 21. OTHER FINANCIAL LIABILITIES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unpaid Dividends	1.78	1.93
Project Payables	250.14	189.33
<b>TOTAL</b>	<b>251.92</b>	<b>191.26</b>

## 22. OTHER CURRENT LIABILITIES:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance for Exports Received From Customer (Current) (Refer Note 18)	67.55	66.71
Interest accrued but not due on borrowings	0.26	-
Other Current Liabilities & Taxes	26.28	32.55
<b>TOTAL</b>	<b>94.09</b>	<b>99.26</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 23. SHORT-TERM PROVISIONS:

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Provision for :</b>		
Provision for Employees' Benefits	39.83	27.76
Others	0.29	2.10
<b>TOTAL</b>	<b>40.12</b>	<b>29.86</b>

## 24. REVENUE FROM OPERATIONS:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Sale of Products & Service	6,832.97	7,156.20
Other Operating Revenues	179.11	126.42
<b>GROSS REVENUE OPERATIONS</b>	<b>7,012.08</b>	<b>7,282.62</b>
Less: GST Collected	639.76	664.04
<b>NET REVENUE OPERATIONS</b>	<b>6,372.32</b>	<b>6,618.58</b>

### 24.1 GEOGRAPHICAL GROSS REVENUE:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Local Sales	3,391.75	3,709.62
Export Sales	3,620.33	3,573.00
<b>TOTAL</b>	<b>7,012.08</b>	<b>7,282.62</b>

### 24.2 OTHER OPERATING REVENUES:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Fertilizers Subsidy Received	30.58	48.38
Export Benefits/Incentives Received	18.80	29.59
Contract Shortfall Fees	9.92	16.60
Scrap Sales	119.80	31.85
<b>TOTAL</b>	<b>179.10</b>	<b>126.42</b>

### 24.3 Reconciliation of Revenue from sale of products & services with the contracted price:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Contracted Price	6,859.13	7,181.58
Less: Trade discounts, volume rebates etc.	(26.16)	(25.38)
<b>TOTAL</b>	<b>6,832.97</b>	<b>7,156.20</b>



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 25. OTHER INCOME:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Dividend Received	-	0.05
Profit on Sale of Assets/Investment	0.94	0.23
Lease Rent Income	-	0.38
Interest Income	7.09	-
Other Income	0.38	0.20
<b>TOTAL</b>	<b>8.41</b>	<b>0.86</b>

## 26. COST OF MATERIALS CONSUMED:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Consumption of Raw Materials	3,372.98	2,881.60
Consumption of Packing Materials	45.23	53.29
Consumption of Fuel	286.90	430.91
Consumption of Stores & Spares	64.53	96.23
<b>TOTAL</b>	<b>3,769.64</b>	<b>3,462.03</b>

## 27. CHANGES IN INVENTORY:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Opening Stock</b>		
Finished Goods	348.42	456.57
Work-in-Progress	274.46	232.01
<b>Total (A)</b>	<b>622.88</b>	<b>688.58</b>
<b>Closing Stock</b>		
Finished Goods	412.55	348.42
Work-in-Progress	303.90	274.46
<b>Total (B)</b>	<b>716.45</b>	<b>622.88</b>
<b>TOTAL (A-B)</b>	<b>(93.57)</b>	<b>65.70</b>

## 28. EMPLOYEE BENEFITS:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Salaries Wages & Bonus	349.09	326.61
Share Based Payment Expenses	2.34	-
Contribution to PF and other Funds	24.89	24.08
Workmen & Staff Welfare Expenses	27.42	34.64
<b>TOTAL</b>	<b>403.74</b>	<b>385.33</b>

## 29. FINANCE COST:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Interest Expenses	178.78	103.96
Exchange difference on borrowing costs	16.48	54.77
Interest on Lease Liabilities	4.41	2.34
Other borrowing Costs (includes bank charges, etc.)	11.80	7.21
<b>TOTAL</b>	<b>211.47</b>	<b>168.28</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 30. OTHER EXPENSES:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Manufacturing Expenses:</b>		
Freight Cartage & Transport	142.27	176.60
Power	152.80	144.52
Water Charges	17.72	16.31
Processing Charges	59.55	80.72
Other Manufacturing Expenses	179.91	193.81
Repairs & Maintenance	113.07	151.36
Insurance Charges	16.99	10.81
Research & Development Expenses	3.36	2.37
Factory Administrative Expenses	89.69	76.45
<b>Total (A)</b>	<b>775.36</b>	<b>852.95</b>
<b>Office Administrative Expenses:</b>		
Rent Rates and Taxes	2.35	1.03
Travelling and Conveyance	4.86	4.38
Auditor's Remuneration	0.48	0.52
Legal & Professional Charges	12.86	11.42
Other Administrative Expenses	17.96	10.74
<b>Total (B)</b>	<b>38.51</b>	<b>28.09</b>
<b>Selling &amp; Distribution Expenses:</b>		
Advertisement & Sales Promotion	6.18	3.57
Export Freight Expenses	100.83	217.72
Freight and Forwarding Expenses	157.40	171.01
Commission	5.20	7.93
Export Insurance Charges	2.19	2.23
Sample Testing & Analysis Charges	1.39	1.87
Lease Rent Paid	0.38	0.08
Bad debts/Sundry Balance Written Off/(Back)	1.72	0.04
<b>Total (C)</b>	<b>275.29</b>	<b>404.45</b>
<b>Non-Operating Expenses:</b>		
Donations/CSR Expenses	17.88	17.12
Loss on Sale of Assets/Investment	4.93	-
<b>Total (D)</b>	<b>22.81</b>	<b>17.12</b>
<b>TOTAL (A+B+C+D)</b>	<b>1,111.97</b>	<b>1,302.61</b>

### 30.1 AUDITOR'S REMUNERATION:

(₹ In Crs)

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Audit Fees	0.38	0.36
Certification Charges	0.05	0.04
Out of Pocket Expenses	0.01	-
<b>TOTAL</b>	<b>0.44</b>	<b>0.40</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 31. EARNING PER SHARE (EPS):

(₹ In Crs)

Particulars		For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Net Profit after Tax	(₹ in Crs)	416.46	545.23
Profit attributable to Minority Interest	(₹ in Crs)	-	-
Share of Profit/(Loss) of Associates	(₹ in Crs)	-	-
<b>Net Profit After Consolidation available for Equity Shareholders</b>	(₹ in Crs)	<b>416.46</b>	<b>545.23</b>
No. of Equity Shares	(Nos.)	36,25,04,035	36,25,04,035
Basic EPS	(₹)	11.49	15.04
Diluted EPS	(₹)	11.49	15.04
Nominal Value of Equity Share	(₹)	5.00	5.00

**32.1** 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.

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

## 32. CONTINGENT LIABILITIES AND COMMITMENTS:

(to the extent not provided for)

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(i) Contingent Liabilities:</b>		
(a) Claims against the company not acknowledged as Debts	98.87	124.62
(b) Letters of Credit Bank Guarantees & Bills Discounted	413.28	336.81
	<b>512.15</b>	<b>461.43</b>
<b>(ii) Commitments:</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	544.36	191.39
	<b>544.36</b>	<b>191.39</b>
<b>TOTAL</b>	<b>1,056.51</b>	<b>652.82</b>

## 33. RELATED PARTY DISCLOSURE UNDER ACCOUNTING STANDARD (Ind AS: 24):

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 Chemicals Private Limited
2. Alchemie Finechem Private Limited (formerly known as Alchemie Laboratories)
3. Alchemie Gases & Chemicals Private Limited
4. Alchemie Dye Chem Private Limited
5. Aarti Drugs Limited
6. Aarti Pharmalabs Limited
7. Aarti Surfactants Limited
8. Aarti USA Inc.
9. Ganesh Polychem Limited
10. Amulya Techline Engineers (Unit of Dilesh Roadlines Private Limited)
11. Valiant Laboratories Limited
12. Valiant Organics Limited

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

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 including non-executive directors

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 (upto August 4, 2023)	Director
6.	Shri Renil R. Gogri	Director
7.	Shri Ajay Kumar Gupta (w.e.f. June 29, 2023)	Director
8.	Smt. Hetal Gogri Gala	Non-executive Director
9.	Shri Narendra J. Salvi (upto August 4, 2023)	Non-executive Director
10.	Shri P.A. Sethi	Non-executive Director
11.	Shri KVS Shyamsunder	Non-executive Director
12.	Shri Bhavesh R. Vora	Non-executive Director
13.	Prof. Ganpati D. Yadav (upto September 23, 2023)	Non-executive Director
14.	Smt. Priti P. Savla (upto September 23, 2023)	Non-executive Director
15.	Shri Vinay Gopal Nayak (upto December 17, 2023)	Non-executive Director
16.	Shri Lalitkumar S. Naik	Non-executive Director
17.	Smt. Natasha K. Treasurywala	Non-executive Director
18.	Prof. Aniruddha B. Pandit (w.e.f. June 29, 2023)	Non-executive Director
19.	Shri Shekhar S. Khanolkar (w.e.f. June 29, 2023)	Non-executive Director
20.	Shri Chetan Gandhi	Chief Financial Officer
21.	Shri Raj Sarraf	Company Secretary
22.	Shri Chandrakant V. Gogri	Relatives of Director
23.	Smt. Jaya C. Gogri	Relatives of Director
24.	Smt. Arti R. Gogri	Relatives of Director
25.	Smt. Manisha R. Gogri	Relatives of Director
26.	Shri Mirik R. Gogri	Relatives of Director
27.	Smt. Pooja R. Gogri	Relatives of Director

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.

(₹ In Crs)

Name of related party	Nature of Transaction	As at March 31, 2024	As at March 31, 2023
Alchemie Gases & Chemicals Private Limited	Purchase of Goods & Services	0.02	0.05
	Purchase of Material	3.88	3.36
Alchemie Speciality Chemical Private Limited	Reimbursement of Exp	-	0.04
	Sales & Other Sales Income	4.09	6.54
	Purchase of Goods & Services	10.78	10.64
Alchemie Finechem Private Limited	Reimbursement of Exp	-	0.04
	Sales & Other Sales Income	21.44	26.82
	Sales & Other Sales Income	10.95	14.74
Aarti Drugs Limited	Reimbursement of Exp	0.00	0.49
	Purchase of Goods & Services	79.47	147.46
	Purchase of Assets	12.53	-
Valiant Organics Limited	Sales & Other Sales Income	247.56	364.44
	Interest Income	3.90	-
	Purchase of Goods & Services	-	7.89
Aarti Surfactants Limited	Sales & Other Sales Income	0.06	2.73
	Reimbursement of Exp	-	0.11
	Purchase of Goods & Services	-	0.24
Valiant Laboratories Ltd	Purchase of Goods & Services	37.68	72.2
	Sales & Other Sales Income	95.70	132.61
Aarti Pharmalabs Limited	Sales & Other Sales Income	95.70	132.61
	Reimbursement of Exp	-	0.35

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ In Crs)

Name of related party	Nature of Transaction	As at March 31, 2024	As at March 31, 2023
Ganesh Polychem Ltd	Purchase of Goods & Services	17.63	16.45
	Sales & Other Sales Income	75.14	132.14
	Reimbursement of Exp	-	0.10
AARTI USA INC	Sales & Other Sales Income	156.02	221.74
Amulya Techline Engineers (Div of Dilesh Roadlines Private Limited)	Purchase of Assets	7.53	3.81

(₹ In Crs)

Name of related party	Net Closing Balances	As at March 31, 2024	As at March 31, 2023
Alchemie Gases & Chemicals Private Limited	Trade Payable	0.00	0.01
Alchemie Speciality Chemical Private Limited	Trade Receivable	1.56	6.95
	Trade Payable	2.93	1.31
Alchemie Finechem Private Limited	Trade Receivable	8.72	10.97
	Trade Payable	-	0.02
Aarti Drugs Limited	Trade Receivable	3.94	3.99
Valiant Organics Limited	Trade Receivable	134.64	99.90
	Trade Payable	3.40	-
Aarti Surfactants Limited	Trade Receivable	0.08	0.07
	Trade Payable	32.50	4.73
Aarti Pharmalabs Limited	Trade Receivable	78.13	-
	Loans/Advances*	-	21.71
Ganesh Polychem Limited	Trade Receivable	14.68	3.16
Aarti USA INC	Trade Receivable	109.13	116.99
Amulya Techline Engineers (Unit of Dilesh Roadlines Private Limited)	Capital Advance/Loans & Advance	0.71	-
	Trade Payable	(4.47)	(3.21)

\*Arising Pursuant to the Scheme of Arrangement.

## (B) Details relating to persons referred to in item III above

(₹ In Crs)

Particulars	Financial Year 2023-24	Financial Year 2022-23
a. Remuneration including perquisites <sup>#</sup>	9.75	8.74
b. Commission to Directors	12.01	18.39
c. Sitting Fees	1.41	0.31
d. Rent paid	0.76	0.98
e. Travelling Expenses	0.14	0.45
f. Telephone Expenses	0.06	0.03
<b>TOTAL</b>	<b>24.13</b>	<b>28.90</b>

<sup>#</sup> Value of Perquisites includes Non Cash Perquisites of ₹0.02 Crs (previous year ₹0.02 Crs).

\* Provision towards gratuity & leave salary expenses are determined actuarially for the Company as a whole on an annual basis and accordingly have not been considered in the above information.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 34. 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)
<b>Parent</b>				
Aarti Industries Limited	100.04%	5,292.42	100.21%	417.35
<b>Subsidiaries</b>				
Alchemie (Europe) Limited	(0.04)%	(1.95)	0.01%	0.03
Aarti Corporate Services Limited	0.14%	7.33	(0.12)%	(0.50)
Innovative Envirocare Jhagadia Limited	0.00%	0.16	0.00%	(0.01)
Nascent Chemical Industries Limited	0.01%	0.29	(0.02)%	(0.09)
Shanti Intermediates Private Limited	0.00%	0.17	(0.21)%	(0.87)
Aarti Polychem Private Limited	0.00%	(0.01)	0.00%	(0.01)
Aarti Bharuch Limited	0.00%	(0.21)	(0.10)%	(0.42)
Aarti Spechem Limited	0.00%	0.21	0.00%	(0.01)
Augene Chemical Private Limited	0.00%	0.05	0.00%	0.00
Aarti Chemical Trading FZCO	0.00%	0.01	(0.02)%	(0.10)
<b>Non Controlling Interest in all Subsidiaries</b>	0.00%	-	0.00%	-
<b>Inter Company Elimination &amp; Consolidation Adjustment</b>	(0.15)%	(7.99)	0.26%	1.09
<b>TOTAL</b>	<b>100.00%</b>	<b>5,290.48</b>	<b>100.00%</b>	<b>416.46</b>

## 35. FAIR VALUE MEASUREMENTS:

### Financial instruments by category

(₹ In Crs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Carrying Amount	Level 1	Level 2	Carrying Amount	Level 1	Level 2
<b>Financial Assets</b>						
<b>At Amortised Cost:</b>						
Investments	18.83	-	-	12.75	-	-
Loans and Advances (Non-current)	0.30	-	-	0.01	-	-
Trade Receivables	826.35	-	-	940.49	-	-
Cash and Cash Equivalents	41.78	-	-	167.45	-	-
Other Bank Balances	87.95	-	-	33.28	-	-
Loans and Advances (Current)	8.28	-	-	32.03	-	-
Other Financial Assets	228.42	-	-	160.74	-	-
<b>At FVTOCI:</b>						
Investments	4.09	3.79	0.30	4.42	4.14	0.28
<b>Financial Liabilities</b>						
<b>At Amortised Cost:</b>						
Borrowings	3,183.81	-	-	2,874.03	-	-
Lease Liabilities	58.38	-	-	33.28	-	-
Trade Payables	521.27	-	-	215.61	-	-
Other Current Financial Liabilities	251.92	-	-	191.26	-	-

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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 36. 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.

(₹ In Crs)

Particulars	As at March 31, 2024	As at March 31, 2023
Gross Debts	3,183.81	2,874.03
Less: Cash and Marketable Securities	133.52	204.87
<b>Net Debt (A)</b>	<b>3,050.29</b>	<b>2,669.16</b>
<b>Total Equity (B)</b>	<b>5,290.48</b>	<b>4,920.80</b>
<b>Net Gearing ratio (A/B)</b>	<b>0.58</b>	<b>0.54</b>

## 37. 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 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 materially 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 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 March 31, 2024

Maturities of non-derivative financial liabilities

(₹ In Crs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade Payables	521.27	-	-	521.27
Other Financial Liabilities	1,920.93	995.64	577.54	3,494.11
<b>Total</b>	<b>2,422.20</b>	<b>995.64</b>	<b>577.54</b>	<b>4,015.38</b>

As at March 31, 2023

Maturities of non-derivative financial liabilities

(₹ In Crs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade Payables	215.60	-	-	215.60
Other Financial Liabilities	2,438.60	658.64	1.33	3,098.57
<b>Total</b>	<b>2,654.20</b>	<b>658.64</b>	<b>1.33</b>	<b>3,314.17</b>

## 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.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

## 38. RATIO ANALYSIS:

Particulars	Numerator	Denominator	2023-24	2022-23	% Variance
Current Ratio	Total Current Assets	Total Current Liabilities	0.99	1.01	(1.98)%
Debt-Equity Ratio	Total Debt	Total Equity	0.60	0.58	3.04%
Debt Service Coverage Ratio <sup>(b)</sup>	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest + Principal repayments of Long Term Borrowings	1.01	1.48	(31.76)%
Return on Equity Ratio <sup>(a)</sup>	Net Profits after Taxes	Average Total Equity	8.16%	11.55%	(29.41)%
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	4.68	5.07	(7.69)%
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivable	7.94	7.17	10.74%
Trade Payables Turnover Ratio <sup>(c)</sup>	Purchase of materials and stock in trade	Average Trade Payables	10.78	18.88	(42.86)%
Net Capital Turnover Ratio	Revenue from Operations	Working capital = Current assets – Current liabilities	14.61	17.43	(16.19)%
Net Profit Ratio	Net Profit after Tax	Revenue from Operations	5.94%	7.49%	(20.69)%
Return on Capital Employed	Earnings before Interest and Taxes & Depreciation	Average Capital Employed = Tangible Net Worth + Total Debt	12.36%	15.03%	(17.75)%
Return on Investment <sup>(a)</sup>	Profit for the year	Total Equity	7.87%	11.08%	(28.95)%

### Notes for Ratio:

- During the year, the operations of the company were impacted due to various macro challenges. As a result the profit for the year were lower as compared to that of previous year. This had resulted into decline of return ratio such as Return on Equity, Return on Investment & Return on Capital Employed, etc. for the year.
- Debt service coverage ratio declined because of lower profits and higher finance costs during the year.
- Trade Payable Turnover ratio declined due to availability of higher credit in respect of its sourcing of material.

## 39. OTHER DISCLOSURES:

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- The Company do not have any transactions with companies struck off. under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

## (viii) Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are approved by the Board of Directors in case of a company, and, by the corresponding approving authority in case of any other entity for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

As on 31<sup>st</sup> March, 2024 there were no material subsequent events to be recognized or reported that are not already disclosed.

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

As per our report of even date  
For **Gokhale & Sathe**  
Chartered Accountants  
FRN: 103264W

**Tejas Parikh**  
Partner  
M.No. 123215  
UDIN: 24123215BKBNZK6056

Place: Mumbai  
Date: May 10, 2024

For and on behalf of the Board

**Rajendra V. Gogri**  
Chairman and  
Managing Director  
DIN: 00061003

**Chetan Gandhi**  
Chief Financial Officer  
ICAI M.No. 111481

**Rashesh C. Gogri**  
Vice Chairman and  
Managing Director  
DIN: 00066291

**Raj Sarraf**  
Company Secretary  
ICSI M.No. A15526



CIN: L24110GJ1984PLC007301

Regd. Off.: Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi, Dist. Valsad, Gujarat - 396 195

Website: - [www.aarti-industries.com](http://www.aarti-industries.com); Email: - [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com)

Telephone: - 0260-2400059, 2400366, Fax: - 0260-2401322

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 41<sup>st</sup> Annual General Meeting of the members of **AARTI INDUSTRIES LIMITED** ("Company") is scheduled to be held on **Friday, August 2, 2024 at 11:00 a.m. (IST)**, through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business;

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend @ 20% i.e. Re. 1/- (Rupee One only) per equity share for the year ended March 31, 2024.
3. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

Appointment of Shri Suyog Kalyanji Kotecha (DIN: 10634964) as Director liable to retire by rotation in place of Shri Parimal Has Mukhlal Desai (DIN: 00009272), who retires by rotation and has not offered himself for re-appointment as Director of the Company.

**"RESOLVED THAT** pursuant to the provisions of Section 152 of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and subject to other applicable provisions of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed thereunder, Shri Suyog Kalyanji Kotecha (DIN:10634964) who was appointed in accordance with the recommendation of Nomination and Remuneration Committee by the Board of Directors, as an Additional Director of the Company with effect from June 17, 2024 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation, in place of Shri Parimal Has Mukhlal Desai [DIN: 00009272], who retires by rotation in this Annual General Meeting and has not offered himself for re-appointment as a Director of the Company.

**RESOLVED FURTHER THAT** the Executive Directors and the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds

and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

4. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

To appoint a Director in place of Smt. Hetal Gogri Gala (DIN: 00005499), who retires by rotation and being eligible, has offered herself for re-appointment as a Director of the Company.

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company, be and is hereby accorded to re-appointment of Smt. Hetal Gogri Gala (DIN: 00005499) as a Director, liable to retire by rotation."

### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

Appointment of Shri Suyog Kalyanji Kotecha (DIN:10634964) as an Executive Director;

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to the appointment of Shri Suyog Kalyanji Kotecha (DIN:10634964), as an Executive Director of the Company, to hold office for a period of five years with effect from June 17, 2024 on the terms and conditions of appointment including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting with an authority to the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment including remuneration within limits permissible under the Act.



**RESOLVED FURTHER THAT** the Executive Directors and the Key Managerial Personnel of the Company be and are hereby severally authorised to finalise terms of appointment of the concerned Director and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

6. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

Appointment of Shri Belur Krishna Murthy Sethuram (DIN: 03498701) as an Independent Director.

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 (“Act”) and the Rules made thereunder, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), any other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and on the basis of the recommendation of the Nomination and Remuneration Committee, Shri Belur Krishna Murthy Sethuram (DIN: 03498701), who was appointed as an Additional Director with effect from June 1, 2024 to hold office as an Independent Director in terms of Section 161(1) of the Act and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and being eligible for appointment under the provisions of the Act, the Rules made thereunder, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years with effect from June 1, 2024.

**RESOLVED FURTHER THAT** the Executive Directors and the Key Managerial Personnel of the Company be and are hereby severally authorised to finalise terms of appointment of the concerned Director and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

7. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

Appointment of Shri Nikhil Jaysinh Bhatia (DIN: 00414281) as an Independent Director of the Company.

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 (“Act”) and the Rules made thereunder, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), any other applicable laws and regulations (including any statutory modification(s)

or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and on the basis of the recommendation of the Nomination and Remuneration Committee, Shri Nikhil Jaysinh Bhatia (DIN: 00414281), who will assume office of Independent Director with effect from September 15, 2024 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and being eligible for appointment under the provisions of the Act, the Rules made thereunder, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years with effect from September 15, 2024.

**RESOLVED FURTHER THAT** the Executive Directors and the Key Managerial Personnel of the Company be and are hereby severally authorised to finalise terms of appointment of the concerned Director and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

8. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

Appointment of Smt. Rupa Devi Singh (DIN: 02191943) as an Independent Director.

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 (“Act”) and the Rules made thereunder, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), any other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and on the basis of the recommendation of the Nomination and Remuneration Committee, Smt. Rupa Devi Singh (DIN: 02191943), who will assume office of Independent Director with effect from September 15, 2024 and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and being eligible for appointment under the provisions of the Act, the Rules made thereunder, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years with effect from September 15, 2024.

**RESOLVED FURTHER THAT** the Executive Directors and the Key Managerial Personnel of the Company be and are hereby severally authorised to finalise terms of appointment of the concerned Director and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

9. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

Appointment of Shri Ashok Kumar Barat (DIN: 00492930) as an Independent Director of the Company.

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 (“Act”) and the Rules made thereunder, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), any other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and on the basis of the recommendation of the Nomination and Remuneration Committee, Shri Ashok Kumar Barat (DIN: 00492930), who will assume office of Independent Director with effect from September 15, 2024 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and being eligible for appointment under the provisions of the Act, the Rules made thereunder, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years with effect from September 15, 2024.

**RESOLVED FURTHER THAT** the Executive Directors and the Key Managerial Personnel of the Company be and are hereby severally authorised to finalise terms of appointment of the concerned Director and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

10. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

Re-appointment of Shri Lalitkumar Shantaram Naik (DIN: 02943588) as an Independent Director

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 (“Act”) and the Rules made thereunder, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), any other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and on the basis of the recommendation of the Nomination and Remuneration Committee, Shri Lalitkumar Shantaram Naik (DIN: 02943588), who has completed his first term on May 20, 2024 and re-appointed for the second term by the Board of Directors in its meeting held on May 10, 2024 and who has submitted a declaration that he continues to meet the criteria of independence and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for the second term of five years with effect from May 21, 2024.

**RESOLVED FURTHER THAT** the Executive Directors and the Key Managerial Personnel be and are hereby severally authorised to finalise terms of appointment of the concerned Director and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

11. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

To approve payment of Commission to Non-executive Directors of the Company.

**“RESOLVED THAT** pursuant to the provisions of Section 197, 198, and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“the Rules”) and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (including any statutory amendment(s) or modification(s) thereto or substitution(s) or re-enactment(s) made thereof for the time being in force) (“Listing Regulations”), and in terms of the recommendation given by the Nomination and Remuneration Committee in its meeting held on March, 28, 2024 and approval of the Board of Directors accorded in its meeting held on April 5, 2024 and subject to such approvals, permissions and sanctions, as applicable, the approval of the members of the Company be and is hereby accorded to the payment of profit related commission of an aggregate amount of maximum up to ₹1.5 Crores per annum or 0.25% of the net profit (whichever is lower) of the respective financial year to the Non-executive Directors cumulatively with a further ceiling of up to ₹20 Lakhs per annum payable to each individual Non-executive Director for a period of 5 years with effect from April 1, 2024, and in a manner and in accordance with the commission distribution criteria as may be decided by the nomination and remuneration committee of the Board.

**RESOLVED FURTHER THAT** the remuneration payable to the Non-executive Directors will be in addition to the payment of sitting fees for attending the meetings of the Board of Directors and the Committees thereof.

**RESOLVED FURTHER THAT** the Executive Directors and the Key Managerial Personnel be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

12. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

To approve revision in terms and conditions of appointment of the Executive Director Shri Ajay Kumar Gupta (DIN:08619902):

**“RESOLVED THAT** pursuant to provisions of sections 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in accordance with the recommendation of Nomination and Remuneration Committee of the Board and subject to other approvals, if any, the consent of the members of the Company be and is hereby accorded to revision in the terms of appointment (tenure & remuneration) as set out in the Explanatory Statement annexed to the Notice of the Executive Director Shri Ajay Kumar Gupta for a period of five years effective from April 1, 2024, with an authority to the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment including remuneration within the overall ceiling as prescribed in explanatory statement for a period of five year effective from April 1, 2024.

**RESOLVED FURTHER THAT** except the change as stated in the explanatory statement, other terms & conditions of the appointment of Shri Ajay Kumar Gupta shall remain unchanged.

**RESOLVED FURTHER THAT** the Executive Directors and the Key Managerial Personnel be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

13. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

To approve the remuneration of the Cost Auditors for the Financial Year 2024-25:

**“RESOLVED THAT** pursuant to Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors), Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹4,00,000/- (Rupees Four Lakhs only) per annum plus Tax as applicable and reimbursement of out of pocket expenses to be paid to Smt. Ketki D. Visariya, Cost Accountant (Membership Number: 16028), being the Cost Auditor appointed by the Board of Directors of the Company to conduct an audit of the cost records and related books maintained by the Company in respect of Organic and Inorganic Chemicals and Fertilisers for the Financial Year 2024-25 be and is hereby approved.

**RESOLVED FURTHER THAT** the Executive Directors and the Key Managerial Personnel be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Registered Office:**  
Plot Nos. 801, 801/23  
GIDC Estate, Phase III,  
Dist. Valsad, Gujarat

July 4, 2024

By order of the Board

**Raj Sarraf**  
**Company Secretary**  
ICSI M. NO. A15526

## NOTES

1. The Ministry of Corporate Affairs (MCA) vide its circular dated September 25, 2023, December 08, 2022, May 05, 2022, December 14, 2021 read with circulars dated January 13, 2021, May 05, 2020, April 08, 2020 and April 13, 2020 (collectively referred to as MCA Circulars) and the Securities and Exchange Board of India vide its circulars dated October 07, 2023, January 05, 2023, May 13, 2022 read with January 15, 2021 and May 12, 2020 (collectively referred to as SEBI Circulars) have permitted the holding of the Annual General Meeting (AGM) through VC / OAVM, without physical presence of the members at a common venue till 30<sup>th</sup> September 2024. In compliance with the provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and MCA Circulars, the 41<sup>st</sup> AGM of the Company is being held through VC / OAVM. The members can attend and participate in the AGM through VC/OAVM.
2. Pursuant to the above referred MCA Circulars, the facility, to appoint a proxy to attend and cast vote, for the members is not available for this AGM. However, the body corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
3. In line with MCA Circulars read with circulars issued by Securities Exchange Board of India (SEBI) vide SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 (hereinafter referred to as "SEBI Circular for AGM"), the Notice of 41<sup>st</sup> AGM along with the Annual Report for FY 2023-24 is being sent only through electronic mode to those members whose email addresses are registered with the Company's Registrar & Share Transfer Agents, Link Intime India Private Limited ("RTA") / Depositories. Hard copies shall be sent to those members who shall request for the same. Members may note that the Notice of the 41<sup>st</sup> AGM along with the Annual Report for FY 2023-24 is also available for download on the website of the Company at [www.aarti-industries.com](http://www.aarti-industries.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL, [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
4. Since the AGM is being held through VC / OAVM, physical attendance of shareholders has been dispensed with. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Pursuant to Section 113 of the Act, Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) attending the meeting through VC / OAVM are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorisation shall be sent to the scrutiniser by email through its registered email address to [sunil@sunildedhia.com](mailto:sunil@sunildedhia.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
6. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/ HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020, had fixed March 31, 2021, as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile/ phone numbers, PAN, mandates, nominations and bank details etc., to their Depository Participants ("DPs") in case shares are held by them in electronic form and to the M/s. Link Intime India Private Limited in Form ISR-1 in case the shares are held by them in physical form. Members can contact the Company or the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on the Company's website [www.aarti-industries.com](http://www.aarti-industries.com).
7. Shareholders desirous of receiving communication from the Company in electronic form may register their email addresses with their respective depository participants. Further, shareholders are also requested to approach their depository participant to register their email address in their demat account details as per the process defined by the respective depository participant. Members, who hold shares in physical form are requested to provide their email addresses to the M/s. Link Intime India Private Limited by sending an e-mail at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or to the Company at [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com).
8. As per the provisions of Section 72 of the Act, the facility for making nominations is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.aarti-industries.com](http://www.aarti-industries.com). Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to M/s. Link Intime India Private Limited, in case the shares are held in physical form. Further, if members desire to opt-out/ cancel the nomination and to record a fresh nomination, are requested to submit Form ISR-3 (in case of shares held in physical form) or SH-14 (in case of shares held in electronic mode).
9. SEBI has mandated listed companies to issue securities in dematerialized form only while processing service requests for the issue of duplicate securities certificates; claims from unclaimed suspense accounts; renewal/ exchange of securities certificates; endorsement; sub-division/splitting of securities certificate;

consolidation of securities certificates/folios; and transmission and transposition. In this regard, members are requested to make requests in Form ISR-4. It may be noted that the service request can be processed only, if the respective folio is KYC Compliant.

10. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s. Link Intime India Private Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members after making the requisite changes.
11. In the case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
12. The Company has fixed Friday, July 26, 2024 as the 'Record Date' for determining members' entitlement to the Final Dividend for the financial year ended March 31, 2024, if approved at the AGM.
13. If the Final Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such Dividend subject to deduction of tax at source will be made within a statutory timeline of 30 days as under:
  - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as at the close of business hours on Friday, July 26, 2024;
  - b) To all members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as at the close of business hours on Friday, July 26, 2024.
14. During the year the Company has transferred the unclaimed amount of the third Interim Dividend for the year 2015-2016 to the Investor Education and Protection Fund as required under Sections 124 and 125 of the Companies Act, 2013.
15. The Company has uploaded the information in respect of the Unclaimed Dividends, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors Section" on the Website of the Company viz. [www.aarti-industries.com](http://www.aarti-industries.com).
16. The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 contain provisions for the transfer of all shares in respect of which dividend has not been paid and claimed by the shareholders for seven consecutive years or more in the name of Demat Account of the Investor Education and Protection Fund (IEPF) Authority. The Company has communicated individually, to the concerned shareholders whose shares are liable to be transferred to the Demat Account of IEPF Authority under the said rules and also notice for the same was published in Financial Express in (English) edition and (Gujarati) editions published from Ahmedabad for taking appropriate action(s). The Company has uploaded full details of such shareholders and shares due for transfer to the Demat Account of IEPF Authority on its website at <https://www.aarti-industries.com/> under "Investors Section."
17. Attention of the members is invited to the provisions of Section 124(6) of the Companies Act, 2013 with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time ("IEPF Rules"), which inter alia requires the Company to transfer the equity shares, on which the dividend has remained unpaid and unclaimed for a continuous period of seven years, to IEPF. The said Shares, once transferred to IEPF can be claimed after following due procedure prescribed under the IEPF Rules.
18. To register an email address for all future correspondence and update the bank account details, please follow the below process:

Physical Holding	<p>Send a request to M/s. Link Intime India Private Limited at <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>:</p> <p>To register email address, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN and AADHAR (self-attested scanned copy of both PAN card and Aadhar card)</p> <p>To update bank account details, please send the following additional documents/information followed by the hard copies:</p> <ol style="list-style-type: none"> <li>a) Name of the bank and branch address</li> <li>b) Type of bank account i.e., savings or current</li> <li>c) Bank account no. allotted after implementation of core banking solutions</li> <li>d) 9-digit MICR code no., and</li> <li>e) 11-digit-digit IFSC code</li> <li>f) Original cancelled cheque bearing the name of the first shareholder, failing which a copy of the bank passbook / statement attested by bank</li> </ol>
Demat Holding	Please contact your DP and follow the process advised by your DP



19. Since the AGM will be held through VC / OAVM, the Route Map does not form part of the Notice. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business at item nos. 5 to 13 above is annexed hereto and forms part of the Notice.
20. Relevant documents referred to in the Notice, Register of Directors / Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Companies Act 2013 and Register of Contracts maintained under Section 189 of the Companies Act 2013 and other relevant registers are open for inspection by the members at the registered office of the Company on all working days during 11:00 AM to 1:00 PM. Members can request the same by sending an email to [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com) till the date of the AGM.
21. Members seeking any information with regard to Financial Statements or any matters to be placed at the AGM, are requested to write to the Company at least 5 days before the date of AGM through email at [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com). The same will be replied by the Company suitably.
22. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income is taxable in the hands of shareholders effective April 01, 2020 and the Company is required to deduct tax at source from dividend paid to the members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and the amendments thereof. In general, to enable compliance with TDS requirements, members are requested to complete and / or update their Residential status, PAN, Category with their depository participants ('DPs') or in case shares are held in physical form, with the Company / Registrars and Transfer Agents ('RTA') by sending documents through email on or before Friday, July 26, 2024.

**23. Voting through Electronic Means:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (LODR) Regulations, 2015 (as amended) and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-voting Facility provided by Listed Entities, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company

has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.

The members, whose names appear in the Register of Members /list of Beneficial Owners as on Friday, July 26, 2024 are entitled to vote on the resolutions, set forth in this Notice. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the 'cut-off date' of Friday, July 26, 2024. Any person holding shares in physical form and non- individual shareholders, who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut- off date i.e. Friday, July 26, 2024 may obtain the login ID and password by sending a request at [nt.helpdesk@linkintime.co.in](mailto:nt.helpdesk@linkintime.co.in) and/ or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

The Board of Directors of the Company have appointed CS Sunil M. Dedhia, Practising Company Secretary (ICSI M. No. F3483) as the Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.

The Scrutiniser shall, immediately after the conclusion of voting at the Meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and at the meeting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 2 working days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.

The results along with the Scrutinisers Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited and National Stock Exchange of India Limited.



## INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on **Tuesday, July 30, 2024 at 9:00 A.M.** and ends on **Thursday, August 1, 2024 at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the Register of members / Beneficial Owners as on the **record date (cut-off date)** i.e. Friday, July 26, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the **cut-off date**, being Friday, July 26, 2024.

### How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <p>  App Store            Google Play         </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System 'Easi Tab' and then use your existing username &amp; password.</li> </ol>

Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li>2. After successful login, the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e- Voting option, the user will be able to see the e-Voting page of the e-Voting service provider for casting their vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a>. They can click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting pages by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered mobile &amp; email as recorded in the Demat Account. After successful authentication, users will be able to see the e-Voting option where the e-Voting is in progress and also be able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	Users can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, the users will be able to see the e-Voting option. Upon clicking on the e-Voting option, they will be redirected to the NSDL/CDSL Depository site after successful authentication, wherein they can see the e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and they will be redirected to the e-Voting website of NSDL for casting their vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue during login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or calling at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue during login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contacting at toll free no. 1800 22 55 33

**B) Login method for e-Voting and joining virtual meetings for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to log-in to the NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open a web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-Services i.e. IDEAS, you can login at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you login to NSDL e-Services after using your login credentials, click on e-Voting and you can proceed to step 2 i.e. cast your vote electronically.

## 4. Your User ID details are given below:

Manner of holding shares i. e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For members who hold shares in a demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12*****, then your user ID is IN300***12*****.
b) For members who hold shares in a demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12*****, then your user ID is 12*****.
c) For members holding shares in physical form.	EVEN Number followed by Folio Number registered with the Company. For example, if folio number is 001*** and EVEN is 129250, then user ID is 101456001***

## 5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using the NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

## 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting the check box.

8. Now, you will have to click on the "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join the General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join the General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the Company for which you wish to cast your vote during the remote e-Voting period and cast your vote during the General Meeting. For joining a virtual meeting, you need to click on the "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to [sunil@sunildedhia.com](mailto:sunil@sunildedhia.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request to Mr. Amit Vishal, Senior Manager, NSDL, 022-2499 4360 or email at [amity@nsdl.co.in](mailto:amity@nsdl.co.in) or Ms. Pallavi Mhatre, Manager, NSDL, 022-2499 4545 or email at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) at [evoting@nsdl.com](mailto:evoting@nsdl.com)

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:-**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see a link of "VC/OAVM" placed under the "Join meeting" menu against the Company name. You are requested to click on the VC/OAVM link placed under the Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investorrelations@aarti-industries.com](mailto:investorrelations@aarti-industries.com). The same will be replied by the Company suitably.
6. Members who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request from their registered email ID mentioning their name, demat account number/ folio number, PAN, mobile number at [investorrelations@aartiindustries.com](mailto:investorrelations@aartiindustries.com) at least 5 days before the date of AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Members can raise questions at the AGM through a chat box and they are requested to frame their questions precisely. Once the Member clicks the link for VC/ OAVM in shareholder/members login where the EVEN of Company will be displayed, Members will be able to view AGM VC/OAVM proceedings along with the chat box. The questions raised by the Members will be replied to by the Company suitably.

**Registered Office:**

Plot Nos. 801, 801/23  
GIDC Estate, Phase III,  
Dist. Valsad, Gujarat

July 4, 2024

By order of the Board

**Raj Sarraf**  
**Company Secretary**

ICSI M. NO. A15526

# ANNEXURE TO THE NOTICE

## Explanatory Statement

(pursuant to Section 102(1) of the Companies Act, 2013)

### Item no. 3 & 5

The Chairman & Managing Director Shri Rajendra Vallabhaji Gogri, designated as Chief Executive Officer (CEO) of the Company - relinquished his position as CEO and proposed induction of a new CEO. Based upon the proposal from Shri Rajendra V. Gogri, Nomination and Remuneration Committee and the Board of Directors in their meetings held on May 22, 2024 & May 30, 2024 respectively, considered the appointment of Shri Suyog Kotecha as CEO of the Company w.e.f June 17, 2024. Shri Rajendra Vallabhaji Gogri continues to remain Chairman and Managing Director of the Company in line with terms and conditions of his appointment approved by the members in their meeting held on September 26, 2022.

In accordance with the provisions of Section 2(51)(i) read with Section 203 of the Companies Act, 2013, Shri Suyog Kalyanji Kotecha being designated as CEO, is one of the Key Managerial Personnel of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on May 30, 2024, approved the appointment of Shri Suyog Kalyanji Kotecha (DIN: 10634964) as an Additional Director of the Company with effect from June 17, 2024 till the date of this Annual General Meeting. The Board has further recommended his appointment as an Executive Director for a period of five years effective from June 17, 2024. He is liable to retire by rotation.

Shri Suyog Kalyanji Kotecha is neither disqualified from being appointed as a Director in terms of Section 164(2) of the Act, nor debarred from holding the office of Director by virtue of any SEBI order or any other such authority and has given all the necessary declarations and confirmation including his consent to be appointed on the Board of the Company.

Shri Suyog Kalyanji Kotecha is a 'fit and proper' person to be appointed as a Director on the Board of the Company.

### Brief profile of Shri Suyog Kalyanji Kotecha is as follows :

Shri Suyog Kalyanji Kotecha aged ~44 years is a Chemical Engineer from UDCT, Mumbai (1998-2002) and has completed his Masters in Chemical Engineering from University of Twente, Netherlands (2002-04) and MBA from the Indian School of Business (2009-10), Hyderabad where he was part of 'Dean's list' for distinguished scholars.

Shri Suyog Kalyanji Kotecha has been leading knowledge partnership initiatives with Indian Chemical Council for over 10 years and has published several reports and thought articles in partnership with Industry and Government relevant to chemical industry in India.

Prior to joining the Company Shri Suyog Kalyanji Kotecha was leading Growth & Strategy for the Petrochemicals division at Reliance Industries Limited. He joined Reliance in June 2020 and was focused on execution of strategic growth & business development initiatives including downstream acquisitions. He was a Partner with McKinsey & Company's Mumbai office. He joined McKinsey in June 2010. He co-led McKinsey's Chemicals & Agriculture Practice in India, specialising in petrochemicals, specialty chemicals, with deep expertise in corporate strategy and tech enabled performance transformations. Prior to McKinsey & Company, he worked in Chemicals, Oil & Gas sectors for 5 years across continents. At Shell Global Solutions in the Netherlands, he worked on developing technologies for large capacity liquified natural gas plants. At Sulzer Chemtech in Singapore, he led new product launches and business development for refinery and petrochemicals clients across Asia.

The brief details about the proposed remuneration of Shri Suyog Kalyanji Kotecha are given herein:

Particulars	Remuneration Details		
Fixed Remuneration	Salary (₹ Lakhs p.a.)		
	<b>For FY 2025</b>	<b>Ceiling up to FY 2029</b>	Annual increments until FY 2029 will be determined by the Board or its Committee on an annual basis at its sole discretion. However, while determining the annual increments, the Board or the Committee will consider factors like inflation, general increases recommended for other executives and the business context.
	350	550	
Variable Pay	Amount of maximum up to 200% of Fixed remuneration of the respective financial year (same will be part of the ceiling of 3 % Commission cumulatively set for executive Directors). The variable pay shall be payable at the end of financial year 2025 and in subsequent years, during the Proposed Term of his appointment, subject to the Company's achievement of certain targets as determined by the Board or its Committee from time to time. The performance targets cover revenue growth, operating margin and such other annual parameters as decided by the Board or Committee.		



Particulars	Remuneration Details	
Performance Stock Options	<b>For FY 2025</b>	<b>Ceiling up to FY 2029</b>
	Grant of 120,000 Options	Grant up to 100,000 Options per annum
	These Options will vest as per the Company's PSOP-2022 plan and based on the achievement of certain strategic milestones at the end of each financial year. The strategic milestones include both qualitative, quantitative and those related to organisational development and such other appropriate measures as determined by the Board or its Committee annually.	
<b>Other terms<sup>1</sup></b>		
Severance and Notice Period	In line with the Company's Policy applicable to the employees of the Company.	

<sup>1</sup> He would be eligible for insurance, leaves etc. However, benefits pertaining to LTA, Car, Car Operating expenses, PF, Gratuity etc. would be part of overall fixed compensation.

The Board firmly believes that Shri Suyog Kalyanji Kotecha's immense knowledge and experience will help the business grow and realise the Company's transformation theme of "Be World Class, Shape the Future." Hence, the Board recommends the resolution set out in Item Nos. 3 and 5 in the accompanying notice for approval by the members as an Ordinary Resolutions.

The Company has relied upon benchmarking surveys of peer Companies conducted by the professional agency particularly on the best practices followed by them with respect to Compensation to the Chief Executive Officers and professional Executive Directors. The NRC and the Board of Directors consider the terms of appointment (remuneration) appropriate on the basis of merits, strategic experience, Industry's depth knowledge and potential to deliver in accordance with Company's strategic direction.

As required under Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, other requisite information is made available under Annexure - 1 hereto and forms a part of this Notice.

Shri Suyog Kalyanji Kotecha, the appointee, is interested in the resolution set out at Item No. 3 and 5 of the Notice. His relatives are also deemed to be interested in the resolution to the extent of their shareholding in the Company, if any.

None of the Directors other than Shri Suyog Kalyanji Kotecha, and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

## Item No. 6

Pursuant to the provisions of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, subject to the approval of the members, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Shri Belur Krishna Murthy Sethuram (DIN: 03498701) as an Additional Director, in the category of Independent Director of the Company for a period of 5 (five) years with effect from June 1, 2024.

Shri Belur Krishna Murthy Sethuram aged ~62 is a B. Tech (Chemical) from IIT Madras (1984), MS (Chemical) from USA (1986) and MBA from Bangkok (1999). Shri Sethuram has

~38 years of vast experience in Chemical and allied Industries. He is passionate about developing talent and building strong organisations. He has coached a large number of future leaders and is a Certified CEO Coach from the Coaching Foundation of India. Most recently, he was associated with Celanese as Managing Director for India, SEA and Japan, Commercial Director for Engineered Materials and Acetyls.

Prior to joining Celanese, he was associated as Asia Pacific Director for a business line at Dow Chemical, where he enabled productivity and led a game changing strategy to convert solvent-based to sustainable water-based adhesives in China & SEA.

Shri Sethuram has conveyed his consent to act as a Director of the Company together with other necessary disclosures and declarations including the declaration that he is not debarred from holding the office of Director pursuant to any order passed by SEBI or any other authority. He further declared that he meets the criteria of independence as provided in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, the appointment of Shri Sethuram as an Independent Director would be in the interest of the Company taking into consideration his knowledge, background and vast experience in the Chemical Industry. Shri Sethuram possesses the identified core skills/ expertise/ competencies as required in the context of the Company's business and the Industry it operates. In the opinion of the Board, Shri Sethuram is a person of integrity, meets the criteria of Independence and is 'fit and proper' as an Independent Director.

A copy of the letter of appointment issued to Shri Sethuram setting out the terms and conditions thereof is available for inspection, without any fee to be paid by the members, at the Registered Office of the Company during business hours (11:00 am to 1:00 pm) on any working day till the date of this AGM.

As required under Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, other requisite information is made available under Annexure - 1 hereto and forms a part of this Notice.

The appointment of Shri Sethuram is within the limit of the maximum number of Directors as prescribed under section

149(1)(b) of the Companies Act, 2013, the Special Resolution passed in Extraordinary General Meeting held on October 24, 2008 for increasing the number of Directors up to 20 and the Article 85 of the Company's Articles of Association of the Company.

Your Directors recommend the Resolution at Item No. 6 for approval by the members by way of a Special Resolution.

Shri Belur Krishna Murthy Sethuram, the appointee, is interested in the resolution set out in Item No. 6 of the Notice. His relatives are also deemed to be interested in the resolution to the extent of their shareholding in the Company, if any.

None of the Directors other than Shri Sethuram and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

### Item No. 7

Pursuant to the provisions of Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, subject to the approval of the members, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Shri Nikhil Jaysinh Bhatia (DIN: 00414281) as an Independent Director of the Company for a period of 5 (five) years with effect from September 15, 2024.

Shri. Nikhil J Bhatia aged ~ 66 years is a Chartered Accountant. He has ~40+ years of extensive experience of serving domestic and multinational clients in the areas of Corporate Tax, Transfer Pricing, Business Restructuring, Expatriate Taxation, Company Law and Foreign Exchange Regulations as also Foreign Direct Investments.

He was associated as Partner of CNK & Associates LLP for 2 years, KPMG for ~13 years and with PwC for ~10 years. While at KPMG he worked for two years in UK, where he ran the India Desk and was part of the Global Tax Solutions Group. He was also a member of KPMG's Strategy Council for the International Assignee Services Network. At PwC he was elected by the partner group as a member of PwC India Governance Board. His responsibilities included Leader for Western India Direct Taxes group, Tax leader for PwC Kolkata, and Tax Relationship Partner for the Tata Group to name a few.

Shri Nikhil J. Bhatia has conveyed his consent to act as a Director of the Company together with other necessary disclosures and declarations including the declaration that he is not debarred from holding the office of Director pursuant to any order passed by SEBI or any other authority. He further declared that he meets the criteria of independence as provided in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, the appointment of Shri Nikhil Jaysinh Bhatia as an Independent Director of the Company would be in the interest of the Company taking into consideration his knowledge, background and vast experience. Shri Nikhil Jaysinh Bhatia possesses the identified core

skills/ expertise/ competencies as required in the context of the Company's business and the Industry it operates. In the opinion of the Board, Shri Nikhil Jaysinh Bhatia is a person of integrity, meets the criteria of Independence and is 'fit and proper' as an Independent Director.

A copy of the letter of appointment issued to Shri Nikhil Jaysinh Bhatia setting out the terms and conditions thereof is available for inspection, without any fee to be paid by the members, at the Registered Office of the Company during business hours (11:00 am to 1:00 pm) on any working day till the date of this AGM.

As required under Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, other requisite information is made available under Annexure - 1 hereto and forms a part of this Notice.

The appointment of Shri Nikhil J. Bhatia is within the limit of the maximum number of Directors as prescribed under section 149(1)(b) of the Companies Act, 2013, the Special Resolution passed in Extraordinary General Meeting held on October 24, 2008 for increasing the number of Directors up to 20 and the Article 85 of the Company's Articles of Association of the Company.

Your Directors recommend the Resolution at Item No. 7 for approval by the members by way of a Special Resolution.'

Shri Nikhil Jaysinh Bhatia, the appointee, is interested in the resolution set out in Item No. 7 of the Notice. His relatives are also deemed to be interested in the resolution to the extent of their shareholding in the Company, if any.

None of the Directors other than Shri Nikhil Jaysinh Bhatia and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

### Item No. 8

Pursuant to the provisions of Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, subject to the approval of the members, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Smt. Rupa Devi Singh (DIN: 02191943) as an Independent Director of the Company for a period of 5 (five) years with effect from September 15, 2024.

Smt. Rupa Devi Singh, aged ~68 years, graduated in Science (B.Sc) and Law (LL.B.) from the University of Delhi. She is a Certified Associate from Indian Institute of Bankers. Smt. Rupa Devi Singh was the founder MD & CEO of Power Exchange India Limited (PXIL). Prior to PXIL she worked at senior positions spanning over four decades. Her experience cuts across Retail and Corporate banking, Investment Banking, Strategic Consulting and Overseas Marketing, Fund raising, Transaction advisory, Organizational transformation with clients from Manufacturing, Services and Infrastructure. She also has long standing experience of managing and working on the boards comprising eminent professionals, bureaucrats & regulators.

Smt. Rupa D. Singh has conveyed her consent to act as a Director of the Company together with other necessary disclosures and declarations including the declaration that she is not debarred from holding the office of Director pursuant to any order passed by SEBI or any other authority. She further declared that she meets the criteria of independence as provided in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, the appointment of Smt. Rupa D. Singh as an Independent Director would be in the interest of the Company taking into consideration her knowledge, background and vast experience. Smt. Rupa D. Singh possesses the identified core skills/ expertise/ competencies as required in the context of the Company's business and the Industry it operates. In the opinion of the Board, Smt. Rupa D. Singh is a person of integrity, meets the criteria of Independence and is 'fit and proper' as an Independent Director.

A copy of the letter of appointment issued to Smt. Rupa D. Singh setting out the terms and conditions thereof is available for inspection, without any fee to be paid by the members, at the Registered Office of the Company during business hours (11:00 am to 1:00 pm) on any working day till the date of this AGM.

The appointment of Smt. Rupa D. Singh is within the limit of the maximum number of Directors as prescribed under section 149(1)(b) of the Companies Act, 2013, the Special Resolution passed in Extraordinary General Meeting held on October 24, 2008 for increasing the number of Directors up to 20 and the Article 85 of the Company's Articles of Association of the Company.

As required under Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, other requisite information is made available under Annexure - 1 hereto and forms a part of this Notice.

Your Directors recommend the Resolution at Item No. 8 for approval by the members by way of a Special Resolution.'

Smt. Rupa D. Singh, the appointee, is interested in the resolution set out in Item No. 8 of the Notice. Her relatives are also deemed to be interested in the resolution to the extent of their shareholding in the Company, if any.

None of the Directors other than Smt. Rupa D. Singh and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

## Item No. 9

Pursuant to the provisions of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, subject to the approval of the members, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Shri Ashok Kumar Barat (DIN: 00492930) as an Independent Director of the Company for a period of 5 (five) years with effect from September 15, 2024.

Shri Ashok Kumar Barat aged ~68 Years is a fellow member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India and also an associate member of Institute of Chartered Accountants of England & Wales and CPA Australia. He has held executive leadership positions in various Indian and multinational organizations, in India and overseas. He holds experience of working with various Companies like Hindustan Unilever, Exide, RPG Group, Saud Bahwan Group, Pepsi, Electrolux, and Heinz. He concluded his executive career as the Managing Director and CEO of Forbes & Company Limited. His Professional experiences encompass functional, Operational (including P&L), and Governance roles. His major functional influence and impact areas are finance, M&A, strategy, audit, management assurance and governance. He worked in diverse roles including operational, staff and stewardship, in different industries like FMCG, manufacturing services, and technology. He has effectively led complex commercial, M&A, alliances, dispute negotiations and business transformation projects.

Shri Ashok K Barat has conveyed his consent to act as a Director of the Company together with other necessary disclosures and declarations including the declaration that he is not debarred from holding the office of Director pursuant to any order passed by SEBI or any other authority. He further declared that he meets the criteria of independence as provided in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, the appointment of Shri Ashok K Barat as an Independent Director would be in the interest of the Company taking into consideration his knowledge, background and vast experience. Shri Ashok K Barat possesses the identified core skills/ expertise/ competencies as required in the context of the Company's business and the Industry it operates. In the opinion of the Board, Shri Ashok K Barat is a person of integrity, meets the criteria of Independence and is 'fit and proper' as an Independent Director.

A copy of the letter of appointment issued to Shri Ashok K Barat setting out the terms and conditions thereof is available for inspection, without any fee to be paid by the members, at the Registered Office of the Company during business hours (11:00 am to 1:00 pm) on any working day till the date of this AGM.

As required under Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, other requisite information is made available under Annexure - 1 hereto and forms a part of this Notice.

The appointment of Shri Ashok Kumar Barat is within the limit of the maximum number of Directors as prescribed under section 149(1)(b) of the Companies Act, 2013, the Special Resolution passed in Extraordinary General Meeting held on October 24, 2008 for increasing the number of Directors up to 20 and the Article 85 of the Company's Articles of Association of the Company.

Your Directors recommend the Resolution at Item No. 9 for approval by the members by way of a Special Resolution. Shri Ashok K Barat, the appointee, is interested in the resolution set out in Item No. 9 of the Notice.

His relatives are also deemed to be interested in the resolution to the extent of their shareholding in the Company, if any.

None of the Directors other than Shri Ashok K Barat and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

### Item No. 10

Shri Lalitkumar S. Naik (DIN: 02943588) has been associated with the Company as an Independent Director w.e.f. May 21, 2019, and completed his first term of five years on May 20, 2024. Being eligible for re-appointment, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee in its meeting held on May 10, 2024, approved the re-appointment of Shri Lalitkumar S. Naik as an Independent Director for the second term of 5 (five) years with effect from May 21, 2024, subject to approval of the members of the Company.

Shri Lalitkumar S. Naik, aged ~62, holds a B.Tech - Chemical from IIT Kanpur (1984) and a PGDM from IIM-Ahmedabad (1987). He has more than 30 years of rich experience in the fields of Chemicals/ building materials and nutrition, having held leadership positions across many Companies.

As per the report of his performance evaluation, Industry knowledge, acumen, integrity, expertise, experience, proficiency, positive attributes, and contributions made by him, the Board of Directors recommend his reappointment for the second term. In the opinion of the Board Shri Lalitkumar S. Naik is 'fit and proper' to continue as an Independent Director and is independent of the management.

Shri Lalitkumar S. Naik has conveyed his consent to continue to act as an Independent Director together with other necessary disclosures and declarations including the declaration that he is not debarred from holding the office of Director pursuant to any order passed by SEBI or any other authority. He further declared that he meets the criteria of independence as provided in the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

A copy of the letter of appointment issued to Shri Naik, setting out the terms and conditions thereof, is available for inspection, without any fee to be paid by the members, at the Registered Office of the Company during business hours (11:00 am to 1:00 pm) on any working day until the date of this AGM.

As required under Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, other requisite information is annexed as Annexure - 1 hereto and forms a part of this Notice.

Your Directors recommend the Resolution at Item No. 10 for approval by the members by way of a Special Resolution.

Shri Lalitkumar S. Naik, the appointee, is interested in the resolution set out at Item No. 10 of the Notice. His relatives are also deemed to be interested in the resolution to the extent of their shareholding in the Company, if any.

None of the Directors other than Shri Naik and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

### Item No. 11

Pursuant to the provisions of Sections 197 and 198, and other relevant provisions of the Companies Act, 2013, Regulation 17(6) of the Listing Regulations, the Nomination and Remuneration Committee and the Board of Directors recommend for the approval of the members - a proposal pertaining to payment of profit related commission of aggregate of maximum up to ₹1.5 Crores per annum or 0.25% of the net profit (whichever is lower) of the respective financial year to the non-executive Directors cumulatively with a further ceiling of up to ₹20 Lakhs per annum payable to each individual non-executive Director for a period of 5 years with effect from April 1, 2024, and in a manner and in accordance with the commission distribution criteria as may be decided by the nomination and remuneration committee of the Board.

The Company's Non-executive Directors are renowned professionals with proven domain expertise and rich experience in functional areas such as business strategy, financial governance, corporate governance, research & innovation and with an industrywide external view make invaluable contributions towards setting the Company's strategic direction and helping in minimising risks with sheer focus on optimising resources.

As on date, the Non-executive Directors consists of eight Independent directors and one non-independent director from the promoter group category i.e. Smt. Hetal Gogri Gala.

Smt. Hetal Gogri Gala became non-executive director at the Company post demerger of its Pharmaceutical segment into a separate listed Company i.e. Aarti Pharmalabs Limited and there she assumed the position of the Managing Director. Prior to this change in designation at Aarti Industries Limited, she handled critical functions for ~16 years such as Logistics, Supply Chain, Corporate Social Responsibilities, Human Resources and General Administration in addition to managing the Pharmaceuticals business. Due to her in-depth operational knowledge, even though not directly responsible, she still continues to guide and advise the Company as and when required. The Board is of the opinion that a Payment of 'profit related commission' maximum up to ₹20 lakhs per annum is reasonable and commensurate with the kind of contributions she makes to the Company from time to time through need base guidance in the areas of her domain expertise.

In view of increased roles and responsibilities of the Independent Directors, Industry trends, and the need to attract experienced and industry expert professionals in the Board, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, reviewed



the proposal and recommended for the approval of the members thereon.

This remuneration shall be in addition to the sitting fees payable to the Non-Executive Directors for attending the meetings of the Board of Directors or Committees thereof or for any other purpose whatsoever, as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

#### Ceiling Limits:

In accordance with the provisions of section 197 (1) (i) (A) Overall maximum managerial remuneration payable to the non-executive Directors is up to 1% of the Net Profit. The board recommended for an approval on payment of Profit related commission maximum up to ₹1.5 Crores per annum or 0.25% of the net profit (whichever is lower) of the respective financial year.

Modes of Compensation		Ceiling for each Non-executive Director (NED)	Total
A	Sitting Fee per meeting / per member	Based upon the Board / Committee membership and attendance in these meeting	within the limit prescribed in Rule 4 of Companies (appointment and remuneration of the managerial personnel) Rules 2014
B	Profit Related Commission Maximum upto	≤ ₹20 Lakhs per NED per year	Up to ₹150 Lakhs or 0.25% of Net Profit (whichever is lower)
		In a manner and in accordance with the Commission Distribution Criteria as may be decided by the nomination and remuneration committee of the Board	

#### Payment of Commission

The Board recommended for approval on payment of Commission for a period of 5 years with effect from April 1, 2024. The Non-executive Directors who cease to be a Director or join the Board during the financial year shall be entitled for Commission on a prorated basis.

#### Commission Distribution Criteria

The Nomination and Remuneration Committee shall determine the Commission Distribution Criteria on an annual basis considering the Annual Performance Budgets, Industry Trend, Individual Director's Contribution, Attendance & Participation in Meetings and the Company's performance against the budget.

Brief profile of Non - Executive directors, Number of Meetings attended by them, sitting fees paid during Financial Year 2023-24, Directorship, memberships/Chairmanship in other companies, Number of shares held by them etc. forms part of Corporate Governance Report.

Your Directors recommend the Resolution at Item No. 11 for approval by the members by way of a Special Resolution.

None of the Directors except the Non-Executive Directors and Key Managerial Personnel of the Company or their

relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

#### Item No. 12

Shri Ajay Kumar Gupta (DIN: 08619902) has been the Executive Director of the Company since June 29, 2023. He is a Chemical Engineer from Harcourt Butler Technical University, Kanpur. He has over three and half decades of experience in chemical, petrochemical and speciality chemicals in all domains of manufacturing and projects. He is presently the Chief Manufacturing Officer and the Executive Director of Aarti Industries Limited and has been leading strategy formulation, implementation of business processes, projects and site operations of the Company.

Considering the criteria set under the Remuneration Policy, prevailing regulatory requirements, industry trend, individual performance evaluation of Shri Ajay Kumar Gupta and the Company's Performance as well projections set, and in line with practices followed in the Industry, the Board of Directors based on the recommendation of Nomination and Remuneration Committee approved tenure of appointment and increase in remuneration with a ceiling of remuneration as tabled below for Shri Ajay Kumar Gupta for a period of 5 years effective from April 1, 2024.

Particulars	Remuneration Details		
Fixed Remuneration	Salary (₹ Lakhs p.a.)		
	For FY 2025	Ceiling up to FY 2029	Annual increments until FY 2029 will be determined by the Board or Committee on an annual basis at its sole discretion. However, while determining the annual increments, the Board or the Committee will consider factors like inflation, general increases recommended for other executives and the business context.
	321	500	
Variable Pay	An amount of maximum up to 75% of Fixed remuneration of the respective financial year (same will be part of the ceiling of 3% Commission cumulatively set for executive Directors). The variable pay shall be payable at the end of financial year 2025 and in subsequent years, during the Proposed Term of his appointment, subject to the Company's achievement of certain targets as determined by the Board or its Committee from time to time. The performance targets cover operational efficiency, Safety & Sustainability and such other annual parameters as decided by the Board or its Committee.		
<b>Other terms<sup>1</sup></b>			
Severance and Notice Period	In line with the Company's Policy applicable to the employees of the Company.		

<sup>1</sup> Except as stated herein above, the other terms and conditions of the appointment as approved by the members in their 40<sup>th</sup> Annual General Meeting shall remain unchanged.

Pursuant to provisions of sections 197, 198 and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors thus recommend the Resolution no. 12 for approval by the members by way of an Ordinary Resolution

Brief profile of Shri Ajay Kumar Gupta, Number of Meetings attended by him, Directorship, memberships/Chairmanship in other companies, Number of shares held by him etc. forms part of Corporate Governance Report.

Shri Ajay Kumar Gupta is interested in the resolution set out at Item No. 12 of the Notice. His relatives are also deemed to be interested in the resolution to the extent of their shareholding in the Company, if any.

None of the Directors other than Shri Ajay Kumar Gupta, and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

### Item No. 13

Pursuant to Section 148 of the Companies Act, 2013 and Rule 4 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, a proposal for the appointment of Cost Auditor to audit the Cost records

for the financial year 2024-25 was recommended by the Audit Committee to the Board. The Board thereby reappointed Smt. Ketki Damji Visariya (Membership Number 16028) Cost Accountant, as Cost Auditor at the Board Meeting held on May 10, 2024, at a remuneration of ₹4,00,000/- per annum plus taxes as applicable. Smt. Ketki Damji Visariya has confirmed her eligibility for appointment as Cost Auditor.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be approved by the members. Hence this resolution is put for the consideration of the members.

Your Board thus recommends the Resolution at Item No. 13 for your approval as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

**Registered Office:**  
Plot Nos. 801, 801/23  
GIDC Estate, Phase III,  
Dist. Valsad, Gujarat

July 4, 2024

By order of the Board

**Raj Sarraf**  
**Company Secretary**  
ICSI M. NO. A15526



## ANNEXURE - 1

Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2').

Name of the Director	Smt. Hetal Gogri Gala	Shri Suyog Kalyanji Kotecha
Director Identification Number (DIN)	00005499	10634964
Date of Birth	July 10, 1975	October 9, 1980
Age (In years)	~49 years	~44 years
Date of appointment on the Board	November 1, 2006	June 17, 2024
Qualifications	B.E (Electronic)(1996) and MEP degree from IIM Ahmedabad	Chemical Engineer from UDCT, Mumbai (1998-2002), Masters in Chemical Engineering from University of Twente, Netherlands (2002-04) and MBA from the Indian School of Business (2009-10)
Terms and conditions of appointment or re-appointment	Being re-appointed as a Director liable to retire by rotation and all other terms of her appointment as Non-Executive Director shall remain the same.	As per Resolution No. 3 & 5 of the notice read with explanatory statement thereto.
Brief profile including expertise and experience	Smt. Hetal Gogri Gala, an electronics engineer and MEP from IIM Ahmedabad has been the Director of the Company since November 1, 2006. She has a rich and vast experience in the portfolio of purchase, supply chain management, HR & admin.	As per the explanatory statement provided for Resolution No 3 & 5 of the notice.
Remuneration last drawn (including sitting fees, if any)	In the Financial year 2023-24, ₹9.90 Lakhs was paid for attending the Board and its Committee meetings.	Not applicable
Remuneration proposed to be paid	Being a Non-Executive Director, she is entitled for the sitting fees and profit-related commission.	As per the explanatory statement provided for Resolution No. 3 & 5 of the notice.
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Smt. Hetal Gogri Gala is sister of Shri Rashesh C. Gogri, Vice Chairman and Managing Director of the Company.	Not related to any Directors, Managers and other Key Managerial Personnel of the Company.
Number of Meetings of the Board attended	During the Financial year 2023-24, she attended all the meetings of the Board. (10/10)	Not Applicable
Directorships held in other Companies	<ol style="list-style-type: none"> <li>1. Aarti Pharmalabs Limited</li> <li>2. Alchemie Dye Chem Private Limited</li> <li>3. Alchemie Multichem Private Limited</li> <li>4. Anushakti Enterprise Private Limited</li> <li>5. Gogri Finserv Private Limited</li> <li>6. Alabhya Trusteeship Private Limited</li> <li>7. Saswat Trusteeship Private Limited</li> <li>8. Aarti Nature Care Private Limited</li> <li>9. Vahal Welfare Foundation</li> <li>10. Alchemie Financial Services Limited</li> </ol>	None

Name of the Director	Smt. Hetal Gogri Gala	Shri Suyog Kalyanji Kotecha
Memberships/ Chairmanships of Committees of other Companies	<b>Aarti Pharmalabs Limited</b> <ul style="list-style-type: none"> <li>• Corporate Social Responsibility. Committee - Chairperson.</li> <li>• Risk Management Committee - Member.</li> <li>• Audit Committee - Member.</li> <li>• Finance and Investment Committee - Member.</li> </ul>	None
No. of Shares held in the Company	99,62,192 equity shares (2.75%)	1,279 equity shares (0.00%)
Names of Listed Companies from which the Director has resigned in the past three years	None	None

Name of the Director	Shri Belur Krishna Murthy Sethuram	Shri Nikhil Jaysinh Bhatia
Director Identification Number (DIN)	03498701	00414281
Date of Birth	April 2, 1962	April 07, 1958
Age (In years)	~62	~66 years
Date of appointment on the Board	June 1, 2024	September 15, 2024
Qualifications	<ol style="list-style-type: none"> <li>1. B.Tech - Chemical From IIT Madras in 1984.</li> <li>2. MS (Chemical) From the USA, in 1986 and</li> <li>3. MBA From Bangkok in 1999.</li> </ol>	Chartered Accountant
Terms and conditions of appointment or re-appointment	Appointment as Independent Director for the first term of 5 years with effect from June 1, 2024.	Appointment as Independent Director for a term of 5 years with effect from September 15, 2024.
Brief profile including expertise and experience	As per explanatory statement provided for Resolution No. 6 of notice.	As per explanatory statement provided for Resolution No. 7 of notice.
Remuneration last drawn (including sitting fees, if any)	Not applicable	Not applicable
Remuneration proposed to be paid	As a Non-executive and Independent Director, he shall be paid sitting fees and profit-related commission.	As a Non-executive and Independent Director, he shall be paid sitting fees and profit related commission.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any Directors, Manager and other Key Managerial Personnel of the Company.	He is not related to any Directors, Manager and other Key Managerial Personnel of the company.
Number of Meetings of the Board attended in last financial year	Not applicable	Not Applicable
Directorships held in other Companies	Ultramarine & Pigments Limited	<ol style="list-style-type: none"> <li>1. Forbes Precision Tools And Machine Parts Limited</li> <li>2. Forbes Bumi Armada Limited</li> <li>3. Gokak Textiles Limited</li> <li>4. Forbes &amp; Company Limited</li> <li>5. Gokak Power &amp; Energy Limited</li> </ol>

Name of the Director	Shri Belur Krishna Murthy Sethuram	Shri Nikhil Jaysinh Bhatia
Memberships/ Chairmanships of Committees of other Companies	None	<p><b>Gokak Textiles Limited</b> Nomination and Remuneration Committee- Chairman Corporate Social Responsibility Committee - Chairman</p> <p><b>Forbes &amp; Company Limited</b> Audit Committee - Chairman Risk Management Committee- Chairman Nomination and Remuneration Committee- Member</p> <p><b>Forbes Precision Tools and Machine Parts Limited</b> Audit Committee - Chairman Nomination and Remuneration Committee- Member</p> <p><b>Gokak Power &amp; Energy Limited</b> Audit Committee - Chairman Nomination and Remuneration Committee- Chairman</p>
No. of Shares held in the Company	400 equity shares (0.00)%	Nil
Names of Listed Companies from which the Director has resigned in the past three years	None	None

Name of the Director	Smt. Rupa Devi Singh	Shri Lalitkumar S. Naik
Director Identification Number (DIN)	02191943	02943588
Date of Birth	January 24,1956	October 18, 1961
Age (In years)	~68 years	~62
Date of appointment on the Board	September 15, 2024	May 21, 2019
Qualifications	<ol style="list-style-type: none"> <li>1. Graduated in Science (B.Sc).</li> <li>2. Law (LL.B.)</li> </ol>	<ol style="list-style-type: none"> <li>1. B.Tech Chemical From IIT, Kanpur in 1984</li> <li>2. PGDM from IIM, Ahmedabad in 1987</li> </ol>
Terms and conditions of appointment or re-appointment	Appointment as Independent Director for a term of 5 years with effect from September 15, 2024.	Reappointment as an Independent Director for a second term of 5 years with effect from May 21, 2024.
Brief profile including expertise and experience	As per explanatory statement provided for Resolution No. 8 of notice.	As per explanatory statement provided for Resolution No. 10 of notice.
Remuneration last drawn (including sitting fees, if any)	Not applicable	In the Financial year 2023-24, ₹16.60 Lakhs was paid for attending the Board and its Committee meetings.
Remuneration proposed to be paid	As a Non-executive and Independent Director, she shall be paid sitting fees and profit related commission.	As a Non-executive and Independent Director, he shall be paid sitting fees and profit-related commission.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	She is not related to any Directors, Manager and other Key Managerial Personnel of the company.	He is not related to any Directors, Manager and other Key Managerial Personnel of the Company.
Number of Meetings of the Board attended	Not Applicable	During the Financial Year 2023-24, he attended all the meetings of the Board. (10/10)

Name of the Director	Smt. Rupa Devi Singh	Shri Lalitkumar S. Naik
Directorships held in other Companies	<ol style="list-style-type: none"> <li>1. JSW Neo Energy Limited</li> <li>2. JSW Energy (Barmer) Limited</li> <li>3. Jaigad Powertransco Limited</li> <li>4. Karam Chand Thapar &amp; Bros (Coal Sales) Ltd.</li> <li>5. JSW Energy Limited</li> <li>6. Barmer Lignite Mining Company Limited</li> <li>7. Fourth Partner Energy Private Limited</li> </ol>	Syno Media Private Limited
Memberships/ Chairmanships of Committees in other listed Companies	<b>JSW Energy Limited</b> <ul style="list-style-type: none"> <li>• Nomination and Remuneration Committee- Chairperson</li> <li>• Corporate Social Responsibility Committee – Chairperson</li> <li>• Audit Committee - Member</li> </ul>	None
No. of Shares held in the Company	Nil	None
Names of Listed Companies from which the Director has resigned in the past three years	None	None
Name of the Director	Shri Ashok Kumar Barat	
Director Identification Number (DIN)	00492930	
Date of Birth	December 05, 1956	
Age (In years)	~68 years	
Date of appointment on the Board	September 15, 2024	
Qualifications	<ol style="list-style-type: none"> <li>1. Chartered Accountant</li> <li>2. Company Secretary</li> </ol>	
Terms and conditions of appointment or re-appointment	Appointment as Independent Director for a term of 5 years with effect from September 15, 2024.	
Brief profile including expertise and experience	As per explanatory statement provided for Resolution No. 9 of notice.	
Remuneration last drawn (including sitting fees, if any)	Not applicable	
Remuneration proposed to be paid	As a Non-executive and Independent Director, he shall be paid sitting fees and profit related commission.	
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any Directors, Manager and other Key Managerial Personnel of the company.	
Number of Meetings of the Board attended in last financial year	Not Applicable	
Directorships held in other Companies	<ol style="list-style-type: none"> <li>1. GE Power India Limited</li> <li>2. Everest Industries Limited</li> <li>3. JSW Paints Private Limited</li> <li>4. Mahindra Accelo Limited</li> <li>5. Bata India Ltd</li> <li>6. Huhtamaki India Limited</li> <li>7. Alembic Pharmaceuticals Limited</li> </ol>	

<b>Name of the Director</b>	<b>Shri Ashok Kumar Barat</b>
<b>Memberships/ Chairmanships of Committees of other Companies</b>	<p><b>Everest Industries Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee - Member</li> <li>• Nomination and Remuneration Committee - Chairman</li> <li>• Risk Management Committee - Chairman</li> </ul> <p><b>Bata India Ltd</b></p> <ul style="list-style-type: none"> <li>• Audit Committee - Chairman</li> <li>• Risk Management Committee - Member</li> </ul> <p><b>Huhtamaki India Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee - Chairman</li> <li>• Risk Management Committee- Chairman</li> </ul> <p><b>Alembic Pharmaceuticals Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee - Member</li> <li>• Risk Management Committee - Chairman</li> <li>• Nomination and Remuneration Committee - Member</li> <li>• Corporate Social Responsibility Committee - Member</li> </ul> <p><b>Mahindra Accelo Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee - Chairman</li> <li>• Nomination and Remuneration Committee- Member</li> </ul> <p><b>JSW Paints Private Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee - Member</li> <li>• Nomination and Remuneration Committee- Member</li> </ul>
<b>No. of Shares held in the Company</b>	Nil
<b>Names of Listed Companies from which the Director has resigned in the past three years</b>	None



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**BSE** - 524208

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**NSE** - AARTIIND

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**CIN** - L24110GJ1984PLC007301

**Registered Office**

Plot Nos. 801, 801/23, G.I.D.C. Estate,  
Phase - III, Vapi - 396 195,  
Dist. Valsad - Gujarat  
Website: [www.aarti-industries.com](http://www.aarti-industries.com)

**Corporate Office**

71, Udyog Kshetra, 2nd Floor,  
Mulund - Goregaon Link Road,  
L.B.S. Marg, Mulund (West),  
Mumbai – 400 080, Maharashtra