

**November 4, 2023**

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

**Code : 524208**

Dear Sir/Madam,

To,  
Listing/Compliance Department  
**National Stock Exchange of  
India Limited**  
“Exchange Plaza”, Plot No. C/1,  
G Block Bandra-Kurla Complex,  
Bandra (E), Mumbai – 400 051.  
**Symbol : AARTIIND**

**Sub.: Outcome of the Board Meeting – Audited Financial Results  
for Quarter and Half Year ended September 30, 2023**  
**Ref.: Regulation 30, 33 & 52(4) of SEBI (LODR) Regulations, 2015**

We wish to inform you that the Board of Directors of the Company at its meeting held today i.e. **Saturday, November 4, 2023**, inter-alia considered and approved the Audited Standalone and Consolidated Financial Results for the Quarter and Half Year ended September 30, 2023, upon recommendation of the Audit Committee. In this regard, we enclose:

- Statement showing the Financial Results,
- Statement of Assets and Liabilities,
- Cash Flow Statement,
- Auditor’s Report on the Financial Results.

The Meeting of the Board of Directors commenced at 11:00 am and concluded at 4:25 pm.

Please take note of the same on your record.

Thanking you,

Yours faithfully,  
For **AARTI INDUSTRIES LIMITED**

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

**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2023**

(Rs in Crs)

Sr. No.	Particulars	Standalone Result					
		3 Months Ended			6 Months Ended		Year Ended
		30th Sep 2023 (Audited)	30th Jun 2023 (Audited)	30th Sep 2022 (Audited)	30th Sep 2023 (Audited)	30th Sep 2022 (Audited)	31st Mar 2023 (Audited)
<b>1</b>	<b>INCOME</b>						
	Revenue from Operations (Gross)	1,593	1,561	1,848	3,154	3,597	7,226
	Less: GST Collected	143	157	162	300	306	661
	a) Revenue from Operations (Net)	1,450	1,404	1,686	2,854	3,291	6,565
	b) Other Income	0	0	0	0	0	0
	<b>Total Income</b>	<b>1,450</b>	<b>1,404</b>	<b>1,686</b>	<b>2,854</b>	<b>3,291</b>	<b>6,565</b>
<b>2</b>	<b>EXPENSES</b>						
	a) Cost of Materials Consumed	876	828	785	1,704	1,663	3,465
	b) Purchases of Stock-in-Trade	23	77	52	100	111	290
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(46)	(59)	144	(105)	132	46
	d) Employee Benefits Expense	99	101	92	200	183	383
	e) Finance Costs	58	40	44	98	88	166
	f) Depreciation and Amortisation Expenses	93	89	73	182	144	310
	g) Other Expenses	265	255	345	521	652	1,292
	<b>Total Expenses</b>	<b>1,368</b>	<b>1,332</b>	<b>1,534</b>	<b>2,699</b>	<b>2,973</b>	<b>5,952</b>
<b>3</b>	<b>Profit/(Loss) before Exceptional Items and Tax (1-2)</b>	<b>82</b>	<b>73</b>	<b>152</b>	<b>155</b>	<b>318</b>	<b>613</b>
<b>4</b>	Exceptional Items	0	0	0	0	0	0
<b>5</b>	<b>Profit/(Loss) before Tax (3-4)</b>	<b>82</b>	<b>73</b>	<b>152</b>	<b>155</b>	<b>318</b>	<b>613</b>
<b>6</b>	<b>TAX EXPENSES</b>						
	a) Current Year Tax	14	13	27	27	56	107
	b) Earlier Year Tax	0	0	0	0	0	(17)
	c) MAT Credit Utilised/(Entitlement)	(14)	(13)	(5)	(27)	(11)	(41)
	d) Deferred Tax	(9)	2	4	(8)	12	18
	<b>Total Tax Expenses</b>	<b>(9)</b>	<b>2</b>	<b>26</b>	<b>(8)</b>	<b>56</b>	<b>67</b>
<b>7</b>	<b>Net Profit/(Loss) from Ordinary Activities after Tax (5-6)</b>	<b>91</b>	<b>71</b>	<b>126</b>	<b>162</b>	<b>262</b>	<b>546</b>
<b>8</b>	Extraordinary Items (Net of Tax Expense)	0	0	0	0	0	0
<b>9</b>	<b>Net Profit/(loss) for the period (7-8)</b>	<b>91</b>	<b>71</b>	<b>126</b>	<b>162</b>	<b>262</b>	<b>546</b>
<b>10</b>	<b>Profit/(loss) for the period attributable to</b>						
	a) Owners of the Company	91	71	126	162	262	546
	b) Non Controlling Interest	0	0	0	0	0	0
<b>11</b>	<b>Other Comprehensive Income</b>						
	- Items that will be reclassified to Profit/Loss (arising due to Gain/Loss on Cashflow Hedges)	(2)	5	(14)	2	(34)	(35)
<b>12</b>	<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10+11)</b>	<b>88</b>	<b>76</b>	<b>112</b>	<b>164</b>	<b>228</b>	<b>511</b>
<b>13</b>	<b>Earnings per Equity share: (In Rs)</b>						
	(1) Basic	2.51	1.96	3.46	4.47	7.24	15.06
	(2) Diluted	2.51	1.96	3.46	4.47	7.24	15.06
<b>14</b>	<b>Paid-up Equity Share Capital (Face Value of Rs. 5/-each)</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>
<b>15</b>	<b>Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year</b>						<b>4,740</b>



**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2023**

(Rs in Crs)

Sr. No.	Particulars	Consolidated Result					
		3 Months Ended			6 Months Ended		Year Ended
		30th Sep 2023 (Audited)	30th Jun 2023 (Audited)	30th Sep 2022 (Audited)	30th Sep 2023 (Audited)	30th Sep 2022 (Audited)	31st Mar 2023 (Audited)
<b>1</b>	<b>INCOME</b>						
	Revenue from Operations (Gross)	1,597	1,571	1,847	3,168	3,603	7,283
	Less: GST Collected	143	157	162	300	307	664
	a) Revenue from Operations (Net)	1,454	1,414	1,685	2,868	3,295	6,619
	b) Other Income	0	0	0	0	0	1
	<b>Total Income</b>	<b>1,454</b>	<b>1,414</b>	<b>1,685</b>	<b>2,868</b>	<b>3,296</b>	<b>6,619</b>
<b>2</b>	<b>EXPENSES</b>						
	a) Cost of Materials Consumed	876	827	784	1,704	1,661	3,462
	b) Purchases of Stock-in-Trade	23	84	58	107	119	314
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(45)	(58)	136	(103)	124	66
	d) Employee Benefits Expense	99	101	93	201	184	385
	e) Finance Costs	58	40	44	99	88	168
	f) Depreciation and Amortisation Expenses	93	89	73	182	145	310
	g) Other Expenses	267	258	347	525	659	1,303
	<b>Total Expenses</b>	<b>1,372</b>	<b>1,342</b>	<b>1,535</b>	<b>2,715</b>	<b>2,980</b>	<b>6,008</b>
<b>3</b>	<b>Profit/(Loss) before Exceptional Items and Tax (1-2)</b>	<b>82</b>	<b>71</b>	<b>150</b>	<b>153</b>	<b>316</b>	<b>611</b>
<b>4</b>	<b>Exceptional Items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>5</b>	<b>Profit/(Loss) before Tax (3-4)</b>	<b>82</b>	<b>71</b>	<b>150</b>	<b>153</b>	<b>316</b>	<b>611</b>
<b>6</b>	<b>TAX EXPENSES</b>						
	a) Current Year Tax	14	13	27	27	56	107
	b) Earlier Year Tax	0	0	0	0	0	(17)
	c) MAT Credit Utilised/(Entitlement)	(14)	(13)	(5)	(27)	(11)	(41)
	d) Deferred Tax	(9)	2	4	(7)	12	16
	<b>Total Tax Expenses</b>	<b>(9)</b>	<b>2</b>	<b>26</b>	<b>(7)</b>	<b>56</b>	<b>66</b>
<b>7</b>	<b>Net Profit/(Loss) from Ordinary Activities after Tax (5-6)</b>	<b>91</b>	<b>70</b>	<b>124</b>	<b>160</b>	<b>260</b>	<b>545</b>
<b>8</b>	<b>Extraordinary Items (Net of Tax Expense)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>9</b>	<b>Net Profit/(loss) for the period (7-8)</b>	<b>91</b>	<b>70</b>	<b>124</b>	<b>160</b>	<b>260</b>	<b>545</b>
<b>10</b>	<b>Profit/(loss) for the period attributable to</b>						
	a) Owners of the Company	91	70	124	160	260	545
	b) Non Controlling Interest	0	0	0	0	0	0
<b>11</b>	<b>Other Comprehensive Income</b>						
	- Items that will be reclassified to Profit/Loss (arising due to Gain/Loss on Cashflow Hedges)	(3)	6	(14)	3	(34)	(50)
<b>12</b>	<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10+11)</b>	<b>87</b>	<b>76</b>	<b>111</b>	<b>163</b>	<b>226</b>	<b>495</b>
<b>13</b>	<b>Earnings per Equity share: (In Rs)</b>						
	(1) Basic	2.50	1.93	3.43	4.43	7.17	15.04
	(2) Diluted	2.50	1.93	3.43	4.43	7.17	15.04
<b>14</b>	<b>Paid-up Equity Share Capital (Face Value of Rs. 5/-each)</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>
<b>15</b>	<b>Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year</b>						<b>4,739</b>


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 T : 022-67976666, F : 022-2565 3234

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

**Notes:-**

- The above results for the quarter and half year ended September 30, 2023, have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on November 4, 2023.
- The Company has entered into forward contracts to hedge its exports. Mark to market gain/(loss) for such contracts as at the end of reporting period is recognised in these statements. Mark to market gain/(loss) in respect of near term contracts amounting to Rs. 0.79 Crs is expensed off in the P&L statement, while mark to market gain/(loss) in respect of long term contracts amounting to Rs. 1.49 Crs is adjusted under Other Comprehensive Income. The component adjusted under Other Comprehensive Income will be appropriately treated in P&L when the underlying cash-flow impact accrues.
- The Company has further recognised revaluation gain/(loss) to the extent of (Rs. 11.25 Crs) in respect of its long term borrowings (ECBs) as at September 30, 2023 and included the same in its Finance Costs appearing above.
- The Company has only one reportable segment i.e. Speciality Chemicals.
- The Company has retained its Long Term Issuers & Bank Facilities credit ratings of AA/Stable from CRISIL and India Ratings.
- The Company has repaid Commercial Papers on their respective due dates. The Commercial Papers (unlisted) outstanding as on September 30, 2023 was Rs. 150 Crs. The Commercial papers (Short Term Debt) has been rated by India Rating and CRISIL and assigned is A1+ rating by both the rating agencies.
- Due date and actual date of repayment of principal amount for commercial paper issued during the period April 1, 2023 to September 30, 2023 are as per below table:

ISIN	Due date of Payment	Actual Date of Payment	Redemption Amount (Rs. in Crs)
INE769A14791	September 21, 2023	September 21, 2023	150
INE769A14809	December 26, 2023 (Issued on September 27, 2023)	-	150

**8 Other Disclosures:**
**A) Ratios:**

Particulars	Standalone Result					
	3 Months Ended			6 Months Ended		Year Ended
	30th Sep 2023	30th Jun 2023	30th Sep 2022	30th Sep 2023	30th Sep 2022	31st Mar 2023
Operating Margin (%) (EBIDTA-Other Income)/(Gross Revenue)	14.62%	12.93%	14.51%	13.79%	15.31%	15.06%
Net Profit After Tax (in Crs)	91	71	126	162	262	546
Net Profit Margin (%) (PAT)/(Gross Revenue)	5.71%	4.55%	6.80%	5.14%	7.30%	7.55%
Debt Service Coverage Ratio (EBIT+Exceptional Items)/(Interest Exp+Principal Repayments during the period)	1.04	0.72	1.74	1.01	1.88	1.49
Interest Service Coverage Ratio (Earnings before Interest and Tax / Interest Expenses for the period)	2.47	2.93	4.61	2.66	4.76	4.87
Net Worth (in Crs) (Equity Share Capital+Other Equity)	5,032	4,997	4,675	5,032	4,675	4,921
Net Debt-Equity Ratio (Total Net Debt)/(Total Equity)	0.54	0.56	0.62	0.54	0.62	0.54
Current Ratio* (Current Assets)/(Current Liabilities)	1.10	1.29	1.03	1.10	1.03	1.01
Long Term Debt to Working Capital* (Non-Current Borrowings Including Current Maturities of Non-current Borrowings)/(Current Assets - Current Liabilities excluding current Maturities of Non-current Borrowings)	2.80	1.79	2.58	2.80	2.58	2.56
Current Liability Ratio* (Total Current Liabilities)/(Total Liabilities)	0.59	0.52	0.73	0.59	0.73	0.67
Total Debts to Total Assets (Total Debts)/(Total Assets)	0.34	0.36	0.34	0.34	0.34	0.33
Debtors Turnover Ratio (Value of Sales & Services)/(Average Trade Receivables)	1.75	1.71	1.40	3.50	2.79	6.87
Inventory Turnover Ratio (Cost Of Goods Sold)/(Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade)	1.08	1.10	1.43	2.16	2.85	5.17

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Particulars	Consolidated Result					
	3 Months Ended			6 Months Ended		Year Ended
	30th Sep 2023	30th Jun 2023	30th Sep 2022	30th Sep 2023	30th Sep 2022	31st Mar 2023
Operating Margin (%) (EBIDTA-Other Income)/(Gross Revenue)	14.58%	12.81%	14.45%	13.70%	15.22%	14.95%
Net Profit After Tax (in Crs)	91	70	124	160	260	545
Net Profit Margin (%) (PAT)/(Gross Revenue)	5.68%	4.45%	6.74%	5.07%	7.22%	7.49%
Debt Service Coverage Ratio (EBIT+Exceptional Items)/ (Interest Exp+Principal Repayments during the period)	1.04	0.71	1.73	1.00	1.86	1.48
Interest Service Coverage Ratio (Earnings before Interest and Tax / Interest Expenses for the period)	2.46	2.89	4.57	2.63	4.72	4.79
Net Worth (in Crs) (Equity Share Capital+Other Equity)	5,030	4,996	4,689	5,030	4,689	4,921
Net Debt-Equity Ratio (Total Net Debt)/(Total Equity)	0.54	0.56	0.62	0.54	0.62	0.54
Current Ratio* (Current Assets)/(Current Liabilities)	1.10	1.29	1.03	1.10	1.03	1.01
Long Term Debt to Working Capital* (Non-Current Borrowings Including Current Maturities of Non-current Borrowings) / (Current Assets-Current Liabilities excluding current Maturities of Non-current Borrowings)	2.83	1.81	2.86	2.83	2.86	2.60
Current Liability Ratio* (Total Current Liabilities) / (Total Liabilities)	0.58	0.52	0.73	0.58	0.73	0.66
Total Debts to Total Assets (Total Debts) / (Total Assets)	0.34	0.36	0.33	0.34	0.33	0.33
Debtors Turnover Ratio (Value of Sales & Services) / (Average Trade Receivables)	3.67	1.78	2.91	3.67	2.91	7.17
Inventory Turnover Ratio (Cost Of Goods Sold)/ (Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade)	2.13	1.08	2.80	2.13	2.80	5.10

\*Capex Bridge loans are excluded from current liabilities for the purpose of ratio calculation.

9 The figures for the previous period have been regrouped or rearranged wherever necessary.

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

For AARTI INDUSTRIES LIMITED

Place: Mumbai  
Date: November 4, 2023



  
RAJENDRA V. GOGRI  
CHAIRMAN AND MANAGING DIRECTOR  
DIN: 00061003

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**Standalone and Consolidated Statement of Assets and Liabilities**

(Rs. in Crs)

Particulars	Standalone		Consolidated	
	As at 30th Sept, 2023	As at 31st March, 2023	As at 30th Sept, 2023	As at 31st March, 2023
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	5,050	4,792	5,087	4,829
Capital Work-in-Progress	1,057	989	1,057	989
Right to use Assets	46	30	46	30
Intangible Assets	7	1	7	1
Intangible Assets under Development	143	107	143	107
Financial Assets				
Investments	19	12	24	17
Deferred Tax Assets (Net & incl of MAT Credit)	87	52	88	53
Other Non-Current Assets	124	131	88	94
<b>Total Non-Current Assets</b>	<b>6,533</b>	<b>6,115</b>	<b>6,540</b>	<b>6,122</b>
<b>Current Assets</b>				
Inventories	1,183	1,015	1,196	1,031
Financial Assets				
Trade Receivables	827	974	785	940
Cash and Cash Equivalents	161	161	165	167
Bank Balances other than above	268	33	268	33
Others Financial Assets	204	187	199	181
Current Tax Assets (Net)	62	55	62	55
Other Current Assets	33	49	34	51
<b>Total Current Assets</b>	<b>2,738</b>	<b>2,475</b>	<b>2,708</b>	<b>2,459</b>
<b>TOTAL ASSETS</b>	<b>9,271</b>	<b>8,590</b>	<b>9,248</b>	<b>8,581</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	181	181	181	181
Other Equity	4,850	4,740	4,848	4,739
Non Controlling Interest			1	1
<b>Total Equity</b>	<b>5,032</b>	<b>4,921</b>	<b>5,030</b>	<b>4,921</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Financial Liabilities				
i) Borrowings	1,396	635	1,396	635
ii) Lease Liabilities	42	25	42	25
Other Non Current Liabilities	220	217	220	217
<b>Total Non-Current Liabilities</b>	<b>1,657</b>	<b>877</b>	<b>1,658</b>	<b>877</b>
<b>Current Liabilities</b>				
Financial Liabilities				
i) Borrowings	1,758	2,239	1,760	2,239
ii) Lease Liabilities	9	8	9	8
iii) Trade Payables to:				
Micro and Small Enterprise	40	99	40	99
Other than Micro and Small Enterprise	633	317	609	306
iv) Other Financial Liabilities	2	2	2	2
Other Current Liabilities	105	99	106	99
Provisions	34	28	34	30
<b>Total Current Liabilities</b>	<b>2,582</b>	<b>2,792</b>	<b>2,560</b>	<b>2,783</b>
<b>Total Liabilities</b>	<b>4,240</b>	<b>3,669</b>	<b>4,218</b>	<b>3,660</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,271</b>	<b>8,590</b>	<b>9,248</b>	<b>8,581</b>

Note:-

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

For AARTI INDUSTRIES LIMITED



RAJENDRA V. GOGRI

CHAIRMAN AND MANAGING DIRECTOR

DIN: 00061003

Place : Mumbai

Date: November 4, 2023

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**Cash Flow Statement for the half year ended 30th September, 2023**

(Rs in Crs)

Sr. No.	Particulars	Standalone		Consolidated	
		30th Sep 2023	30th Sep 2022	30th Sep 2023	30th Sep 2022
<b>A.</b>	<b>Cash Flow from Operating Activities:</b>				
	<b>Net Profit before Tax and Exceptional/Extraordinary Items</b>	<b>155</b>	<b>318</b>	<b>153</b>	<b>316</b>
	<u>Adjustments for:</u>				
	Finance Costs	98	88	99	88
	Depreciation and Amortisation Expenses	182	144	182	145
	Loss on Sale of Assets/Investments	5	-	5	-
	Consolidated Adjustment			(0)	2
		<b>439</b>	<b>551</b>	<b>439</b>	<b>550</b>
	<b>Operating Profit before Working Capital Changes</b>	<b>439</b>	<b>551</b>	<b>439</b>	<b>550</b>
	<u>Adjustments for:</u>				
	(Increase)/Decrease in Trade and Other Receivables	154	(159)	163	(148)
	Increase/(Decrease) in Trade Payables and Other Current Liabilities	291	(147)	277	(151)
	(Increase)/Decrease in Inventories	(168)	18	(165)	10
	<b>Cash Generated from Operations</b>	<b>717</b>	<b>262</b>	<b>713</b>	<b>261</b>
	Direct Taxes Paid	(34)	(43)	(34)	(43)
	<b>Net Cash Flow from Operating Activities (A)</b>	<b>683</b>	<b>219</b>	<b>679</b>	<b>218</b>
<b>B.</b>	<b>Cash Flow from Investing Activities:</b>				
	Addition to Property, Plant & Equipments, Capital WIP & Intangible assets	(575)	(577)	(575)	(577)
	Sale/Written off of Property, Plant & Equipment and other Fixed Assets	5	1	5	1
	(Increase)/Decrease in Investments	(6)	-	(6)	-
	<b>Net Cash Flow from Investing Activities (B)</b>	<b>(576)</b>	<b>(577)</b>	<b>(576)</b>	<b>(577)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities:</b>				
	Proceeds/(Repayment) of Long-Term Borrowings	761	(141)	761	(141)
	Proceeds/(Repayment) of Other Borrowings	(481)	699	(480)	699
	Finance Costs	(98)	(88)	(99)	(88)
	Dividend Paid	(54)	(54)	(54)	(54)
	<b>Net Cash Flow from Financing Activities (C)</b>	<b>128</b>	<b>416</b>	<b>128</b>	<b>416</b>
	<b>Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)</b>	<b>235</b>	<b>58</b>	<b>232</b>	<b>57</b>
	Cash and Bank Balances (Opening Balance)	194	167	201	174
	Cash and Bank Balances (Closing Balance)	429	226	432	231

**Note:-**

- 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.
- Cash and Bank balances includes Cash and Cash Equivalents and other Bank Balances.
- Figures for the previous period have been regrouped or rearranged wherever necessary.

For AARTI INDUSTRIES LIMITED


 RAJENDRA V. GOGRI  
 CHAIRMAN AND MANAGING DIRECTOR  
 DIN: 00061003

 Place : Mumbai  
 Date: November 4, 2023

www.aarti-industries.com | CIN: L24110GJ1984PLC007301

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## **Independent Auditors' Report on Audit of Standalone Financial Results**

To Board of Directors of  
Aarti Industries Limited

### **Report on the Audit of the Standalone Financial Results**

#### **Opinion**

We have audited the accompanying standalone quarterly financial results of Aarti Industries Limited ("the Company") for the quarter ended 30 September 2023 and the year-to-date results for the period from 1 April 2023 to 30 September 2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

1. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
2. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS-34") prescribed under section 133 of the Companies Act 2013 read with relevant rules thereunder and other accounting principles generally accepted in India of the net profit and total other comprehensive income, and other financial information of the Company for quarter ended 30 September 2023 and year to date results for the period 1 April 2023 to 30 September 2023.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





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

These quarterly financial results as well as the year-to-date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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





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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the Board of Directors in terms of requirements specified under regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the interim standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim condensed standalone 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 interim condensed 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.

For GOKHALE & SATHE  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 103264W

Tejas Parikh  
Partner  
Membership No. 123215  
UDIN: -23123215BGQLIS2519  
Date: 4 November 2023  
Place: Mumbai





## **Independent Auditors' Report on Audit of Consolidated Financial Results**

To Board of Directors of Aarti Industries Limited

Report on the audit of the Consolidated Financial Results

### **Opinion**

We have audited the accompanying Statement of Consolidated Financial Results of Aarti Industries Limited ("Holding company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group") for the quarter ended 30 September 2023 and for the period from 1 April 2023 to 30 September 2023 ("the Statement"), being submitted by the Holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements / financial information of subsidiaries (refer other matter paras), the Statement:

1. includes the results of the following entities:
  - i. Aarti Corporate Services Limited
  - ii. Shanti Intermediates Private Limited (through its Holding Company: Aarti Corporate Services Limited)
  - iii. Nascent Chemical Industries Limited (through its Holding Company: Aarti Corporate Services Limited)
  - iv. Alchemie (Europe) Limited.
  - v. Innovative Envirocare Jhagadia Limited
  - vi. Aarti Polychem Private Limited
  - vii. Aarti Bharuch Limited
  - viii. Aarti Spechem Limited
  - ix. Augene Chemical Private Limited (w.e.f. from 18 May 2023)
  - x. Aarti Chemical Trading – FZCO (w.e.f. from 25 September 2023)
2. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
3. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS-34") prescribed under section 133 of the Companies Act 2013 read with relevant rules thereunder and other accounting principles generally accepted in India of the consolidated net profit and consolidated total other comprehensive income and other financial information of the Group for quarter ended 30 September 2023 and year to date results for the period 1 April 2023 to 30 September 2023.





## **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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





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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors in terms of requirements specified under regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.





Materiality is the magnitude of misstatements in the interim consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim consolidated financial results 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 interim consolidated financial results.

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

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

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

## **Other Matters**

- I. Financial Results of Subsidiaries not audited by us.
  - a) The consolidated financial results include the audited financial results of 5 subsidiaries whose interim financial Results/ financial information reflects total assets of Rs 48.40 crores as at 30 September 2023, and total revenues of Rs. 2.64 crores and Rs. 5.48 crores and total net loss after tax of Rs. 0.39 crores and Rs. 0.86 crores for the quarter ended 30 September 2023 and for the period 1 April 2023 to 30 September 2023 respectively, and cash outflows (net) of Rs 0.25 crores for the period from 1 April 2023 to 30 September 2023 as considered in the consolidated financial results, which have been audited by their respective independent auditors. The independent auditors' reports on interim financial statements/Financial Results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.





- b) The consolidated financial results include the unaudited financial results of 2 foreign subsidiaries whose interim financial Results/ financial information reflects total assets of Rs 30.12 crores as at 30 September 2023, and total revenues of Rs. 9.81 crores and Rs. 24.94 crores and total net profit after tax of Rs 0.07 crores for the quarter ended 30 September 2023 and and total net loss after tax Rs. 1.25 crores for the period 1 April 2023 to 30 September 2023 respectively, and cash outflows (net) of Rs 0.93 crores for the period from 1 April 2023 to 30 September 2023 as considered in the consolidated financial results. These unaudited financial statements have been furnished to us by the board of directors and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited interim financial statement. In our opinion and according to the information and explanations given to us by the Board of Directors, these interim financial statements is not material to the Group.

Our opinion is not modified in respect of the above matters.

For GOKHALE & SATHE  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 103264W

Tejas Parikh  
Partner

Membership No. 123215

UDIN: 23123215BGQLIT7094

Date: 4 November 2023

Place: Mumbai

