



Board Independence Statement

Objective

The Board of Directors of Aarti Industries Limited (AIL) is committed to ensuring the independence of its Independent, Non-Executive and executive Directors, who are expected to provide independent character and judgment. AIL ensures that all Independent Directors meet the criteria of independence as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the requirement of AIL for board independence, this ensures that AIL surpasses the requirement of SEBI for the independence of board.

The independence of each director is assessed by the annual performance review conducted by the board.

Board Independence Statement

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Independent Directors are required to provide declarations stating that they meet the criteria for independence. The criteria include assessments of integrity, expertise, experience, and various relationships that could compromise independence, such as a person:

1. Who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience
2. Who is not a promoter of Aarti Industries Limited (“the Company”) or its holding, Subsidiary or Associate Company or member of promoter group;
3. Who is not related to Promoters or Directors of the Company, its holding, Subsidiary or Associate Company;
4. Who have / had no pecuniary relationship (other than remuneration as such director or having transaction not exceeding 10% of his total income) with the Company, its holding, Subsidiary or Associate Company, or their Promoters or Directors, during the three immediately preceding financial years or during the current financial year;
5. None of whose relatives;
 - a. is holding any security of or interest in the Company, its holding, Subsidiary or associate Company during the three immediately preceding financial years or during the current financial year in excess of its face value Rs. 50 lacs or 2% of paid up capital of the Company, its holding, Subsidiary or Associate Company.

- b. is indebted to the Company, its holding, Subsidiary or Associate Company or their Promoters, or directors, during the three immediately preceding financial years or during the current financial year;
 - c. has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, Subsidiary or Associate Company or their Promoters, or Directors of such holding Company, during the three immediately preceding financial years or during the current financial year; or
 - d. has any other pecuniary transaction or relationship with the listed entity, its holding, Subsidiary or Associate Company amounting to two percent or more of its gross turnover or total income.
6. Who, neither himself/herself, nor whose relative(s) ;
- a. hold or have held the position of a key managerial personnel or is or have been an employee of the Company or its holding, subsidiary, Associate Company or any Company belonging to the Promoter Group during the three immediately preceding financial years or during the current financial year; or
 - b. have been an employee or proprietor or a partner, during the three immediately preceding financial years or during the current financial year of:
 - i. a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, Subsidiary or Associate Company; or
 - ii. any legal or a consulting firm that has or had any transaction with the Company, its holding, Subsidiary or Associate Company amounting to 10% or more of the gross turnover of such firm;
 - c. hold together with his/her relatives 2% or more of the total voting power of the Company; or
 - d. is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives 25% or more of its receipts from the Company, any of its Promoters, Directors or its holding, Subsidiary or Associate Company or that holds 2% or more of the total voting power of the Company; or
 - e. is a material supplier, service provider or customer or a lessor or lessee of the Company.
7. Is not a Non-Independent Director of another Company on the Board of which any Non- Independent Director of this Company is an Independent Director.

Monitoring & Review

The Board of directors diligently considers each candidate's compliance with the regulations when nominating them to the Board of Directors, and evaluates their independence with regard to the requirements of AIL (Aarti Industries Limited) and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

The Board of Directors aims to ensure that an adequate number of independent members are on the board relative to its size, and that the composition of the board provides expertise, diverse experience and reflects a strong commitment to independence and good corporate governance.

Presently AIL's Board of Directors has 15 members in total, of which 8 members are independent directors, 1 non-executive director, and 6 are executive directors including a CMD and one VCMD. AIL ensures that the Board is composed of at least 50% independent directors at all times.

Based on the evaluation by the Board of Directors, there are no factors or circumstances that could impair the independence of the independent directors.

AIL is dedicated to maintaining the highest standards of Corporate Governance to ensure the interest of stakeholders is safeguarded..