

May 8, 2023

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 CODE : AARTIIND

Dear Sir/Madam,

**Sub.: Outcome of the Board Meeting
Ref.: Regulation 30, 33 & 52(4) of SEBI
(LODR) Regulations, 2015**

The Board of Directors of Aarti Industries Limited (“the Company”) at their meeting held today i.e. **Monday, May 8, 2023** inter-alia considered and approved the following:

- A)** Audited Financial Results & Statements of the Company (Standalone and Consolidated) for the Quarter and Year ended March 31, 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 & Statements,
 - Declaration in respect of Audit reports with unmodified opinion for the Financial Year ended March 31, 2023.
- B)** Recommendation of the Final Dividend of Rs. 1.50/- (30%) per Equity Share of Face Value of Rs. 5/- each for the Financial Year ended March 31, 2023, subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.

The Meeting of the Board of Directors commenced at 11:00 a.m. and concluded at 7:30 p.m.

Kindly take the above information on your records.

Thanking you,

Yours faithfully,

For **AARTI INDUSTRIES LIMITED**

RAJ KUMAR
SARRAF

Digitally signed by RAJ
KUMAR SARRAF
Date: 2023.05.08 19:32:16
+05'30'

RAJ SARRAF
COMPANY SECRETARY

ICSI M. NO. A15526

Encl.: as above.

Sr. No.	Particulars	Standalone Result				
		3 Months Ended			Year Ended	
		31st Mar 2023 (Audited)	31st Dec 2022 (Audited)	31st Mar 2022 (Audited)	31st Mar 2023 (Audited)	31st Mar 2022 (Audited)
1	INCOME					
	Revenue from Operations (Gross)	1,809	1,820	1,620	7,226	6,820
	Less: GST Collected	170	185	205	661	780
	a)Revenue from Operations (Net)	1,640	1,635	1,415	6,565	6,040
	b)Other Income	0	0	0	0	1
	Total Income	1,639	1,635	1,415	6,565	6,041
2	EXPENSES					
	a)Cost of Materials Consumed	886	916	755	3,465	2,833
	b)Purchases of Stock-in-Trade	65	115	77	290	210
	c)Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(4)	(81)	(71)	46	(197)
	d)Employee Benefits Expense	108	92	88	383	354
	e)Finance Costs	33	45	26	166	102
	f)Depreciation and Amortisation Expenses	84	82	63	310	244
	g)Other Expenses	333	307	306	1,292	1,130
	Total Expenses	1,504	1,476	1,243	5,952	4,675
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	135	159	172	613	1,366
4	Exceptional Items					
5	Profit/(Loss) before Tax (3-4)	135	159	172	613	1,366
6	TAX EXPENSES*					
	a)Current Year Tax	23	29	32	107	239
	b)Earlier Year Tax	(17)	0	0	(17)	0
	c)MAT Credit Utilised/(Entitlement)	(20)	(10)	(13)	(41)	(78)
	d)Deferred Tax	1	5	9	18	23
	Total Tax Expenses	(13)	24	27	67	184
7	Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	148	135	145	546	1,182
8	Extraordinary Items (Net of Tax Expense)	0	0	0	0	0
9	Net Profit/(loss) for the period (7-8)	148	135	145	546	1,182
10	Profit/(loss) for the period attributable to					
	a)Owners of the Company	148	135	145	546	1,182
	b)Non Controlling Interest	0	0	0	0	0
11	Other Comprehensive Income					
	- Items that will be reclassified to Profit/Loss (arising due to Gain/Loss on Cashflow Hedges)	2	(2)	1	(35)	18
12	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10+11)	150	133	145	511	1,200
13	Earnings per Equity share: (In Rs)					
	(1) Basic	4.09	3.73	3.99	15.06	32.61
	(2) Diluted	4.09	3.73	3.99	15.06	32.61
14	Paid-up Equity Share Capital (Face Value of Rs. 5/-each)	181	181	181	181	181
15	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year				4,740	4,320



Sr. No.	Particulars	Consolidated Result				
		3 Months Ended			Year Ended	
		31st Mar 2023 (Audited)	31st Dec 2022 (Audited)	31st Mar 2022 (Audited)	31st Mar 2023 (Audited)	31st Mar 2022 (Audited)
1	INCOME					
	Revenue from Operations (Gross)	1,826	1,854	1,642	7,283	6,871
	Less: GST Collected	171	186	206	664	786
	a)Revenue from Operations (Net)	1,656	1,668	1,437	6,619	6,086
	b)Other Income	0	0	0	1	1
	Total Income	1,656	1,668	1,437	6,619	6,086
2	EXPENSES					
	a)Cost of Materials Consumed	885	916	755	3,462	2,794
	b)Purchases of Stock-in-Trade	69	127	88	314	271
	c)Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	8	(67)	(66)	66	(210)
	d)Employee Benefits Expense	109	93	89	385	357
	e)Finance Costs	33	47	26	168	102
	f)Depreciation and Amortisation Expenses	84	82	63	310	246
	g)Other Expenses	333	311	310	1,303	1,154
	Total Expenses	1,521	1,508	1,264	6,008	4,714
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	135	160	173	611	1,372
4	Exceptional Items					
5	Profit/(Loss) before Tax (3-4)	135	160	173	611	1,372
6	TAX EXPENSES*					
	a)Current Year Tax	23	29	32	107	241
	b)Earlier Year Tax	(17)	0	0	(17)	0
	c)MAT Credit Utilised/(Entitlement)	(20)	(10)	(13)	(41)	(77)
	d)Deferred Tax	0	4	9	16	22
	Total Tax Expenses	(13)	23	27	66	186
7	Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	149	137	146	545	1,186
8	Extraordinary Items (Net of Tax Expense)	0	0	0	0	0
9	Net Profit/(loss) for the period (7-8)	149	137	146	545	1,186
10	Profit/(loss) for the period attributable to					
	a)Owners of the Company	149	137	146	545	1,186
	b)Non Controlling Interest	0	0	0	0	0
11	Other Comprehensive Income					
	- Items that will be reclassified to Profit/Loss (arising due to Gain/Loss on Cashflow Hedges)	(7)	(8)	(1)	(50)	15
12	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10+11)	142	128	145	495	1,201
13	Earnings per Equity share: (In Rs)					
	(1) Basic	4.10	3.77	4.01	15.04	32.71
	(2) Diluted	4.10	3.77	4.01	15.04	32.71
14	Paid-up Equity Share Capital (Face Value of Rs. 5/-each)	181	181	181	181	181
15	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year				4,739	4,335



Notes:-

- 1 The above results for the quarter and year ended March 31, 2023, have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on May 8, 2023
- 2 The Board of Directors has recommended a Final Dividend of Rs. 1.50/- (30%) per Equity Share of Rs. 5/- each for the Financial Year ended March 31, 2023.

3 Effect of the approval of Scheme of Arrangement

- 3.a The Scheme of Arrangement for the demerger of Pharma Undertaking from Aarti Industries Limited ("the Company" or "the demerged company") into its wholly owned subsidiary Aarti Pharmed Labs Limited ("the resulting company"), ("the Scheme") was approved by Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench on September 21, 2022 (which came into effect on October 17, 2022). Accordingly, all the assets and liabilities pertaining to the Pharma Business Undertaking, including supporting manufacturing units, employees, cash and cash equivalents and investments (including investments in subsidiaries and joint ventures), as defined in the Scheme, stand transferred and vested into the resulting company from its Appointed Date i.e. July 01, 2021.
- 3.b Pending receipt of the NCLT approval for scheme of arrangement, financial statements of the Company (before giving effect to scheme of arrangement) for the quarter and year ended March 31, 2022 were approved by the Board of Directors in their meeting held on May 27, 2022. Pursuant to the approval of the said scheme, we have recasted the historic audited financials from the Appointed date of 1st July 2021 to carry out the changes arising due to adoption of the scheme of arrangement. Hence the audited financials, mentioned above, in respect of the historic periods have been suitably recasted and thus are not comparable to the ones as announced in past in respective board meetings.
- 4 Pursuant to the approval of Scheme of Arrangement, Aarti Industries Limited now has only one segment, i.e. specialty chemical segment. Hence segment reporting is not applicable.
- 5 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. 0.03 Crs) is expensed off in the P&L statement, while mark to market gain/(loss) in respect of long term contracts amounting to (Rs.0.55 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.
- 6 The Company has further recognised revaluation gain/(loss) to the extent of Rs. 6.09 Crs in respect of its long term borrowings (ECBs) as at March 31, 2023 and included the same in its Finance Costs appearing above.
- 7 The Company has retained its Long Term Issuers & Bank Facilities credit ratings of AA/Stable from CRISIL and India Ratings.
- 8 The Company has repaid Commercial Papers on their respective due dates. The Commercial Papers (Listed and unlisted) outstanding as on March 31, 2023 was Rs. 150 Crs and Rs. 175 Crs, respectively. The Commercial papers (Short Term Debt) has been rated by India Rating and CRISIL and assigned is A1+ rating by both the rating agencies.
- 9 Due date and actual date of repayment of principal amount for commercial paper issued during the period April 01, 2022 to March 31, 2023 are as per below table :

ISIN	Due date of Payment	Actual Date of Payment	Redemption Amount in Crs
INE769A14718	June 22, 2022	June 22, 2022	100
INE769A14734	August 24, 2022	August 24, 2022	150
INE769A14726	September 13, 2022	September 13, 2022	150
INE769A14742	December 26, 2022	December 26, 2022	100
INE769A14759	February 28, 2023	February 28, 2023	150
INE769A14767	March 14, 2023	March 14, 2023	150
INE769A14783	June 22, 2023 (Issued on March 15, 2023)	-	150
INE769A14775	September 11, 2023 (Issued on March 29, 2023)	-	175



10 Other Disclosures:
A) Ratios:

Particulars	Standalone Result				
	3 Months Ended			Year Ended	
	31st Mar 2023	31st Dec 2022	31st Mar 2022	31st Mar 2023	31st Mar 2022
Operating Margin (%) (EBIDTA-Other Income)/(Gross Revenue)	13.92%	15.71%	16.07%	15.06%	25.09%
Net Profit After Tax (in crores)	148	135	145	546	1,182
Net Profit Margin (%) (PAT)/(Gross Revenue)	8.18%	7.43%	8.93%	7.55%	17.33%
Debt Service Coverage Ratio (EBIT+Exceptional Items)/ (Interest Exp+Principal Repayments during the period)	1.35	1.12	1.55	1.49	3.43
Interest Service Coverage Ratio (Earnings before Interest and Tax/Interest Expenses for the period)	5.33	4.74	8.31	4.87	15.63
Net Worth (in crores) (Equity Share Capital+Other Equity)	4,921	4,807	4,501	4,921	4,501
Debt-Equity Ratio (Total Debt)/(Total Equity)	0.58	0.65	0.57	0.58	0.57
Current Ratio* (Current Assets)/(Current Liabilities)	1.01	1.06	1.25	1.01	1.25
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)	2.56	2.51	1.43	2.56	1.43
Current Liability Ratio* (Total Current Liabilities)/(Total	0.67	0.67	0.65	0.67	0.65
Total Debts to Total Assets (Total Debts)/(Total Assets)	0.33	0.34	0.33	0.33	0.33
Debtors Turnover Ratio (Value of Sales & Services)/ (Average Trade Receivables)	6.87	4.22	6.99	6.87	6.99
Inventory Turnover Ratio (Cost Of Goods Sold)/(Average Inventories of Finished Goods,Stock-in- Process and Stock-in-Trade	5.17	3.86	4.48	5.17	4.48



Particulars	Consolidated Result				
	3 Months Ended			Year Ended	
	31st Mar 2023	31st Dec 2022	31st Mar 2022	31st Mar 2023	31st Mar 2022
Operating Margin (%) (EBIDTA-Other Income)/(Gross Revenue)	13.79%	15.57%	15.93%	14.95%	25.03%
Net Profit After Tax (in crores)	149	137	146	545	1,186
Net Profit Margin (%) (PAT)/(Gross Revenue)	8.14%	7.36%	8.86%	7.49%	17.26%
Debt Service Coverage Ratio (EBIT+Exceptional Items)/ (Interest Exp+Principal Repayments during the period)	1.35	1.13	1.56	1.48	3.45
Interest Service Coverage Ratio (Earnings before Interest and Tax/ Interest Expenses for the period)	5.29	4.58	8.29	4.79	15.57
Net Worth (in crores) (Equity Share Capital+Other Equity)	4,921	4,816	4,517	4,921	4,517
Debt-Equity Ratio (Total Debt)/(Total Equity)	0.58	0.65	0.57	0.58	0.57
Current Ratio* (Current Assets)/(Current Liabilities)	1.01	1.04	1.25	1.01	1.25
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)	2.60	2.81	1.44	2.60	1.44
Current Liability Ratio* (Total Current Liabilities)/(Total	0.66	0.67	0.65	0.66	0.65
Total Debts to Total Assets (Total Debts)/(Total Assets)	0.33	0.34	0.33	0.33	0.33
Debtors Turnover Ratio (Value of Sales & Services)/ (Average Trade Receivables)	7.17	4.39	7.29	7.17	7.29
Inventory Turnover Ratio (Cost Of Goods Sold)/ (Average Inventories of Finished Goods,Stock-in- Process and Stock-in-Trade)	5.10	3.76	4.35	5.10	4.35

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

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

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

Place: Mumbai
Date: May 8, 2023

For AARTI INDUSTRIES LIMITED




RAJENDRA V. GOGRI
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00061003

Standalone and Consolidated Statement of Assets and Liabilities

(Rs. in Crs)

Particulars	Standalone		Consolidated	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	4,792	3,618	4,829	3,578
Capital Work-in-Progress	989	1,260	989	1,303
Right to use Assets	30	17	30	17
Intangible Assets	1	0	1	0
Intangible Assets under Development	107	43	107	43
Financial Assets				
Investments	12	3	17	28
Deferred Tax Assets (Net & incl of MAT Credit)	52	29	53	28
Other Non-Current Assets	131	155	94	155
Total Non-Current Assets	6,115	5,125	6,122	5,152
Current Assets				
Inventories	1,015	899	1,031	934
Financial Assets				
Trade Receivables	974	1,131	940	1,092
Cash and Cash Equivalents	161	87	167	94
Bank Balances other than above	33	80	33	80
Others Financial Assets	187	417	181	407
Current Tax Assets (Net)	55	55	55	55
Other Current Assets	49	37	51	37
Total Current Assets	2,475	2,706	2,459	2,699
TOTAL ASSETS	8,590	7,830	8,581	7,851
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	181	181	181	181
Other Equity	4,740	4,320	4,739	4,335
Non Controlling Interest			1	1
Total Equity	4,921	4,501	4,921	4,517
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
i) Borrowings	635	930	635	930
ii) Lease Liabilities	25	15	25	15
Other Non Current Liabilities	217	224	217	224
Total Non-Current Liabilities	877	1,168	877	1,168
Current Liabilities				
Financial Liabilities				
i) Borrowings	2,239	1,632	2,239	1,638
ii) Lease Liabilities	8	4	8	4
iii) Trade Payables to:				
Other than Micro and Small Enterprise	417	344	405	345
iv) Other Financial Liabilities	2	2	2	2
Other Current Liabilities	99	148	99	145
Provisions	28	30	30	32
Total Current Liabilities	2,792	2,161	2,783	2,166
Total Liabilities	3,669	3,329	3,660	3,334
TOTAL EQUITY AND LIABILITIES	8,590	7,830	8,581	7,851

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: May 8, 2023

www.aarti-industries.com | CIN: L24110GJ1984PLC007301

 Admin. Office : 71, Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai - 400080, INDIA.
 T : 022-67976666, F : 022-2565 3234

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

Cash Flow Statement for the year ended 31 March 2023

(Rs in Crs)

Sr. No.	Particulars	Standalone		Consolidated	
		31st Mar 2023	31st Mar 2022	31st Mar 2023	31st Mar 2022
A.	Cash Flow from Operating Activities:				
	Net Profit before Tax and Exceptional/Extraordinary Items	613	1,366	611	1,372
	<u>Adjustments for:</u>				
	Finance Costs	166	102	168	102
	Depreciation and Amortisation Expenses	310	244	310	246
	Consolidated Adjustment	0	0	(1)	0
		1,089	1,712	1,089	1,721
	Profit on Sale of Assets/Investments	0	(1)	0	-1
	Operating Profit before Working Capital Changes	1,089	1,711	1,089	1,720
	<u>Adjustments for:</u>				
	(Increase)/Decrease in Trade and Other Receivables	400	(536)	422	-498
	Increase/(Decrease) in Trade Payables and Other Current Liabilities	(9)	(90)	(13)	(38)
	(Increase)/Decrease in Inventories	(117)	(333)	(97)	(420)
	Cash Generated from Operations	1,363	751	1,401	764
	Direct Taxes Paid	(91)	(245)	(91)	(246)
	Net Cash Flow from Operating Activities (A)	1,272	507	1,310	519
B.	Cash Flow from Investing Activities:				
	Addition to Property, Plant & Equipments, Capital WIP & Intangible	(1,304)	(1,163)	(1,326)	(1,165)
	Sale/Written off of Property, Plant & Equipment and other Fixed As	13	0	0	0
	(Increase)/Decrease in Other Investments	(9)	0	(4)	(5)
	Profit on Sale of Investment	0	1	0	1
	Net Cash Flow from Investing Activities (B)	(1,301)	(1,162)	(1,330)	(1,169)
C.	Cash Flow from Financing Activities:				
	Proceeds/(Repayment) of Long-Term Borrowings	(301)	(595)	(301)	(595)
	Proceeds/(Repayment) of Other Borrowings	613	53	607	49
	Finance Costs	(166)	(102)	(168)	(102)
	Increase in Equity by QIP (Net of Expenses)	0	1,187	0	1,187
	Dividend Paid	(91)	(127)	-91	(127)
	Net Cash Flow from Financing Activities (C)	55	417	47	412
	Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)	27	(239)	27	(239)
	Cash and Bank Balances (Opening Balance)	167	406	174	412
	Cash and Bank Balances (Closing Balance)	194	167	201	174

Note:-

- 1. Effect of the approval of Scheme of Arrangement**
 - 1.a The Scheme of Arrangement for the demerger of Pharma Business Undertaking from Aarti Industries Limited ("the Company" or "the demerged company") into its wholly owned subsidiary Aarti Pharmed Limited ("the resulting company"), ("the Scheme") was approved by Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench on September 21, 2022 (which came into effect on October 17, 2022). Accordingly, all the assets and liabilities pertaining to the Pharma Business Undertaking, including supporting manufacturing units, employees, cash and cash equivalents and investments (including investments in subsidiaries and joint ventures), as defined in the Scheme, stand transferred and vested into the resulting company from its Appointed Date i.e. from July 01, 2021.
 - 1.b Pending receipt of the NCLT approval for scheme of arrangement, financial statements of the Company (before giving effect to scheme of arrangement) for the quarter and year ended 31st March 2022 were approved by the Board of Directors in their meeting held on 27th May 2022. Pursuant to the approval of the said scheme, we have recasted the historic audited financials from the Appointed date of 1st July 2021 to carry out the changes arising due to adoption of the scheme of arrangement. Hence the audited financials for 31st March 2022, mentioned above, have been suitably recasted and thus are not comparable to the ones as announced in past.
2. 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.
3. Cash and Bank balances includes Cash and Cash Equivalents and other Bank Balances.
4. 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 : May 8, 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 financial results of **Aarti Industries Limited** ("the Company") for the quarter and year ended 31 March 2023 ("the standalone financial results") 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 applicable Indian Accounting Standards ("Ind AS") 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 and year ended 31 March 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 standalone financial results have been prepared on the basis of standalone 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 Standards 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 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 standalone financial results.

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.

Other Matters

I. Comparative Audited Standalone Financial Results

- a) The comparative audited standalone financial results for quarter and year ended 31 March 2022 (before giving effect to scheme of arrangement) were audited by erstwhile statutory auditors, Kirtane & Pandit, LLP (FRN: 105215W/W100057), Chartered Accountants whose audit report dated 27 May 2022 had expressed an unmodified opinion on financial statements.

Our opinion is not modified in respect of above matter

II. Effect of Scheme of Arrangement

- a) The Scheme of Arrangement for the demerger of Pharma Business Undertaking from Aarti Industries Limited (“the Company” or “the demerged company”) to its wholly owned subsidiary Aarti Pharmalabs Limited (“the resulting company”) between the two companies and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 (‘Act’) and all other applicable provisions of the Companies Act, 2013 (“the Scheme”) was approved by Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench on 21 September 2022. Accordingly, all the assets and liabilities pertaining to the Pharma Business Undertaking, including supporting manufacturing units, employees, cash and cash equivalents and investments (including investments in subsidiaries and joint ventures), as defined in the Scheme, stand transferred and vested into the resulting company from its Appointed Date i.e. from 1 July 2021.
- b) Pending receipt of the NCLT Order approving scheme of arrangement, financial statements of the Company (before giving effect to scheme of arrangement) for the year ended 31 March 2022 were approved by the Board of Directors in their meeting held on 27 May 2022 and audited by erstwhile statutory auditors (refer para I (a) above). Subsequently, the same were approved by the shareholders in the general meeting held on 26 September 2022.
- c) In annual general meeting held on 26 September 2022, we, Gokhale & Sathe, Chartered Accountants (FRN: 103264W) were appointed as statutory auditors of the Company in place of Kirtane & Pandit, LLP, Chartered Accountants (retiring auditors). Considering this management approached us to perform agreed upon procedures on standalone financial results prepared to give effect to scheme of arrangement.





d) Accordingly, we have performed agreed upon procedures as per Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India and we report that as follows:

- recasted standalone financial results prepared by the management of the Company for quarter and year ended 31 March 2022 is as per accounting treatment and information mentioned in the scheme.
- It is drawn from standalone financial statements prepared and audited by erstwhile statutory auditors as mentioned in I (a) above.
- It is extracted from the books of accounts maintained by the Company having records/information maintained for pharma business and speciality chemical business.

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

Tejas Parikh
Partner
Membership No. 123215
UDIN: - 23123215BGQLBK8217
Place: Mumbai
Date: 8 May 2023





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 and year ended 31 March 2023 ("the consolidated financial results"), 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
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 Standards 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 and year ended 31 March 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 consolidated financial results have been prepared on the basis of the consolidated 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 Standards 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 regulations 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. Comparative Audited Consolidated Financial Results

- a) The comparative audited consolidated financial results for quarter and year ended 31 March 2022 (before giving effect to scheme of arrangement) were audited by erstwhile statutory auditors, Kirtane & Pandit, LLP (FRN: 105215W/W100057), Chartered Accountants whose audit report dated 27 May 2022 had expressed an unmodified opinion on consolidated financial statements.

Our opinion is not modified in respect of above matter.

II. Effect of Scheme of Arrangement

- a) The Scheme of Arrangement for the demerger of Pharma Business Undertaking from Aarti Industries Limited (“the Company” or “the demerged company”) to its wholly owned subsidiary Aarti Pharmed Labs Limited (“the resulting company”) between the two companies and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 (‘Act’) and all other applicable provisions of the Companies Act, 2013 (“the Scheme”) was approved by Honourable National Company Law Tribunal (NCLT), Ahmedabad Bench on 21 September 2022. Accordingly, all the assets and liabilities pertaining to the Pharma Business





Undertaking, including supporting manufacturing units, employees, cash and cash equivalents and investments (including investments in subsidiaries and joint ventures), as defined in the Scheme, stand transferred and vested into the resulting company from its Appointed Date i.e. from 1 July 2021. Pursuant to demerger, investments in subsidiaries, namely, Aarti USA, Inc, Aarti Pharmachem Limited and investment in joint controlled entity namely, Ganesh Polychem Limited was transferred Aarti Pharmalabs Limited. Further investment in Aarti Pharmalabs Limited (earlier known as Aarti Organics Limited) is cancelled and as a result no longer remains subsidiary of the Holding Company.

- b) Pending receipt of the NCLT Order approving scheme of arrangement, consolidated financial statements of the Company (before giving effect to scheme of arrangement) for the year ended 31 March 2022 were approved by the Board of Directors in their meeting held on 27 May 2022 and audited by erstwhile statutory auditors (refer para I (a) above). Subsequently, the same were approved by the shareholders in the general meeting held on 26 September 2022.
- c) In annual general meeting held on 26 September 2022, we, Gokhale & Sathe, Chartered Accountants (FRN: 103264W) were appointed as statutory auditors of the Company in place of Kirtane & Pandit, LLP, Chartered Accountants (retiring auditors). Considering this management approached us to perform agreed upon procedures on consolidated financial results prepared to give effect to scheme of arrangement.
- d) Accordingly, we have performed agreed upon procedures as per Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India and we report that as follows
- recasted consolidated financial results prepared by the management of the Holding Company for the quarter and year ended 31 March 2022 is as per accounting treatment and information mentioned in the scheme.
 - It is drawn from consolidated financial statements prepared and audited by erstwhile statutory auditors as mentioned in I (a) above.
 - It is extracted from the books of accounts maintained by the Holding Company having records/information maintained for pharma business and speciality chemical business.





III. Financial Results of Subsidiaries not audited by us.

The consolidated financial results include the audited financial results of 6 subsidiaries whose financial Results reflects total assets of Rs 47.77 crores as at 31 March 2023, total revenues of Rs. 29.40 crores and Rs. 143.06 crores and total net loss after tax of Rs. 2.40 crores and net loss after tax Rs. 2.30 crores for the quarter and year ended 31 March 2023 and cash outflows (net) of Rs 0.75 crore for the year ended 31 March 2023 respectively as considered in the consolidated financial results, which have been audited by their respective independent auditors. The independent auditors' reports on Financial Results 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.

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

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

Tejas Parikh
Partner

Membership No. 123215

UDIN: - 23123215BGQLBL7175

Date: 8 May 2023

Place: Mumbai



May 8, 2023

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 CODE :AARTIIND

Dear Sir/Madam,

**Sub.: Declaration in respect of Audit Reports
with un-modified opinion for the
Financial Year ended on March 31, 2023**
**Ref.: Regulation 33 of the SEBI (LODR)
Regulations, 2015**

We, Aarti Industries Limited (“the Company”) hereby confirm and declare that the Statutory Auditors of the Company, Gokhale & Sathe, Chartered Accountants (Firm Registration. No. 103264W) have issued the Audit Report with un–modified opinion in respect of Annual Audited Standalone and Consolidated Financial Results & Statements for the year ended March 31, 2023.

Kindly take the same on records.

Thanking you,

Yours faithfully,

For **AARTI INDUSTRIES LIMITED**

RAJ KUMAR Digitally signed by
SARRAF RAJ KUMAR SARRAF
Date: 2023.05.08
19:31:38 +05'30'

RAJ SARRAF

COMPANY SECRETARY

ICSI M. NO. A15526