



# AARTI INDUSTRIES LIMITED

71, Udyog Kshetra, 2nd Floor, Mulund - Goregaon Link Road, Mulund (West), Mumbai-400 080.INDIA  
☎: 00-91-6797 6666, 2591 8195 • Fax : 00-91-22-2590 4806 / 2565 3185 / 3234  
Regd. Office : Plot No. 801 / 23, G.I.D.C. Estate, Phase III, Vapi - 396 195, Dist. Valsad, Gujrat.INDIA  
E-mail : info@aartigroup.com • Website : www.aartigroup.com • CIN : L24110GJ1984PLC007301



**Ref. No: AIL/B-29/2014/657**

**Date : 8<sup>th</sup> November, 2014.**

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

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

**BSE CODE -524208**

**NSE CODE:AARTIIND**

Dear Sir/Madam,

**Ref : Compliance of Clause 41 of the Listing Agreement.**

**Sub : Audited Financial Results for the quarter & half year ended 30<sup>th</sup>  
September, 2014.**

In terms of Clause 41 of the Listing Agreement, we are forwarding herewith the Audited Financial Results along with Auditor's Report on Quarterly Financial Results of the Company along with Segment wise Revenue Results for the quarter & half year ended 30<sup>th</sup> September, 2014 in the prescribed form which have been taken on record by the Board of Directors of the Company at its meeting held on **Saturday, 8<sup>th</sup> November, 2014** at Mumbai.

Further, please note that the Company has already made necessary arrangement to publish the same in the newspapers as required under the Listing Agreement.

Please take note of the same on your record.

Thanking you,

Yours faithfully,

For **AARTI INDUSTRIES LIMITED**

**MONA PATEL**

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Encl: as above.



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## PART I

### AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2014.

(₹ in Lakhs)

| Sr. No. | Particulars                                                                                          | 3 Months Ended              |                            |                             | 6 Months Ended              |                             | 12 Months Ended            |
|---------|------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|
|         |                                                                                                      | 30th Sept 2014<br>(Audited) | 30th Jun 2014<br>(Audited) | 30th Sept 2013<br>(Audited) | 30th Sept 2014<br>(Audited) | 30th Sept 2013<br>(Audited) | 31st Mar 2014<br>(Audited) |
| 1       | Income from Operations                                                                               |                             |                            |                             |                             |                             |                            |
|         | a) Net Sales/Income from operation (Net of excise duty/VAT)                                          | 75,025                      | 72,501                     | 63,770                      | 147,526                     | 122,355                     | 259,868                    |
|         | b) Other Operating Income                                                                            | 1,091                       | 1,476                      | 765                         | 2,567                       | 1,544                       | 3,409                      |
|         | Total Income from Operations (Net)                                                                   | 76,116                      | 73,977                     | 64,535                      | 150,093                     | 123,899                     | 263,277                    |
| 2       | Expenses                                                                                             |                             |                            |                             |                             |                             |                            |
|         | a) Cost of Material Consumed                                                                         | 48,101                      | 44,704                     | 40,100                      | 92,805                      | 76,984                      | 163,079                    |
|         | b) Purchases of Stock-in-trade                                                                       | 2,955                       | 2,525                      | 2,625                       | 5,480                       | 5,245                       | 11,686                     |
|         | c) Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade                     | (2,292)                     | 1,036                      | (2,259)                     | (1,256)                     | (2,500)                     | (6,205)                    |
|         | d) Employee Benefits Expenses                                                                        | 2,234                       | 2,011                      | 1,853                       | 4,245                       | 3,508                       | 7,573                      |
|         | e) Depreciation and Amortisation Expense                                                             | 1,909                       | 1,873                      | 2,160                       | 3,782                       | 4,181                       | 8,743                      |
|         | f) Other Expenses                                                                                    | 12,920                      | 12,404                     | 11,614                      | 25,324                      | 22,436                      | 47,596                     |
|         | Total Expenses                                                                                       | 65,827                      | 64,553                     | 56,093                      | 130,380                     | 109,854                     | 232,472                    |
| 3       | Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)         | 10,289                      | 9,424                      | 8,442                       | 19,713                      | 14,045                      | 30,805                     |
| 4       | Other Income                                                                                         | 27                          | 12                         | 354                         | 39                          | 590                         | 1,042                      |
| 5       | Profit/(Loss) from Ordinary Activities before Finance Costs and Exceptional Items (3+4)              | 10,316                      | 9,436                      | 8,796                       | 19,752                      | 14,635                      | 31,847                     |
| 6       | Finance Costs                                                                                        | 3,594                       | 3,793                      | 2,761                       | 7,387                       | 5,397                       | 11,753                     |
| 7       | Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)        | 6,722                       | 5,643                      | 6,035                       | 12,365                      | 9,238                       | 20,094                     |
| 8       | Exceptional Items                                                                                    | -                           | -                          | -                           | -                           | -                           | -                          |
| 9       | Profit/(Loss) from Ordinary Activities before Tax (7-8)                                              | 6,722                       | 5,643                      | 6,035                       | 12,365                      | 9,238                       | 20,094                     |
| 10      | Tax Expenses                                                                                         |                             |                            |                             |                             |                             |                            |
|         | a) Provision for Taxation-Current / Minimum Alternate Tax                                            | 1,400                       | 1,185                      | 1,350                       | 2,585                       | 1,950                       | 3,850                      |
|         | b) MAT Credit Entitlement                                                                            | (175)                       | (110)                      | -                           | (285)                       | -                           | -                          |
|         | c) Provision for Deferred Tax                                                                        | 425                         | 425                        | 450                         | 850                         | 800                         | 1,375                      |
|         | Total Tax Expenses                                                                                   | 1,650                       | 1,500                      | 1,800                       | 3,150                       | 2,750                       | 5,225                      |
| 11      | Net Profit/(Loss) from Ordinary Activities after Tax (9-10)                                          | 5,072                       | 4,143                      | 4,235                       | 9,215                       | 6,488                       | 14,869                     |
| 12      | Extraordinary Items (Net of Tax Expense ₹)                                                           | -                           | -                          | -                           | -                           | -                           | -                          |
| 13      | Net Profit/(Loss) for the period (11-12)                                                             | 5,072                       | 4,143                      | 4,235                       | 9,215                       | 6,488                       | 14,869                     |
| 14      | Share of Profit/(Loss) of Associates                                                                 | -                           | -                          | -                           | -                           | -                           | -                          |
| 15      | Minority Interest                                                                                    | -                           | -                          | -                           | -                           | -                           | -                          |
| 16      | Net Profit/(Loss) after Taxes, Minority Interest and Share of Profit/(Loss) of Associates (13+14+15) | 5,072                       | 4,143                      | 4,235                       | 9,215                       | 6,488                       | 14,869                     |
| 17      | Paid-up Equity Share Capital (Face Value of ₹ 5/-each)                                               | 4,430                       | 4,430                      | 4,430                       | 4,430                       | 4,430                       | 4,430                      |
| 18      | Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year              | -                           | -                          | -                           | -                           | -                           | 73,440                     |
| 19.i    | Earnings Per Share (before Extraordinary Itmes) (of ₹ 5/- each) (not annualised)                     |                             |                            |                             |                             |                             |                            |
|         | a) Basic                                                                                             | 5.72                        | 4.68                       | 4.78                        | 10.40                       | 7.32                        | 16.78                      |
|         | b) Diluted                                                                                           | 5.72                        | 4.68                       | 4.78                        | 10.40                       | 7.32                        | 16.78                      |
| 19.ii   | Earnings Per Share (after Extraordinary Itmes) (of ₹ 5/- each) (not annualised)                      |                             |                            |                             |                             |                             |                            |
|         | a) Basic                                                                                             | 5.72                        | 4.68                       | 4.78                        | 10.40                       | 7.32                        | 16.78                      |
|         | b) Diluted                                                                                           | 5.72                        | 4.68                       | 4.78                        | 10.40                       | 7.32                        | 16.78                      |
| 20      | Debt Service Coverage Ratio                                                                          | 1.40                        | 1.69                       | 1.63                        | 1.53                        | 1.69                        | 1.98                       |
| 21      | Interest Service Coverage Ratio                                                                      | 3.12                        | 2.61                       | 3.43                        | 2.85                        | 2.88                        | 2.90                       |



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## PART II

### SELECT INFORMATION FOR QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2014.

| A PARTICULARS OF SHAREHOLDING |                                                                                      |            |            |            |            |            |
|-------------------------------|--------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|
| 1                             | Public Shareholding                                                                  |            |            |            |            |            |
|                               | - Number of Shares                                                                   | 35,593,812 | 34,668,737 | 35,026,753 | 35,593,812 | 34,653,737 |
|                               | - Percentage of Shareholding                                                         | 40.18      | 39.13      | 39.54      | 40.18      | 39.12      |
| 2                             | Promoters and Promoter Group Shareholding                                            |            |            |            |            |            |
|                               | a) Pledged/Encumbered                                                                |            |            |            |            |            |
|                               | - Number of Shares                                                                   | Nil        | Nil        | Nil        | Nil        | Nil        |
|                               | - Percentage of Shares (as a % of total shareholding of promoter and promoter group) | Nil        | Nil        | Nil        | Nil        | Nil        |
|                               | - Percentage of Shares (as a % of total share capital of the Company)                | Nil        | Nil        | Nil        | Nil        | Nil        |
|                               | b) Non-encumbered                                                                    |            |            |            |            |            |
|                               | - Number of Shares                                                                   | 52,997,875 | 53,922,950 | 53,564,934 | 52,997,875 | 53,937,950 |
|                               | - Percentage of Shares (as a % of total shareholding of promoter and promoter group) | 100.00     | 100.00     | 100.00     | 100.00     | 100.00     |
|                               | - Percentage of Shares (as a % of total share capital of the Company)                | 59.82      | 60.87      | 60.46      | 59.82      | 60.88      |

| Particulars                                    | 30th Sept 2014 |
|------------------------------------------------|----------------|
| B INVESTOR COMPLAINTS                          |                |
| Pending at the beginning of the quarter        | Nil            |
| Received during the quarter                    | 13             |
| Disposed of during the quarter                 | 13             |
| Remaining unresolved at the end of the quarter | Nil            |

#### Notes:-

- The above results for the quarter and half year ended 30th September, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 8th November, 2014.
- The Board of Directors have declared Interim Dividend of ₹ 2.25 paise per Equity Share of ₹ 5/- each (45%) amounting to ₹ 19,93,31,295.75 paise and 14th November, 2014 has been fixed as record date for the payment of the said Interim Dividend.
- Formulae for computation of ratios are as follows:  
 Debt Service Coverage Ratio = Earnings before Interest and Tax/(Interest Expenses + Principal Repayment for Term loans during the period)  
 Interest Service Coverage Ratio = Earnings before Interest and Tax/Interest Expenses for the period
- Figures for the previous period have been regrouped or rearranged wherever necessary.

Place: Mumbai  
 Date: 8th November, 2014

For AARTI INDUSTRIES LIMITED

  
 RAJENDRA V. GOGRI  
 CHAIRMAN AND MANAGING DIRECTOR



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## SEGMENTWISE REVENUE AND RESULTS UNDER CLAUSE 41 OF LISTING AGREEMENT

(₹ in Lakhs)

| Sr. No.  | Particulars                                                                           | 3 Months Ended              |                            |                             | 6 Months Ended              |                             | 12 Months Ended            |
|----------|---------------------------------------------------------------------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|
|          |                                                                                       | 30th Sept 2014<br>(Audited) | 30th Jun 2014<br>(Audited) | 30th Sept 2013<br>(Audited) | 30th Sept 2014<br>(Audited) | 30th Sept 2013<br>(Audited) | 31st Mar 2014<br>(Audited) |
| <b>1</b> | <b>Segment Revenue</b>                                                                |                             |                            |                             |                             |                             |                            |
|          | a) Speciality Chemicals                                                               | 62,491                      | 61,419                     | 53,721                      | 123,910                     | 103,003                     | 221,696                    |
|          | b) Pharmaceuticals                                                                    | 7,920                       | 6,745                      | 6,947                       | 14,665                      | 13,279                      | 24,898                     |
|          | c) Home & Personal Care Chemicals                                                     | 5,705                       | 5,813                      | 3,867                       | 11,518                      | 7,617                       | 16,683                     |
|          | <b>Total</b>                                                                          | <b>76,116</b>               | <b>73,977</b>              | <b>64,535</b>               | <b>150,093</b>              | <b>123,899</b>              | <b>263,277</b>             |
| <b>2</b> | <b>Segment Results Profit / (Loss)</b><br>(Before Tax and Interest from each Segment) |                             |                            |                             |                             |                             |                            |
|          | a) Speciality Chemicals                                                               | 10,412                      | 9,771                      | 8,252                       | 20,183                      | 14,655                      | 33,262                     |
|          | b) Pharmaceuticals                                                                    | 1,247                       | 625                        | 1,179                       | 1,872                       | 1,907                       | 2,975                      |
|          | c) Home & Personal Care Chemicals                                                     | 71                          | 259                        | 193                         | 330                         | 170                         | 411                        |
|          | <b>Total</b>                                                                          | <b>11,730</b>               | <b>10,655</b>              | <b>9,624</b>                | <b>22,385</b>               | <b>16,732</b>               | <b>36,648</b>              |
|          | Less: Interest                                                                        | 3,594                       | 3,793                      | 2,761                       | 7,387                       | 5,397                       | 11,753                     |
|          | Other Unallocable Expenditure (Net)                                                   | 1,414                       | 1,219                      | 828                         | 2,633                       | 2,097                       | 4,801                      |
|          | <b>Total Profit before Tax</b>                                                        | <b>6,722</b>                | <b>5,643</b>               | <b>6,035</b>                | <b>12,365</b>               | <b>9,238</b>                | <b>20,094</b>              |
| <b>3</b> | <b>Capital Employed</b>                                                               |                             |                            |                             |                             |                             |                            |
|          | a) Speciality Chemicals                                                               | 140,439                     | 137,304                    | 118,035                     | 140,439                     | 118,035                     | 140,134                    |
|          | b) Pharmaceuticals                                                                    | 43,922                      | 38,420                     | 35,548                      | 43,922                      | 35,548                      | 37,720                     |
|          | c) Home & Personal Care Chemicals                                                     | 10,554                      | 9,959                      | 8,310                       | 10,554                      | 8,310                       | 8,747                      |
|          | d) Unallocated Capital                                                                | 6,784                       | 4,412                      | 4,115                       | 6,784                       | 4,115                       | 4,187                      |
|          | <b>Total</b>                                                                          | <b>201,699</b>              | <b>190,095</b>             | <b>166,008</b>              | <b>201,699</b>              | <b>166,008</b>              | <b>190,788</b>             |

Place : Mumbai  
 Date: 8th November, 2014

For AARTI INDUSTRIES LIMITED

  
 RAJENDRA V. GOGRI  
 CHAIRMAN AND MANAGING DIRECTOR



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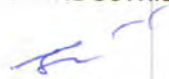


## Standalone Statement of Assets and Liabilities

(₹ in Lakhs)

| Sr. No.  | Particulars                                | As at 30th Sept 2014 | As at 31st March 2014 |
|----------|--------------------------------------------|----------------------|-----------------------|
| <b>A</b> | <b>EQUITY AND LIABILITIES</b>              |                      |                       |
| <b>1</b> | <b>Shareholders' Funds</b>                 |                      |                       |
|          | (a) Share Capital                          | 4,430                | 4,430                 |
|          | (b) Reserves and Surplus                   | 80,249               | 73,440                |
|          | <b>Sub total - Shareholders' Fund</b>      | <b>84,679</b>        | <b>77,870</b>         |
| <b>2</b> | <b>Non-Current Liabilities</b>             |                      |                       |
|          | (a) Long-term Borrowings                   | 44,019               | 25,503                |
|          | (b) Deferred Tax Liabilities (Net)         | 9,296                | 8,446                 |
|          | (c) Other Long-term Liabilities            | 72                   | 732                   |
|          | (d) Long-term Provisions                   | 28,152               | 25,567                |
|          | <b>Sub total - Non-current Liabilities</b> | <b>81,539</b>        | <b>60,248</b>         |
| <b>3</b> | <b>Current Liabilities</b>                 |                      |                       |
|          | (a) Short-term Borrowings                  | 63,619               | 68,584                |
|          | (b) Trade Payables                         | 31,903               | 36,783                |
|          | (c) Other Current Liabilities              | 12,132               | 10,103                |
|          | (d) Short-term Provisions                  | 3,465                | 2,898                 |
|          | <b>Sub total - Current Liabilities</b>     | <b>111,119</b>       | <b>118,368</b>        |
|          | <b>TOTAL - EQUITY AND LIABILITIES</b>      | <b>277,337</b>       | <b>256,486</b>        |
| <b>B</b> | <b>ASSETS</b>                              |                      |                       |
| <b>1</b> | <b>Non-current Assets</b>                  |                      |                       |
|          | (a) Fixed Assets                           | 100,247              | 90,590                |
|          | (b) Non-current Investments                | 5,536                | 3,225                 |
|          | (c) Long-term Loans and Advances           | 40,883               | 38,616                |
|          | <b>Sub total - Non-current Assets</b>      | <b>146,666</b>       | <b>132,431</b>        |
| <b>2</b> | <b>Current Assets</b>                      |                      |                       |
|          | (a) Inventories                            | 58,211               | 60,333                |
|          | (b) Trade Receivables                      | 54,514               | 46,578                |
|          | (c) Cash and Cash Equivalents              | 2,198                | 1,235                 |
|          | (d) Short-term Loans and Advances          | 13,364               | 12,959                |
|          | (e) Other Current Assets                   | 2,384                | 2,950                 |
|          | <b>Sub total - Current Assets</b>          | <b>130,671</b>       | <b>124,055</b>        |
|          | <b>TOTAL - ASSETS</b>                      | <b>277,337</b>       | <b>256,486</b>        |

For AARTI INDUSTRIES LIMITED

  
RAJENDRA V. GOGRI

CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai

Date: 8th November, 2014



Auditors' Report on Quarterly Financial Results and Year to Date Results of  
AARTI INDUSTRIES LTD Pursuant to the Clause 41 of the Listing Agreement

To

Board of Directors of AARTI INDUSTRIES LTD

We have audited the quarterly financial results of AARTI INDUSTRIES LTD for the quarter ended 30<sup>th</sup> September 2014, and the year to date results for the period from 1st April 2014 to 30<sup>th</sup> September 2014 attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25 on Interim Financial Reporting issued under the Companies (Accounting Standard Rules), 2006 which continue to apply under section 133 of the Companies Act 2013 and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.





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

- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended 30<sup>th</sup> September 2014 and the year to date results for the period from 1<sup>st</sup> April 2014 to 30<sup>th</sup> September 2014.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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

CA. TEJAS. J. PARIKH  
PARTNER  
Membership No. 123215  
Mumbai, Dated: November 8, 2014

