



Aarti Surfactants Limited

July 20, 2024

To,
Listing / Compliance Department
BSE Limited
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 (E), Mumbai 400 051.

Scrip Code: 543210

Symbol: AARTISURF

Dear Sir / Madam,

Sub: Outcome of the Board Meeting held on Saturday, July 20, 2024

Pursuant to Regulation 30 read with Para A, Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("SEBI Listing Regulations"), we wish to inform you that the Board of Directors at its Meeting held today i.e. Saturday, July 20 2024, inter-alia considered and approved the following: -

1. Beginning from the Financial Year 2024-2025, the Board, on the recommendation of the Audit Committee, will consider the Unaudited Financial Results every quarter. In accordance with Regulation 33(3)(c)(i) of the SEBI Listing Regulations, these results will be subject to a Limited Review by the Statutory Auditors of the Company.
2. Pursuant to Regulation 33 and 52(4) of SEBI Listing Regulations, we attach herewith a copy of the approved Unaudited Standalone and Consolidated Financial Results along with the Limited Review Report of the Auditors for quarter ended June 30, 2024.
3. Pursuant to Regulation 31A of the SEBI Listing Regulations, the Board approved the requests received from the following Members for re-classification from "Promoter Group" to "Public" Category:

Sr. No.	Names	No. of shares held	% of holding
1	Bhavna Shah Lalka	0	0
2	Dilip Tejshi Dedhia	0	0
3	Gunavanti Navin Shah	0	0
4	Heena Bhatia	0	0
5	Nehal Garewal	0	0
6	Prasadi Yogesh Banatwala	0	0
7	Sarla Shantilal Shah	0	0
8	Shantilal Tejshi Shah (Huf)	0	0
9	Heena Family Private Trust (Barclays Wealth Trustees India Private Limited)	0	0
10	Valiant Organics Limited	0	0

www.aarti-surfactants.com | CIN : L24100MP2018PLC067037

Corporate Office : Unit 202, Plot 71, Udyog Kshetra, 2nd Floor, Mulund-Goregaon Link Road, Mulund (W), Mumbai - 400 080. T : 022-67976666. | E : info@aarti-surfactants.com

Regd. Office : Plot No. 57, 58, 60 to 64, 62A, S-3/1, Sector 3, Sagore Village, Pithampur Industrial Area, Dhar, Madhya Pradesh 454775



We are arranging to publish these Financial Results in the newspapers as per Regulation 47 of the SEBI Listing Regulations.

The Meeting of the Board of Directors commenced at 12:30 p.m. and concluded at 6:35 p.m.

Please take the above information on record.

Thanking you.

Yours faithfully,

For **Aarti Surfactants Limited**

Priyanka Chaurasia
Company Secretary
ICSI M. NO. A44258

Encl: as above

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Dhar, Madhya Pradesh 454775



gokhale & sathe

(regd.)

chartered accountants

304/308/309, udyog mandir no 1,
7-c, bhagoji keer marg,
mahim, mumbai 400 016.

Independent Auditors' Limited Review Report on quarterly unaudited standalone financial results of Aarti Surfactants Limited pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

**The Board of Directors,
Aarti Surfactants Limited**

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results ("the Statement") of **Aarti Surfactants Limited** ("the Company") for the quarter ended 30 June 2024 being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

This statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance 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. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Attention is drawn to the fact that the figures for the three months ended 31 March 2024 as reported in these unaudited standalone financial results are the balancing figures between audited figures in respect of the full previous financial year and the published audited year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of the previous financial year were audited by us.





Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Uday Girjapure
Partner
Membership No. 161776
UDIN: 24161776BKFXPZ1211
Date: 20th July 2024
Place: Mumbai





Independent Auditors' Limited Review Report on quarterly unaudited consolidated financial results of Aarti Surfactants Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

**The Board of Directors
Aarti Surfactants Limited**

We have reviewed the accompanying Statement of Consolidated Financial Results of **Aarti Surfactants Limited** ("the Holding Company") and its one wholly owned subsidiary company (the Holding Company and its one subsidiary together referred as "the Group") for quarter ended 30 June 2024 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

This statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance 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. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

The Statement includes the results of the following entities:

1. Aarti Surfactants Limited - Holding Company
2. Aarti HPC Limited - Wholly owned subsidiary

Attention is drawn to the fact that the figures for the three months ended 31 March 2024 as reported in these unaudited consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published audited year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of the previous financial year were audited by us.





Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Uday Girjapure
Partner
Membership No. 161776
UDIN: 24161776BKFXQA2614
Date: 20th July 2024
Place: Mumbai



FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2024

(Rs. in Lakhs)

Sr. No.	Particulars	Standalone Result			
		3 Months Ended			Year Ended
		30th Jun 2024 (Unaudited)	31st Mar 2024 (Audited)	30th Jun 2023 (Audited)	31st Mar 2024 (Audited)
1	INCOME				
	a) Revenue from Operations (Net)	14,340.90	15,854.91	14,870.08	58,985.74
	b) Other Income	49.34	4.76	2.56	13.31
	Total Income	14,390.24	15,859.67	14,872.64	58,999.05
2	EXPENSES				
	a) Cost of Materials Consumed	10,978.31	11,698.24	11,456.07	44,583.19
	b) Purchases of Stock-in-Trade	76.46	-	-	-
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	328.37	532.10	11.88	72.03
	d) Employee Benefits Expense	461.03	460.64	419.49	1,789.48
	e) Finance Costs	257.46	340.85	332.13	1,403.36
	f) Depreciation and Amortisation Expenses	416.84	415.25	394.97	1,598.02
	g) Other Expenses	1,529.22	1,642.47	1,501.95	6,240.09
	Total Expenses	14,047.69	15,089.55	14,116.49	55,686.17
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	342.55	770.12	756.15	3,312.88
4	Exceptional Items	-	-	-	-
5	Profit/(Loss) before Tax (3-4)	342.55	770.12	756.15	3,312.88
6	TAX EXPENSES				
	a) Current Year Tax	83.00	166.00	163.00	746.00
	b) Adjustment of Tax Related to earlier periods	-	14.45	-	14.45
	c) Deferred Tax	26.41	30.88	68.27	325.74
	Total Tax Expenses	109.41	211.33	231.27	1,086.19
7	Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	233.14	558.79	524.88	2,226.69
8	Net Profit/(loss) for the period (7-8)	233.14	558.79	524.88	2,226.69
9	Other Comprehensive Income	-	-	-	(11.37)
10	Total Comprehensive Income for the period (Comprising Profit/(Loss) and Other Comprehensive Income for the period) (9+10)	233.14	558.79	524.88	2,215.32
11	Earnings per Equity share:				
	(1) Basic	2.75	6.98	6.61	27.81
	(2) Diluted	2.75	6.59	6.19	26.27
12	Paid-up Equity Share Capital (Face Value of Rs. 10/-each)	846.58	846.58	794.14	846.58
13	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year				
14	Net Worth				21,078.10
					21,924.68



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FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2024

(Rs. in Lakhs)

Sr. No.	Particulars	Consolidated Result			
		3 Months Ended			Year Ended
		30th Jun 2024 (Unaudited)	31st Mar 2024 (Audited)	30th Jun 2023 (Audited)	31st Mar 2024 (Audited)
1	INCOME				
	a)Revenue from Operations (Net)	14,340.90	15,854.91	14,870.08	58,985.74
	b)Other Income	49.34	4.76	2.56	13.31
	Total Income	14,390.24	15,859.67	14,872.64	58,999.05
2	EXPENSES				
	a)Cost of Materials Consumed	10,978.31	11,698.24	11,456.07	44,583.19
	b)Purchases of Stock-in-Trade	76.46	-	-	-
	c)Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	328.37	532.10	11.88	72.03
	d)Employee Benefits Expense	461.03	460.64	419.49	1,789.48
	e)Finance Costs	257.46	340.85	332.13	1,403.36
	f)Depreciation and Amortisation Expenses	422.58	420.98	394.97	1,603.75
	g)Other Expenses	1,534.62	1,730.32	1,502.08	6,328.36
	Total Expenses	14,058.83	15,183.13	14,116.62	55,780.17
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	331.41	676.54	756.02	3,218.88
4	Exceptional Items	-	-	-	-
5	Profit/(Loss) before Tax (3-4)	331.41	676.54	756.02	3,218.88
6	TAX EXPENSES				
	a)Current Year Tax	83.00	166.00	163.00	746.00
	b)Adjustment of Tax Related to earlier periods	-	14.45	-	14.45
	c)Deferred Tax	26.41	30.88	68.27	325.74
	Total Tax Expenses	109.41	211.33	231.27	1,086.19
7	Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	222.00	465.21	524.75	2,132.69
8	Net Profit/(loss) for the period (7-8)	222.00	465.21	524.75	2,132.69
9	Profit/(loss) for the period attributable to				
	a)Owners of the Company	222.00	465.21	524.75	2,132.69
	b)Non Controlling Interest	-	-	-	-
10	Other Comprehensive Income	-	-	-	(11.37)
11	Total Comprehensive Income for the period (Comprising Profit/(Loss) and Other Comprehensive Income for the period) (10+11)	222.00	465.21	524.75	2,121.32
12	Earnings per Equity share:				
	(1) Basic	2.62	5.81	6.61	26.63
	(2) Diluted	2.62	5.49	6.19	25.16
13	Paid-up Equity Share Capital (Face Value of Rs. 10/-each)	846.58	846.58	794.14	846.58
14	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year				20,964.39
15	Net Worth				21,810.97



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Notes:-

- The above results for the quarter ended 30th June, 2024 have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 20th July, 2024.
- CARE Ratings has upgraded Long term bank facility - Term Loan and Long term bank facility Cash Credit ratings of the Company from BBB+;Stable to A-:Stable and also upgraded Redeemable Preference Shares of the Company from BBB;Stable to BBB+;Stable.
- The aforesaid Financial Results will be uploaded on the Company's website www.aarti-surfactants.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.
- The Company deals in only one operating segment which is based on the nature of the product and thus the reporting segment is only one segment i.e. Home and personal care ingredients.
- The Company had issued 892,291 equity shares of face value Rs. 10 each on a rights basis ('Rights Equity Shares'). In accordance with the terms of issue, Rs. 222 per Rights Equity Share, i.e., 40% of the Issue Price, was received from the allottees on application, and the shares were allotted. The Board made the First and Final call of Rs. 333 per Rights Equity Share (including a premium of Rs. 327 per share) in January 2024. As of March 31, 2024, an aggregate amount of Rs. 60.85 lakhs was unpaid on 18,273 partly paid-up Rights Shares. The Board of Directors, at its meeting held on June 5, 2024, approved the forfeiture of all 18,273 partly paid-up equity shares of face value Rs. 10 each, on which the First and Final Call amount was not received, in accordance with the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Company has intimated both stock exchanges and filed the necessary forms with the MCA. The impact of forfeiture on share capital and its corresponding impact on EPS is reflected in the financial results.
- Additional information being provided in accordance with Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015:

Description	Standalone Result			
	3 Months Ended			Year Ended
	30th Jun 2024	31st Mar 2024	30th Jun 2023	31st Mar 2024
Debt Equity Ratio [Total Net Debt/Total Average Equity]	0.36	0.45	0.79	0.47
Debt Service Coverage Ratio [Net Profit before tax + Non-cash operating expenses (depreciation and amortisation) + Net finance cost [Net finance cost = Finance costs - Interest income]/ Finance Cost + Principal Repayments of long term borrowings (excluding prepayments)]	1.14	1.49	1.77	1.58
Interest Service Coverage Ratio [Net Profit before tax + Non-cash operating expenses (depreciation and amortisation) + Net finance cost (Net finance cost = Finance costs - Interest income)/ Finance Cost]	3.94	4.46	4.46	4.49
Outstanding Redeemable Preference Shares (Quantity)	10,82,387	10,82,387	10,82,387	10,82,387
Outstanding Redeemable Preference Shares (Rs in Lakhs)	2,178.00	2,159.89	2,105.19	2,159.89
Current Ratio [Current Assets / Current Liabilities]	1.61	1.54	1.25	1.54
Long Term Debt to Working Capital [Long Term Debt (including current maturity of long term borrowing)/ Current Assets less Current Liabilities (excluding current maturity of long term borrowings)]	0.74	0.77	1.44	0.77
Current Liability Ratio [Current Liabilities/ Total Liabilities]	0.61	0.63	0.65	0.63
Total Debt to Total Assets [Total Debt/ Total Assets]	0.21	0.23	0.33	0.23
Trade Receivable Turnover Ratio* [Total Sale of Products/ Average Trade Receivables]	2.24	2.62	2.07	8.65



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Aarti Surfactants Limited

Inventory Turnover Ratio* [Cost of Goods Sold/ Average Inventories]	1.22	1.19	1.43	5.06
Net Profit After Tax (Rs in Lakhs)	233.14	558.79	524.88	2,226.69
Operating Margin (%) [(EBITDA - Other Income)/Revenue from Operations]	7.06%	9.60%	9.96%	10.68%
Net Profit Margin % [Net Profit after tax/ Revenue from operations]	1.63%	3.52%	3.53%	3.77%

*Not Annualised for Interim Periods

Description	Consolidation Result			
	3 Months Ended		Year Ended	
	30th Jun 2024	31st Mar 2024	30th Jun 2023	31st Mar 2024
Debt Equity Ratio [Total Net Debt/Total Average Equity]	0.36	0.45	0.79	0.47
Debt Service Coverage Ratio [Net Profit before tax + Non-cash operating expenses (depreciation and amortisation) + Net finance cost [Net finance cost = Finance costs - Interest income]/ Finance Cost + Principal Repayments of long term borrowings (excluding prepayments)]	1.14	1.49	1.77	1.55
Interest Service Coverage Ratio [Net Profit before tax + Non-cash operating expenses (depreciation and amortisation) + Net finance cost (Net finance cost = Finance costs - Interest income)/ Finance Cost]	3.91	4.46	4.46	4.43
Outstanding Redeemable Preference Shares (Quantity)	10,82,387	10,82,387	10,82,387	10,82,387
Outstanding Redeemable Preference Shares (Rs in Lakhs)	2,178.00	2,159.89	2,105.19	2,159.89
Current Ratio [Current Assets / Current Liabilities]	1.61	1.54	1.25	1.54
Long Term Debt to Working Capital [Long Term Debt (including current maturity of long term borrowing)/ Current Assets less Current Liabilities (excluding current maturity of long term borrowings)]	0.74	0.77	1.44	0.77
Current Liability Ratio [Current Liabilities/ Total Liabilities]	0.61	0.63	0.65	0.63
Total Debt to Total Assets [Total Debt/ Total Assets]	0.21	0.23	0.33	0.23
Trade Receivable Turnover Ratio* [Total Sale of Products/ Average Trade Receivables]	2.24	2.62	2.07	8.65
Inventory Turnover Ratio* [Cost of Goods Sold/ Average Inventories]	1.22	1.19	1.43	5.06
Net Profit After Tax (Rs in Lakhs)	222.00	465.21	524.75	2,132.69
Operating Margin (%) [(EBITDA - Other Income)/Revenue from Operations]	7.03%	9.60%	9.96%	10.53%
Net Profit Margin % [Net Profit after tax/ Revenue from operations]	1.55%	3.52%	3.53%	3.62%

*Not Annualised for Interim Periods

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

Place: Mumbai
Date: 20th July, 2024



For AARTI SURFACTANTS LIMITED

Nikhil

NIKHIL DESAI
CEO & MANAGING DIRECTOR
DIN-01660649

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