

November 05, 2020

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

BSE CODE –543210

Dear Sir/Madam,

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

NSE CODE:AARTISURF

Ref.: Compliance of Regulation 33 of the SEBI (LODR)
Regulations, 2015

Sub : Audited Financial Results for the half year ended
September 30, 2020

We wish to inform you that Board of Directors at its Meeting held on **Thursday, November 05, 2020**, approved the Audited Standalone and Consolidated Financial Results for the half year ended September 30, 2020.

Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015 we enclose the following:-

- Audited Standalone and Consolidated Financial Results for the half year ended September 30, 2020.
- Audited Standalone and Consolidated Statement of Assets and Liabilities
- Audited Standalone and Consolidated Cash Flow Statement
- Auditor's Report on the Standalone and Consolidated Audited Financial Results for the half year ended September 30, 2020.

Further, please note that the Company has already made necessary arrangement to publish the same in the newspapers as required under the SEBI (LODR) Regulations, 2015.

The Meeting of the Board of Directors commenced at 05:55 p.m. and concluded at 09.10 p.m.

Please take note of the same on your record.

Thanking you,

Yours faithfully,

For **AARTI SURFACTANTS LIMITED**


PRASHANT GAIKWAD
COMPANY SECRETARY

ICSI M. NO. A46480

Encl.: as above.

Sr. No.	Particulars	Standalone Result		Consolidated Result	
		6 Months Ended	Year Ended	6 Months Ended	Year Ended
		30th Sept 2020 (Audited)	31st Mar 2020 (Audited)	30th Sept 2020 (Audited)	31st Mar 2020 (Audited)
1	INCOME				
	Revenue from Operations (Gross)	26,561	37,399	26,561	37,399
	Less: Taxes	3,267	4,812	3,267	4,812
	a) Revenue from Operations (Net)	23,294	32,586	23,294	32,586
	b) Other Income	3	21	3	21
	Total Income	23,298	32,607	23,298	32,607
2	EXPENSES				
	a) Cost of Materials Consumed	17,619	24,838	17,619	24,838
	b) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	492	(107)	492	(107)
	c) Employee Benefits Expense	711	1,430	711	1,430
	d) Finance Costs	601	1,028	601	1,028
	e) Depreciation and Amortisation Expenses	566	1,058	566	1,058
	f) Other Expenses	2,268	4,066	2,268	4,066
	Total Expenses	22,257	32,312	22,257	32,313
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	1,041	295	1,041	295
4	Exceptional Items	-	-	-	-
5	Profit/(Loss) before Tax (3-4)	1,041	295	1,041	295
6	TAX EXPENSES				
	a) Current Year Tax	25	52	25	52
	b) Earlier Year Tax	-	-	-	-
	c) MAT Credit Utilised/(Entitlement)	-	(52)	-	(52)
	d) Deferred Tax	(100)	86	(100)	86
	Total Tax Expenses	(75)	86	(75)	86
7	Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	1,116	209	1,116	209
8	Extraordinary Items (Net of Tax Expense)	-	-	-	-
9	Net Profit/(Loss) for the period (7-8)	1,116	209	1,116	209
10	Profit/(Loss) for the period attributable to				
	a) Owners of the Company	1,116	209	1,116	209
	b) Non Controlling Interest	-	-	-	-
11	Other Comprehensive Income	-	(895)	-	(895)
12	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10+11)	1,116	(686)	1,116	(687)
13	Earnings per Equity share:				
	(1) Basic/Diluted	14.71	2.76	14.71	2.75
14	Paid-up Equity Share Capital (Face Value of Rs. 10/-each)	758	758	758	758
15	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year		10,337		10,337
16	Net Worth	12,211	11,095	12,211	11,095

Notes:-

- The above results for the half year ended 30th September, 2020 have been reviewed by the Audit Committee in their meeting and approved by the Board of Directors in their meeting held on 05th November, 2020
- Rupee term loan from Bank aggregating to Rs. 3000 lakhs is secured by first charge on all movable and immovable assets of the Company, including current assets.
- The Company has only one class of Preference Shares being 0% Redeemable, Cumulative, Non-convertible and Non-participating Preference Shares. The shareholders have right to vote only on resolutions which directly affect their interest and are Redeemable at the option of the Company such that shareholders will get 4% annualised return on fair value of Rs 167.70 declared in the Scheme of Arrangement
- The Company has elected option to be taxed at 22% plus applicable surcharge from FY 2019-20 (AY 2020-21), as permitted under section 115BAA of the Income tax Act, 1961. Consequently opening deferred tax liability has been measured at a lower rate and resultant impact has been considered in the above Statement of Profit and Loss for half year ended 30th September, 2020.
- 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 BBB:Stable and also upgraded Redemmmable Preference Shares of the Company from BB+;Stable to BBB-;Stable.
- Figures for the previous period have been regrouped or rearranged wherever necessary.
- The aforesaid Audited 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 has only one wholly owned subsidiary, Aarti HPC Ltd, which was incorporated on 26th December, 2019. The year ended 31st March, 2020 was the first year of preparation of Consolidated Financial Statements. There are no transactions in this subsidiary company for the quarter and half year ended 30th September, 2020 and thus consolidated financial results for the half year ended 30th September 2020 are same as standalone financial results for the said period.
- 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 was listed on exchanges effective from 14th July, 2020. As a result, financial results for the quarter ended 30th September, 2020, the comparative financial results for the immediately preceding quarter ended 30th June, 2020 and corresponding previous quarter/ half year ended 30th September 2019 are not presented separately.

Place: Mumbai
Date: 05th November, 2020



For AARTI SURFACTANTS LIMITED

Nikhil Desai
NIKHIL DESAI
MANAGING DIRECTOR
Din-01660649

Sr. No.	Particulars	Standalone		Consolidated	
		30th Sept 2020 (Audited)	31st March 2020 (Audited)	30th Sept 2020 (Audited)	31st March 2020 (Audited)
A ASSETS					
1 Non-Current Assets					
(a) Property, Plant and Equipment		15,642	15,014	15,642	15,014
(b) Capital work-in-progress		1,331	1,395	1,331	1,395
(c) Other Intangible assets		103	121	103	121
(d) Financial Assets				-	
(i) Investments		1	1	0	0
(e) Other Non-Current Assets		507	263	507	263
Total Non-Current Assets		17,582	16,794	17,582	16,794
2 Current Assets					
(a) Inventories		6,292	5,649	6,292	5,649
(b) Financial Assets				-	
(i) Trade Receivables		2,941	1,792	2,940	1,792
(ii) Cash and Cash Equivalents		119	9	120	10
(iii) Other Financial Assets		38	37	38	36
(c) Other Current Assets		2,462	1,948	2,462	1,948
Total Current Assets		11,851	9,435	11,852	9,436
TOTAL ASSETS		29,433	26,230	29,433	26,230
B EQUITY AND LIABILITIES					
1 Equity					
(a) Equity Share Capital		758	758	758	758
(b) Other Equity		11,453	10,337	11,453	10,337
(d) Non Controlling Interest		-	-	-	-
Total Equity		12,211	11,095	12,211	11,095
2 Liabilities					
Non-Current Liabilities					
(a) Financial Liabilities				-	
(i) Borrowings		5,134	4,878	5,134	4,878
(b) Deferred Tax Liabilities (Net)		714	762	714	762
(c) Other Non-Current Liabilities		-	-	-	-
Total Non-Current Liabilities		5,847	5,640	5,847	5,640
Current Liabilities					
(a) Financial Liabilities				-	
(i) Borrowings		6,375	6,043	6,375	6,043
(ii) Trade Payables				-	
- Micro and Small Enterprises		-	-	-	-
- Other Than Micro and Small Enterprises		2,002	1,924	2,002	1,924
(b) Other Current Liabilities		1,722	1,125	1,722	1,125
(c) Provisions		1,276	402	1,276	402
Total Current Liabilities		11,375	9,494	11,375	9,495
TOTAL EQUITY AND LIABILITIES		29,433	26,230	29,433	26,230

Note:-

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

 Place : Mumbai
 Date: 05th November, 2020


For AARTI SURFACTANTS LIMITED


 NISHIL DESAI
 MANAGING DIRECTOR
 Din-01660649

Standalone and Consolidated Cash Flow Statement for the period ended 30th September, 2020

(Rs. In Lakhs)

Sr. No.	Particulars	Standalone	Consolidated
		30th Sept 2020 (Audited)	30th Sept 2020 (Audited)
A.	Cash Flow from Operating Activities:		
	Net Profit before Tax and Exceptional/Extraordinary Items	1,041	1,041
	<u>Adjustments for:</u>		
	Finance Costs	601	601
	Depreciation and Amortisation Expenses	566	566
	Consolidated Adjustment	-	-
		2,208	2,208
	Profit on Sale of Assets/Investments	-	-
	Operating Profit before Working Capital Changes	2,208	2,208
	<u>Adjustments for:</u>		
	(Increase)/Decrease in Trade and Other Receivables	(1,687)	(1,687)
	Increase/(Decrease) in Trade Payables and Other Current Liabilities	1,155	1,155
	(Increase)/Decrease in Inventories	(643)	(643)
	Cash Generated from Operations	1,032	1,032
	Direct Taxes Paid	(0)	(0)
	Net Cash Flow from Operating Activities (A)	1,032	1,032
B.	Cash Flow from Investing Activities:		
	Addition to Property, Plant & Equipment/Capital WIP	(1,548)	(1,548)
	(Increase)/Decrease in Other Investments	-	-
	(Increase)/Decrease in Investments in Subsidiary Companies	-	-
	Dividend Received	-	-
	Profit on Sale of Investment	-	-
	Net Cash Flow from Investing Activities (B)	(1,548)	(1,548)
C.	Cash Flow from Financing Activities:		
	Proceeds of Long-Term Borrowings	819	819
	Repayment of Long-Term Borrowings	-	-
	Proceeds/(Repayment) of Other Borrowings	332	332
	Finance Costs	(526)	(526)
	Net Cash Flow from Financing Activities (C)	626	626
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	109	109
	Cash and Cash Equivalents (Opening Balance)	9	10
	Cash and Cash Equivalents (Closing Balance)	119	120

Notes:-

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

 Place : Mumbai
 Date : 05th November, 2020


For AARTI SURFACTANTS LIMITED


 NIKHIL DESAI
 MANAGING DIRECTOR
 Din-01660649

Independent Auditors' Report

To Board of Directors of Aarti Surfactants Limited

Report on Audit of Standalone Audited Financial Results

Opinion

We have audited the accompanying standalone financial results of Aarti Surfactants Limited ("the Company") for the half year ended 30th September 2020 ("the 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 financial results:

1. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard (refer other matters paragraph); and
2. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the half year ended 30th September 2020.

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 SAs are further described in the Auditor's Responsibilities for the Audit of the 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 Act 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 half yearly standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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 financial results.

gokhale & sathe (regd.)

chartered accountants

308/309, Udyog Mandir No. 1,

7-C, Bhagoji Keer Marg,

Mahim, Mumbai 400 016

Tel :91 22 43484242

Email – office@gokhalesathe.in

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.
- 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 standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

gokhale & sathe (regd.)

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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

The Company was listed on exchanges effective from 14th July 2020. As a result, standalone financial results for the quarter ended 30th September 2020, the comparative standalone financial results for the immediately preceding quarter ended 30th June 2020 and corresponding standalone financial results for previous quarter/ half year ended 30th September 2019 are not presented separately.

Our conclusion is not modified in respect of this matter.

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

TEJAS
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PARIKH



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JATIN PARIKH
Date: 2020.11.05
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version: 2020.013.20064

CA TEJAS PARIKH
PARTNER
Membership No. 123215
Mumbai,
UDIN: -20123215AAAADU2320
Date: 5th November 2020

Independent Auditors' Report

To Board of Directors of Aarti Surfactants Limited

Report on Audit of Consolidated Audited Financial Results

Opinion

We have audited the accompanying 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 half year ended 30th September 2020 ("the 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 financial results:

1. includes the results of the following wholly owned subsidiary:
Aarti HPC Limited
2. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard (refer other matters paragraph); and
3. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for half year ended 30th September 2020.

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 SAs are further described in the Auditor's Responsibilities for the Audit of the 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 Act 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 Consolidated Financial Results

These half yearly consolidated financial results have been prepared on the basis of the interim financial statements. The Holding Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial results, the respective management and the Board of Directors 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 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 respective Board of Directors of the companies included in the Group are responsible for overseeing the Company's 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 financial results.

gokhale & sathe (regd.)

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7-C, Bhagoji Keer Marg,

Mahim, Mumbai 400 016

Tel :91 22 43484242

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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 management and the Board of Directors.
- 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 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 financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

The Company was listed on exchanges effective from 14th July 2020. As a result, consolidated financial results for the quarter ended 30th September 2020 and the comparative consolidated financial results for the immediately preceding quarter ended 30th June 2020 are not presented separately.

Also, Aarti HPC Limited, wholly owned subsidiary of the Company, was incorporated on 26th December 2019, requirement to present corresponding consolidated financial results for previous quarter/ half year ended 30th September 2019 is not applicable.

Our conclusion is not modified in respect of this matter.

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

TEJAS
JATIN
PARIKH

Digitally signed by
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CA TEJAS PARIKH
PARTNER
Membership No. 123215
Mumbai
UDIN: -20123215AAAADV9995
Date: 5th November 2020