

Independent Auditors' Report

**TO THE MEMBERS OF
AARTI SURFACTANTS LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Aarti Surfactants Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit and other comprehensive loss, changes in equity and its cashflows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements 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 Standalone 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Board's Report including Annexures to Board's Report thereon, Directors Report, Management and Discussion Analysis, but does not include Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this information, we required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. 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 implementation and maintenance of 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements 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 Statements.

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 statements, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 standalone financial statements 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 statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Standalone Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position (Refer Note No 26 to the financial statements)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-

TEJAS. J. PARIKH

Partner

Place: Mumbai
Date: June 4, 2020

Membership No: 123215
UDIN:- 20123215AAAABB7974

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Surfactants Limited of even date)

- i. In respect of the Company's fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) The Company has phased programme of physical verification of fixed assets by which all fixed assets are verified over a period of three years and no material discrepancy was noted on such physical verification. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and nature of the assets.
 - c) According to the information and explanation given to us and on the basis of examination of the records of the Company, title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except Plot No 62,63,64,57,61 and 62A at Pithampur, Madhya Pradesh (Aggregate book value ₹ 274.51 Lakhs) are in the name of demerged Company. According to explanation obtained from management, in view of demerger through court scheme, leasehold rights are deemed to be transferred to the Company and procedure for transferring in the name of the Company is yet to be completed.
- ii. The stock of inventory has been physically verified during the year by the Management at reasonable intervals, except stock lying with third parties, confirmation of such stocks with the third parties has been obtained by the Company. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on physical verification of stocks as compared to book records were not material and the same have been dealt with the books of account.
- iii. According to the information and explanations given to us, the Company has not granted loans to any parties / entities covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments, and providing guarantees and securities, where applicable.
- v. The Company has not accepted any deposits from public during the year.
- vi. The Company has maintained cost records as required under sub section 1 of section 148 of the Companies Act, 2013. We have not, however, carried out a detailed examination of such records.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company is regular in depositing undisputed statutory dues including the Provident Fund, Employees state insurance, Income tax, GST, duty of Customs, GST, cess and any other statutory dues applicable, to appropriate authorities. Further, no undisputed amounts payable in respect thereof were in arrears as at 31.3.2020 for a period of more than six months from the date they become payable.
 - b) There are no dues of income tax, sales tax, GST, custom duty which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues for loan taken from financial institutions or bank or debenture holders.
- ix. In our opinion and according to the information and explanation given to us, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised. The Company did not raise any money by way of public offer or further public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals

mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

- xii. In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. However, the

Company has allotted equity shares and non-convertible redeemable preference shares pursuant to scheme of demerger to the shareholders of the demerged company.

- xv. According to the information and explanation given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

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

Sd/-

TEJAS. J. PARIKH

Partner

Place: Mumbai
Date: June 4, 2020

Membership No: 123215
UDIN:- 20123215AAAABB7974

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Surfactants Limited of even date)

We have audited the internal financial controls over financial reporting of Aarti Surfactants Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting

criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

TEJAS. J. PARIKH

Partner

Place: Mumbai
Date: June 4, 2020

Membership No: 123215
UDIN:- 20123215AAAABB7974

Standalone Balance Sheet

as at March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	1	15,013.97	13,787.41
(b) Capital Work-in-Progress	1	1,395.26	447.01
(c) Other Intangible Assets	1	121.44	-
(d) Financial Assets			
Investments	2	0.53	3,149.67
(e) Other Non-Current Assets	3	263.13	105.90
Total Non-Current Assets		16,794.33	17,489.99
2 Current Assets			
(a) Inventories	4	5,648.84	5,269.90
(b) Financial Assets			
(i) Trade Receivables	5	1,791.99	3,056.23
(ii) Cash and Cash Equivalents	6	9.23	2.01
(iv) Other Financial Assets	7	37.20	21.63
(c) Other Current Assets	8	1,948.12	2,152.61
Total Current Assets		9,435.38	10,502.38
TOTAL ASSETS		26,229.71	27,992.37
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	9	758.45	5.00
(b) Share Capital pending allotment upon scheme of arrangement	9.3	-	866.69
(c) Other Equity	10	10,337.01	12,725.02
Total Equity		11,095.46	13,596.71
3 LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	11	4,877.93	3,000.00
(b) Deferred Tax Liabilities (Net)	12	762.06	727.69
Total Non-Current Liabilities		5,639.99	3,727.69
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	6,042.77	6,665.29
(ii) Trade Payables Due to			
- Micro and Small Enterprises		-	-
- Other Than Micro and Small Enterprises		1,924.40	3,844.91
(b) Other Current Liabilities	14	1,125.19	8.93
(c) Provisions	15	401.90	148.84
Total Current Liabilities		9,494.26	10,667.97
Total Liabilities		15,134.25	14,395.66
TOTAL EQUITY AND LIABILITIES		26,229.71	27,992.37
Significant Accounting Policies			
Accompanying Notes to the Financial Statements	1-31		

As per our report of even date
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

For and on behalf of the Board
For **Aarti Surfactants Limited**

Partner
Tejas Parikh
M.No.123215

Sd/-
Chandrakant Gogri
Director
DIN : 00005048

Sd/-
Nikhil Desai
Managing Director
DIN : 01660649

Sd/-
Prashant Gaikwad
Company Secretary
ICSI M. No - A46480

Place: Mumbai
Date: June 4, 2020

Standalone Statement of Profit and Loss

for the Year Ended March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
I Revenue from Operations	16	32,586.40	26,432.32
II Other Income	17	20.90	6.82
III Total Income (I+II)		32,607.30	26,439.14
IV EXPENSES			
(a) Cost of Materials Consumed	18	24,837.93	22,867.43
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	19	-107.39	-1,584.23
(d) Employee Benefits Expense	20	1,430.34	1,139.83
(e) Finance Costs	21	1,027.95	241.60
(f) Depreciation / Amortisation Expenses	1	1,057.55	879.73
(g) Other Expenses	22	4,065.90	3,492.96
Total Expenses (IV)		32,312.28	27,037.32
V Profit/(Loss) before Exceptional Items and Tax (III-IV)		295.02	-598.18
VI Exceptional Items		-	-
VII Profit/(Loss) before Tax (V-VI)		295.02	-598.18
VIII TAX EXPENSES			
Current Tax		51.54	-
MAT Credit Entitlement		-51.54	-
Deferred Tax		85.91	49.76
Total Tax Expenses		85.91	49.76
IX Profit/(Loss) for the year (VII-VIII)		209.11	-647.94
X OTHER COMPREHENSIVE INCOME			
a. Items that will not be reclassified to Statement of Profit and Loss			
- Fair Value Change of Equity Instruments through Other Comprehensive Income (Net of Tax)		-895.20	661.21
b. Items that will be reclassified to Statement of Profit and Loss		-	-
XI TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX+X)		-686.09	13.27
XII Earnings Per Equity Share of Face Value of ₹ 10 Each (EPS) (in ₹)	23		
Basic		2.76	-8.54
Diluted		2.76	-7.48
Significant Accounting Policies			
Accompanying Notes to the Financial Statements	1-31		

As per our report of even date
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

For and on behalf of the Board
For **Aarti Surfactants Limited**

Partner
Tejas Parikh
M.No.123215

Sd/-
Chandrakant Gogri
Director
DIN : 00005048

Sd/-
Nikhil Desai
Managing Director
DIN : 01660649

Sd/-
Prashant Gaikwad
Company Secretary
ICSI M. No - A46480

Place: Mumbai
Date: June 4, 2020

Standalone Statement of Changes in Equity

for the Year Ended March 31, 2020

A. Equity Share Capital

(₹ in Lakhs)

As at April 1, 2018	-
Changes in equity share capital during the year 2018-19	5.00
As at March 31, 2019	5.00
Changes in equity share capital during the year 2019-20	753.45
As at March 31, 2020	758.45

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Reserves Pending Allocation on Account of Pending share Issuance	Retained Earnings	Equity Instruments through Other Comprehensive Income	
As at April 1, 2018	-	-	-	-
Transferred On Account of Scheme of Arrangment	10,367.80	-	2,449.78	12,817.58
Effect of Increase in Share Entitlement due to Increase in share Capital after QIP issue	-52.14	-	-	-52.14
Effect of Gratuity Provison to be maintained as per NCLT order	-53.69	-	-	-53.69
Total Comprehensive Income for the year	-647.94	-	661.21	13.27
Balance as at March 31, 2019	9,614.03	-	3,110.99	12,725.02
Cancellation of pending initial share capital	-	5.00	-	5.00
Issuance of Redeemable Preference Shares out of opening balance of Unallocated Reserves received on account of Demerger	-1,706.92	-	-	-1,706.92
Balance of Unallocated Reserves transferred to Retained Earnings	-7,907.11	7,907.11	-	-
Gain on Disposal of Investment in Equity Shares through OCI transferred to Retained Earnings	-	2,215.79	-2,215.79	-
Total Comprehensive Income for the year	-	209.11	-895.20	-686.09
Balance as at March 31, 2020	-	10,337.01	-	10,337.01

As per our report of even date
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

For and on behalf of the Board
For **Aarti Surfactants Limited**

Partner
Tejas Parikh
M.No.123215

Sd/-
Chandrakant Gogri
Director
DIN : 00005048

Sd/-
Nikhil Desai
Managing Director
DIN : 01660649

Sd/-
Prashant Gaikwad
Company Secretary
ICSI M. No - A46480

Place: Mumbai
Date: June 4, 2020

Standalone Cash Flow Statement

for the Year Ended March 31, 2020

(₹ in Lakhs)

Sr. No.	Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(loss) before Tax as per Statement of Profit and Loss	295.02	(598.18)
	Adjusted for:		
	- Finance Costs	1,027.95	241.60
	- Depreciation/Amortisation	1,057.55	879.73
	Operating Profit before Working Capital Changes	2,380.52	523.15
	Adjusted for:		
	- Trade and Other Receivables	1,389.31	151.49
	- Inventories	(378.94)	(285.78)
	- Trade Payables and Other Current Liabilities	(1,582.79)	(1,653.67)
	Cash Generated from Operations	1,808.10	(1,264.81)
	Taxes Paid (Net)	2.25	(2.99)
	Net Cash Flow from /(used in) Operating Activities	1,810.35	(1,267.80)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Addition to Property, Plant and Equipment and Capital Work In Progress	(2,469.35)	(2,825.25)
	Investment in Aarti HPC Limited 100% Subsidiary	(0.50)	0.00
	Other Investments	(0.03)	0.00
	Proceeds from Sale of Investments	2,254.47	0.00
	Net Cash Flow used in Investing Activities	(215.43)	(2,825.25)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowings - Non Current	-	3,000.00
	Proceeds/(Repayment) from Current Borrowing (Net)	(613.86)	1,334.74
	Finance Costs	(973.84)	(241.60)
	Net Cash Flow from /(used in) Financing Activities	(1,587.70)	4,093.14
	Net Increase in Cash and Cash Equivalents	7.22	0.09
	Opening Balance of Cash and Cash Equivalents	2.01	1.92
	Closing Balance of Cash and Cash Equivalents	9.23	2.01

As per our report of even date
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

For and on behalf of the Board
For **Aarti Surfactants Limited**

Partner
Tejas Parikh
M.No.123215

Sd/-
Chandrakant Gogri
Director
DIN : 00005048

Sd/-
Nikhil Desai
Managing Director
DIN : 01660649

Sd/-
Prashant Gaikwad
Company Secretary
ICSI M. No - A46480

Place: Mumbai
Date: June 4, 2020

Corporate Information and Significant Accounting Policies

A. Corporate Information

Aarti Surfactants Limited ("the Company") is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The same had been formed as a result of Demerger of Home and Personal Care Division of Aarti Industries Limited. The registered office of the Company is located at Plot Nos. 801, 801/23, GIDC Estate, Phase - III, Vapi, Dist. Valsad, Gujarat - 396 195, India.

The Honourable NCLT - Ahmedabad Bench had approved the scheme of arrangement between Aarti Industries Limited, Aarti Surfactants Limited and shareholders of both the companies on 10th of June, 2019; pursuant to which, the Home and Personal Care Division of Aarti Industries Limited is transferred to Aarti Surfactants Limited from Appointed Date (i.e. April 1, 2018).

The company's product portfolio includes surfactants, mild surfactants, rheology modifiers, pearlizing agents, UV filters, syndet and soap bases, and active ingredients, as well as conditioning agents, blends, proteins, and quats. It serves skin care, oral, hair, cosmetics, bath and shower, sun care, fabric/laundry care, dishwashing, toilet care, and surface care segments.

Manufacturing Units of the Company are located at Pithampur in the state of Madhya Pradesh and Silvassa in the Union Territory of Dadra and Nagar Haveli and Daman and Diu.

The Equity as well as Redeemable Preference Shares of the Company are in the process of listing on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India.

B. Explanatory Note on the Composite Scheme of Arrangement

The Scheme of Arrangement under sections 391 to 394 of the Companies Act, 1956 read with section 230 to 232 Companies Act, 2013 (the Scheme) between the Company and Aarti Industries Limited (the Demerged Company) and their respective shareholders and the creditors of the two companies for demerger of Home and Personal Care Undertaking as a going concern into the Aarti Surfactants Limited on the Appointed Date at the opening of business hours on April 01, 2018, has been sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench, vide its Order dated June 10, 2019.

Certified copies of the order of the Hon'ble National Company Law Tribunal have been filed with the Registrar of Companies at Vapi, Gujarat on June 24, 2019 and the scheme has become effective from June 24, 2019.

The Scheme has accordingly been given effect to in the accounts effective from the Appointed Date being opening of business hours on April 1, 2018.

Pursuant to the Scheme of arrangement, Aarti Surfactants Limited has to issue to Equity Shareholder of Aarti Industries Limited,

For every 10 equity shares held in Aarti Industries Limited

- 1 Equity Shares of Aarti Surfactants Limited; or
- 1 Redeemable Preference Share of Aarti Surfactants Limited.

Holders of equity shares of Aarti Industries Limited had an option to subscribe either to Equity or Redeemable Preference shares as above.

Pursuant to the Scheme, the excess of ₹ 13,635.57 Lakhs of the assets over liabilities of Home and Personal Care Division of Aarti Industries Limited has been transferred and vested into the Company at the values appearing in the books of the Demerged Company, Aarti Industries Limited as on opening of business hours on April 1, 2018. The particulars of assets and liabilities transferred are as follows:

Particular	Amount (₹ In Lacs)
Property, Plant and Equipment	12,288.90
Investments	2,488.46
Other Non Current Assets	140.61
Trade Receivable	3,509.10
Inventories	4,984.12
Other Current Assets	1,837.06
Total	25,248.26
Working capital Borrowing	5,278.43
Other current liabilities	5,656.33
Deferred Tax Liability	677.93
Total	11,612.68
Excess of assets over liabilities	13,635.57

Pursuant to the Scheme, the surplus of the assets over liabilities, after adjusting for issuance of new share capital and cancellation of existing share capital has to be credited to the Free Reserves of the Company.

Corporate Information and Significant Accounting Policies

Demerged Company is deemed to have been carrying on all business activities relating to the demerged undertaking with effect from opening of business hours on April 1, 2018 and on account of and in trust of the Company. All profits or losses, income and expenses accruing or arising or incurred after opening of business hours on April 1, 2018 relating to the said undertaking shall get vested to the Company. During the year, till all licenses and approvals were in place, Demerged Company continued the business on account and in trust of the Company.

Ind AS 103 - Business Combination requires that acquirer shall record all assets and liabilities acquired under business combinations at Fair Value. Ind AS are applicable to Demerged Company Aarti Industries Limited and hence assets and liabilities were already at Fair Value in the books of Demerged Company at the time of Demerger. Accordingly, the management has considered these book values as fair value for the purpose of recording of assets and liabilities in the books of the Company. The same is also in accordance with the Scheme of arrangement approved by NCLT.

C. Significant Accounting Policies

C.1 Basis of Preparation and Presentation

The financial statements of the Company have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- a. Certain financial assets and liabilities; and
- b. Defined benefit plans.

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Company's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest Lakhs (₹ 00,000), except when otherwise indicated.

The financial statements of the Company for the year ended 31.3.2020 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on June 4, 2020.

C.2 Summary of Significant Accounting Policies

(a) Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as Current, when -

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Corporate Information and Significant Accounting Policies

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

(c) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of intangible assets.

(d) Valuation of Inventories

Inventories are valued at Cost or Net Realizable Value whichever is lower.

Inventories have been valued on the following basis:

- a. Raw Materials, Packing Material, Stores and Spares - At cost on Weighted Average basis.
- b. Work-in-Process - At cost plus appropriate allocation of overheads.
- c. Finished Goods - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

(e) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usage.

(f) Revenue Recognition

- (i) Revenue from Sale of Goods to customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Sale of Scrap and obsolete stores is accounted for at the time of disposal.
- (ii) Export entitlements are recognized on realization.
- (iii) Revenue in respect of Interest is recognized on the time proportion method.
- (iv) Industrial Promotion Incentive granted by State Government is recognised when claim in respect of Entitlement is made & admitted after close of yearly Sales Tax Assessment.
- (v) Dividend Income is recognised when the Company's right to receive the amount has been established.

(g) Government Grants

- (i) Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.
- (ii) Government grants are recognised in Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Corporate Information and Significant Accounting Policies

- (iii) In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(h) Depreciation/Amortization

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II;

Sr. No.	Particulars	Depreciation or Amortisation
1.	Leasehold Land	Over the remaining tenure of lease
2.	Building	Over a period of 19 years
3.	Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 9-19 years, based on the type of Equipment
4.	Furniture and Fixtures	Over a period of 10 years
5.	Vehicles	Over a period of 7 years
6.	Intangible Assets (Product Registration Rights)	Over a period of 5 years

(i) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(j) Foreign Currency Transactions

Foreign currency transactions are accounted at the rates prevailing on the date of transactions. The exchange rate differences arising out of such transactions are appropriately dealt in the financial statements in accordance with the applicable accounting standards.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

(k) Operating Leases

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

(l) Finance Costs

Borrowing Costs other than those directly attributable to Qualifying Assets are recognised as expenses in profit or loss in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements.

Corporate Information and Significant Accounting Policies

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

(n) Employee Benefits

Short-term Benefits

Short term employee benefits including accumulating compensated absences are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

Post-retirement Benefits

Defined Contribution Plans

Retirement Benefits in the form of Provident Fund which is a defined contribution schemes is charged to the statement of profit and loss for the period in which the contributions to the fund accrue as per the relevant statute.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the gratuity fund maintained with Life Insurance Corporation of India, exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurements of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

(o) Taxes on Income

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent

that it relates to items recognised in the Other Comprehensive Income or in Equity, in which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Corporate Information and Significant Accounting Policies

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT)

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the same at each balance sheet date.

(p) Financial Instruments

Financial Assets

I Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

II Subsequent Measurement

(i) Financial assets measured at Amortised Cost (AC)

A financial asset is measured at Amortised Cost, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets measured at Fair Value Through Profit or Loss (FVTPL)

A financial assets, which are not classified in any of the above categories are measured at FVTPL.

III Equity Investments

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'. Equity Investments in Subsidiaries are carried individually at cost less accumulated impairment, if any.

IV Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses, 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables, the Company applies 'simplified approach', which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

Corporate Information and Significant Accounting Policies

Financial Liabilities

I Initial Recognition and Measurement

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

II Subsequent Measurement

Financial liabilities are carried at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

Derecognition of Financial Instruments

The Company derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet, when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(q) Earnings Per Shares

Basic earnings per share are calculated by dividing the Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the Profit or Loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

D. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in subsequent financial years.

I Depreciation/Amortisation and useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

II Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

III Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Notes Forming Part of Standalone Financial Statements

1 Property, Plant and Equipment FY 2019-20

(₹ in Lakhs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Balance as at April 1, 2019	Additions/ Adjustments	Deduction/ Adjustments	Balance as at April 1, 2019	Depreciation charge for the Period	Deduction/ Adjustments	Balance as at Mar 31, 2020	Balance as at Mar 31, 2019
I Tangible Assets								
Freehold Land	47.62	-	-	-	-	-	47.62	47.62
Leasehold Land	177.83	-	-	41.90	6.72	-	129.22	135.94
Buildings	2,027.54	-	-	497.75	107.05	-	1,422.74	1,529.79
Plant and Machinery	17,175.33	2,207.63	-	5,187.97	857.54	-	13,337.45	11,987.36
Furniture and Fixtures	116.03	2.66	-	90.62	6.95	-	21.13	25.41
Vehicles	125.56	8.42	-	64.27	13.90	-	55.81	61.29
Total	19,669.91	2,218.71	-	5,882.50	992.16	-	15,013.97	13,787.41
II In Tangible Assets								
Product Registration Rights	-	186.84	-	-	65.39	-	121.44	-
Total	-	186.84	-	-	65.39	-	121.44	-
III Gross Total	19,669.91	2,405.55	-	5,882.50	1,057.55	-	15,135.41	13,787.41
III Capital Work-in-Progress							1,395.26	447.01

NOTES -

- a. Entire movable and immovable assets of the Company are given as a security for the working capital and term loan obtained from SVC Co operative Bank limited.

Notes Forming Part of Standalone Financial Statements

FY 2018-19

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at April 1, 2018	Additions On A/C of Scheme of Arrangement	Deduction/ Adjustments	Balance as at Mar 31, 2019	Balance as at April 1, 2018	Additions On A/C of Scheme	Depreciation charge for the Period	Deduction/ Adjustments	Balance as at Mar 31, 2019	Balance as at Mar 31, 2019
1 Property, Plant and Equipment										
I Tangible Assets										
Freehold Land	-	47.62	-	47.62	-	-	-	-	-	47.62
Leasehold Land	-	150.20	27.64	177.84	-	36.18	5.72	-	41.90	135.94
Buildings	-	1,860.41	167.13	2,027.54	-	393.49	104.26	-	497.75	1,529.79
Plant and Machinery	-	13,786.71	3,392.26	17,175.32	-	4,436.50	752.08	0.62	5,187.96	11,987.36
Furniture and Fixtures	-	102.95	13.08	116.03	-	84.74	5.88	-	90.62	25.41
Vehicles	-	59.06	66.50	125.56	-	52.47	11.80	-	64.27	61.29
Total	-	16,006.95	3,666.61	19,669.91	-	5,003.38	879.74	0.62	5,882.50	13,787.41
II Capital Work-in-Progress										447.01

NOTES -

- a. Entire movable and immovable assets of the Company are given as a security for the working capital and term loan obtained from SVC Co operative Bank limited.

Notes Forming Part of Standalone Financial Statements

2 Investments - Non Current

(₹ in Lakhs)

Particulars	Number of Units/Shares (all fully paid up)				As at March 31, 2020	As at March 31, 2019
	Opening Balance	Acquisition	Disposal	Closing Balance		
Investments measured at Fair Value through Other Comprehensive Income						
In Quoted Equity Shares						
Aarti Drugs Ltd.	4,91,790	-	4,91,790	-	-	3,149.67
In UnQuoted Equity Shares						
SVC Co Operative Bank Limited	-	25	-	25	0.03	-
In UnQuoted Equity Shares (Subsidiary)						
At Cost						
Aarti HPC Limited	-	5,000	-	5,000	0.50	-
Total	4,91,790	5,025	4,91,790	5,025	0.53	3,149.67

- During the year the company has sold its investment in Aarti Drugs Limited to fund its ongoing capex at its manufacturing plant at Pithampur, Madhya Pradesh and Silvassa, Dadra Nagar Haveli and Daman and Diu.

3 Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits	166.77	102.91
Income Tax Assets (Net of Provisions)	0.74	2.99
Capital Advance	95.62	-
Total	263.13	105.90

4 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials and Components (incl of In-transit stock)	2,330.90	2,063.94
Work-in-progress	103.17	143.28
Finished Goods (incl of In-transit stock)	3,083.29	2,935.79
Stores and spares	80.14	78.96
Fuel (incl of In-transit stock)	17.31	23.41
Packing Materials	34.03	24.52
Total	5,648.84	5,269.90

*Mode of Valuation is stated in note : (d) Valuation of Inventories in Significant Accounting Policy.

*The Company has availed credit facilities from banks which are secured interalia by hypothecation of inventories.

Notes Forming Part of Standalone Financial Statements

5 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Less than six months (unsecured and considered good)	1,751.21	3,056.23
More than six months		
- Unsecured and Considered Good	40.78	-
- Unsecured Doubtful Debts	69.97	69.97
- Provision for Doubtful Debts	-69.97	-69.97
Total	1,791.99	3,056.23

*The Company has availed credit facilities from banks which are secured inter alia by hypothecation of Trade Receivables.

6 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on Hand	1.63	0.84
Balances with Banks	7.60	1.17
Total	9.23	2.01

7 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans & Advances:		
(i) Employees	36.45	21.63
(ii) Related Party	0.75	-
Total	37.20	21.63

8 Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with Customs, Central Excise, GST and State Authorities	1698.73	2,149.95
Others Receivable	0.28	-
Prepaid Expenses	37.06	2.66
Advance to Supplier of Material, Engineering Items	212.05	-
Total	1,948.12	2,152.61

Notes Forming Part of Standalone Financial Statements

9 Share Capital

(₹ in Lakhs)

Particulars	No. of Shares	As at	
		March 31, 2020	March 31, 2019
Authorised Share Capital			
Equity Shares of ₹ 10/- each	3,18,70,000	3,187.00	813.00
Redeemable Preference Shares of ₹ 10/- each	81,30,000	813.00	813.00
	4,00,00,000	4,000.00	1,626.00
Issued, Subscribed & Paid up			
Equity Shares of ₹ 10/- each	75,84,477	758.45	5.00
Total	75,84,477	758.45	5.00

9.1 Reconciliation of number of Equity Shares outstanding:

Particulars	As at	
	March 31, 2020	March 31, 2019
	No' Of Shares	No' Of Shares
Equity Shares at the beginning of the year	50,000	50,000
Add: Shares issued during the year Pursuant to the Scheme of Arrangement	75,84,477	-
Less: Shares Cancelled Pursuant to the Scheme of Arrangement	-50,000	-
Equity Shares at the end of the year	75,84,477	50,000

9.2 Details of shareholders holding more than 5% shares:

Name of the Shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% held	No. of Shares	% held
Aarti Industries Limited	-	-	50,000	100.00
HDFC Trustee Company Ltd.	7,13,681	9.41	-	-
Jaya Chandrakant Gogri	3,99,449	5.27	-	-
Rashesh Chandrakant Gogri	3,83,438	5.06	-	-

9.3 Share Capital pending allotment upon scheme of Arrangement:

(₹ in Lakhs)

Particulars	As at	
	March 31, 2020	March 31, 2019
Share capital as per Scheme of Arrangement	-	813.00
Increase in Share entitlement due to Fresh share issue during the year, under QIP by Demerged Co.	-	53.69
Total	-	866.69

** Pursuant to the Composite Scheme of Arrangement becoming effective and subsequent exercise of option by Equity share holders of Demerged entity, company has allotted 75,84,477 No of Equity Shares and 10,82,387 No of Non Convertible Redeemable Preference Shares to the shareholders of Demerged company Aarti Industries limited against Share capital Pending allotment as at March 31, 2020. Upon allotment, pre-scheme paid up capital of ₹ 5 Lakhs, held by Aarti Industries Limited, shall stand reduced, cancelled and extinguished in terms of the said Scheme.

** The Company has only one class of equity shares having par value of ₹ 10 each and the holder of the equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

Notes Forming Part of Standalone Financial Statements

10 Other Equity

a. Reserves Pending Allocation

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
As per last Balance Sheet	9,614.03	-
Add: Balance transferred on account of scheme of arrangement	-	10,367.80
Less: Effect of Increase in Share Entitlement due to Increase in share Capital after QIP issue	-	-52.14
Less: Effect of Gratuity Provison to be maintained as per the order of arrangement	-	-53.69
Less: Loss for the year	-	-647.94
Issuance of Redeemable Preference Shares out of opening balance of Unallocated Reserves received on account of Demerger	-1,706.92	
Balance of Unallocated Reserves transferred to Retained Earnings	-7,907.11	
Closing Balance	-	9,614.03

b. Retained Earnings

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
As per last Balance Sheet	-	-
Balance of Unallocated Reserves transferred to Retained Earnings	7,907.11	-
Gain on Disposal of Investment in Equity Shares through OCI	2,215.79	
Add: Cancellation of Share Capital on Issuance of Fresh Share Capital as per the Scheme of Arrangement	5.00	
Add: Profit for the year	209.11	
Closing Balance	10,337.01	-

c. Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
As per last Balance Sheet	3,110.99	-
Add: Balance transferred on account of scheme of arrangement	-	2,449.78
Fair Value Gain/(Loss) on Investment in Equity Shares through OCI	-895.20	661.21
Gain on Disposal of Investment in Equity Shares through Other Comprehensive Income transferred to Retained Earnings	-2,215.79	-
Closing Balance	-	3,110.99
Total	10,337.01	12,725.02

Notes Forming Part of Standalone Financial Statements

11 Borrowings - Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured - At Amortised Cost		
Term loans from Banks/Financial Institutions (Refer note 11.1.a)	3,000.00	3,000.00
Car Loan from Banks/Financial Institutions	8.66	-
0% Non Convertible Redeemable Preference Shares of ₹ 10/- each (Refer note 11.1.b)	1,869.27	-
Total	4,877.93	3,000.00

11.1 a). 'Rupee term loan from Bank aggregating to ₹ 3000 Lakhs is secured by first charge on all movable and immovable assets of the Company, including current assets.

b). (i) Pursuant to the Scheme of Arrangement becoming effective and subsequent exercise of Option by Equity Shareholders of Demerged Entity Aarti Industries Limited, 10,82,387 Nos of 0% Convertible Redeemable Preference Shares of ₹ 10/- each issued to the shareholders of Demerged Entity Aarti Industries Limited who has opted for Redeemable Preference shares valued at fair value of ₹ 167 per share as per the Scheme.

(ii) Terms of preference shares:

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.

The Preference Shares are Redeemable at the option of the Company such that shareholders will get 4% annualised return on fair value of ₹ 167 declared in the Scheme of Arrangement

11.2 Repayment Terms (SVC Term Loan)

(₹ in Lakhs)

Repayment Tenor	As at March 31, 2020 Amount	As at March 31, 2019 Amount
1-2 Years	900.00	300.00
2-3 Years	1,200.00	1,200.00
3-4 Years	900.00	1,200.00
Beyond 4 Years	-	300.00

Notes Forming Part of Standalone Financial Statements

12 Deferred Tax Liability (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
At the start of the year	727.69	-
Transferred Pursuant to the Scheme of Arrangement	-	677.93
Charge/(credit) to the Statement of Profit and Loss	85.91	49.76
MAT Credit Entitlement	-51.54	-
At the end of the year	762.06	727.69

12.1 Components of Deferred Tax Liability/(Asset)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities/(assets) in relation to:		
Property, Plant and Equipment	1,265.17	999.52
Carried Forward Tax Losses	-451.57	-271.83
MAT Credit Entitlement	-51.54	-
Total	762.06	727.69

13 Borrowings - Current - At Amortised Cost

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured - Working capital Loan From SVC Co Operative Bank	6,017.89	6,639.47
Interest Accrued but not due on Term Loan from Banks	24.88	25.82
Total	6,042.77	6,665.29

13.2 Working capital Loan from SVC bank is secured by first charge on all movable and immovable assets of the Company, including current assets.

14 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Other Payables (Statutory Dues)	86.34	8.92
Creditors for Capital Expenditure	980.05	-
Income Received in Advance	58.79	-
Total	1,125.18	8.92

15 Provisions - Current

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits	158.14	145.70
Other Provisions	243.76	3.14
Total	401.90	148.84

Notes Forming Part of Standalone Financial Statements

16 Revenue from Operations

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Local Sales	31,510.32	27,391.53
Export Sales	5,344.07	3,476.93
Sales of Products	36,854.39	30,868.46
Less GST Collected on Sales	-4,812.19	-4,622.58
Net Sales	32,042.20	26,245.88
Other Operating Revenues (Refer Note No. 16.1)	544.20	186.44
Total	32,586.40	26,432.32

Sales Figures reported during previous financial year were inclusive of GST. However, during the current financial year, sales are shown exclusive of GST. Previous year comparative numbers are restated to that extent. Such restatement, however, have no impact on Loss reported for the previous financial year.

16.1 Other Operating Revenues

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Export Benefits/Incentives Received	90.09	0.55
Scrap Sales	36.24	46.61
State Government Grant - Industry Promotion Incentive	417.88	139.28
Total	544.21	186.44

17 Other Income

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Dividend Received	-	4.92
Interest Received	6.83	-
Insurance Claim Received	14.07	-
Profit on Sale of Assets/Investment	-	1.57
Other Income	-	0.33
Total	20.90	6.82

18 Cost of Material Consumed

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Material	22,894.62	21,283.24
Packing Material	804.86	545.32
Fuel	554.05	597.66
Stores & Spares	584.40	441.21
Total	24,837.93	22,867.43

Notes Forming Part of Standalone Financial Statements

19 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Inventories (at commencement)		
Finished Goods	2,935.79	1,437.78
Work-in-Progress	143.28	57.06
	3,079.07	1,494.84
Inventories (at Close)		
Finished Goods	3,083.29	2,935.79
Work-in-Progress	103.17	143.28
	3,186.46	3,079.07
Total	-107.39	-1,584.23

20 Employee Benefits

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Directors' Remuneration	64.99	43.79
Salaries, Wages & Bonus	1,212.26	1,017.56
Contribution to PF and other Funds	84.37	18.03
Workmen & Staff Welfare Expenses	68.72	60.45
Total	1,430.34	1,139.83

20.1 As per Indian Accounting Standard 19 - "Employee Benefits", the disclosures as defined are given below:

Particulars	Gratuity (funded) 2019-20	Gratuity (funded) 2018-19
a. Reconciliation of Opening and Closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at beginning of the Year	69.66	-
Transferred Pursuant to Scheme of Arrangement	-	52.14
Current Service Cost	18.65	14.60
Interest Cost	5.41	3.91
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
(Liability Transferred Out/ Divestments)	-	-
(Gains)/ Losses on Curtailment	-	-
(Liabilities Extinguished on Settlement)	-	-
(Benefit Paid Directly by the Employer)	-	-
(Benefit Paid From the Fund)	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	0.28
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	9.67	-2.30
Actuarial (Gains)/Losses on Obligations - Due to Experience	-1.75	1.03
Defined Benefit Obligation at year end	101.64	69.66

Notes Forming Part of Standalone Financial Statements

Particulars	Gratuity (funded) 2019-20	Gratuity (funded) 2018-19
b. Reconciliation of opening and closing balances fair value of plan assets		
Fair value of plan assets at beginning of the year	69.66	-
Transferred Pursuant to Scheme of Arrangment	-	68.06
Interest Income	5.41	5.10
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	3.20	-3.51
Fair Value of Plan Assets at the End of the Period	78.27	69.66
c. Reconciliation of fair value of assets and obligations		
Fair value of plan assets	78.27	69.66
Present value of obligation	-101.64	-69.66
Amount Recognized in Balance Sheet	-23.37	-
d. Expenses recognized during the period		
Current Service Cost	18.65	14.60
Net Interest Cost	-	-1.19
Past Service Cost	-	-
Expected contribution by employees	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Net Cost	18.65	13.41
e. Investment Details		
L.I.C Group Gratuity (Cash Accumulation) Policy	100.00%	100.00%
f. Actuarial assumptions		
Mortality Table (L.I.C.)	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Expected rate of return on plan assets (per annum)	6.84%	7.77%
Discount rate (per annum)	6.84%	7.77%
Rate of escalation in Salary (per annum)	7.00%	7.00%
Rate of employee turnover	5.00%	5.00%

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion, other relevant factor's including supply and demand in the employment market. The above information is certified by the actuary.

Leave Encashment liability amounting to ₹ 100.31 lakhs (Previous Year - ₹ 35.96 lakhs) has been provided in the Books of Accounts.

Notes Forming Part of Standalone Financial Statements

21 Finance Cost

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Expense	983.81	207.02
Other Borrowing Costs	44.14	34.58
Total	1,027.95	241.60

22 Other Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Manufacturing Expenses		
Freight, Cartage & Transport	632.49	535.64
Power	1,172.00	1,020.85
Water Charges	60.16	48.95
Processing Charges	221.26	266.51
Labour/Helper Charges, Security Services	509.78	440.24
Effluent Treatment Cost	172.65	30.21
Repairs & Maintenance	301.00	300.30
Insurance Charges	44.09	14.63
Factory Administrative Expenses	171.09	172.89
Other Manufacturing Expenses	63.93	99.43
Sub-Total (A)	3,348.45	2,929.65
Office Administrative Expenses		
Rent, Rates and Taxes	11.01	8.05
Travelling and Conveyance	45.43	29.87
Auditor's Remuneration	6.00	2.41
Legal & Professional Charges	29.45	0.66
Postage, Telegraph & Telephone	6.40	0.67
Printing & Stationery Expenses	4.48	0.01
ROC & Other Filing Fees	47.28	-
Other Administrative Expenses	9.24	8.33
Sub-Total (B)	159.29	50.00
Selling and Distribution Expenses		
Advertisement & Sales Promotion	44.04	40.47
Export Freight Expenses, Outward Freights	484.62	451.32
Commission on Sales	9.35	21.02
Sample Testing & Analysis Charges	2.98	0.45
Other Selling Expenses	15.67	-
Sub-Total (C)	556.66	513.26
Non-Operating Expenses		
Donations and CSR Expenses	1.50	0.05
Sub-Total (D)	1.50	0.05
Total (A+B+C+D)	4,065.90	3,492.96

Notes Forming Part of Standalone Financial Statements

23 Earning Per Share (EPS)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Face Value Per Equity Share (in ₹)	10.00	10.00
Basic Earnings Per Share (in ₹)	2.76	-8.54
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	209.11	-647.94
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Lakhs)	75.84	75.84
Diluted Earnings Per Share (in ₹)	2.76	-7.48
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	209.11	-647.94
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Lakhs)	75.84	86.67(Refer Note 23.3)
Reconciliation of weighted average number of equity shares outstanding		
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Lakhs)	75.84	75.84(Refer Note 23.2)
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Lakhs)	75.84	86.67(Refer Note 23.3)

23.1 Pursuant to the scheme of arrangement, the company has to issue Equity shares / Redeemable preference shares to the holders of equity of Aarti Industries Limited. Equity Share holders of Aarti Industries Limited had the option to either apply to Equity or Redeemable Preference shares of the Company.

23.2 The Company allotted 75,84,477 equity shares on August 20, 2019 pursuant to the scheme of arrangement. Since effective date of demerger is April 1, 2018, 75,84,477 equity shares have been considered for calculation of Basic EPS for FY 2018-19 and FY 2019-20. Basic EPS for FY 2018-19 has been restated as per Ind AS 33 - Earning Per Share.

23.3 As per the Scheme of Arrangement, upon the scheme becoming effective, existing share capital of ₹ 5 Lakhs stands automatically cancelled. As at March 31, 2019, the allotment of share capital was pending as the shareholders were yet to exercise the option. Accordingly, exact number of equity shares (opted by the shareholders of Demerged Company were not known as on that date). Considering this, Diluted Earning Per Share for FY 2018-19 was arrived at assuming that all shareholders of Aarti Industries Limited will opt for Equity Shares. Diluted EPS for FY 2018-19 has not been restated as per Ind AS 33, Earning Per Share.

24 Payment to Auditors

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Statutory Audit Fees	6.00	2.35
b. Certification and Consultation Fees	0.08	0.06
Total	6.08	2.41

Notes Forming Part of Standalone Financial Statements

25 Contingent Liabilities and Commitments

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
(i) Contingent Liabilities		
- Claims against the company not acknowledged as Debt - Unpaid	158.20	191.82
- Claims against the company not acknowledged as Debt - Paid (under dispute)	225.32	225.32
(ii) Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	75.00	-
Total	458.52	417.14

26 There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

27 In the opinion of the Board, except as otherwise stated, the Current Assets and Loans and Advances have a value on realization at least equal to the amounts at which they are stated in the Balance Sheet.

28 Segment Information

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Home and personal care ingredients.

Revenue from Type of Products and Services

There is only one operating segment of the company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Secondary Segment Information

Particulars	(₹ in Lakhs)	
	FY 2019-20	FY 2018-19
Segment Revenue - External Turnover		
Within India	26,698.13	22,768.95
Outside India	5,344.07	3,476.93
Total	32,042.20	26,245.88
Non-Current Assets*		
Within India	16,793.80	14,340.32
Outside India	-	-
Total	16,793.80	14,340.32

* includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets

Information about major customers

Ind As 108 Segment Reporting Requires Disclosure of reliance on its Major customers if Revenue from transactions with single external customer amounts to 10 per cent or more of company's total Revenue. Company's total Revenue of ₹ 32,042.20 Lakhs (P.Y. ₹ 26,245.88 Lakhs) include sales of ₹ 19,385.00 Lakhs (P.Y. ₹ 16,963.00 Lakhs) to two large customers with whom the company is having long standing Relationship.

Notes Forming Part of Standalone Financial Statements

29 Related Party Disclosures

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

29.1 Subsidiary company

Sr. No.	Name of the Related Party	Relationship
1	Aarti HPC Limited (w.e.f December 26, 2019)	100% Subsidiary

29.2 List of Related Parties where control exists and also other Related Parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Mr. Chandrakant Vallabhaji Gogri	Non-Executive Director
2	Mr. Nikhil Parimal Desai	Executive Director
3	Mr. Dattatray Sidram Galpalli	Non-Executive Director
4	Mr. Santosh Madhaorao Kakade	Executive Director
5	Mr. Mulesh Manilal Savla	Independent Director
6	Ms. Misha Bharat Gala	Independent Director
7	Mr. Prashant Gaikwad	Company Secretary

29.3 Transactions during the year with Related Parties

Sr. No.	Name of the Related Party	Remuneration Paid	
		FY 2019-20	FY 2018-19
1	Mr. Nikhil Parimal Desai	44.17	43.79
2	Mr. Santosh Madhaorao Kakade	20.82	-
3	Mr. Prashant Gaikwad	4.80	-
4	Investment in Aarti HPC Limited	0.50	-
5	Advance to Aarti HPC Limited	0.75	-

30 Capital Management

The Company's objectives for managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation, and other non - current/current borrowings. The Company's policy is to use current and non - current borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio.

The Management believes that it will be able to meet all its current liabilities and interest obligations on timely manner.

Notes Forming Part of Standalone Financial Statements

30.1 The Net Gearing Ratio at the end of the reporting period was as follows -

(₹ in Lakhs)

Particulars	As at	
	March 31, 2020	March 31, 2019
Gross Debt	10,920.70	9,665.29
Cash and Marketable Securities	9.76	3,151.68
Net Debt (A)	10,910.94	6,513.61
Total Equity (As per Balance Sheet) (B)	11,095.46	13,596.71
Net Gearing Ratio (A/B)	0.98	0.48

31 Financial Instruments

A. Fair Value Measurement Hierarchy

(₹ in Lakhs)

Particulars	As at March 31, 2020			
	Carrying Amount	Level of Input Used		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivables	1,791.99	-	-	-
Cash and Cash Equivalents	9.23	-	-	-
Loans	37.20	-	-	-
At Cost				
Investments	0.53	-	-	-
Financial Liabilities				
At Amortised Cost				
Borrowings - Non Current	4,877.93	-	-	-
Borrowings - Current	6,042.77	-	-	-
Trade Payables	1,924.40	-	-	-

(₹ in Lakhs)

Particulars	As at March 31, 2019			
	Carrying Amount	Level of Input Used		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivables	3,056.23	-	-	-
Cash and Cash Equivalents	2.01	-	-	-
Loans	21.63	-	-	-
At FVTOCI				
Investments	3,149.67	3,149.67	-	-
Financial Liabilities				
At Amortised Cost				
Borrowings - Non Current	3,000.00	-	-	-
Borrowings - Current	6,665.29	-	-	-
Trade Payables	3,844.91	-	-	-

Notes Forming Part of Standalone Financial Statements

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Input other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

B. Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade payables and other unsecured Lendings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Customer Receivables, Investments and cash and cash equivalents that it derives directly from its operations.

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

a. Market Risk

(i) Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in exports and imports which is majorly in US dollars.

In case of Long term Contract with Large Customer, Currency Fluctuation is to Customer's Account.

(ii) Commodity Price Risk

The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

b. Credit Risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables).

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments and outstanding receivables from customers.

c. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities such as trade payables and other financial liabilities.

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Notes Forming Part of Standalone Financial Statements

Maturity profile of non-derivative financial liabilities as on March 31, 2020

(₹ in Lakhs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Borrowings - Non Current		4,877.93	-	4,877.93
Borrowings - Current	6,042.77	-	-	6,042.77
Trade Payables	1,924.40	-	-	1,924.40
Total	7,967.17	4,877.93	-	12,845.10

Maturity profile of non-derivative financial liabilities as on March 31, 2019

(₹ in Lakhs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Borrowings - Non Current	-	3,000.00	-	3,000.00
Borrowings - Current	6,665.29	-	-	6,665.29
Trade Payables	3,844.91	-	-	3,844.91
Total	10,510.20	3,000.00	-	13,510.20

As per our report of even date
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

For and on behalf of the Board
For **Aarti Surfactants Limited**

Partner
Tejas Parikh
M.No.123215

Sd/-
Chandrakant Gogri
Director
DIN : 00005048

Sd/-
Nikhil Desai
Managing Director
DIN : 01660649

Sd/-
Prashant Gaikwad
Company Secretary
ICSI M. No - A46480

Place: Mumbai
Date: June 4, 2020

Independent Auditors' Report

**TO THE MEMBERS OF
AARTI SURFACTANTS LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of Aarti Surfactants Limited ("the Holding Company") and its one subsidiary company (the Holding Company and its subsidiary together referred as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, and its consolidated profit and consolidated other comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements 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 Consolidated 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Board's Report including Annexures to Board's Report thereon, Directors Report, Management and Discussion Analysis, but does not include Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this information, we required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income and consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes 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 implementation and maintenance of 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 Consolidated Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Group'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements 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 Statements.

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 Statements, 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. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company and its Subsidiary Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Group'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 Consolidated Financial Statements 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 Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors of the Company and its subsidiary incorporated in India, none of the directors of the Group are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its Consolidated Financial Statements (Refer Note 26 to the Consolidated Financial Statements).
- ii. The Group did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

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

Sd/-

TEJAS. J. PARIKH

Partner

Place: Mumbai
Date: June 4, 2020

Membership No: 123215
UDIN:- 20123215AAAABC1130

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Surfactants Limited of even date)

We have audited the internal financial controls over financial reporting of Aarti Surfactants Limited (the Holding Company and its subsidiary, together referred as "the Group") as of March 31, 2020 in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary company which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal

Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects..

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of information and according to the explanations given to us, the Holding Company and its subsidiary company, have in all material respects, an adequate

internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
TEJAS. J. PARIKH

Partner

Place: Mumbai
Date: June 4, 2020

Membership No: 123215
UDIN:- 20123215AAAABC1130

Consolidated Balance Sheet

as at March 31, 2020

Particulars		Note No.	(₹ in Lakhs) As at March 31, 2020
A	ASSETS		
1	Non-Current Assets		
(a)	Property, Plant and Equipment	1	15,013.97
(b)	Capital Work-in-Progress	1	1,395.26
(c)	Other Intangible Assets	1	121.44
(d)	Financial Assets		
	Investments	2	0.03
(e)	Other Non-Current Assets	3	263.13
	Total Non-Current Assets		16,793.83
2	Current Assets		
(a)	Inventories	4	5,648.84
(b)	Financial Assets		
	(i) Trade Receivables	5	1,791.99
	(ii) Cash and Cash Equivalents	6	10.48
	(iv) Other Financial Assets	7	36.45
(c)	Other Current Assets	8	1,948.12
	Total Current Assets		9,435.88
	TOTAL ASSETS		26,229.71
B	EQUITY AND LIABILITIES		
1	EQUITY		
(a)	Equity Share Capital	9	758.45
(b)	Other Equity	10	10,336.51
	Total Equity		11,094.96
3	LIABILITIES		
	Non-Current Liabilities		
(a)	Financial Liabilities		
	Borrowings	11	4,877.93
(b)	Deferred Tax Liabilities (Net)	12	762.06
	Total Non-Current Liabilities		5,639.99
	Current Liabilities		
(a)	Financial Liabilities		
	(i) Borrowings	13	6,042.77
	(ii) Trade Payables Due to		
	- Micro and Small Enterprises		-
	- Other Than Micro and Small Enterprises		1,924.40
(b)	Other Current Liabilities	14	1,125.19
(c)	Provisions	15	402.40
	Total Current Liabilities		9,494.76
	Total Liabilities		15,134.75
	TOTAL EQUITY AND LIABILITIES		26,229.71
	Significant Accounting Policies		
	Accompanying Notes to the Financial Statements	1-32	

As per our report of even date
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

For and on behalf of the Board
For **Aarti Surfactants Limited**

Partner
Tejas Parikh
M.No.123215

Sd/-
Chandrakant Gogri
Director
DIN : 00005048

Sd/-
Nikhil Desai
Managing Director
DIN : 01660649

Sd/-
Prashant Gaikwad
Company Secretary
ICSI M. No - A46480

Place: Mumbai
Date: June 4, 2020

Consolidated Statement of Profit and Loss

for the Year Ended March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	For the Year Ended March 31, 2020
I Revenue from Operations	16	32,586.40
II Other Income	17	20.90
III Total Income (I+II)		32,607.30
IV EXPENSES		
(a) Cost of Materials Consumed	18	24,837.93
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	19	-107.39
(d) Employee Benefits Expense	20	1,430.34
(e) Finance Costs	21	1,027.95
(f) Depreciation / Amortisation Expenses	1	1,057.55
(g) Other Expenses	22	4,066.40
Total Expenses (IV)		32,312.78
V Profit before Exceptional Items and Tax (III-IV)		294.52
VI Exceptional Items		-
VII Profit before Tax (V-VI)		294.52
VIII TAX EXPENSES		
Current Tax		51.54
MAT Credit Entitlement		-51.54
Deferred Tax		85.91
Total Tax Expenses		85.91
IX Profit for the year (VII-VIII)		208.61
X OTHER COMPREHENSIVE INCOME		
a. Items that will not be reclassified to Statement of Profit and Loss		
- Fair Value Change of Equity Instruments through Other Comprehensive Income (Net of Tax)		-895.20
b. Items that will be reclassified to Statement of Profit and Loss		-
XI TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX+X)		-686.59
XII Earnings Per Equity Share of Face Value of ₹ 10 Each (EPS) (in ₹)	23	
Basic		2.75
Diluted		2.75
Significant Accounting Policies		
Accompanying Notes to the Financial Statements	1-32	

As per our report of even date
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

For and on behalf of the Board
For **Aarti Surfactants Limited**

Partner
Tejas Parikh
M.No.123215

Sd/-
Chandrakant Gogri
Director
DIN : 00005048

Sd/-
Nikhil Desai
Managing Director
DIN : 01660649

Sd/-
Prashant Gaikwad
Company Secretary
ICSI M. No - A46480

Place: Mumbai
Date: June 4, 2020

Consolidated Statement of Changes in Equity

for the Year Ended March 31, 2020

A. Equity Share Capital

	(₹ in Lakhs)
As at April 1, 2019	5.00
Changes in equity share capital during the year 2019-20	753.45
As at March 31, 2020	758.45

B. Other Equity

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Reserves Pending Allocation on Account of Pending share Issuance	Retained Earnings	Equity Instruments through Other Comprehensive Income	
As at April 1, 2019	9,614.03	-	3,110.99	12,725.02
Cancellation of pending initial share capital		5.00	-	5.00
Issuance of Redeemable Preference Shares out of opening balance of Unallocated Reserves received on account of Demerger	-1,706.92		-	-1,706.92
Balance of Unallocated Reserves transferred to Retained Earnings	-7,907.11	7,907.11	-	-
Gain on Disposal of Investment in Equity Shares through OCI transferred to Retained Earnings	-	2,215.79	-2,215.79	-
Total Comprehensive Income for the year		208.61	-895.20	-686.59
Balance as at March 31, 2020	-	10,336.51	-	10,336.51

As per our report of even date
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

For and on behalf of the Board
For **Aarti Surfactants Limited**

Partner
Tejas Parikh
M.No.123215

Sd/-
Chandrakant Gogri
Director
DIN : 00005048

Sd/-
Nikhil Desai
Managing Director
DIN : 01660649

Sd/-
Prashant Gaikwad
Company Secretary
ICSI M. No - A46480

Place: Mumbai
Date: June 4, 2020

Consolidated Cash Flow Statement

for the Year Ended March 31, 2020

(₹ in Lakhs)

Sr. Particulars No.	For the Year Ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit/(loss) before Tax as per Statement of Profit and Loss	294.52
Adjusted for:	
- Finance Costs	1,027.95
- Depreciation/Amortisation	1,057.55
Operating Profit before Working Capital Changes	2,380.02
Adjusted for:	
- Trade and Other Receivables	1,390.06
- Inventories	(378.94)
- Trade Payables and Other Current Liabilities	(1,582.30)
Cash Generated from Operations	1,808.84
Taxes Paid (Net)	2.25
Net Cash Flow from Operating Activities	1,811.09
B. CASH FLOW FROM INVESTING ACTIVITIES	
Addition to Property, Plant and Equipment and Capital Work In Progress	(2,469.36)
Other Investments	(0.03)
Proceeds from Sale of Investments	2,254.47
Net Cash Flow used in Investing Activities	(214.92)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds/(Repayment) from Current Borrowing (Net)	(613.86)
Finance Costs	(973.84)
Net Cash Flow (used in) Financing Activities	(1,587.70)
Net Increase in Cash and Cash Equivalents	8.47
Opening Balance of Cash and Cash Equivalents	2.01
Closing Balance of Cash and Cash Equivalents	10.48

As per our report of even date
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

For and on behalf of the Board
For **Aarti Surfactants Limited**

Partner
Tejas Parikh
M.No.123215

Sd/-
Chandrakant Gogri
Director
DIN : 00005048

Sd/-
Nikhil Desai
Managing Director
DIN : 01660649

Sd/-
Prashant Gaikwad
Company Secretary
ICSI M. No - A46480

Place: Mumbai
Date: June 4, 2020

Corporate Information and Significant Accounting Policies

A. Corporate Information

The Consolidated Financial Statements comprise financial statements of Aarti Surfactants Limited ("The Holding Company") and subsidiaries (collectively referred to as "the Group") for the year ended March 31, 2020.

The Parent is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Holding Company is located at Plot Nos. 801, 801/23, GIDC Estate, Phase - III, Vapi, Dist. Valsad, Gujarat - 396 195, India.

The Group is engaged in manufacturing of surfactants and other speciality ingredients for the personal care and home care industries. The products of the group find application in a host of consumer-centric personal care and home care products, including, inter alia, skin care, oral care, hair care, cosmetics, toiletries and detergent products.

The Equity as well as Redeemable Preference Shares of the Holding Company are in the process of listing on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India.

B. Significant Accounting Policies

B.1 Background

Name of The Subsidiary	Country Of Incorporation	Percentage of Holding
Aarti HPC limited	India	100%

B.2 Basis of Preparation and Presentation

Significant Accounting policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosures and a guide to better understanding of the consolidated position of the Companies. Recognizing this purpose, only such Policies and Notes from the individual financial statements are disclosed here, which fairly present the needed disclosures.

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Consolidated Group's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest Lakhs (₹ 00,000), except when otherwise indicated.

The Consolidated Financial Statements of the Group for the year ended 31.3.2020 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on June 4, 2020

B.3 Principles of Consolidation :

The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements & Indian Accounting Standard (Ind AS) 28 - Accounting for Investments in Associates in Consolidated Financial Statements.

The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company and Subsidiary Companies drawn up to the same reporting date i.e March 31, 2020

The consolidation of financial statements of the Parent Company and its Subsidiaries is done on line-by-line basis adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances, intra-group transactions and unrealized profit or loss, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.

Non-Controlling Interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets is identified and presented in the Consolidated Balance sheet separately.

As far as possible, the consolidated financial statements have been prepared using uniform Accounting Policies for like transactions and other events in similar circumstances. Differences in Accounting Policies if any will be disclosed separately.

Corporate Information and Significant Accounting Policies

C Summary of Significant Accounting Policies

(a) Current and Non-Current Classification

The Group presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is considered as Current, when -

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

(c) Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the respective entities in the Group and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of intangible assets.

(d) Valuation of Inventories

Inventories are valued at Cost or Net Realizable Value whichever is lower.

Inventories have been valued on the following basis:

- a. Raw Materials, Packing Material, Stores and Spares - At cost on Weighted Average basis.
- b. Work-in-Process - At cost plus appropriate allocation of overheads.
- c. Finished Goods - At cost plus appropriate allocation of overheads or net realizable value, whichever is lower.

(e) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usage.

Corporate Information and Significant Accounting Policies

(f) Revenue Recognition

- (i) Revenue from Sale of Goods to customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and any significant risks of ownership or future obligations with respect to the goods shipped is not retained. Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Sale of Scrap and obsolete stores is accounted for at the time of disposal.
- (ii) Export entitlements are recognized on realization.
- (iii) Revenue in respect of Interest is recognized on the time proportion method.
- (iv) Industrial Promotion Incentive granted by State Government is recognised when claim in respect of Entitlement is made & admitted after close of yearly Sales Tax Assessment.
- (v) Dividend Income is recognised when the right to receive the amount has been established.

(g) Government Grants

- (i) Government grants are not recognised until there is reasonable assurance that the conditions attached to them will be complied and that the grants will be received.
- (ii) Government grants are recognised in Profit and Loss on a systematic basis over the periods in which the related costs for which the grants are intended to compensate are recognised. Specifically, government grants whose primary condition is that the entity should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

- (iii) In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(h) Depreciation/Amortization

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II;

Sr. No.	Particulars	Depreciation or Amortisation
1.	Leasehold Land	Over the remaining tenure of lease
2.	Building	Over a period of 19 years
3.	Plant & Machinery	Over its useful life as technically assessed, i.e over a period of 9-19 years, based on the type of Equipment
4.	Furniture and Fixtures	Over a period of 10 years
5.	Vehicles	Over a period of 7 years
6.	Intangible Assets (Product Registration Rights)	Over a period of 5 years

(i) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(j) Foreign Currency Transactions

Foreign currency transactions are accounted at the rates prevailing on the date of transactions. The exchange rate differences arising out of such transactions are appropriately dealt in the financial statements in accordance with the applicables accounting standards.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Corporate Information and Significant Accounting Policies

(k) Operating Leases

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

(l) Finance Costs

Borrowing Costs other than those directly attributable to Qualifying Assets are recognised as expenses in profit or loss in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities may arise from litigation, taxation and other claims against the Group. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements.

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

(n) Employee Benefits

Short-term Benefits

Short term employee benefits including accumulating compensated absences are recognised at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

Post-retirement Benefits

Defined Contribution Plans

Retirement Benefits in the form of Provident Fund which is a defined contribution scheme are charged to the statement of profit and loss for the period in which the contributions to the fund accrue as per the relevant statute.

Defined Benefit Plans

The gratuity is paid to the employees who have completed five years of service with the respective entities at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the respective entities to the gratuity fund maintained with Life Insurance Corporation of India, exclusively for gratuity payment to the employees.

The liability in respect of gratuity and other post-employment benefits is calculated using Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurements of Defined Benefit Plans in respect of post-employment plans are charged to the Other Comprehensive Income.

(o) Taxes on Income

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other

Corporate Information and Significant Accounting Policies

Comprehensive Income or in Equity, in which case, the tax is also recognised in Other Comprehensive Income or Equity.

Current Tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current tax assets and Current tax liabilities are offsetted, where there is a legally enforceable right to set off the recognised amounts and where the respective entities intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT)

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the respective entities will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The same is reviewed at each balance sheet date.

(p) Financial Instruments

Financial Assets

I Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

II Subsequent Measurement

(i) Financial assets measured at Amortised Cost (AC)

A financial asset is measured at Amortised Cost, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Corporate Information and Significant Accounting Policies

- (iii) Financial assets measured at Fair Value Through Profit or Loss (FVTPL)

A financial assets, which are not classified in any of the above categories are measured at FVTPL.

III Equity Investments

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which it is elected to present the value changes in 'Other Comprehensive Income'.

IV Impairment of Financial Assets

In accordance with Ind AS 109, the Group uses, 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables, the Group applies 'simplified approach', which requires expected lifetime losses to be recognised from initial recognition of the receivables. the Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime ECL is used.

Financial Liabilities

I Initial Recognition and Measurement

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

II Subsequent Measurement

Financial liabilities are carried at amortised cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

Derecognition of Financial Instruments

the Group derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Balance Sheet, when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Group has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q. Earnings per share

Basic earnings per share are calculated by dividing the Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the Profit or Loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

Notes Forming Part of Consolidated Financial Statements

D. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Group's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in subsequent financial years.

I Depreciation/Amortisation and useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful lives and residual values are based on the historical experience with similar assets and taking into account anticipated technological changes. The depreciation/amortisation for future

periods is revised if there are significant changes from previous estimates.

II Recoverability of Trade Receivables

Judgements is required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

III Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Notes Forming Part of Consolidated Financial Statements

1 Property, Plant and Equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at April 1, 2019	Additions/ Adjustments	Deduction/ Adjustments	Balance as at Mar 31, 2020	Balance as at April 1, 2019	Depreciation charge for the Period	Deduction/ Adjustments	Balance as at Mar 31, 2020	Balance as at Mar 31, 2020	Balance as at Mar 31, 2020
I Tangible Assets										
Freehold Land	47.62	-	-	47.62	-	-	-	-	-	47.62
Leasehold Land	177.83	-	-	177.83	41.90	6.72	-	48.61	48.61	129.22
Buildings	2,027.54	-	-	2,027.54	497.75	107.05	-	604.80	604.80	1,422.74
Plant and Machinery	17,175.33	2,207.63	-	19,382.96	5,187.97	857.54	-	6,045.51	6,045.51	13,337.45
Furniture and Fixtures	116.03	2.66	-	118.70	90.62	6.95	-	97.56	97.56	21.13
Vehicles	125.56	8.42	-	133.97	64.27	13.90	-	78.16	78.16	55.81
Total	19,669.91	2,218.71	-	21,888.63	5,882.50	992.16	-	6,874.66	6,874.66	15,013.97
II Intangible Assets										
Product Registration Rights	-	186.84	-	186.84	-	65.39	-	65.39	65.39	121.44
Total	-	186.84	-	186.84	-	65.39	-	65.39	65.39	121.44
III Gross Total	19,669.91	2,405.55	-	22,075.46	5,882.50	1,057.55	-	6,940.05	6,940.05	15,135.41
III Capital Work-in-Progress										1,395.26

NOTES -

- a. Entire movable and immovable assets of the Holding Company are given as a security for the working capital and term loan obtained from SVC Co operative Bank limited.

Notes Forming Part of Consolidated Financial Statements

2 Investments - Non Current

(₹ in Lakhs)

Particulars	Number of Units/Shares (all fully paid up)				As at March 31, 2020	As at March 31, 2019
	Opening Balance	Acquisition	Disposal	Closing Balance		
Investments measured at Fair Value through Other Comprehensive Income						
In Quoted Equity Shares						
Aarti Drugs Ltd.	4,91,790	-	4,91,790	-	-	3,149.67
In UnQuoted Equity Shares						
SVC Co Operative Bank Limited	-	25	-	25	0.03	-
Total	4,91,790	25	4,91,790	25	0.03	3,149.67

- During the year the HOLDING company has sold its investment in Aarti Drugs Limited to fund its ongoing capex at its manufacturing plant at Pithampur, Madhya Pradesh and Silvassa, Dadra Nagar Haveli and Daman and Diu.

3 Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020
Deposits	166.77
Income Tax Assets (Net of Provisions)	0.74
Capital Advance	95.62
Total	263.13

4 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2020
Raw Materials and Components (incl of In-transit stock)	2330.90
Work-in-progress	103.17
Finished Goods (incl of In-transit stock)	3,083.29
Stores and spares	80.14
Fuel (incl of In-transit stock)	17.31
Packing Materials	34.03
Total	5,648.84

*Mode of Valuation is stated in note : (d) Valuation of Inventories in Significant Accounting Policy.

*The Holding Company has availed credit facilities from banks which are secured inter alia by hypothecation of inventories.

Notes Forming Part of Consolidated Financial Statements

5 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2020
Less than six months (unsecured and considered good)	1,751.21
More Than six months	
-Unsecured and Considered Good	40.78
-Unsecured Doubtful Debts	69.97
-Provision for Doubtful Debts	-69.97
Total	1,791.99

*The Holding Company has availed credit facilities from banks which are secured interalia by hypothecation of Trade Receivables.

6 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2020
Cash on Hand	1.63
Balances with Banks	8.85
Total	10.48

7 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020
Loans & Advances:	
(i) Employees	36.45
Total	36.45

8 Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020
Balance with Customs, Central Excise, GST and State Authorities	1,698.73
Others Receivable	0.28
Prepaid Expenses	37.06
Advance to Supplier of Material, Engineering Items	212.05
Total	1,948.12

Notes Forming Part of Consolidated Financial Statements

9 Share Capital:

(₹ in Lakhs)

Particulars	No. of Shares	As at March 31, 2020
Authorised Share Capital		
Equity Shares of ₹ 10/- each	3,18,70,000	3,187.00
Redeemable Preference Shares of ₹ 10/- each	81,30,000	813.00
	4,00,00,000	4,000.00
Issued, Subscribed & Paid up		
Equity Shares of ₹ 10/- each	75,84,477	758.45
Total	75,84,477	758.45

The Company has only one class of equity shares having par value of ₹ 10 each and the holder of the equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

9.1 Reconciliation of number of Equity Shares outstanding:

Particulars	As at March 31, 2020
	No' Of Shares
Equity Shares at the beginning of the year	50,000
Add: Shares issued during the year Pursuant to the Scheme of Arrangement	75,84,477
Less: Shares Cancelled Pursuant to the Scheme of Arrangement	-50,000
Equity Shares at the end of the year	75,84,477

9.2 Details of shareholders holding more than 5% shares:

Name of the Shareholders	As at March 31, 2020	
	No. of Shares	% held
HDFC Trustee Company Ltd.	7,13,681	9.41
Jaya Chandrakant Gogri	3,99,449	5.27
Rashesh Chandrakant Gogri	3,83,438	5.06

Notes Forming Part of Consolidated Financial Statements

10 Other Equity

a. Reserves Pending Allocation

(₹ in Lakhs)

Particulars	As at March 31, 2020
As per last Balance Sheet	9,614.03
Add: Balance transferred on account of scheme of arrangement	-
Less: Effect of Increase in Share Entitlement due to Increase in share Capital after QIP issue	-
Less: Effect of Gratuity Provison to be maintained as per the order of arrangement	-
Less: Loss for the year	-
Issuance of Redeemable Preference Shares out of opening balance of Unallocated Reserves received on account of Demerger	-1,706.92
Balance of Unallocated Reserves transferred to Retained Earnings	-7,907.11
Closing Balance	-

b. Retained Earnings

(₹ in Lakhs)

Particulars	As at March 31, 2020
As per last Balance Sheet	-
Balance of Unallocated Reserves transferred to Retained Earnings	7,907.11
Gain on Disposal of Investment in Equity Shares through OCI	2,215.79
Add: Cancellation of Share Capital on Issuance of Fresh Share Capital as per the Scheme of Arrangement	5.00
Add: Profit for the year	208.61
Closing Balance	10,336.51

c. Other Comprehensive Income

(₹ in Lakhs)

Particulars	As at March 31, 2020
As per last Balance Sheet	3,110.99
Add: Balance transferred on account of scheme of arrangement	-
Fair Value Gain/(Loss) on Investment in Equity Shares through OCI	-895.20
Gain on Disposal of Investment in Equity Shares through Other Comprehensive Income transferred to Retained Earnings	-2,215.79
Closing Balance	-
Total	10,336.51

Notes Forming Part of Consolidated Financial Statements

11 Borrowings - Non Current

(₹ in Lakhs)

Particulars	As at March 31, 2020
Secured - At Amortised Cost	
Term loans from Banks/Financial Institutions (Refer note 11.1.a)	3,000.00
Car Loan from Banks/Financial Institutions	8.66
0% Non Convertible Redeemable Preference Shares of ₹ 10/- each (Refer note 11.1.b)	1,869.27
Total	4,877.93

11.1 a). Rupee term loan from Bank aggregating to ₹ 3000 Lakhs is secured by first charge on all movable and immovable assets of the Holding Company, including current assets.

b). (i) Pursuant to the Scheme of Arrangement becoming effective and subsequent exercise of Option by Equity Shareholders of Demerged Entity Aarti Industries Limited, 10,82,387 Nos of 0% Convertible Redeemable Preference Shares of ₹ 10/- each issued to the shareholders of Demerged Entity Aarti Industries Limited who had opted for Redeemable Preference shares valued at fair value of ₹ 167 per share as per the Scheme..

(ii) Terms of preference shares:

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.

The Preference Shares are Redeemable at the option of the Holding Company such that shareholders will get 4% annualised return on fair value of ₹ 167 declared in the Scheme of Arrangement.

11.2 Repayment Terms (SVC Term Loan)

(₹ in Lakhs)

Repayment Tenor	As at March 31, 2020 Amount
1-2 Years	900.00
2-3 Years	1,200.00
3-4 Years	900.00
Beyond 4 Years	-

Notes Forming Part of Consolidated Financial Statements

12 Deferred Tax Liability (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2020
At the start of the year	727.69
Transferred Pursuant to the Scheme of Arrangement	-
Charge/(credit) to the Statement of Profit and Loss	85.91
MAT Credit Entitlement	-51.54
At the end of the year	762.06

12.1 Components of Deferred Tax Liability/(Asset)

(₹ in Lakhs)

Particulars	As at March 31, 2020
Deferred tax liabilities/(assets) in relation to:	
Property, Plant and Equipment	1,265.17
Carried Forward Tax Losses	-451.57
MAT Credit Entitlement	-51.54
Total	762.06

13 Borrowings - Current - At Amortised Cost

(₹ in Lakhs)

Particulars	As at March 31, 2020
Secured - Working capital Loan From SVC Co Operative Bank	6,017.89
Interest Accrued but not due on Term Loan from Banks	24.88
Total	6,042.77

13.2 Working capital Loan from SVC bank is secured by first charge on all movable and immovable assets of the Holding Company, including current assets.

14 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020
Other Payables (Statutory Dues)	86.34
Creditors for Capital Expenditure	980.05
Income Received in Advance	58.79
Total	1,125.18

15 Provisions - Current

(₹ in Lakhs)

Particulars	As at March 31, 2020
Provision for Employee Benefits	158.14
Other Provisions	244.26
Total	402.40

Notes Forming Part of Consolidated Financial Statements

16 Revenue from Operations

(₹ in Lakhs)

Particulars	As at March 31, 2020
Local Sales	31,510.32
Export Sales	5,344.07
Sales of Products	36,854.39
Less GST Collected on Sales	-4,812.19
Net Sales	32,042.20
Other Operating Revenues (Refer Note No. 16.1)	544.20
Total	32,586.40

16.1 Other Operating Revenues

(₹ in Lakhs)

Particulars	As at March 31, 2020
Export Benefits/Incentives Received	90.09
Scrap Sales	36.24
State Government Grant - Industry Promotion Incentive	417.88
Total	544.21

17 Other Income

(₹ in Lakhs)

Particulars	As at March 31, 2020
Interest Received	6.83
Insurance Claim Received	14.07
Total	20.90

18 Cost of Material Consumed

(₹ in Lakhs)

Particulars	As at March 31, 2020
Raw Material	22,894.62
Packing Material	804.86
Fuel	554.05
Stores & Spares	584.40
Total	24,837.93

Notes Forming Part of Consolidated Financial Statements

19 Changes in inventories of finished goods, Stock-in-Trade and work-in-progress

(₹ in Lakhs)

Particulars	As at March 31, 2020
Inventories (at commencement)	
Finished Goods	2,935.79
Work-in-Progress	143.28
	3,079.07
Inventories (at Close)	
Finished Goods	3,083.29
Work-in-Progress	103.17
	3,186.46
Total	-107.39

20 Employee Benefits

(₹ in Lakhs)

Particulars	As at March 31, 2020
Directors' Remuneration	64.99
Salaries, Wages & Bonus	1,212.26
Contribution to PF and other Funds	84.37
Workmen & Staff Welfare Expenses	68.72
Total	1,430.34

20.1 As per Indian Accounting Standard 19 - "Employee Benefits", the disclosures as defined are given below

(₹ in Lakhs)

Particulars	Gratuity (funded) 2019-20
a. Reconciliation of Opening and Closing balances of Defined Benefit Obligation	
Defined Benefit Obligation at beginning of the Year	69.65
Transferred Pursuant to Scheme of Arrangement	-
Current Service Cost	18.65
Interest Cost	5.41
Past Service Cost	-
Liability Transferred In/ Acquisitions	-
(Liability Transferred Out/ Divestments)	-
(Gains)/ Losses on Curtailment	-
(Liabilities Extinguished on Settlement)	-
(Benefit Paid Directly by the Employer)	-
(Benefit Paid From the Fund)	-
The Effect Of Changes in Foreign Exchange Rates	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	9.67
Actuarial (Gains)/Losses on Obligations - Due to Experience	-1.75
Defined Benefit Obligation at year end	101.63

Notes Forming Part of Consolidated Financial Statements

(₹ in Lakhs)

Particulars	Gratuity (funded) 2019-20
b. Reconciliation of opening and closing balances fair value of plan assets	
Fair value of plan assets at beginning of the year	69.65
Transferred Pursuant to Scheme of Arrangement	-
Interest Income	5.41
Contributions by the Employer	-
Expected Contributions by the Employees	-
Assets Transferred In/Acquisitions	-
(Assets Transferred Out/ Divestments)	-
(Benefit Paid from the Fund)	-
(Assets Distributed on Settlements)	-
Effects of Asset Ceiling	-
The Effect of Changes In Foreign Exchange Rates	-
Return on Plan Assets, Excluding Interest Income	3.20
Fair Value of Plan Assets at the End of the Period	78.26
c. Reconciliation of fair value of assets and obligations	
Fair value of plan assets	78.26
Present value of obligation	-101.63
Amount Recognized in Balance Sheet	-23.36
d. Expenses recognized during the year	
Current Service Cost	18.65
Interest Cost	5.41
Interest Income	-5.41
Expected return on plan assets	-
Actuarial(gain)/ loss	-
Net Cost	18.65
e. Investment Details 100% Invested	
L.I.C Group Gratuity (Cash Accumulation) Policy with L.I.C.	
f. Actuarial assumptions 2006-08	
Mortality Table (L.I.C.) (Ultimate)	
Discount rate (per annum)	6.84%
Expected rate of return on plan assets (per annum)	6.84%
Rate of escalation in Salary (per annum)	7.00%
Rate of employee turnover	5.00%

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion, other relevant factor's including supply and demand in the employment market. The above information is certified by the actuary.

Leave Encashment liability amounting to ₹ 100.31 lakhs has been provided in the Books of Accounts.

Notes Forming Part of Consolidated Financial Statements

21 Finance Cost

(₹ in Lakhs)

Particulars	As at March 31, 2020
Interest Expense	983.81
Other Borrowing Costs	44.14
Total	1,027.95

22 Other Expenses

(₹ in Lakhs)

Particulars	As at March 31, 2020
Manufacturing Expenses	
Freight, Cartage & Transport	632.49
Power	1,172.00
Water Charges	60.16
Processing Charges	221.26
Labour/Helper Charges, Security Services	509.78
Effluent Treatment Cost	172.65
Repairs & Maintenance	301.00
Insurance Charges	44.09
Factory Administrative Expenses	171.09
Other Manufacturing Expenses	63.93
Sub-Total (A)	3,348.45
Office Administrative Expenses	
Rent, Rates and Taxes	11.01
Travelling and Conveyance	45.43
Auditor's Remuneration	6.15
Legal & Professional Charges	29.80
Postage, Telegraph & Telephone	6.40
Printing & Stationery Expenses	4.48
ROC & Other Filing Fees	47.28
Other Administrative Expenses	9.24
Sub-Total (B)	159.79
Selling and Distribution Expenses	
Advertisement & Sales Promotion	44.04
Export Freight Expenses, Outward Freights	484.62
Commission on Sales	9.35
Sample Testing & Analysis Charges	2.98
Other Selling Expenses	15.67
Sub-Total (C)	556.66
Non-Operating Expenses	
Donations and CSR Expenses	1.50
Sub-Total (D)	1.50
Total (A+B+C+D)	4,066.40

Notes Forming Part of Consolidated Financial Statements

23 Earning Per Share (EPS)

(₹ in Lakhs)

Particulars	As at March 31, 2020
Face Value Per Equity Share (in ₹)	10.00
Basic Earnings Per Share (in ₹)	2.75
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	208.61
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Lakhs)	75.84
Diluted Earnings Per Share (in ₹)	2.75
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	208.61
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Lakhs)	75.84
Reconciliation of weighted average number of equity shares outstanding	
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Lakhs)	75.84
Total weighted average potential equity shares (in Lakhs)	-
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Lakhs)	75.84

23.1 During FY 2019-20, the Company allotted 75,84,477 equity shares on August 20, 2019 pursuant to the scheme of demerger. For the purpose of calculation of Basic and Diluted EPS, all equity shares were considered as outstanding at the beginning of FY 2019-20.

24 Payment to Auditors

(₹ in Lakhs)

Particulars	As at March 31, 2020
a. Statutory Audit Fees	6.15
b. Certification and Consultation Fees	0.08
Total	6.23

25 Contingent Liabilities and Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2020
(i) Contingent Liabilities	
- Claims against the company not acknowledged as Debt - Unpaid	158.20
- Claims against the company not acknowledged as Debt - Paid (under dispute)	225.32
(ii) Commitments	
Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advances	75.00
Total	458.52

Notes Forming Part of Consolidated Financial Statements

- 26** There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the respective entities owe dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the respective entities.
- 27** In the opinion of the Board of the Holding Company, except as otherwise stated, the Current Assets and Loans and Advances have a value on realization at least equal to the amounts at which they are stated in the Balance Sheet.

28 Segment Information

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. Home and personal care ingredients.

Revenue from Type of Products and Services

There is only one operating segment of the company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Secondary Segment Information

(₹ in Lakhs)	
Particulars	FY 2019-20
Segment Revenue - External Turnover	
Within India	26,698.13
Outside India	5,344.07
Total	32,042.20
Non-Current Assets*	
Within India	16,793.80
Outside India	-
Total	16,793.80

* includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets

Information about major customers

Ind As 108 Segment Reporting Requires Disclosure of reliance on its Major customers if Revenue from transactions with single external customer amounts to 10 per cent or more of company's total Revenue. Company's total Revenue of ₹ 32,042.20 Lakhs (P.Y. ₹ 26,245.88 Lakhs) include sales of ₹ 19,385.00 Lakhs (P.Y. ₹ 16,963.00 Lakhs) to two large customers with whom the company is having long standing Relationship.

Notes Forming Part of Consolidated Financial Statements

29 Related Party Disclosures

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

29.1 List of Related Parties where control exists and also other Related Parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Mr. Chandrakant Vallabhaji Gogri	Non-Executive Director
2	Mr. Nikhil Parimal Desai	Executive Director
3	Mr. Dattatray Sidram Galpalli	Non-Executive Director
4	Mr. Santosh Madhaorao Kakade	Executive Director
5	Mr. Mulesh Manilal Savla	Independent Director
6	Ms. Misha Bharat Gala	Independent Director
7	Mr. Prashant Gaikwad	Company Secretary

29.2 Transactions during the year with Related Parties

Sr. No.	Name of the Related Party	Remuneration Paid	
		FY 2019-20	
1	Mr. Nikhil Parimal Desai	44.17	
2	Mr. Santosh Madhaorao Kakade	20.82	
3	Mr. Prashant Gaikwad	4.80	

30 Capital Management

The objectives for managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The overall strategy of the Group remains unchanged from previous year.

The amount of capital required is set on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation, and other non - current/current borrowings. The Groups's policy is to use current and non - current borrowings to meet anticipated funding requirements. The Group monitors capital on the basis of the net debt to equity ratio.

The Management believes that it will be able to meet all its current liabilities and interest obligations on timely manner.

Notes Forming Part of Consolidated Financial Statements

30.1 The Net Gearing Ratio at the end of the reporting period was as follows -

(₹ in Lakhs)

Particulars	As at March 31, 2020
Gross Debt	10,920.70
Cash and Marketable Securities	10.51
Net Debt (A)	10,910.19
Total Equity (As per Balance Sheet) (B)	11,094.96
Net Gearing Ratio (A/B)	0.98

31 Financial Instruments

A. Fair Value Measurement Hierarchy

(₹ in Lakhs)

Particulars	As at March 31, 2020			
	Carrying Amount	Level of Input Used		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivables	1,791.99	-	-	-
Cash and Cash Equivalents	10.48	-	-	-
Loans	36.45	-	-	-
At Cost				
Investments	0.03	-	-	-
Financial Liabilities				
At Amortised Cost				
Borrowings - Non Current	4,877.93	-	-	-
Borrowings - Current	6,042.77	-	-	-
Trade Payables	1,924.40	-	-	-

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Input other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

B. Financial Risk Management

The principal financial liabilities comprise Borrowings, trade payables and other unsecured Lendings. The main purpose of these financial liabilities is to finance the operations. The principal financial assets include Customer Receivables, Investments and cash and cash equivalents that it derives directly from its operations.

The Group is exposed to credit risk, market risk and liquidity risk. The senior management oversees the management of these risks.

Notes Forming Part of Consolidated Financial Statements

a. Market Risk

(i) Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the operating activities of the Group in exports and imports which is majorly in US dollars.

In case of Long term Contract with Large Customer, Currency Fluctuation is to Customer's Account.

(ii) Commodity Price Risk

The Group has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

b. Credit Risk

The Group is exposed to credit risk from its operating activities (primarily for trade receivables).

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from Group's activities in investments and outstanding receivables from customers.

c. Liquidity Risk

Liquidity risk is defined as the risk that the entities of the Group will not be able to settle or meet its obligations on time or at a reasonable price. For the Group, liquidity risk arises from obligations on account of financial liabilities such as trade payables and other financial liabilities.

The corporate treasury department of the Group is responsible for liquidity and funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of non-derivative financial liabilities as on March 31, 2020

Particulars				(₹ in Lakhs)
	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Borrowings - Non Current		4,877.93	-	4,877.93
Borrowings - Current	6,042.77	-	-	6,042.77
Trade Payables	1,924.40	-	-	1,924.40
Total	7,967.17	4,877.93	-	12,845.10

32 Additional Information

This is the first year of preparation of Consolidated Financial Statements, as Aarti HPC Limited become wholly owned subsidiary with effect from December 26, 2019.

As per our report of even date
For **Gokhale & Sathe**
Chartered Accountants
Firm Registration Number: 103264W

For and on behalf of the Board
For **Aarti Surfactants Limited**

Partner
Tejas Parikh
M.No.123215

Sd/-
Chandrakant Gogri
Director
DIN : 00005048

Sd/-
Nikhil Desai
Managing Director
DIN : 01660649

Sd/-
Prashant Gaikwad
Company Secretary
ICSI M. No - A46480

Place: Mumbai
Date: June 4, 2020