



**AARTI
SURFACTANTS
LIMITED**

(Formerly Known as : Arti Surfactants Ltd.)

January 29, 2021

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

BSE CODE - 543210

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

Dear Sir / Madam,

Ref: Compliance of Regulation 33 of SEBI (LODR) Regulations, 2015.
Sub: Audited Standalone and Consolidated Financial Results for the Quarter and Nine months ended December 31, 2020.

We wish to inform you that Board of Directors at its Meeting held on **Friday, January 29, 2021**, approved the Audited Standalone and Consolidated Financial Results for the Quarter and nine months ended **December 31, 2020**.

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

- Audited Standalone and Consolidated Financial Results for the Quarter and Nine months ended December 31, 2020.
- Auditor's Report on Standalone and Consolidated Financial Results for the Quarter and Nine months ended December 31, 2020.

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

Meeting of the Board of Directors commenced at 11:10 am and concluded at 12:30 Pm

Please take note of the same on your record.

Thanking you,

Yours faithfully,

For **AARTI SURFACTANTS LIMITED**

Handwritten signature and date: 1/29/21

PRASHANT B. GAIKWAD
COMPANY SECRETARY
ICSI M.NO. A46480



FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2020

(Rs. in Lakhs)

Sr. No.	Particulars	Standalone Result						Consolidated Result						
		Quarter Ended			Period Ended			Quarter Ended			Period Ended			
		31st Dec 2020 (Audited)	30th Sept 2020 (Unaudited)	31st Dec 2019 (Unaudited)	31st Dec 2020 (Audited)	31st Dec 2019 (Unaudited)	31st Dec 2020 (Audited)	31st Dec 2019 (Unaudited)	30th Sept 2020 (Unaudited)	31st Dec 2020 (Audited)	31st Dec 2019 (Unaudited)	30th Sept 2020 (Unaudited)	31st Dec 2020 (Audited)	31st Mar 2020 (Audited)
1	INCOME													
	a) Revenue from Operations (Net)	10,666	11,189	8,221	33,960	23,673	32,586	11,389	10,666	33,960	11,389	32,586	32,586	
	b) Other Income	1	1	2	5	5	21	1	1	5	1	5	21	
	Total Income	10,667	11,190	8,223	33,965	23,678	32,607	11,190	10,667	33,965	11,190	32,607	32,607	
2	EXPENSES													
	a) Cost of Materials Consumed	9,092	9,228	6,219	26,711	17,868	24,838	9,092	9,092	26,711	9,228	24,838	24,838	
	b) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(1,535)	(1,005)	(260)	(1,044)	9	(1,07)	(1,005)	(1,535)	(1,044)	(1,005)	(1,07)	(1,07)	
	c) Employee Benefits Expense	405	413	500	1,117	1,119	1,430	413	405	1,117	413	1,430	1,430	
	d) Finance Costs	278	320	285	878	814	278	278	278	878	320	278	878	
	e) Depreciation and Amortisation Expenses	316	287	273	683	785	1,058	287	316	683	287	1,058	1,058	
	f) Other Expenses	1,545	1,357	1,149	3,813	3,171	4,066	1,357	1,545	3,813	1,357	4,066	4,066	
	Total Expenses	10,101	10,606	8,166	32,358	23,765	32,312	10,101	10,101	32,358	10,606	32,312	32,312	
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	566	584	57	1,607	(87)	295	566	566	1,607	584	295	295	
4	Exceptional Items													
5	Profit/(Loss) before Tax (3-4)	566	584	57	1,607	(87)	295	566	566	1,607	584	295	295	
6	TAX EXPENSES													
	a) Current Year Tax		25		25		52	25		25	25	52	52	
	b) Earlier Year Tax													
	c) MAT Credit Utilised/(Entitlement)						(52)						(54)	
	d) Deferred Tax		(100)	(22)	(12)	37	86	(100)	88	(12)	(100)	(12)	86	
	Total Tax Expenses	88	(75)	(22)	13	37	86	(88)	88	(12)	(88)	13	86	
7	Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	478	659	79	1,594	(124)	209	478	478	1,594	659	209	209	
8	Extraordinary Items (Net of Tax Expense)													
9	Net Profit/(Loss) for the period (7-8)	478	659	79	1,594	(124)	209	478	478	1,594	659	209	209	
10	Profit/(Loss) for the period attributable to Owners of the Company	478	659	79	1,594	(124)	209	478	478	1,594	659	209	209	
	a) Non Controlling Interest													
11	Other Comprehensive Income													
12	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10-11)	478	659	79	1,594	(124)	209	478	478	1,594	659	209	209	
13	Earnings per Equity share:													
	(1) Basic/Diluted	6.30	8.89	1.04	21.01	(1.64)	2.76	6.30	6.30	21.01	8.69	2.75	2.75	
14	Paid-up Equity Share Capital (Face Value of Rs. 10/-each)													
15	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year													
													10,337	

Notes:

- The above results for the quarter and nine months ended 31st December, 2020 have been reviewed by the Audit Committee in their meeting and approved by the Board of Directors in their meeting held on 29th January, 2021.
- The Company has elected option to be taxed at 22% plus applicable surcharge from FY 2019-20 (AY 2020-21), as permitted under section 115BAA of the Income tax Act, 1961. Consequently opening deferred tax liability has been measured at a lower rate and resultant impact has been considered in the above Statement of Profit and Loss.
- CARE Ratings has upgraded Long term bank facility - Term Loan and Long term bank facility Cash Credit ratings of the Company from BBB-Stable to BBB-Stable and also upgraded Redeemable Preference Shares of the Company from BB+ Stable to BB+ Stable.
- The aforesaid Financial Results will be uploaded on the Company's website www.aarti-surfactants.com and will also be available on the website of BSE Limited www.bseindia.com and the National Stock Exchange of India Limited www.nseindia.com for the benefit of the shareholders and investors.
- The Company has only one wholly owned subsidiary, Aarti HPC Ltd., which was incorporated on 26th December, 2019. The year ended 31st March, 2020 was the first year of preparation of Consolidated Financial Statements. There are no transactions in this subsidiary company for the quarter and nine months ended 31st December, 2020 and thus consolidated financial results for the quarter and nine months ended 31st December, 2020 are same as standalone financial results for the said period.
- The Company deals in only one operating segment which is based on the nature of the product and thus the reporting segment is only one segment i.e. Home and personal care ingredients.

Place: Mumbai

Date: 29th January, 2021.

For AARTI SURFACTANTS LIMITED

ANIRBIL DESAI
 MANAGING DIRECTOR
 DIN-01660649



Independent Auditors' Report

To Board of Directors of Aarti Surfactants Limited

Report on Audit of Standalone Audited Financial Results

Opinion

We have audited the accompanying standalone financial results of Aarti Surfactants Limited ("the Company") for the quarter ended 31st December 2020 and year to date results for the period from 1st April 2020 to 31st December 2020 ("the financial results") attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

1. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
2. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 31st December 2020 as well as the year-to-date results for the period from 1st April 2020 to 31st December 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Management's Responsibilities for the Standalone Financial Results

These quarterly and year-to-date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.



gokhale & sathe (regd.)

chartered accountants

308/309, Udyog Mandir No. 1,

7-C, Bhagoji Keer Marg,

Mahim, Mumbai 400 016

Tel :91 22 43484242

Email – office@gokhalesathe.in

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For GOKHALE & SATHE

CHARTERED ACCOUNTANTS

Firm Registration No.: 103264W



TEJAS PARIKH

Partner

Membership No. 123215

Mumbai

UDIN: -21123215AAAAAQ6216

Date: 29th January 2021

Independent Auditors' Report

To Board of Directors of Aarti Surfactants Limited

Report on Audit of Consolidated Audited Financial Results

Opinion

We have audited the accompanying consolidated financial results of Aarti Surfactants Limited ("the Holding Company") and its one wholly owned subsidiary company (the Holding Company and its one subsidiary together referred as "the Group") for the quarter ended 31st December 2020 and year to date results for the period from 1st April 2020 to 31st December 2020 ("the financial results") attached herewith being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

1. includes the results of the following wholly owned subsidiary:
Aarti HPC Limited
2. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
3. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 31st December 2020 and year to date results for the period from 1st April 2020 to 31st December 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Management's Responsibilities for the Consolidated Financial Results

These quarterly and year-to-date consolidated financial results have been prepared on the basis of the interim financial statements. The Holding Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.



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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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For GOKHALE & SATHE

CHARTERED ACCOUNTANTS

Firm Registration No.: 103264W



CA TEJAS PARIKH

PARTNER

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UDIN: -21123215AAAAAR1859

Date: 29th January 2021