

December 09, 2020

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

REPLY: CLARIFICATION FOR FINANCIAL RESULTS
(Reference Email Dated Dec 8, 2020)

Query: Financial results submitted is not as per format prescribed by SEBI

Reply: This has reference to Financial Results submitted by the Company on November 05, 2020 which included the following –

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

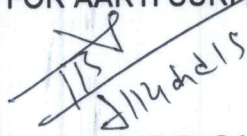
In reference to the clarification sought by exchange on the Results submitted by the Company we are attaching herewith results as per the SEBI format which includes –

- Standalone Results for Quarter ended September 30, 2020, June 30, 2020, & September 30, 2019 and Consolidated Results for Quarter ended September 30, 2020 and June 30, 2020. .
- Standalone Results for Half Year ended September 30, 2020, September 30, 2019 & Consolidated Results for Half Year ended September 30, 2020.
- Standalone and Consolidated Results for Year Ended Results for March 31, 2020.

Further Statement of Standalone and Consolidated statement of Assets and Liabilities and Cash flow statement are as also attached.

Kindly take the same on record.

FOR AARTI SUREFACTANTS LIMITED


PRASHANT B. GAIKWAD
COMPANY SECRETARY
ICSI : A46480



FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER 2020

(Rs. in Lakhs)

Sr. No.	Particulars	Standalone Result						Consolidated Result					
		3 Months Ended			6 Months Ended			3 Months Ended			6 Months Ended		
		30th Sept 2020 (Unaudited)	30th Jun 2020 (Unaudited)	30th Sept 2019 (Unaudited)	30th Sept 2020 (Audited)	30th Sept 2019 (Unaudited)	31st Mar 2020 (Audited)	30th Sept 2020 (Unaudited)	30th Jun 2020 (Unaudited)	30th Sept 2020 (Audited)	31st Mar 2020 (Audited)		
1	INCOME												
	Revenue from Operations (Gross)	12,636	13,925	8,689	26,561	17,707	37,399	12,636	13,925	26,561	37,399		
	Less: Taxes	1,448	1,820	1,165	3,267	2,370	4,812	1,448	1,820	3,267	4,812		
	a) Revenue from Operations (Net)	11,189	12,105	7,523	23,294	15,337	32,586	11,189	12,105	23,294	32,586		
	b) Other Income	1	2	117	3	117	21	1	2	3	21		
	Total Income	11,190	12,107	7,641	23,298	15,455	32,607	11,190	12,107	23,298	32,607		
2	EXPENSES												
	a) Cost of Materials Consumed	9,228	8,391	5,798	17,619	11,649	24,838	9,228	8,391	17,619	24,838		
	b) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(1,005)	1,497	(335)	492	269	(107)	(1,005)	1,497	492	(107)		
	c) Employee Benefits Expense	413	299	304	711	618	1,430	413	299	711	1,430		
	d) Finance Costs	326	275	271	601	528	1,028	326	275	601	1,028		
	e) Depreciation and Amortisation Expenses	287	279	273	566	512	1,058	287	279	566	1,058		
	f) Other Expenses	1,357	911	1,113	2,268	2,023	4,066	1,357	911	2,268	4,066		
	Total Expenses	10,606	11,651	7,425	22,257	15,599	32,312	10,606	11,651	22,257	32,312		
3	Profit/(Loss) before Exceptional Items and Tax (1-2)	584	456	216	1,041	(144)	295	584	456	1,041	295		
4	Exceptional Items	-	-	-	-	-	-	-	-	-	-		
5	Profit/(Loss) before Tax (3-4)	584	456	216	1,041	(144)	295	584	456	1,041	295		
6	TAX EXPENSES												
	a) Current Year Tax	25	-	-	25	-	52	25	-	25	52		
	b) Earlier Year Tax	-	-	-	-	-	-	-	-	-	-		
	c) MAT Credit Utilised/(Entitlement)	-	-	-	-	-	(52)	-	-	-	(52)		
	d) Deferred Tax	(100)	-	24	(100)	60	86	(100)	-	(100)	86		
	Total Tax Expenses	(75)	-	24	(75)	60	86	(75)	-	(75)	86		
7	Net Profit/(Loss) from Ordinary Activities after Tax (5-6)	659	456	192	1,116	(204)	209	659	456	1,116	209		
8	Extraordinary Items (Net of Tax Expense)	-	-	-	-	-	-	-	-	-	-		
9	Net Profit/(Loss) for the period (7-8)	659	456	192	1,116	(204)	209	659	456	1,116	209		
10	Profit/(Loss) for the period attributable to												
	a) Owners of the Company	659	456	192	1,116	(204)	209	659	456	1,116	209		
	b) Non Controlling Interest	-	-	-	-	-	(895)	-	-	-	(895)		
11	Other Comprehensive Income												
12	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (10+11)	659	456	192	1,116	(204)	(686)	659	456	1,116	(687)		
13	Earnings per Equity share:												
	(1) Basic/Diluted	8.69	6.02	2.53	14.71	(2.68)	2.76	8.69	6.02	14.71	2.75		
14	Paid-up Equity Share Capital (Face Value of Rs. 10/-each)	758	758	758	758	758	758	758	758	758	758		
15	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year						10,337				10,337		
16	Net Worth	12,211	11,552	10,683	12,211	10,683	11,095	12,211	11,552	12,211	11,095		

Notes:-

- The above results for the quarter and half year ended 30th September, 2020 have been reviewed by the Audit Committee in their meeting and approved by the Board of Directors in their meeting held on 05th November, 2020
- Rupee term loan from Bank aggregating to Rs. 3000 lakhs is secured by first charge on all movable and immovable assets of the Company, including current assets.
- The Company has only one class of Preference Shares being 0% Redeemable, Cumulative, Non-convertible and Non-participating Preference Shares. The shareholders have right to vote only on resolutions which directly affect their interest and are Redeemable at the option of the Company such that shareholders will get 4% annualised return on fair value of Rs 167.70 declared in the Scheme of Arrangement
- The Company has elected option to be taxed at 22% plus applicable surcharge from FY 2019-20 (AY 2020-21), as permitted under section 115BAA of the Income Tax Act, 1961. Consequently opening deferred tax liability has been measured at a lower rate and resultant impact has been considered in the above Statement of Profit and Loss for half year ended 30th September, 2020.
- CARE Ratings has upgraded Long term bank facility - Term Loan and Long term bank facility Cash Credit ratings of the Company from BBB-Stable to BBB:Stable and also upgraded Redeemable Preference Shares of the Company from BB+Stable to BBB-Stable.
- Figures for the previous period have been regrouped or rearranged wherever necessary.
- The aforesaid Financial Results will be uploaded on the Company's website www.aarti-surfactants.com and will also be available on the website of BSE Limited www.bseindia.com and the National Stock Exchange of India Limited www.nseindia.com for the benefit of the shareholders and investors.
- The Company has only one wholly owned subsidiary, Aarti HPC Ltd., which was incorporated on 26th December, 2019. The year ended 31st March, 2020 was the first year of preparation of Consolidated Financial Statements. There are no transactions in this subsidiary company for the quarter and half year ended 30th September, 2020 and thus consolidated financial results for the quarter and half year ended 30th September 2020 are same as standalone financial results for the said period.
- The Company deals in only one operating segment which is based on the nature of the product and thus the reporting segment is only one segment i.e. Home and personal care ingredients.

Place: Mumbai
Date: 05th November, 2020



For AARTI SURFACTANTS LIMITED

NIKHIL DESAI
MANAGING DIRECTOR
Din-01660649

Nikhil

Audited Standalone and Consolidated Statement of Assets and Liabilities

(Rs. In Lakhs)

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

Note:-

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

Place : Mumbai
Date: 05th November, 2020


For AARTI SURFACTANTS LIMITED

NIKHIL DESAI
MANAGING DIRECTOR
Din-01660649

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

(Rs. In Lakhs)

Sr. No.	Particulars	Standalone		Consolidated
		30th Sept 2020 (Audited)	30th Sept 2019 (Unaudited)	30th Sept 2020 (Audited)
A.	Cash Flow from Operating Activities:			
	Net Profit before Tax and Exceptional/Extraordinary Items	1,041	(144)	1,041
	<u>Adjustments for:</u>			
	Finance Costs	601	528	601
	Depreciation and Amortisation Expenses	566	512	566
	Consolidated Adjustment	-	-	-
		2,208	896	2,208
	Profit on Sale of Assets/Investments	-	-	-
	Operating Profit before Working Capital Changes	2,208	896	2,208
	<u>Adjustments for:</u>			
	(Increase)/Decrease in Trade and Other Receivables	(1,687)	(1,691)	(1,687)
	Increase/(Decrease) in Trade Payables and Other Current Liabilities	1,155	(3,338)	1,155
	(Increase)/Decrease in Inventories	(643)	325	(643)
	Cash Generated from Operations	1,032	(3,808)	1,032
	Direct Taxes Paid	(0)	-	(0)
	Net Cash Flow from Operating Activities (A)	1,032	(3,808)	1,032
B.	Cash Flow from Investing Activities:			
	Addition to Property, Plant & Equipment/Capital WIP	(1,548)	(1,056)	(1,548)
	(Increase)/Decrease in Other Investments	-	(0)	-
	(Increase)/Decrease in Investments in Subsidiary Companies	-	(1)	-
	Dividend Received	-	2	-
	Profit on Sale of Investment	-	2,254	-
	Net Cash Flow from Investing Activities (B)	(1,548)	1,200	(1,548)
C.	Cash Flow from Financing Activities:			
	Proceeds of Long-Term Borrowings	819	-	819
	Repayment of Long-Term Borrowings	-	-	-
	Proceeds/(Repayment) of Other Borrowings	332	3,492	332
	Finance Costs	(526)	(528)	(526)
	Net Cash Flow from Financing Activities (C)	626	2,964	626
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	109	357	109
	Cash and Cash Equivalents (Opening Balance)	9	2	10
	Cash and Cash Equivalents (Closing Balance)	119	359	120

Notes:-

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

Place : Mumbai

Date: 05th November, 2020



For AARTI SURFACTANTS LIMITED


NIKHIL DESAI
MANAGING DIRECTOR
Din-01660649