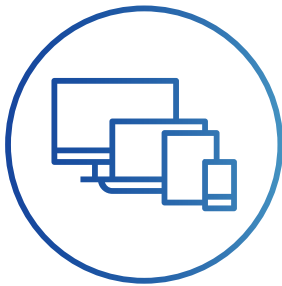


Adapting to **Sustain** **Momentum**

Annual Report
2020-21



Contents



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www.aarti-surfactants.com

Forward-Looking Statements

This Report and other statements - written and oral - that we periodically make, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Corporate Information

Board of Directors

Mr. Mulesh Manilal Savla
Chairman & Independent Director

Mr. Nikhil Parimal Desai
Managing Director

Mr. Chandrakant Vallabhaji Gogri
Non-Executive Director

Mr. Dattatray Sidram Galpalli
Non-Executive Director

Mr. Santosh Madhaorao Kakade
Executive Director

Ms. Misha Bharat Gala
Independent Director

Chief Financial Officer

Mr. Nitesh Harakchand Medh

Company Secretary

Mr. Prashant Balasaheb Gaikwad

Auditors

M/s Gokhale & Sathe,
Chartered Accountants

Registrar & Transfer Agent

M/s. Link Intime India Private Limited
C 101, 247 Park,
L. B. S. Marg,
Vikhroli (West), Mumbai,
Maharashtra - 400 083.
Tel No: +91 22 49186000
Fax: +91 22 49186060

Banker

SVC Co-operative Bank Limited
HSBC Bank

Registered Office

Plot Nos. 801, 801/23, GIDC Estate,
Phase - III, Vapi, Dist. Valsad,
Gujarat - 396 195

Corporate Office

Unit 202, Plot 71, Udyog Kshetra,
2nd floor, Mulund-Goregaon Link Road,
Mulund West,
Mumbai - 400 080
Visit us at www.aarti-surfactants.com

Corporate Identity Number

L24100GJ2018PLC102891

Adapting to **Sustain Momentum**

The world is living through an unprecedented crisis, the impact of which has been severe and far-reaching on almost every economy. The COVID-19 pandemic has impacted a lot of industries and businesses worldwide, but also created opportunities for businesses to thrive by embracing the evolving trends.

In these testing times, what has kept us in good stead is our agility, resilience, and responsiveness to a constantly evolving business environment. Our technical prowess and prudent cost management enable us to provide world-class products and services to our distributors and industries and give us a distinct edge. Our judicious approach has enabled us to navigate through the uncertain times and capture futuristic opportunities.

By widening our expertise, strengthening people practices, expanding capacities and efficiencies, we have been navigating the challenging circumstances and sustaining growth momentum. Our health and hygiene vertical continue to generate demand due to heightened focus on hygiene and cleanliness in the post-Covid world. Our steady focus on this segment helped us sustain growth and deliver a profitable performance throughout the year.



About Aarti Surfactants



We are a renowned producer and supplier of high-quality ionic and anionic surfactants and specialty Surfactants. Our vast expertise, technology and R&D competence, diverse portfolio, and widespread customer base underpin our operations.

Our manufacturing prowess is supported by our plants situated at Pithampur (Madhya Pradesh) and Silvassa. These state-of-the-art manufacturing units enable us to produce surfactants of the highest quality that exceed the most stringent requirements of our customers. Our wide product portfolio finds application in diverse segments including shampoos, soaps, handwash, detergents, floor cleaners, etc. We continuously ensure timely delivery of order and consistent quality with sound technical information. We also manufacture formulated blends as per customer specifications and ensure timely delivery by leveraging our well-established and strong distribution network.



Our Vision

To become the Global Partner of Choice for all leading FMCG companies for Surfactants and Specialty Products.

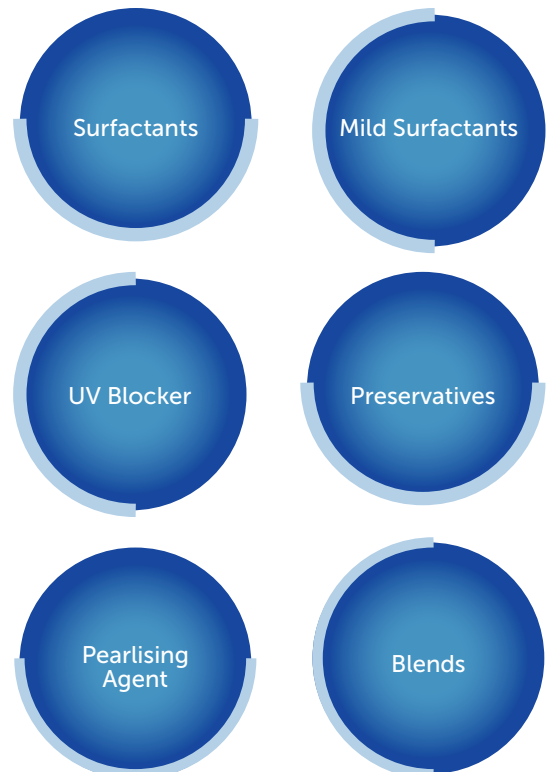


Our Mission

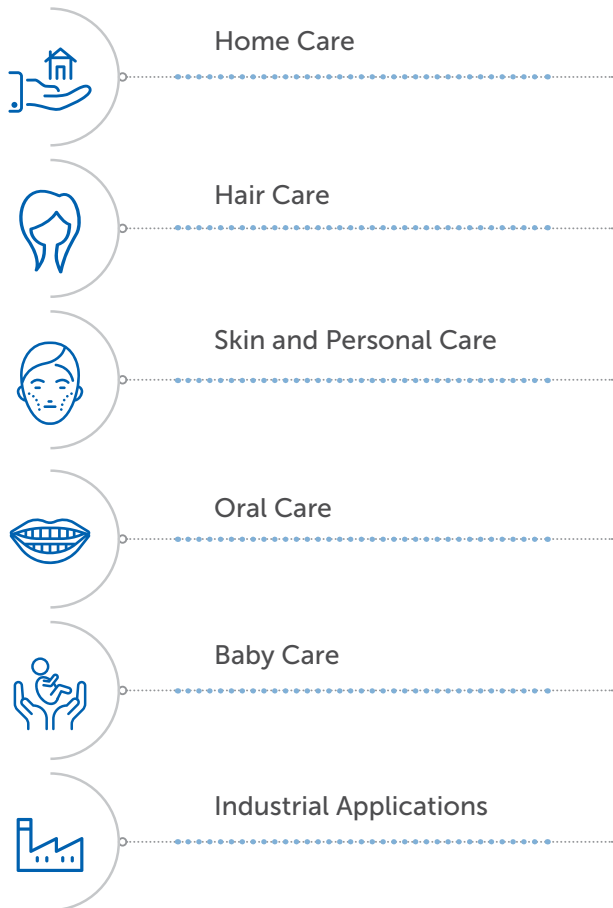
We aim to be a dependable source of quality surfactants for the home care, personal care, oral care, oil & gas, agro and other industries. We strive to develop trustworthy relationships with our customers, employees, and stakeholders for sustainable growth in the global market. We also strive to be ahead in the market by providing competitive prices with consistent quality and timely deliveries.



Product Portfolio



Industries we cater to



Progressing



Revenue From Operations (₹ in Lakhs)

32,586

FY 2019-20

46,577

FY 2020-21



EBITDA (₹ in Lakhs)

2,381

FY 2019-20

4,557

FY 2020-21



Net Profit (₹ in Lakhs)

209

FY 2019-20

2,164

FY 2020-21



Key Certifications

Surfactant Products



Managing Director's Message



“

Driven by innovation, we consistently focus on augmenting our offerings to fulfil the emerging customer aspirations.

”

Dear Shareholders,

First of all, I would like to express my sincere appreciation for all the frontline healthcare staff and those engaged in providing essential services for their relentless efforts to provide all of us with the much-needed ray of hope in such difficult times. The COVID-19 pandemic has disrupted lives worldwide, and these heroes have rallied beyond their call of duty to provide us support, despite such challenging circumstances. I trust that you all are safe and in good health.

Financial year 2020-21 was full of unprecedented times; the COVID-19 pandemic has brought about a change that will not only impact our today; but shall also impact our future. The pandemic and the subsequent lockdowns not only brought the industries and businesses worldwide to a grinding halt; but also disrupted lives across the globe. The Indian economy has been severely impacted on account of the pandemic and contraction of economic activity. As per the Central Statistics Office (CSO), the economy contracted by 7.3% in FY 2020-21, as compared to 4% growth recorded in the previous fiscal.

Nonetheless, the economic activity is expected to rebound on the back of fast and successful roll-out of the vaccination drive; however, the intensity and depth of the second wave of infections may derail this rebound.

Our Performance

Despite the challenging circumstances, your Company adapted quickly and sustained growth trajectory very well and demonstrated business resilience by harnessing its core competencies. Our revenues for the year stood at ₹ 46,577 lakhs, Profit After Tax for the year was at ₹ 2,164 lakhs from ₹ 209 lakhs in the previous year. The financials of our company for FY 2020-21 prove that we are on the right track of progress and our continuous efforts are bearing fruit.

Though daily lives came to a standstill, essential products and services are still the need of the hour. We ensured uninterrupted business operations with regulatory approvals even during the lockdown period due to our product portfolio, the majority of which cater to the essential categories. With enhanced focus on hygiene and cleanliness in the wake of the pandemic, we responsibly leveraged our essential products' portfolio catering to the health and safety segment and delivered profitable performance during the year.

Realigning Priorities

As a responsible organisation, we have always kept health and safety as the topmost priority, and we have best-in-class safety standards in place. To ensure our employees' well-being, particularly during the pandemic, we implemented standard operating procedures at our workplaces and plants.

Key measures included regular cleaning and sanitisation of premises, temperature screening of employees and visitors, wearing of masks and gloves, maintaining of social distancing, etc. With the support of the local administration, We conducted mass vaccination programmes for our employees and their families.

Sustaining Business Excellence

Our team works tirelessly to identify opportunities of growth within and add new products that drive more synergies within our ecosystem. Driven by innovation, we consistently focus on augmenting our offerings to fulfil the emerging customer aspirations. We also adopt to the highest standards of corporate governance and have a risk management framework which helps us identify and manage key business risks. Further, we are focused on enhancing our capacities and improving efficiencies to capture the emerging opportunity arising from the rising consumption of hygiene products.

Strengthening Customer Relationships

Over the years, we have established ourselves as a strategic supplier to several of our marquee customers. Our commitment to adding value to our esteemed customers by offering innovative and consistent quality products are backed by extensive market research. We constantly strive to understand customer requirements and manufacture products to meet their needs. Further, we endeavour to grow our customer base in high growth markets by leveraging our robust capabilities. Through meaningful interactions and shared success, we stand and grow along with our customers.

Growing Demand for Eco-Friendly Surfactants

Demand for surfactants has begun to shift towards more ecologically friendly and sustainable products with lower environmental profile. With rising awareness on use of hazardous chemicals, a growing number of consumers are willing to demand organic personal care products, driving the overall industry expansion. Our diverse and customised portfolio, long-standing customer relationships, and technical and manufacturing capabilities make us competitive. This enables us to capture unique opportunities presented by our customer industries spread across the globe.

Business Outlook

Going forward, we believe we are well-positioned to capitalise on the unfolding opportunities in the Home and Personal Care segment by leveraging our competitive strengths. However, in the light of volatile business environment we will move forward with caution. We remain optimistic about the future as we continue to focus on adding new customers, adding new products, undertaking cost controlling measures to become a leaner and more agile organisation, while emphasising on capturing heightened demand for the essential products' category to sustain momentum.

Conclusion

I would like to take this opportunity to thank our esteemed stakeholders, our shareholders, our customers, our suppliers, our business partners, and our family of dedicated employees for their unstinted trust and support in these difficult times.

Warm Regards,

Mr. Nikhil Parimal Desai

Managing Director

“

Despite the challenging circumstances, your Company adapted quickly and sustained growth trajectory very well and demonstrated business resilience by harnessing its core competencies.

”

Responsible Business Practices

At Aarti Surfactants, we are committed to the welfare of the communities in which we operate. We strive to promote environmental sustainability, while also ensuring sustainable development of the underprivileged sections of the society through our meaningful Corporate Social Responsibility (CSR) programmes.

During the year, we undertook the following initiatives:



Developed green belt area and planted nearly 1,900 trees around our plant in the current financial year. In the last three financial years, nearly 5,000 trees have been planted.



Assisted in infrastructure development of government primary school.



Distributed face masks and gloves, PPE kits, food and water, dialysis machines and oxygen concentrators to the hospital.

