

Expand. Enhance. Excel.
Unlocking Potential. Ensuring Success.



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Inside the report

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.



For more information scan the QR code or visit our website
www.aarti-surfactants.com/about.htm

We believe that progress is not confined to numbers alone but to the breadth of possibilities that we continue to unlock. Throughout our journey, we have consistently undertaken steps to broaden our capabilities and strengthen our foundation. By expanding the range of our offerings, enhancing our research and development and establishing meaningful collaborations, we are creating solutions that resonate with both present and future requirements.

We remain in constant pursuit of excellence. Enhancement defines our approach to operations. This is reflected in our efforts to digitise our functions to bring agility and precision, embedding sustainability and cultivating a culture of safety and constant learning. These measures afford us the ability to ensure success in a rapidly evolving world.

As we strive ahead, we envision deeper market reach, customer-centric innovation, greater technological integration and heightened integration of renewables to propel us forward. With innovation as our compass and responsibility steering our decisions,

we are prepared to unlock our full potential while ensuring shared and lasting success.





About the Company

Unlocking Potential, Delivering Excellence

Aarti Surfactants Limited (ASL) is a leading manufacturer of specialty surfactants, catering to both domestic and global markets. Originating from the demerger of the Home and Personal Care division of Aarti Industries Limited, ASL has built a strong presence across the Home Care and Personal Care segments. With customers in over 30 countries, we leverage advanced manufacturing capabilities, robust R&D expertise, and sustainability-driven innovation to deliver customized, high-quality solutions that meet diverse industry needs.



Vision

To be the Global Partner of Choice for leading FMCG companies in the field of surfactants and specialty products.



Mission

To deliver high-performance, sustainable surfactant solutions that meet the evolving needs of our customers. To remain committed to innovation, quality, and environmental responsibility, ensuring our products are safe and effective. To foster collaboration, drive continuous improvement, and build lasting relationships that create positive change across the industries we serve.

Our Scale and Reach

50+

Products

100+

Customers

30+ countries
across Asia, Europe,
Africa and the Americas

Export Presence

2+ state-of-the-
art units located in
Pithampur, Madhya
Pradesh and Silvassa,
Dadra and Nagar Haveli

Manufacturing Facilities

1 advanced facility
in Navi Mumbai

Research &
Development Centre

350+

Employees

Our Product Portfolio

Expansive Range, Enhanced Value

Spanning everyday needs in personal and home care to niche requirements in industrial domains, our products provide consistent quality, reliability and value. Each offering is supported by robust R&D and advanced manufacturing infrastructure.



Our comprehensive product range includes



Primary Surfactants

ionic and non-ionic surfactants for diverse applications



Blends

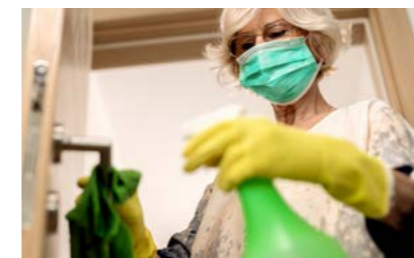
customised combinations tailored to specific customer needs



Mild Surfactants

gentle formulations for sensitive applications

These offerings cater to



Home Care



Detergents



Dishwashing Liquids



Surface and Floor Cleaners



Personal Care



Shampoos



Body Washes



Hand Washes



Moisturisers



Sunscreens



Lotions

Conversation with CEO & Managing Director A Journey of Expansion, Excellence and Enduring Success



We will build structural resilience through long-term supplier partnerships, advanced forecasting, operational excellence, and backward integration initiatives. These measures will protect our margins and competitiveness, while transforming external pressures into levers for scaling operations, diversifying our portfolio, and expanding our global presence.

Dear Shareholders,

FY 2024-2025 was a year of resilience and strategic agility for Aarti Surfactants Limited. Amid ongoing global economic volatility and domestic challenges, including fluctuating raw material costs and supply chain disruptions, the company demonstrated both growth and financial recovery. By leveraging our diversified product portfolio and strong customer relationships, we sustained robust demand, particularly in high-growth sectors such as Home and Personal Care. Focused operational improvements and strategic initiatives allowed us not only to protect but to strengthen our market position, delivering consistent value to our stakeholders despite the uncertainties in the external environment.

This growth is strongly supported by the Government of India's proactive initiatives like the 'Make in India' campaign and Production-Linked

Incentive (PLI) schemes, which are fostering a vibrant domestic manufacturing ecosystem. With our established manufacturing capabilities and focus on innovation, Aarti Surfactants is exceptionally well-positioned to capitalize on these tailwinds and contribute to India's journey of becoming a global chemical manufacturing powerhouse.

Evolving in a Dynamic Landscape

The external environment continues to be intricate, shaped by fluctuating demand trends in both global and domestic markets. Despite these complexities, we have successfully navigated this landscape by closely monitoring and anticipating the evolving needs of our customers, maintaining a forward-thinking approach.

U.S. tariffs, sectoral demand volatility, and raw material price

fluctuations will present both challenges and opportunities for our business. We will leverage these dynamics to diversify our global footprint, strengthen customer relationships across geographies, and reduce dependence on any single economy. By serving a broad spectrum of end-use segments, we will manage short-term fluctuations while positioning ourselves to capture emerging growth.

At the same time, we will build structural resilience through long-term supplier partnerships, advanced forecasting, operational excellence, and backward integration initiatives. These measures will protect our margins and competitiveness, while transforming external pressures into levers for scaling operations, diversifying our portfolio, and expanding our global presence.

Delivering Growth and Value

This fiscal year, revenue grew steadily, driven by increased market penetration and strong order inflows. Our proactive focus on cost control, lean operations, and enhanced plant efficiency enabled us to safeguard profitability. Additionally, emphasis on higher-margin products, customer-specific customization, and disciplined capital allocation further strengthened our return ratios and operational cash flows, reflecting the effectiveness of our strategy, execution capabilities, and enduring customer partnerships. The commissioning of our Navi Mumbai R&D centre further underscores our commitment to innovation, advanced science, and forward-looking solutions.

Enhancing Efficiency and Safety

We accelerated our digital transformation and automation roadmap to drive operational excellence. Key initiatives included the integration of advanced automation technologies across our production lines. Lean manufacturing principles were further embedded into our operations, reducing process variability, enhancing yield, and minimizing waste. On the inventory front, advanced planning systems and demand forecasting tools were deployed to optimize stock levels, improve turnaround times, and elevate service levels for our customers. These investments in operational efficiency have resulted in better asset utilization and improved reliability across our supply chain.

We continued to uphold the highest standards of quality, safety, and compliance throughout FY 2024-2025. We continued to uphold the highest standards by enhancing our infrastructure with tangible safety upgrades, including the installation of permanent thermographic viewing windows for early fault

detection in electrical panels and fire-resistant doors in critical areas, reinforcing our commitment to a zero-incident workplace.

Leading Responsibly

Sustainability is the core driver of our innovation and business strategy. In FY 2024-2025, we accelerated the development of specialty surfactants, focusing on next-generation, environmentally friendly solutions that address the growing emphasis on consumer health and hygiene. These products directly address the growing consumer demand for gentle, ethically sourced, and "clean-label" ingredients, making us a key partner for forward-thinking brands.

Our commitment to sustainability is deeply integrated into our manufacturing processes. We have embedded eco-friendly principles to minimize waste and significantly lower water and energy consumption. Operationally, we drive resource efficiency through water recycling initiatives, optimized energy management, and a growing reliance on renewable sources. In addition, we have introduced Product Lifecycle Assessments to evaluate and manage environmental impact holistically – from cradle to grave.

Collaboration is central to our approach. We work closely with leading global and domestic FMCG players and academic partners to co-develop advanced and environment friendly formulations. By offering end-to-end formulation support—from faster sampling to final product customization—we help our clients meet stringent environmental standards and accelerate their speed-to-market.

These integrated initiatives are integral to our long-term goal of reducing dependency on fossil-based raw materials, supporting our ESG roadmap, and establishing our leadership in clean, sustainable chemistry.

Looking Ahead with Confidence

Looking ahead, we are exploring opportunities for strategic expansion in international markets, particularly in the Asia-Pacific and Middle East regions. We are also evaluating digital transformation programs to further streamline commercial and supply chain operations. In addition to our financial and operational progress, I would like to highlight our emphasis on people and culture as a key pillar of our success. Our commitment to employee empowerment, inclusive leadership, and ethical governance forms the foundation of a high-performance organization. We have invested significantly in talent development programs and well-being schemes that foster innovation and resilience. Our commitment to governance, transparency, and community engagement continues to guide our decision-making and reinforce the foundation of a responsible and progressive organization.

As we conclude FY 2024-2025, I wish to express my deepest gratitude to our investors, employees, customers, vendors and community partners for their unwavering support. This year's achievements demonstrate the strength of our strategic vision, operational execution, and commitment to sustainability. We remain focused on driving innovation, expanding our global footprint, and enhancing shareholder value. The challenges of today are opportunities for tomorrow, and Aarti Surfactants is well-positioned to navigate future uncertainties with confidence and agility. Together, we will continue to foster growth that is profitable, responsible, and meaningful for all our stakeholders.

Regards,

Mr. Nikhil Parimal Desai
CEO and Managing Director

Chairman's Letter

Expanding Horizons, Ensuring Sustainable Success



Our commitment to operational excellence has been the cornerstone of our success. By focusing on quality, innovation, and timely delivery, we have strengthened our relationships with customers across domestic and international markets. Customized solutions, efficient processes, and a robust supply chain have enabled us to consistently meet evolving market demands. This relentless focus on execution ensures that we not only deliver superior products but also create long-term value for all our stakeholders.

Dear Shareholders,

The global chemical industry, while navigating economic uncertainties, is witnessing a significant shift towards sustainability and specialized applications. The surfactants market, a key segment, is projected for robust growth, driven by rising demand in home and personal care, across the Asia-Pacific region. Here in India, the landscape is particularly promising. The Indian surfactants market is expected to grow to USD 10.92 billion by 2035, propelled by a growing population, rising disposable incomes, and increasing consumer awareness about health and hygiene.

This growth is strongly supported by the Government of India's proactive initiatives like the 'Make in India' campaign and Production-Linked Incentive (PLI) schemes, which are fostering a vibrant domestic manufacturing ecosystem. With our established manufacturing capabilities and focus on innovation, Aarti Surfactants is exceptionally well-positioned to capitalize on these tailwinds and contribute to India's journey of becoming a global chemical manufacturing powerhouse.

A Year of Resilient Performance

I am delighted to share that, despite a dynamic market environment, our revenue from operations grew by 11.7%, reaching ₹65,908.54 lakhs. This growth was complemented by showcasing our focus on operational efficiency and cost management. Our EBITDA for the year stood at ₹4,981.53 lakhs, and we recorded a Profit After Tax (PAT) of ₹1,499.00 lakhs. The company has maintained profitability and improved margins by focusing on several key strategies:

- Prioritizing high-margin, specialized products that serve growing sectors like Home and Personal Care.
- Exercising strict control over expenses while growing revenues to protect and enhance margins.
- Investing in sustainable manufacturing methods to reduce costs and align with environmental goals.

In line with our commitment to sharing our success with you, the Board of Directors has recommended a final dividend of ₹1/- per equity share for the financial year ended March 31, 2025, subject to your approval at the ensuing Annual General Meeting.

Enhancing for a Future-Ready Enterprise

This year, we advanced further on our journey to becoming a digitally empowered organization, leveraging process automation and operational enhancements to boost uptime and plant efficiency. The newly inaugurated R&D Centre in Navi Mumbai will serve as a hub of innovation, dedicated to developing next-generation surfactants that align with the growing focus on consumer health and hygiene, while offering end-to-end formulation support to accelerate our customers' commercialization timelines.

Expanding Our Commitment to Sustainability

At Aarti Surfactants, growth is inseparable from responsibility, with a strong focus on sustainable manufacturing and the development of formulations that address the rising global demand

for eco-conscious products. Our commitment is reflected in tangible initiatives, including water stewardship and responsible waste management, aimed at minimizing effluent discharge and reducing environmental impact. We continue to work diligently to lower our carbon footprint across operations, guided by our safety, environmental, and efficiency programs. Beyond operations, our community initiatives in healthcare, education etc. further strengthen stakeholder trust and amplify our positive social impact.

Excelling in Execution

Our commitment to operational excellence has been the cornerstone of our success. By focusing on quality, innovation, and timely delivery, we have strengthened our relationships with customers across domestic and international markets. Customized solutions, efficient processes, and a robust supply chain have enabled us to consistently meet evolving market demands. This relentless focus on execution ensures that we not only deliver superior products but also create long-term value for all our stakeholders.

People Practices

None of this would be possible without our people. We continue to nurture a culture of empowerment, transparency, and integrity. Through structured training and career development programs—including technical and soft-skills learning—we are building a motivated, skilled, and high-performing workforce. Robust governance policies and a strong focus on a safe, inclusive workplace further strengthen trust and readiness for the future.

Looking Ahead with Confidence

Looking ahead, the company's message to shareholders and stakeholders is one of confidence and commitment. The past year has reaffirmed our belief in the strength of our people, the agility of our systems, and the enduring relevance of our products. The firm's leadership emphasizes its dedication to expanding global market presence, deepening its specialized product offerings, and cultivating a culture where all stakeholders benefit and thrive. It remains committed to innovation, operational excellence, and responsible growth, and we look forward to delivering continued success as a reliable partner to the industries and communities we serve.

Regards,

Mr. Mulesh Manilal Savla
Chairman

Our Journey

Evolving with Purpose, Excelling with a Vision

A Strong Beginning

Incorporation of Aarti Surfactants Limited, setting the foundation for our journey.

Stepping into the Stock Market

Equity Shares listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Strategic Relocation & Bolstering our Capital Base

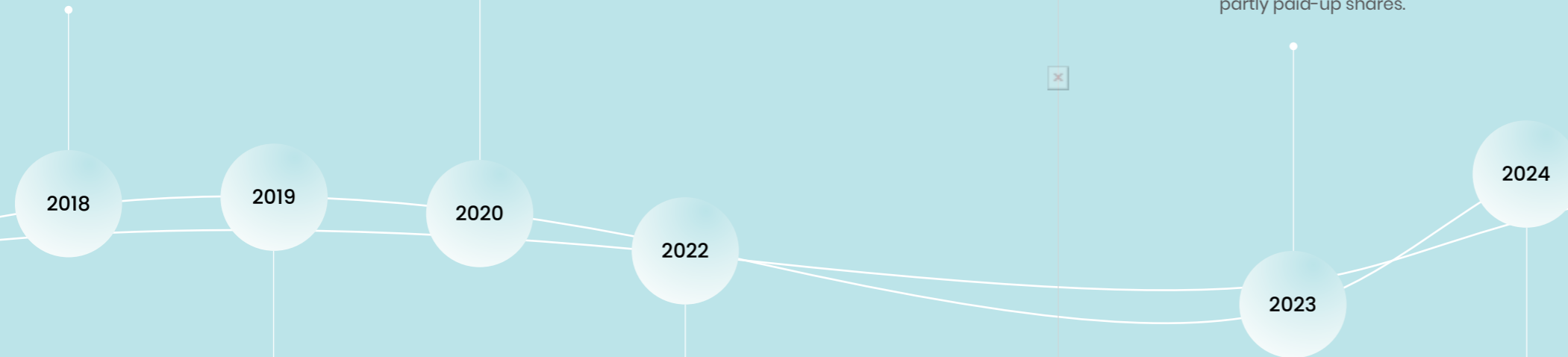
Shifted our Registered Office from the State of Gujarat to the State of Madhya Pradesh.

Successfully executed Right's Issue of **₹49.52 crores** through partly paid-up shares.

Research and Development Centre

Fully functioning R&D Centre of the Company.

2025



Strategic Transformation & New Identity

National Company Law Tribunal (NCLT) Order for demerger and transfer of Home and Personal Care division of Aarti Industries Limited to our Company.

Our new name, Aarti Surfactants Limited, reflecting our evolved identity and broadening horizons.

Diverse Investment Opportunities

Preference Shares listed on **BSE** and **NSE**.

Our Consistent and Robust Performance

Achieving a CAGR of **14%** in sales over six years.



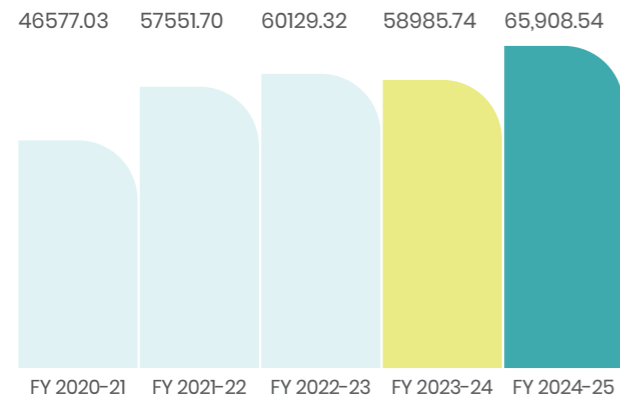
Financial Performance

Excellence Reflected in Numbers

Revenue from operation

(₹ in Lakhs)

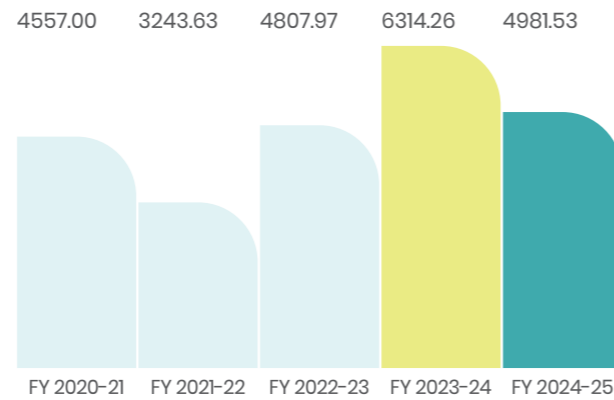
65,908.54



EBITDA

(₹ in Lakhs)

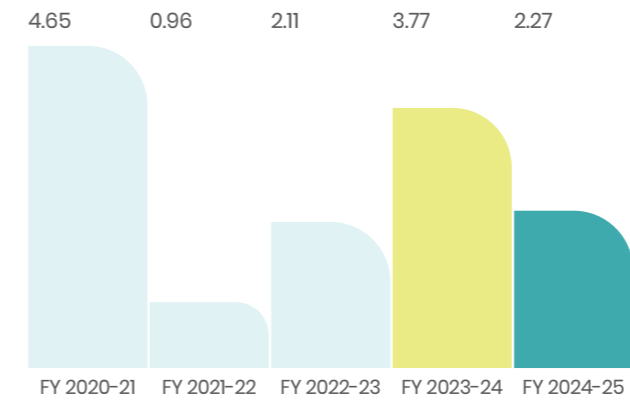
4,981.53



Net Profit Margin

(%)

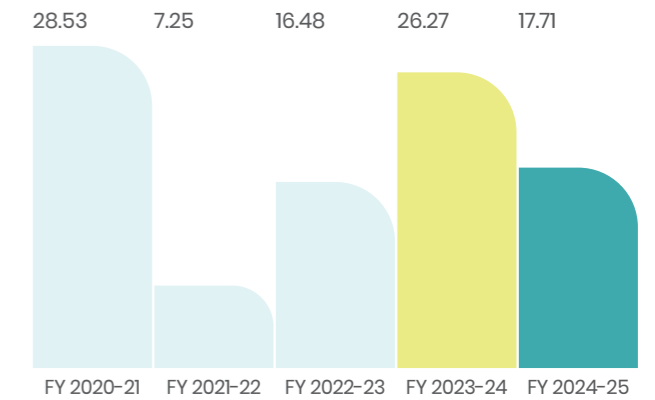
2.27



Earnings per share

(₹)

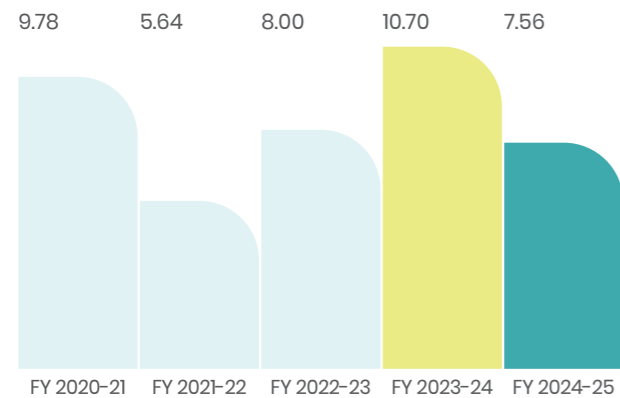
17.71



EBIDTA Margin

(%)

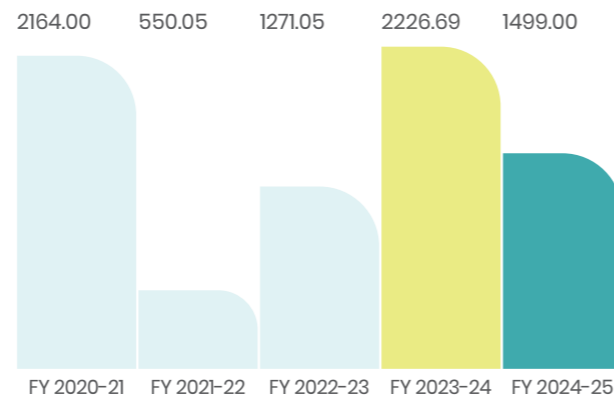
7.56



Net Profit

(₹ in Lakhs)

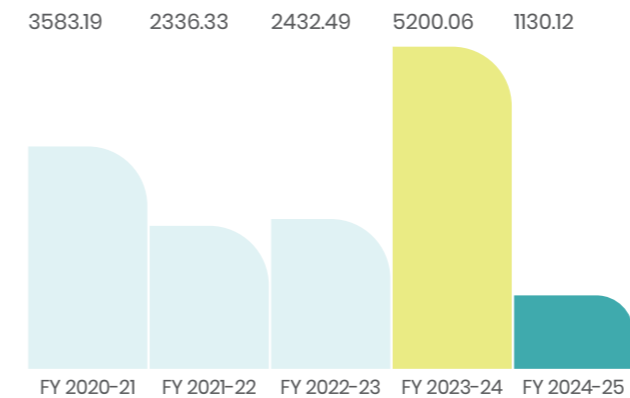
1,499.00



Net cash from operating activities

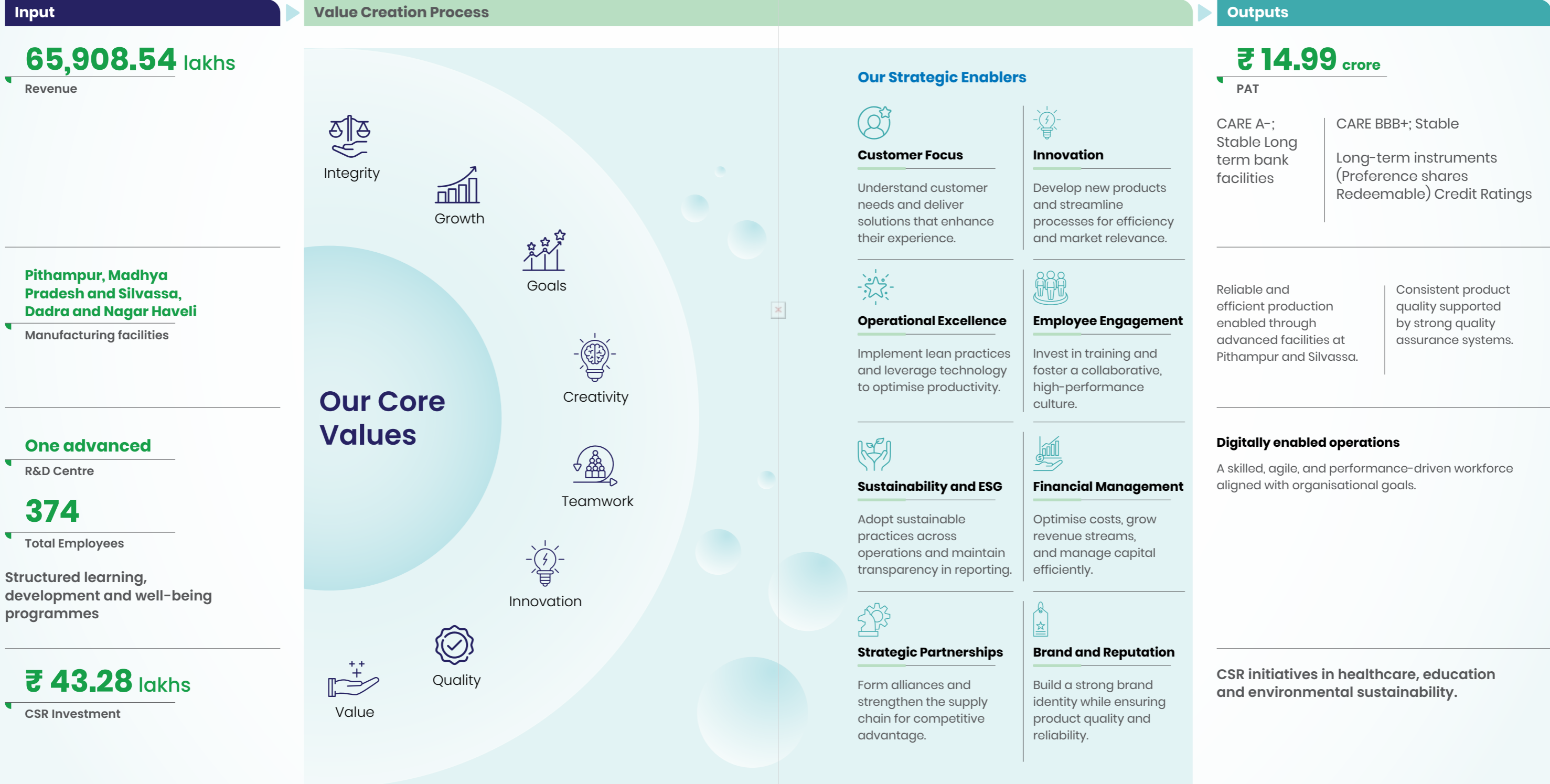
(₹)

1,130.12



Value Creation Model

The Journey from Resource to Results



Stakeholder Engagement

Unlocking Potential through Collaboration

Stakeholder	Clients	Employees	Investors / Shareholders	Regulatory Authorities	Financial Institutions and Rating Agencies	Local Communities and NGOs	Distribution Partners and Key Collaborators
Mode of Engagement	Direct Communication, Feedback Sessions, Trade Shows, Conferences	Internal Meetings, Training Sessions, Employee Surveys	Annual General Meetings, Financial Reports, Newsletters	Compliance Reports, Meetings, Official Correspondence	Financial Disclosures, Performance Reports, Meetings	Community Meetings, Sponsorships, Partnerships	Partnership Meetings, Joint Planning Sessions, Collaboration Platforms
Purpose and Scope of Engagement	Understand customer needs, gather feedback, discuss collaborations, identify improvements	Communicate Company goals, gather feedback, ensure alignment, support professional development	Provide updates on performance, discuss financial results, outline business direction	Ensure adherence to legal and regulatory requirements, stay informed about changes	Maintain transparency regarding financial health, secure favourable credit ratings and financing terms	Nurture long-term community relations, support local initiatives, ensure corporate social responsibility	Coordinate efforts, align on mutual goals, optimise supply chain and distribution networks
Frequency	Regularly / Depending on project or customer needs	Periodically / Based on schedules and events	Quarterly, Annually, As needed	As required by regulatory bodies and laws	Regularly / Aligned with financial reporting periods	Regularly / Based on community needs and company initiatives	Regularly / Based on project timelines and business cycles
SDG Mapped							

Research and Development

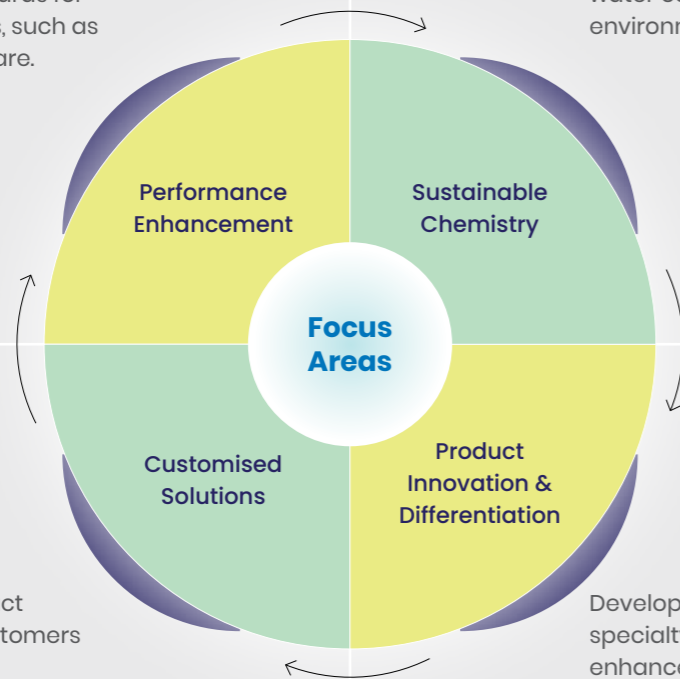
From Lab to Lasting Value

At Aarti Surfactants Limited, research and innovation will shape both our value proposition and our competitive edge in the specialty surfactants market. At our newly established R&D Centre in Navi Mumbai, new ideas will take form through product development, process optimisation and eco-conscious advancements.

Designed to serve the evolving requirements of diverse sectors ranging from personal and home care to skin care applications, our R&D infrastructure will combine advanced analytical tools, formulation laboratories, pilot-scale equipment and digital monitoring systems. This integrated set-up will ensure comprehensive product lifecycle management, from conception to commercialisation.

Tailoring formulations to meet stringent performance, safety and regulatory standards for sensitive applications, such as baby care and skin care.

Integrating principles to minimise waste, energy use and water consumption to reduce environmental footprint.



Co-developing product formulations with customers to address specific performance, sensory and market requirements.

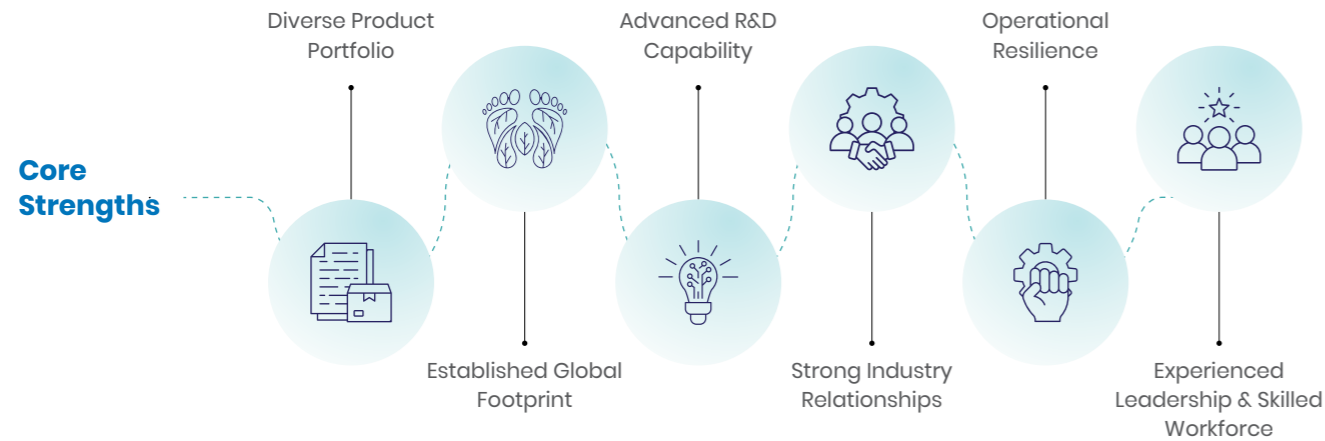
Development of new specialty surfactants with enhanced performance.

Customised formulations for home care, personal care, skin care, agrochemicals, and industrial applications.



Our Core Strength and Strategies in Place

The Pillars of our Excellence



Our Strategy



Expanding the Product Portfolio

We seek to consolidate our presence in high-growth segments by introducing value-added, high-margin surfactants and speciality ingredients. Our focus will be on premium and sustainable solutions in the Personal Care and Home Care categories. By broadening our product mix with niche, performance-driven formulations, we aim to extend our clientele and augment profitability.



Strengthening R&D and Innovation

Our Navi Mumbai R&D Centre remains the compass of our innovation roadmap that align with global sustainability standards., we aim to reduce environmental impact while maintaining performance and adhering to regulatory guidelines. Collaborations with FMCG partners and research institutions will continue to expedite product development timelines.



Deepening Market Penetration

We are expanding our domestic presence by nurturing long-term partnerships with established customers while engaging with emerging FMCG players. Globally, we are our focus spans high-potential regions, such as Asia-Pacific, the Middle East and Africa. This is supported by local distributor partnerships, technical collaborations and participation in industry exhibitions. These initiatives aim to widen our customer network and grow our share in crucial markets.



Driving Operational Excellence through Digital Transformation

By integrating automation, predictive analytics and real-time monitoring, we are creating a future-ready operational model. These technologies, coupled with advanced demand forecasting and smart inventory systems are allowing us to optimise resource utilisation, enhance manufacturing efficiency, improve supply chain agility and reduce lead times.



Embedding Sustainability Across Operations

We are heightening the utilisation of renewable energy, integrating advanced water recycling systems and advancing waste reduction initiatives. Insights from product lifecycle assessments are enabling eco-conscious product design and packaging choices, supporting both our ESG commitments and customer sustainability goals.



Enhancing Customer-Centric Solutions

We are strengthening our customer engagement by offering comprehensive formulation support that spans the entire journey from ideation and product development to regulatory clearance, backed by faster sampling and agile production scheduling. Our technical service teams collaborate closely with customers to deliver customised, performance-driven solutions that nurture enduring partnerships and bolster customer retention.

Our People

The Architects of Our Success

Our people continue to be the bedrock of our growth and innovation. Every new formulation, process improvement and customer solution is made possible by their expertise, ingenuity and dedication. We regard our employees not only as contributors to business outcomes but as partners in shaping our identity, culture and forward momentum.

Workplace Culture and Values



Collaboration



Transparency



Ethical Conduct



Innovation Mindset

Employee Well-being

We believe that thriving at work extends beyond meeting performance targets. Our well-being approach is supported by three integral pillars:

Care

We implement regular health check-ups, preventive screenings, wellness courses and awareness drives that address both physical and mental health.

Connection

We cultivate a sense of belonging by encouraging interactions through social events, team-building activities and inclusive celebrations.

Growth

We provide opportunities for continuous learning, skill enhancement and career development. These initiatives support both personal and professional advancement.



Employee Engagement Initiatives

We have thoughtfully curated a series of programmes aimed at strengthening employee engagement, boosting morale and enhancing team spirit. These initiatives go beyond recreation, reinforcing the bonds between teams and aligning employees with our values.



Cricket Tournament – A company-wide sporting event fostering camaraderie, teamwork and healthy competition.



Tree Plantation Drive – In alignment with our sustainability commitments, employees participated in creating greener spaces around operational locations.



Wellness Drives – Activities, such as the Step-a-thon Challenge, yoga and meditation sessions to promote physical fitness and mental relaxation.



Festive and Cultural Celebrations – Celebrations of Ganpati, Dussehra, Diwali, Hanuman Jayanti, Christmas and employee birthdays, ensuring cultural inclusivity.

Learning and Development

We recognise that sustained capability building is fundamental to both individual progress and organisational advancement. Our structured training programmes include:

Technical Training

We deliver focused sessions on process optimisation, product safety and handling protocols and sustainability practices. These programmes enable teams to improve operational efficiency, ensure safe working practices and integrate environmentally responsible methods into daily operations.

Leadership Development

Our leadership development initiatives include coaching and mentoring for managerial staff. This is complemented by workshops on decision-making, strategic thinking and people management. These programmes are designed to prepare future leaders, to guide teams effectively and contribute to long-term organisational growth.

Upskilling Workshops

We organise upskilling workshops focused on digital systems and automation tools, advanced quality control techniques, and regulatory compliance for global markets. These sessions equip employees with the skills needed to adapt to technological advancements and evolving industry standards.

Occupational Health and Safety

We consider health and safety to be inseparable from both operational excellence and employee well-being. Our methods transcend regulatory compliance, focusing on creating a safe, secure and hazard-free workplace across all locations. By embedding safety practices into every stage of operations and consistent awareness-building, we ensure that our people, assets and communities are protected at all times.

OHS Practices

01

Routine Drills

Regular fire and evacuation drills at all manufacturing units.

02

Strict Protocols

Mandatory use of PPE and adherence to operational safety standards.

03

Incident Monitoring

Active tracking and analysis of safety incidents, followed by preventive actions.

04

Audits and Reviews

Periodic safety audits to assess and improve risk management systems.



Environmental, Social & Governance (ESG)

ESG is more than a framework it is how we shape our growth journey. By embedding sustainability into operations, nurturing our people and communities and upholding transparency in governance, we create long-term value while contributing positively to the environment and society.

Impacted SDG



Environment

Responsible Growth, Sustainable Future

Environmental stewardship is a guiding principle that informs our business strategy and operational choices. As a chemical and surfactants manufacturer, we recognise our responsibility to minimise ecological impact while nurturing long-term sustainability. Our approach emphasises resource efficiency, and the integration of renewable energy across every stage of our operations.

Energy Efficiency

Energy optimisation remains integral to our broader sustainability agenda. During FY 2024-2025, we implemented specific targeted measures to curb power consumption and improve overall operational efficiency:

- Installed ultra-energy enhancement equipment for better temperature control.
- Introduced Variable Frequency Drives (VFDs) in place of conventional motor control for dynamic speed regulation.
- Upgraded traditional pumps to energy-efficient models without compromising performance.
- Replaced old air-conditioning systems with high-efficiency Fan Coil Units (FCUs), reducing cooling energy use by nearly 70%.
- Reduced monthly steam consumption through process and system improvements.



Water Conservation

Water is an indispensable resource and we have undertaken deliberate steps to reduce our consumption and secure availability for the future.

- Installed a dedicated water storage tank to secure supply and manage usage efficiently.
- Continued emphasis on water recycling and reuse within manufacturing processes to reduce freshwater dependency.



Waste Management and Circular Economy

We are committed to minimising waste generation and maximising resource recovery. By prioritising systematic segregation, treatment and recycling, supported by advanced waste treatment technologies, we are reducing our reliance on landfills. By embedding circular economy principles, we strive to transform waste into resources that support our sustainable growth.



Social

Excellence Beyond Business Boundaries

We believe that our role is not confined to business outcomes but extends beyond business outcomes to shaping a positive and lasting difference in the communities we serve. By combining company-led projects and employee-driven initiatives, we strive to address local requirements in healthcare, education, environmental protection and community well-being.

Our Focus Areas



Health



Education



Society



Environment



Cultural



Sports



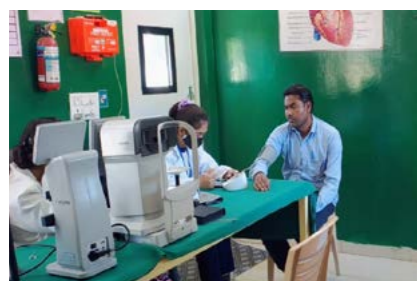
Socio Economic Development

Healthcare and Well-being

We recognise that health and preventive care are crucial aspects of community development and our initiatives reflect this commitment:

Health Camps

Organised medical check-ups for employees and extended healthcare services to neighbouring communities.



World Blood Donation Day

Conducted a voluntary blood donation drive in collaboration with certified healthcare providers, which saw enthusiastic participation from employees across departments.



Wellness Awareness

Hosted awareness sessions on the importance of regular blood donation, eligibility criteria and its critical role in supporting emergency care.



Community Development and Inclusion

In FY 2024-2025, we introduced focused initiatives to enhance the quality of life in communities surrounding our operations.

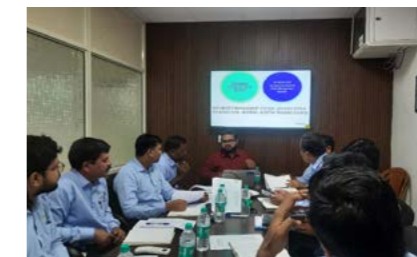
Wildlife and Animal Welfare

Partnered with local NGOs to support wildlife welfare projects and strengthened gaushalas for improved stray animal care.



Skill Development

Conducted vocational training programmes for local youth and women, enhancing employability and creating new avenues for income generation.



Educational Support

Upgraded infrastructure in local schools, distributed educational resources, and promoted awareness programmes.



National Unity Initiatives

Distributed national flags during significant events to nurture a spirit of unity and patriotism.



Environmental Stewardship in the Community

Our CSR efforts extend to environmental protection and greening initiatives:

Tree Plantation Drives

Employees and community members actively participated in extensive plantation activities aimed at enhancing local biodiversity.



Green Product Alignment

Advanced the substitution of conventional manufacturing ingredients with renewable and other alternatives, thereby reducing environmental footprint in and around operational areas.



Did you know ?

Every CSR initiative is tracked through a structured, on-ground monitoring approach to ensure lasting impact. Our officials conduct site visits and engage directly with stakeholders to gain first-hand insights into project progress.

Outcomes are assessed using the SMART framework- Specific, Measurable, Accurate, Realistic and Time-bound. The CSR Committee, either independently or through accredited external agencies, reviews the implementation of projects at least twice a year

and reports progress to the Board. This approach ensures that every initiative remains purpose-driven and delivers tangible benefits to the communities we serve.

Governance

Integrity Anchoring Every Decision

Governance is the framework that ensures our business is managed responsibly, ethically and in alignment with stakeholder expectations. We place strong emphasis on transparency, openness, and accountability in every decision-making process.

Our governance structure is designed to uphold compliance with regulatory requirements, safeguard shareholder interests and foster trust among customers, employees, partners and the communities we serve. Through well-defined policies, independent oversight and continuous monitoring, we ensure that our practices remain fair, responsible and forward-looking

Our Board of Directors Responsibility

The Board of Directors plays a central role in guiding the Company's vision and ensuring sustainable value creation. The Board provides strategic direction on matters of corporate strategy, acquisitions, joint ventures, investments and capital expenditure, ensuring that all decisions are aligned with long-term business objectives.

In addition, the Board safeguards the interests of stakeholders by overseeing governance practices, monitoring performance and ensuring adherence to ethical and regulatory standards. Through informed decision-making and proactive oversight, the Board ensures that the Company is positioned to respond effectively to emerging opportunities and risks while creating enduring value for shareholders, customers, employees and communities.



Board Committees

Composition

Audit Committee	Mulesh Manilal Savla – Chairperson	Chandrakant Vallabhaji Gogri – Member	Misha Bharat Gala – Member
Nomination & Remuneration Committee	Misha Bharat Gala – Chairperson	Mulesh Manilal Savla – Member	Chandrakant Vallabhaji Gogri – Member
Corporate Social Responsibility Committee	Chandrakant Vallabhaji Gogri – Chairperson	Nikhil Parimal Desai – Member	Misha Bharat Gala – Member
Stakeholder Relationship Committee	Dattatray Sidram Galpalli – Chairperson	Nikhil Parimal Desai – Member	Mulesh Manilal Savla – Member
Risk Management Committee	Nikhil Parimal Desai – Chairperson Mulesh Manilal Savla – Member	Santosh Madhaorao Kakade – Member Chandrakant Vallabhaji Gogri – Member	Nitesh Harakchand Medh – Member
Finance & Investment Committee	Nikhil Parimal Desai – Chairperson	Chandrakant Vallabhaji Gogri – Member	Santosh Madhaorao Kakade – Member

Certifications



ISO (9001:2015)



HALAL



RSPO



KOSHER



EFFCI



COSMOS CERTIFIED

Board of Directors



Mulesh Manilal Savla

Non-Executive -
Independent Director



Nikhil Parimal Desai

CEO & Managing Director



Chandrakant Vallabhaji Gogri

Non-Executive -
Non-Independent Director



Dattatray Sidram Galpalli

Non-Executive - Non-
Independent Director



Misha Bharat Gala

Non-Executive -
Independent Director



Santosh Madhaorao Kakade

Executive Director

Our Policies in Place

<p>Policy for determination of Material Subsidiary</p>	<p>Policy for Preservation and Archival of Documents</p>	<p>Policy On Preservation and Utilisation of Stationery - Blank Security Certificates, Warrants</p>
<p>Policy on Related Party Transactions</p>	<p>Policy on Determination on Materiality of Event</p>	<p>Whistle Blower Policy</p>
<p>Policy on Prevention of Sexual Harassment at Workplace</p>	<p>Dividend Distribution Policy</p>	<p>CSR Policy</p>
<p>Risk Management Policy</p>	<p>Board Diversity Policy</p>	<p>Nomination and Remuneration Policy</p>
<p>Code on Prohibition of Insider Trading</p>		



Corporate Information

Chairman & Independent Director

Mr. Mulesh Manilal Savla

CEO & Managing Director

Mr. Nikhil Parimal Desai

Executive Director

Mr. Santosh Madhaorao Kakade

Non-Executive Directors

Mr. Chandrakant Vallabhaji Gogri

Mr. Dattatray Sidram Galpalli

Independent Director

Mrs. Misha Bharat Gala

Chief Financial Officer

Mr. Nitesh Harakchand Medh

Company Secretary

Mrs. Priyanka Alok Chuarasia

Statutory Auditors

M/s. Gokhale & Sathe,
Chartered Accountants

Secretarial Auditor

M/s. Parikh & Associates (w.e.f. April 01, 2025)
Practicing Company Secretary

Registrar & Share Transfer Agent

MUFG Intime India Private Limited

(Formerly Known: Link Intime India Private Limited) C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra.

Tel No: +91 22 49186000

Fax: +91 22 49186060

Bankers

SVC Co-operative Bank Limited
Hongkong Shanghai Banking Corporation

Registered Office

Plot no 57, 58, 60 to 64, 62A, S-3/1, Sector-3, Sagore Village, Pithampur Industrial Area, District Dhar, Madhya Pradesh - 454775

Corporate Office

Unit 202, Plot 71, Udyog Kshetra, 2nd Floor, Mulund-Goregaon Link Road, Mulund (West), Mumbai - 400080, Maharashtra.

Ph. No: +91-22-6781 6435

Email:- investors@aarti-surfactants.com

Website:- www.aarti-surfactants.com

Corporate Identification Number

L24100MP2018PLC067037

Management Discussion and Analysis

ECONOMIC OVERVIEW

Global Economy

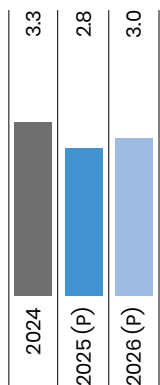
Amid a turbulent socio-political and economic landscape, the world economy showcased impressive resilience in CY 2024, with a 3.3% growth rate. The growth was supported by downward inflation trends. Inflation declined from 6.6% in CY 2023 to 5.7% in CY 2024, largely as a consequence of falling energy prices and stringent monetary policies that have been implemented by most countries. Growth remained divergent across regions. The US economy on the back of strong underlying demand and a strong labour market exhibited steady growth. Conversely, economies in the eurozone such as Germany navigated consumption slowdown. The

economy of China navigated issues in its property sector and witnessed a weaker than expected growth.

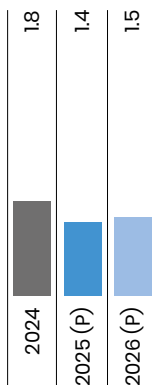
The global economy is forecasted to witness a moderate growth 2.8% in CY 2025 and 3% in CY 2026. It is expected that advanced economies will reach their inflation targets faster than developing economies. Inflation expected to be at 4.3% on average in CY 2025. With the recent imposition of tariffs by the US government and rising protectionist policies in various regions, the stability of global trade continues to be threatened. Despite these challenges, businesses are exploring new markets to bolster their supply chains, which is providing developing markets with opportunities. With supportive policy frameworks and technological innovation, the global economy is well-positioned to navigate challenges and capitalise on emerging opportunities.

Growth in the Global GDP (%)

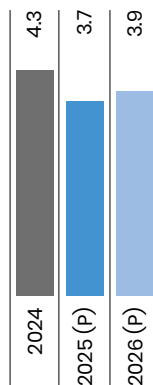
Global GDP growth



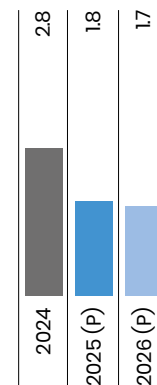
Advanced economies



EMDs



United States



P- projected

Source: World Economic Outlook, April 2025, IMF

Indian Economy

In FY 2025, the economy of India recorded a growth of 6.5%.¹ Despite a volatile economic landscape the nation retained its position as one of the fastest growing economies in the world. This growth was facilitated by robust performance across sectors, such as services, manufacturing and the agriculture. Rural demand remained robust, while urban demand moderated

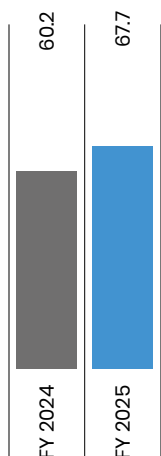
during the year under review. The headline CPI inflation averaged 4.6%, remaining within the Reserve Bank Of India (RBI) target range and enabling a follow-up 100 basis-point reduction in the repo rate till June 2025, to 5.5%. Moreover, the total FDI received by India was USD 67.7 billion, increasing from USD 60.2 billion in FY 2024. Additionally, the chemical industry in India was allowed 100% FDI under the automative route. This played a critical role in supporting the growth and development.

¹<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULT19032025F9CCA0AB1F7294130A950E2FD5448B5FC.PDF>



The outlook for the economy of India remains optimistic. The nation is projected to sustain the growth momentum at 6.5% for FY 2025-26. This is expected to be supported by strong domestic and foreign investments, expanding manufacturing activity and growth in trade and financial services. The government's sustained emphasis on capital expenditure, rising rural demand and the rapid development of both digital and physical infrastructure are likely to further drive economic progress. The growth in India's manufacturing infrastructure is likely to position it as a global manufacturing hub.

Growth in FDI inflow (USD in billion)



Source: Reserve Bank of India (RBI) Bulletin - March 2025

INDUSTRY OVERVIEW

Industry Global Surfactants Industry

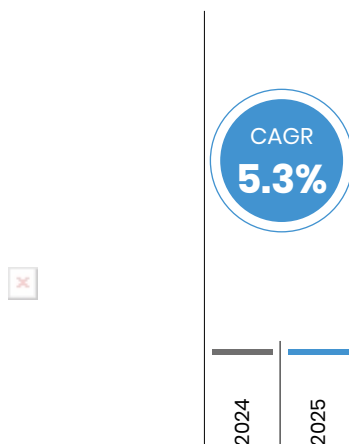
Surfactants are chemical agents that reduce surface tension between two substances, most commonly between a liquid and a solid or between two liquids. These compounds are extensively utilised in detergents, soaps, emulsifiers, foaming agents and dispersants, agriculture, pharmaceuticals and industrial processes. The global industry experienced notable growth during the period under review, buoyed by heightened consumer awareness of hygiene and transmission of illnesses and diseases through contaminated surfaces. Demand from the personal care and cosmetics industry further contributed to the upward trend.

In CY 2024, the global surfactant industry was valued at USD 39.5 billion.² Regionally, North America exhibited a strong growth trajectory. This growth was spurred by heightened demand across personal care, household

detergents and industrial cleaning applications. The Asia-Pacific region emerged as the fastest-growing market for surfactants facilitated by expedited industrialisation, urbanisation and escalating disposable incomes. The global surfactant industry remains intensely competitive, propelling innovation in technology and evolution of the regulatory landscape.

The global surfactant industry is envisioned to grow in the coming years at a CAGR of 5.3% from 2024 to 2030. Further, rising urbanisation in the Asia Pacific region will promote the adoption of eco-friendly and sustainable products within the global industry. The growth will be further bolstered by the growing adoption of e-commerce and urbanisation.

Growth in the global Surfactant industry³



Indian Surfactants Industry

The Indian surfactant industry exhibited dynamic growth during the year under review. This growth was catalysed by escalating demand across a broad spectrum of applications encompassing including personal care, household cleaning and industrial processes. Among these, rapid growth in the personal care and cosmetics sector greatly propelled the overall growth in the industry.

Amid heightened competition, key industry players shifted their focus towards product innovation and enhancement of their production capabilities. A visible transition towards eco-friendly surfactants in the industry was noticed during the reporting period. This shift was supported by rising environmental awareness as well as the stringent regulatory landscape on chemical usage. In addition, the R&D activities within the industry drove the innovation and development of various products that meet the specific needs of the consumers.

²<https://www.custommarketinsights.com/report/surfactants-market>

³<https://www.grandviewresearch.com/industry-analysis/surfactants-market>

In the years ahead, the Indian Surfactants industry is envisioned to sustain its growth trajectory and attain a market size of USD 10.92 billion by 2035.⁴ The growth of the Indian industry is expected to be driven by rising domestic consumption and strong export potential. In addition, the increasing demand for high-performance and environmentally friendly surfactant formulations is likely to further support the expansion of the Indian surfactants sector.

Industry-specific growth trends



Home Care Industry

The home and laundry care industry in India is dynamic and swiftly evolving. The industry is projected to grow at an estimated CAGR of 6.2% from 2025–2030.⁵ This growth is expected to be facilitated by growing purchasing power, the expanding footprint of modern retail formats and e-commerce. Although the traditional local grocers had significant contribution in the industry's growth, the rise in supermarkets, hypermarkets and e-commerce platforms have revolutionised the sale of home and laundry products. Along with this, product innovation and product differentiation remained key trends shaping the Indian home and laundry care industry.



Hair Care Industry

The Indian haircare industry remains notably fragmented. The growth in the industry is shaped by the presence of a diverse mix of global and domestic players. Over the years, the industry has witnessed consistent growth facilitated by the consumer preference for organic hair care products. Moreover, the industry is anticipated to expand at a CAGR of 8.8% from 2025 to 2030 and attain a market size of USD 9.70 billion by 2030.⁶ This growth in the industry is anticipated to be supported by changing

consumer preferences and the willingness of consumers to invest in premium products that deliver faster and reliable results. The industry has embraced innovation, particularly through the incorporation of natural and organic ingredients in hair care and styling products to meet the evolving market demand.



Beauty and Personal Care Industry

The strong economic expansion and expedited urbanisation of India has positively impacted the growth of the beauty and personal care industry. This growth has been reinforced by a confluence of factors, such as widened smartphone user-base and easier access to internet. Moreover, the growth of e-commerce platforms has broadened the accessibility of global and domestic brands to a larger customer base. In the coming years, this growth is expected to sustain as the industry is anticipated to attain a market size of USD 48.3 billion by 2033.⁷ Growing middle income demographic, elevated disposable income of the consumers are expected to be principal drivers of this growth.



Oral Care Industry

The growth in the Indian oral health industry can be attributed to the heightened awareness of oral health and preventive dental care. Along with this, the rising disposable incomes, demand for premium dental products, urbanisation as well as advancement in oral care technology have also contributed to the growth of Indian oral care industry. This growth is expected to continue further and the domestic industry is anticipated to attain a market size of USD 3.2 billion by 2033. The industry is expected to grow at a CAGR of 5.18% from 2025 to 2033. Augmented access to oral health care solutions owing to the expansion of modern retail channels and expedited adoption of e-commerce platforms is expected to fuel growth in the industry.

⁴[https://www.marketresearchfuture.com/reports/india-surfactants-market-47225#:~:text=India%20Surfactants%20Market%20Overview,\(USD%20Billion\)%20by%202035.](https://www.marketresearchfuture.com/reports/india-surfactants-market-47225#:~:text=India%20Surfactants%20Market%20Overview,(USD%20Billion)%20by%202035.)

⁵<https://www.globenewswire.com/news-release/2024/09/18/2947981/28124/en/Home-Laundry-Care-Market-in-India-2024-Regional-Market-Analysis-Trends-Opportunities-and-Forecast-by-Product-Type-Form-and-Sales-Channel-2020-2030.html>

⁶<https://www.mordorintelligence.com/industry-reports/india-hair-care-and-styling-products-market-industry>

⁷<https://www.imarcgroup.com/india-beauty-personal-care-market>



Baby Care Industry

The Indian baby care industry experienced swift growth over the years and it is characterised by a high degree of market concentration. Leading players have established strong brand recognition and offer an expansive portfolio of products. Additionally, industry witnessed a substantial flow of investment in R&D activities during the year under review. The domestic industry is anticipated to grow at a CAGR 14.35% from 2024 to 2030 and attain a market size of USD 31.68 billion in 2030. This growth in the industry will be supported by growing population, rising birth rate and augmented purchasing power among the consumers.



Industrial Surfactants

Industrial surfactants are a diverse group of chemicals with cleansing and solubility properties. The surge in demand for surfactants spanning industries, such as agriculture, textiles and paints has contributed to the overall growth of the Industrial Surfactants in India. Key players in the industry have invested heavily in R&D initiatives to develop innovative surfactants to cater to the evolving industry requirements.

Factors driving the demand for industrial surfactants in India

- India is anticipated to have the largest urban population in the world by 2050. This will substantially augment the demand for cleaning and personal care products, thereby bolstering growth in the industrial surfactant industry
- The Indian Government has introduced a suit initiative to support domestic manufacturing. These initiatives such as the 'Make in India' will play a

crucial role in promoting domestic manufacturing of high quality and innovative surfactant solutions

- By reducing the friction and providing lubrication for smooth drilling operations, the growth in industrial surfactants' demand will be supported by an increase in oil exploration activities
- The growth in the Indian pharmaceutical industry is anticipated to boost the growth of industrial surfactants that are essential for drug formulation
- Surfactants play an integral role in agrochemicals by enhancing the effectiveness of pesticides and herbicides. The Indian agrochemical industry is anticipated to grow at a CAGR of 6.5% from 2024 to 2030¹⁰.

Company Overview

Aarti Surfactants came into existence following the demerger of the home and personal care division of Aarti Industries Limited. The Company specialises in manufacturing ionic and non-ionic surfactants and speciality products. With a strong emphasis on quality, innovation, and customer-centricity, Aarti Surfactants aims to position itself as a trusted supplier of high-performance surfactants across industries such as home and personal care and expanding to Skin Care. The Company specialises in optimising manufacturing processes, enhancing asset utilisation and driving sustainable growth. The Company currently operates two manufacturing unit located in Madhya Pradesh and Silvassa along with a dedicated Research and Development Centre (R&D) in Navi Mumbai which plays a critical role in new product development, process optimization, and sustainability initiatives. The Company is led by a team of seasoned professionals and industry experts with deep technical knowledge and business acumen. The leadership team brings decades of experience across chemical manufacturing, supply chain, research, and regulatory affairs. The Company is committed to talent development, safety, and collaborative work culture, empowering its workforce to drive innovation and operational excellence.

⁸<https://www.globenewswire.com/news-release/2025/03/25/3048506/28124/en/Trends-Strategies-Shaping-India-s-US-3-2-Billion-Oral-Care-Market-2025-2033-Featuring-Colgate-Palmolive-India-Hindustan-Unilever-Procter-Gamble-Hygiene-Health-Care-and-Other-Key-Pl.html>

⁹<https://www.maximizemarketresearch.com/market-report/india-baby-care-product-market/122978/>

¹⁰<https://www.grandviewresearch.com/industry-analysis/india-agrochemicals-market-report>

Growth Drivers



Rising Demand in FMCG & Hygiene Segments – The increasing consumer focus on hygiene, health, and personal care continues to boost demand for surfactants used in household cleaning, laundry care, and personal care products. Post-COVID, hygiene-related categories have seen sustained momentum, with both urban and rural markets adopting higher consumption levels of cleaning and sanitization products. This trend is expected to remain a long-term structural growth driver.



Driving Sustainability – Evolving consumer preferences and tightening environmental regulations are accelerating the shift towards sustainable and eco-friendly surfactants. Global and domestic FMCG brands are actively seeking formulations with reduced environmental impact. The Company is leveraging its R&D expertise to develop eco-conscious solutions, incorporating renewable raw materials and adopting processes aligned with sustainability.



Robust R&D Capabilities – The Company's dedicated R&D Centre at Navi Mumbai is a key enabler of innovation, offering advanced formulation development, customization for client-specific requirements, and continuous improvement in product performance. With a focus on value-added and specialty surfactants, the R&D team works closely with customers to co-create solutions, thereby strengthening long-term business relationships.



Strategic Manufacturing Footprint – The Company's manufacturing facilities in Pithampur, Madhya Pradesh, and Silvassa are strategically located to offer logistics efficiency, cost advantages, and quick access to suppliers and key customer clusters. This geographic advantage not only ensures timely deliveries but also enhances competitiveness in both domestic and export markets.

Opportunities and Threats

Opportunities

1. Scaling Up in High-Growth Segments

The Indian chemical sector, including the surfactants space, is experiencing a surge in demand supported by rising household consumption, rapid urbanisation, and increasing disposable incomes. End-use industries such as FMCG, agriculture, and industrial manufacturing are expanding their consumption base, creating a favourable environment for capacity augmentation. There is a growing shift towards high-value, performance-driven surfactants, including mild and specialty blends that offer superior functionality, and compliance with global regulatory standards. By investing in world-class manufacturing infrastructure, adopting advanced process technologies, and integrating automation, the Company can cater to both domestic and international markets more effectively.

2. Expanding International Market Presence

Indian chemical companies have achieved robust export growth, and the surfactants sector is no exception. The Company's proven capabilities

in producing quality surfactants that meet stringent international specifications provide a strong foundation for deeper global penetration. Enhancing the Company's physical presence in key geographies through application development centres, regional warehouses, and dedicated sales offices will enable faster response times, closer customer collaboration, and improved value chain integration. This strategic expansion will not only capture new demand pockets but also strengthen relationships with multinational clients.

3. Strategic Collaborations, R&D Alliances, and Programmatic M&A

A shift from ad-hoc acquisitions to a structured, programmatic approach to mergers, acquisitions, and joint ventures offers significant potential. Collaborating with global innovators can accelerate access to proprietary surfactant technologies, eco-friendly chemistries, and specialised application expertise. As international companies realign portfolios due to margin pressures, there is a window of opportunity to acquire niche technologies and R&D platforms that complement the Company's growth aspirations and sustainability goals.

4. Enhancing Capital Expenditure and Process Efficiency

The Indian chemical industry has over USD 11.5 billion of planned investments in the near term, and surfactant manufacturers are expected to be key beneficiaries. For the Company, upcoming capacity expansion and debottlenecking projects offer a chance to embed best-in-class project execution frameworks, minimising delays and cost overruns. Leveraging process intensification, energy-efficient technologies, and digital manufacturing tools can drive operational excellence. Furthermore, adopting sustainable principles and sourcing will strengthen compliance readiness and appeal to environmentally conscious customers.

Threats

1. Dependence on Imported Raw Materials

India's reliance on imported raw materials exposes the industry to global price volatility and supply chain disruptions, impacting production costs and timelines.

2. Intensifying Global Competition

The entry of new players, especially from countries like China and the Middle East, is increasing competition in the speciality chemicals market, potentially leading to price pressures and reduced market share for Indian companies.

3. Stringent Environmental and Regulatory Compliance

Adhering to international environmental standards and regulations can be challenging, particularly for small and medium-sized enterprises, due to the associated compliance costs.

4. Infrastructure and Logistics Challenges

Inadequate infrastructure, including poor port connectivity and an unreliable power supply, can hinder efficient production and distribution, thereby affecting the industry's overall competitiveness.

5. Geopolitical Tensions and Trade Disruptions

Global geopolitical issues can lead to trade disruptions, affecting export momentum and supply chains, which in turn can impact the earnings of Indian speciality chemical companies.

6. Tariffs and Trade Restrictions

The imposition of tariffs and other trade restrictions by the United States poses a potential threat to the Company's export competitiveness. Any increase in tariffs on imports may adversely impact

demand from US-based customers, reduce price competitiveness, and put pressure on margins. Additionally, such measures may disrupt supply chains, delay shipments, and create uncertainty in long-term contracts. While the Company continues to diversify its customer base across geographies to mitigate concentration risks, sustained or expanded tariff measures could impact export volumes and profitability.

7. Intensifying Competition and Margin Pressure

The surfactants and specialty chemicals sector is witnessing heightened competition from both domestic players and global entrants expanding their presence in India. Increased competition in key product categories may result in pricing pressure, reduced margins, and higher customer acquisition costs. Additionally, the growing shift towards value-added and sustainable solutions demands continuous investment in R&D and capacity building. Failure to maintain cost efficiency, differentiation, and innovation could impact the Company's market share and profitability.

Formation of Research and Development (R&D) Centre

The Company recognises that research and development is not merely a support function but a strategic enabler for sustainable growth in the highly dynamic chemical industry. The increasing diversification of customer requirements, combined with evolving environmental regulations and global competition, has made continuous innovation an imperative. Against this backdrop, the Company has made significant investments to develop robust R&D capabilities, positioning itself to respond proactively to market trends and technological advancements.

The R&D centres are manned by highly qualified professionals possessing deep domain expertise in surfactants and specialty chemicals. These teams are adept at translating market insights into product innovations that cater to emerging customer needs, comply with stringent quality and environmental standards, and offer competitive cost efficiencies.

The Company's R&D infrastructure is equipped with advanced analytical, formulation, and pilot-scale facilities, enabling end-to-end research, testing, and scale-up. A structured programme management framework ensures a seamless workflow across the product lifecycle from new enquiry and feasibility

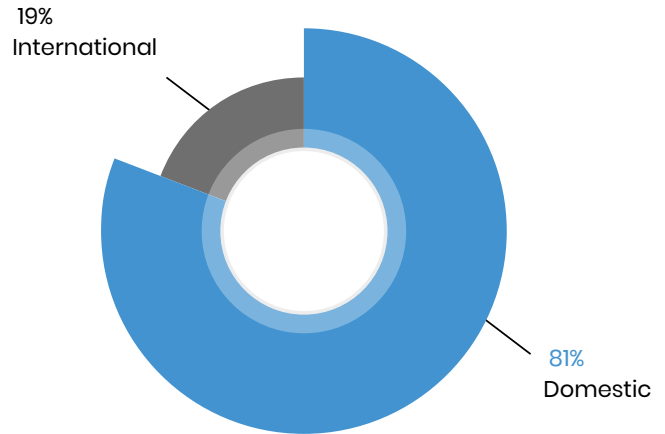
analysis to lab-scale development, pilot testing, and full commercialisation. This approach not only accelerates time-to-market but also optimises resource utilisation and ensures alignment with strategic priorities.

Sustainability and product stewardship remain at the core of the Company’s R&D agenda. Efforts are directed towards developing eco-friendly formulations, reducing energy and water footprints, and maximising the use of renewable and eco-friendly raw materials. The Company continues to explore innovative solutions for waste valorisation, enabling conversion of by-products into value-added products, thereby supporting circular economy objectives.

Collaboration is another defining feature of our R&D ecosystem. The R&D function works in close synergy with sales, production, and quality assurance teams to ensure that innovations are not only technically sound but also commercially viable and scalable. We also engage with customers, suppliers, and academic institutions to co-create solutions that address specific performance requirements and market gaps.

This integrated and forward-looking R&D framework enables the Company to strengthen its competitive positioning, expand its product portfolio, and capture opportunities in both domestic and international markets. By embedding innovation into its core business processes, the Company is well-positioned to sustain long-term value creation for all stakeholders.

Geographic presence as on March 2025 (in%)



Financial Performance with respect to Operational Performance

(₹ In Lakhs)

Particulars	FY 2024-25	FY 2023-24
Total income	66,256.42	58,999.05
COGS	54,184.43	44,583.19
Employee costs	2013.38	1789.48
Other expenses	6250.66	6,240.09
EBITDA	4539.71	4622.25
EBITDA margin	6.85%	7.83%
Depreciation	1711.65	1,598.02
EBIT	1649.96	3218.89
EBIT margin	2.49%	5.43%
finance costs	1155.15	1,403.36
PBT	2114.74	3,312.88
Tax	615.74	1,086.19
PAT	1433.42	2,121.32
PAT margin	2.16%	3.60%

Also, the Company has been rated as CARE A-; Stable and CARE BBB+; Stable for its Long Term Banking Facilities and Long Term Instruments i.e. Redeemable Preference shares from CARE Ratings Limited.



Ratio	FY 2024-25	FY 2023-24	Increase/Decrease
Interest Coverage Ratio	4.30%	4.49%	(0.19%)
Operating Profit Margin	7.53%	10.68%	(3.15%)
Net Profit Margin	2.27%	3.77%	(1.15%)
Return on Net Worth	12.28%	11.50%	0.78%

Business Outlook

Looking forward, in FY26, the Company's business environment is expected to be shaped by a combination of encouraging demand trends and evolving supply-side dynamics across global markets. The Company remains focused on leveraging its diversified presence, robust customer relationships and operational strengths to navigate these conditions and capture emerging opportunities.

Demand Dynamics

The demand landscape across the key operating regions is showing a steady and broad-based recovery. In the Asia-Pacific (APAC) and European markets, sustained momentum is supported by improving consumer sentiment, stabilising inflation, and resilient industrial activity. These regions are also benefitting from a gradual rebalancing of supply chains and increased regional trade flows, offering us new avenues for market penetration.

India's domestic market is regaining momentum, aided by improving urban demand and the anticipated rural consumption boost from a higher-than-average monsoon as forecast by the India Meteorological Department. Historically, favourable monsoon conditions have led to increased agricultural output, higher rural incomes, and a ripple effect on consumption in multiple sectors such as a positive signal for the Company's domestic sales outlook.

Supply-Side and Cost Environment

While demand trends are showing signs of improvement, supply-side challenges remain a key consideration. Price volatility is expected to persist, particularly in light of the United States' imposition of reciprocal tariffs, which has introduced additional uncertainty in global trade flows.

Furthermore, ongoing logistical challenges – including congestion at major ports and the continued avoidance of the Suez Canal route due to geopolitical risks – are likely to keep transit times and shipping costs above historical averages. These factors may impact input

costs and delivery timelines, necessitating continued focus on supply chain optimization, strategic sourcing, and operational efficiency.

We are addressing these challenges by actively optimising our logistics strategy, diversifying sourcing channels, and building greater resilience into our supply chain. Our established supplier network and operational flexibility give us the ability to respond swiftly to disruptions, thereby minimising potential business impact.

Macroeconomic Enablers

We believe that macroeconomic stability will play a pivotal role in sustaining the ongoing recovery. The revival of global consumption, supported by a potential easing of interest rates in key economies, would encourage both consumer spending and industrial investments. This could, in turn, drive incremental demand for our products across multiple sectors and geographies.

Strategic Positioning for Growth

Barring any unforeseen macroeconomic or geopolitical disruptions, we expect FY26 to be a year of renewed growth momentum. Our diversified global portfolio, presence in both mature and emerging markets, and ability to offer customised, high-value products position us well to capture incremental demand. Additionally, our ongoing investments in R&D, operational efficiency, and customer engagement will serve as critical enablers of long-term competitiveness.

In alignment with strategic priorities, the Company continues to strengthen its market positions, expand in high-growth geographies and explore synergistic opportunities that can enhance shareholder value. The focus remains on delivering sustainable growth, supported by disciplined execution and prudent financial management.

Overall, the Company remains cautiously optimistic about the business outlook for FY 2026. The combination of improving demand, a proactive operational strategy and a diversified market presence provides the Company with the confidence to navigate uncertainties while capitalising on the positive demand trajectory.

Human Resources

Human resources form the cornerstone of Aarti Surfactants' long-term success and competitiveness. The Company's HR strategy is thoughtfully crafted to attract, develop, and retain a highly skilled, motivated, and diverse workforce. This approach is underpinned by a commitment to creating a safe, inclusive, and positive work environment that fosters both personal well-being and professional growth.

Employee safety and welfare remain paramount. The Company undertakes regular health and wellness initiatives, including periodic medical check-ups, wellness courses and fitness challenges aimed at promoting holistic well-being. Equal emphasis is placed on learning and development, with targeted upskilling programs designed to equip employees with the knowledge and competencies required to excel in a rapidly evolving industry landscape. Structured career development pathways, mentorship opportunities, and training interventions are provided to enable employees to realise their full potential.

The Company also upholds its commitment to equitable employment practices, offering fair opportunities regardless of gender, background, or experience. An engaging and collaborative workplace culture is actively nurtured, ensuring that every employee feels valued, respected, and encouraged to contribute their best.

As on March 31, 2025, the Company employed 374 people across its operations, reflecting its continued focus on building a robust human capital base to support sustainable growth.

Information Technology

Given the nature of the industry, Information Technology is integral to the Company's operations, enabling efficiency, data security, and resilience. The Company maintains stringent data privacy, cybersecurity, and information security measures to safeguard sensitive business information and ensure confidentiality and integrity. Robust controls, governance mechanisms, and an Information Security Management System (ISMS) assign clear responsibilities to all stakeholders, including employees, contractors, vendors, suppliers, customers, and visitors. Advanced cybersecurity protocols protect against malicious attacks and unauthorised access, while strong data management practices enhance decision-making and mitigate risk. Personal data protection remains a priority, and a well-defined Business Continuity and Disaster Recovery plan ensures minimal disruption and rapid restoration of operations in the event of unforeseen incidents.

QUALITY ASSURANCE

The Company is committed to delivering products that meet global quality standards, supported by advanced R&D and Quality Control (QC) laboratories equipped with state-of-the-art analytical instruments for continuous monitoring. Stringent quality protocols are embedded across operations to ensure consistency, reliability, and customer satisfaction. By emphasising domestic sourcing, the Company reduces dependence on imports, strengthens its supply chain, and maintains consistent product quality. Its focus remains on being a dependable provider of high-quality surfactants for home care and personal care applications.

Aim

- Improve Quality of its products and services
- Surpass customer's & relevant stakeholders needs & expectations
- Upgrade manufacturing technologies and quality standards to achieve and maintain quality leadership, with trust on eco-friendly processes

Effort






- Robust quality systems to manufacture and deliver superior quality products
- Ensure compliance to high quality standards
- Safety, quality and efficacy global standards maintained at all our facilities
- Adhere to "RIGHT THE FIRST TIME" approach in planning and execution of all the process, products and services through a life cycle approach
- Seek constant customer feedback for product and process improvements
- Strict compliance to various national and international standards

Result

- A motivated team with a world-class competency to achieve the aims
- Superior quality products and services delivered to customers with Right Time First
- Delivered more than the customer ask
- Stay ahead of curve by understanding customer needs and market trends

Risks and Concerns

The Company operates in a dynamic business environment where various internal and external factors can impact its operations, profitability, and long-term sustainability. Key risks and their mitigation strategies are as follows:

Category	Risk Description	Mitigation Strategy
Supply Chain Disruptions 	Interruptions in supply chain and transportation networks may limit access to essential raw materials and delay delivery of finished goods.	<ul style="list-style-type: none"> Maintain safety stock of critical inputs and finished goods. Partner with multiple logistics providers to ensure flexibility. Use technology for real-time tracking and swift resolution of bottlenecks.
Project Development Challenges 	Prolonged project timelines may increase financing needs and postpone revenue generation.	<ul style="list-style-type: none"> Actively monitor and optimise receivables, payables, and inventory to sustain liquidity. Secure short-term funding facilities to bridge working capital gaps during non-revenue phases.
Environmental & Weather-Related Risks 	Unpredictable weather patterns and climate variability can escalate operational costs and disrupt production processes.	<ul style="list-style-type: none"> Invest in energy-efficient technologies to reduce dependency on high-cost utilities. Explore alternative and renewable energy sources to stabilise costs.
Resource Utilisation Constraints 	Misalignment between production capacity, manpower, and demand could create operational inefficiencies.	<ul style="list-style-type: none"> Regularly review plant and workforce utilisation to optimise productivity. Strengthen coordination among production, procurement, finance, and sales teams for effective resource deployment.
Geopolitical & International Trade Risks 	Political instability, sanctions, or shifts in trade policies can disrupt cross-border operations and market access.	<ul style="list-style-type: none"> Continuously monitor political and economic developments in key markets. Adopt secure payment instruments such as letters of credit or advance payments to safeguard receivables.
Exposure to Tariffs and Trade Restrictions 	Tariffs and trade restrictions, particularly in the US, may reduce export competitiveness, impact demand, and put pressure on margins	<ul style="list-style-type: none"> Expanding into new geographies and high-value product segments to reduce dependency and maintain competitiveness. Streamlining procurement, production, and logistics while monitoring trade regulations to manage tariff impact.

Internal Control Systems and Adequacy

The Company has a well-structured internal control system designed to ensure strict adherence to established policies and procedures, compliance with applicable laws and regulations, accuracy and reliability of management information and financial reporting, timely detection and prevention of fraud, and safeguarding of assets against unauthorised use or disposition.

The internal control framework is commensurate with the size, scale, and nature of the Company's operations. It promotes ethical business practices, supports sound corporate governance, and facilitates effective risk management. The Company has appointed internal auditors to monitor and verify compliance with internal policies, procedures, and legal requirements.

The Audit Committee of the Board provides oversight of the internal audit function, reviews the adequacy and effectiveness of internal controls, evaluates audit findings, and monitors implementation of recommendations. The Committee ensures that identified control gaps are addressed promptly and effectively. Any deviations are promptly reported to management, allowing for swift



corrective action to ensure business continuity and maintain risk at manageable levels.

Internal audits are conducted in accordance with an annual audit plan approved by the Audit Committee. The Company follows a risk-based internal audit approach covering both manufacturing facilities and head office processes, ensuring that the audit focus remains aligned with the Company's operational priorities and risk profile. The Audit Committee receives detailed reports on audit observations and recommendations, along with periodic updates on the status of corrective actions until their closure.

Cautionary Statement

The Management Discussion and Analysis's statements about the company's goals, forecasts, estimates and expectations can qualify as "forward-looking statements" under the relevant securities laws and regulations. A number of factors may cause assumptions, actual future outcomes and events to differ considerably from those stated in the forward-looking statements, so readers are advised not to rely on them too much. The Company is not obligated to update any forward-looking statements based on new information.



Board's Report

To the Members,

The Board of Directors (“**Board**”) are pleased to present the Seventh Annual Report of Aarti Surfactants Limited (“**ASL**” or “**Company**” or “**your Company**”) together with Company’s Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2025.

1. FINANCIAL PERFORMANCE AND SUMMARY

The Company’s Financial performance for the year ended March 31, 2025, is summarised below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2024-2025	2023-2024	2024-2025	2023-2024
Revenue from Operations	65,908.54	58,985.74	65,908.54	58,985.74
Other Income	347.88	13.31	347.89	13.31
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	4,561.29	6,314.26	4,539.71	6,226.00
Less: Depreciation/Amortisation	1,711.65	1,598.02	1,734.60	1,603.75
Profit/loss before Finance Costs, Exceptional items and Tax Expense	2,849.64	4,716.24	2,805.11	4,622.25
Less: Finance Costs	1,155.15	1,403.36	1,155.15	1,403.36
Profit/loss before Exceptional items and Tax Expense	1,694.49	3,312.88	1,649.96	3,218.89
Add/(less): Exceptional items	420.25	-	420.25	-
Profit/loss before Tax Expense	2,114.74	3,312.88	2,070.21	3,218.89
Less: Tax Expense (Current & Deferred)	615.74	1,086.19	615.74	1,086.19
Profit/loss for the year (1)	1,499.00	2,226.69	1,454.47	2,132.70
Other Comprehensive Income/loss (2)	(21.05)	(11.37)	(21.05)	(11.37)
Total (1+2)	1,477.95	2,215.32	1,433.42	2,121.33

Your Company remains committed to sustainable growth, operational excellence, and delivering long-term value to stakeholders, while continuing to navigate dynamic market conditions with resilience and strategic agility.

The state of the Company’s affairs is given in the Management Discussion and Analysis, which forms part of this Annual Report.

2. CONSOLIDATED FINANCIAL STATEMENTS

The Board is pleased to present the Consolidated Financial Statements of the Company, prepared in accordance with the applicable provisions of the Companies Act, 2013, including Section 129(3), and Regulations 33 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Consolidated Financial Statements have been drawn up in compliance with the Indian Accounting Standards (Ind AS) as prescribed under the Companies Act, 2013, thereby ensuring consistency, transparency, and comparability in the Company’s financial reporting.

3. TRANSFER TO RESERVES

The Company has not transferred any amount to the reserves for the financial year ended March 31, 2025. The entire profit for the year has been retained in the Surplus Account of the Statement of Profit and Loss.

4. DIVIDEND

Your Board of Directors recommended a Dividend of 1.00/- (@10%) per share subject to approval of the Shareholders at the ensuing 7th AGM, for the year 2024-2025, resulting in a total payout of ₹ 84,58,495 (Rupees Eighty-Four Lakhs Fifty-Eight Thousand Four Hundred and Ninety-Five only).

The Dividend payout is in accordance with the Dividend Distribution Policy which is available on the website of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company’s website at www.aarti-surfactants.com/policies.htm

5. CAPITAL & FINANCE

Share Capital

Your Company's Equity Share Capital is as follows:

Issued, Subscribed & Paid up	As of March 31, 2025 (₹ in lakhs)	As of March 31, 2024 (₹ in lakhs)
84,58,495 Equity Shares of ₹ 10/- each fully paid up	845.85	847.68
Less: Calls unpaid 18,273 Equity Shares	-	(1.10)
Amount paid-up on 18,273 Equity Shares of ₹ 10 each forfeited	0.73	-
TOTAL	846.58	846.58

The Company had issued 8,92,291 equity shares of face value ₹ 10 each on a rights basis (Rights Equity Shares'). In accordance with the terms of issue, ₹ 222 per Rights Equity Share, i.e., 40% of the Issue Price, was received from the allottees on application, and the shares were allotted. The Board made the First and Final call of ₹ 333 per Rights Equity Share (including a premium of ₹ 327 per share) in January 2024. As of March 31, 2024, an aggregate amount of ₹ 60.85 lakhs were unpaid on 18,273 partly paid-up Rights Shares. The Board of Directors, at its meeting held on June 5, 2024, approved the forfeiture of all 18,273 partly paid-up equity shares of face value ₹ 10 each, on which the First and Final Call amount was not received, in accordance with the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Company has intimated both stock exchanges and filed the necessary forms with the MCA.

The equity shares so allotted rank pari passu with the existing equity shares of the Company. Except as stated herein, there was no other change in the share capital of the Company.

In terms of Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there was no deviation or variation in utilization of issue proceeds, received in the form of 'first and final call money' from conversion of 8,74,018 partly paid-up equity shares into fully paid-up equity shares of face value ₹10/- each, during the period ended March 31, 2024 and same was filed with Stock Exchanges on May 10, 2024. The said conversion and utilization of Issue Proceeds was in accordance with the Letter of Offer dated January 18, 2023 pertaining to Company's Rights Issue. The necessary details with respect to the utilization of issue proceeds is available on the Company's website at <https://www.aarti-surfactants.com/material-and-recent-news>.

Borrowings and Credit Rating

Total *long-term borrowings of the Holding Company and its Subsidiary stood at ₹ 2,760.27 as on March 31, 2025 as against ₹ 4,793.43 lakhs as on March 31, 2024. Short term borrowings were ₹ 8,112.99 as on March 31, 2025 as against ₹ 4,929.12 lakhs as on March 31, 2024.

*The long term borrowings includes 0% Non-Convertible Redeemable Preference Shares of face value of ₹ 10/- each.

The Company has not defaulted on payment of any dues to the financial lenders.

The Company's borrowing programmes have received the credit ratings from CARE Ratings Limited, details of which is given in the Corporate Governance Report forming part of this Annual Report and is also available on the website of the Company.

During FY2024-2025, the Company's outlay towards capex was ₹ 1,993.31 lakhs for the standalone and ₹ 2,023.58 lakhs at the consolidated level.

6. DETAILS OF SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES

As on March 31, 2025, the Company has **one (1) wholly-owned subsidiary**, namely *Aarti HPC Limited*. The subsidiary company is yet to commence its operations.

The Company does not have any material subsidiary whose net worth or turnover exceeds 10% of the consolidated net worth or turnover, respectively, of the Company in the immediately preceding accounting year. The Policy on Determining Material Subsidiaries has been formulated and is available on the Company's website at <https://www.aarti-surfactants.com/policies.htm>.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and its subsidiary in compliance with the applicable accounting standards, which forms part of this Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the salient features of the financial statements of the subsidiary in the prescribed format **AOC-1** are annexed to this Report as 'Annexure A' and form an integral part thereof.

Further, in compliance with Section 136 of the Companies Act, 2013, the Annual Report, Audited Financial Statements, and other related documents have been made available on the Company's website at www.aarti-surfactants.com/disclosures-regulation-46. These documents are available for inspection during business hours until the date of the forthcoming AGM at the Company's Registered Office and also in electronic form. Members who wish to inspect the same may write to the Company Secretary at investors@aarti-surfactants.com.

It may further be noted that the Company does not have any associate company, joint venture, or holding company relationship.

7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loans, guarantees, and investments made by the Company, as required under Section 186 of the Companies Act, 2013 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are disclosed in the notes to the financial statements forming part of this Annual Report.

8. MANAGEMENT DISCUSSION AND ANALYSIS

A report on the Management Discussion and Analysis for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming an integral part of this Annual Report.

9. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

Your Company actively seeks to adopt global best practices for an effective functioning of the Board and believes in having a truly diverse Board

whose wisdom and strength can be leveraged for creating greater stakeholder value, protection of their interests and better corporate governance. The Company's Board comprises eminent persons with proven competence and integrity, who bring in vast experience and expertise, strategic guidance and leadership qualities.

The Board of Directors ("Board") of the Company is carefully structured to achieve an optimal balance, consisting of Executive and Non-Executive Directors, including an Independent Woman Director. This composition adheres strictly to the current provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ensuring compliance with governance standards.

In accordance with the prevailing provisions of the Section 149 of the Companies Act, 2013 read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, as on March 31, 2025, the Board of Directors, comprises of Six Directors (with Two Executive Directors, Two Non-Executive Non- Independent Directors and Two Independent Directors).

The Board is proactive in providing strategic guidance and fulfills its fiduciary responsibilities with a steadfast commitment to safeguarding the interests of the Company and its stakeholders.

Additionally, all Directors of the Company have confirmed that there are no disqualifications against them for appointment as directors, in accordance with Section 164 of the Companies Act, 2013.

Independent Directors

The Company has received requisite declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under Section 149(6) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. These declarations include confirmations that they are not barred from holding the office of director by any SEBI order or any other

authoritative body. In the opinion of the Board, all the Independent Directors satisfy the criteria of independence as defined under the Act, rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and that they are independent of the Management of the Company. Furthermore, they have affirmed their adherence to the Code of Conduct outlined in Schedule IV of the Companies Act, 2013.

In the opinion of the Board, all Independent Directors (including those appointed during the year) possess requisite qualifications, experience, expertise, proficiency and hold high standards of integrity for the purpose of Rule 8(5)(iii)(a) of the Companies (Accounts) Rules, 2014. In terms of the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has identified list of key skills, expertise and core competencies of the Board, including the Independent Directors, details of which are provided as part of the Corporate Governance Report.

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors (including those re-appointed during the year) have registered themselves with the Independent Directors Databank and also completed the online proficiency test conducted by the Indian Institute of Corporate Affairs, wherever required.

Independent Directors' Review Meeting

Separate meetings of the Independent Directors were convened to assess the performance of Non-Independent Directors and the effectiveness of the Board and its committees collectively. During this session, a comprehensive questionnaire designed to probe various aspects of Board operations was distributed among the Directors. The evaluation criteria for Independent Directors encompassed their level of engagement in meetings, interpersonal skills, understanding of the business and its subsidiaries, capacity for independent judgment, expertise, and adherence to the compliance framework.

Changes in Directors and Key Managerial Personnel

I. Appointment / Re-appointment of Directors

In terms of the Company's Policy on Nomination and Remuneration Committee ("NRC Policy"), the Board at its meeting held on April 22, 2024, based on the recommendation of Nomination and Remuneration Committee and

evaluation of the balance of skills, knowledge, experience and expertise on the Board and that of the respective Director, approved and recommended to the members the following matter relating to re-appointment of Independent Director, who is not liable to retire by rotation:

- 1) Re-appointment of Mrs. Misha B. Gala (DIN: 08523865) as an Independent Director for a second term of five years with effect from August 20, 2024 upto August 19, 2029, based on the positive outcome of her performance evaluation and contributions during her first term as Independent Director.

Subsequently, the Members approved the aforesaid re-appointment vide special resolution at the 6th Annual General Meeting (AGM) of the Company held on August 14, 2024.

The Board at its meeting held on August 05, 2025, based on the recommendation of Nomination and Remuneration Committee, approved the below matters subject to approval of Members at the 7th Annual General Meeting:

- 1) Appointment of Mr. Parimal H. Desai (DIN:00009272), as a Non-Executive Director of the Company who has attained the age of 75 years, with effect from October 01, 2025.
- 2) Appointment of Mrs. Nisha B. Shah (DIN:10049176), as an Independent Director of the Company for a period of three (3) years with effect from October 01, 2025.

Directors Retiring by Rotation

In line with Section 152 of the Companies Act, 2013 the Companies (Management & Administration) Rules, 2014, and the Articles of Association of the Company, Mr. Santosh M. Kakade (DIN: 08505234), an Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting. Mr. Kakade, being eligible, has offered himself for re-appointment. The Board of Directors recommends his re-appointment, acknowledging his invaluable contributions to the board and the Company at large.

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial

Standard-2 on General Meetings, a brief profile of the Directors proposed to be appointed / re-appointed is made available, as a part of the Notice convening 7th AGM.

II. Key Managerial Personnel

As of the date of this report, the Key Managerial Personnel of the Company, in accordance with the provisions of Section 2(51) and Section 203 of the Companies Act 2013, include Mr. Nikhil P. Desai, serving as Chief Executive Officer & Managing Director, Mr. Nitesh H. Medh as Chief Financial Officer and Mrs. Priyanka A. Chaurasia as Company Secretary & Compliance Officer.

Familiarisation Programme for Independent Directors / Non-Executive Directors

The Members of the Board of the Company are afforded many opportunities to familiarise themselves with the Company, its Management and its operations. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its various operations and the industry in which it operates.

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Executive Directors provide an overview of the operations and familiarize the new Non-Executive Directors on matters related to the Company's values and commitments. They are also introduced to the organization structure, constitution of various committees, board procedures, risk management strategies, etc.

Pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company imparted various familiarisation programmes for its Directors including periodic review of Investments of the Company at Finance Investment Committee Meetings, Regulatory updates, Industry Outlook, Business Strategy at the Board Meetings and changes with respect to the Companies Act, Taxation and other matters, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Framework for Related Party Transactions, etc. at the Audit Committee Meetings, Economic Environment & Global Scenario, Frontier Risks, Business Entity Risks, etc. at the Risk Management Committee Meetings, Products Launch and their Showcase etc. The

details as required under Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available on the website of your Company at <https://www.aarti-surfactants.com/independent-directors.htm>.

Meetings of Board & Committees

The details of the Board of Directors and Committees along with their composition, number of meetings held and attendance at the meetings during the FY2024-2025 are provided in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the Board/Committee's Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Companies Act, 2013 the Directors, to the best of their knowledge and ability, confirm that for the year ended March 31, 2025 that;

- a) in the preparation of the annual financial statements for the year ended March 31, 2025, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. ANNUAL PERFORMANCE EVALUATION

The Company has a structured assessment process, wherein the Nomination and Remuneration Committee of the Company has laid down the criteria of performance evaluation of the Board, its Committees and the Directors, including the Chairman. The evaluations are carried out in a confidential manner and each member of the Board provides his/her feedback by rating based on various metrics. Feedback is collected through a structured questionnaire.

Under the two layers evaluation process, Independent Directors evaluate the performance of the Board of Directors, Non-independent Directors and the Chairman of the Company. Later the Board of Directors evaluate performance of the Board itself, its Committees and the Board members.

The performance evaluation during the year highlighted an overall better rating in areas such as Board procedure, participation, and leadership. The Board demonstrated strong independence and integrity, with full participation in the evaluation process. Improvements were noted in Board Committees, particularly in risk management and ESG compliance, with effective communication between executive and non-executive members. Suggestions for further enhancement included a focus on emerging risks (digital, cyber, and geopolitical), more frequent formal communication regarding budget impacts, and additional training sessions to keep Directors updated on industry developments. The Board and Management are committed to implementing these measures to enhance governance effectiveness in the current financial year.

11. AUDIT COMMITTEE

The details of the composition of the Audit Committee, their terms of reference, meetings held, etc. are provided in the Corporate Governance Report, which forms part of this Report. During the year, there were no cases where the Board had not accepted any recommendation of the Audit Committee.

12. AUDITORS

Statutory Auditor and their Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Members at the 1st Annual General Meeting ("AGM") of the Company held on October 21, 2019, appointed Gokhale & Sathe,

Chartered Accountants (Firm Registration No. 103264W) as the Statutory Auditors of the Company for a term of five (5) years. Accordingly, their first term concluded at the 6th AGM.

Based on the recommendation of the Audit Committee, the Board of Directors, at its meeting held on April 22, 2024, approved the re-appointment of Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W) as the Statutory Auditors of the Company for a second term of five (5) years, commencing from the conclusion of the 6th AGM up to the conclusion of the 11th AGM to be held in the year 2029. The said re-appointment was subsequently approved by the Members at the 6th AGM held on August 14, 2024.

Gokhale & Sathe have consented to act as Statutory Auditors and confirmed their eligibility for re-appointment in terms of Section 141 and other applicable provisions of the Companies Act, 2013. The Audit Committee and the Board recommended their re-appointment after reviewing their performance during the first term, and considering factors such as independence, industry experience, professional expertise, and the quality of audit. The Audit Committee periodically reviews the independence of the Statutory Auditors through quarterly affirmations, monitoring of non-audit services, and internal checks and balances designed to mitigate any potential conflict of interest.

The Auditor's Report on the financial statements of the Company for the financial year ended March 31, 2025 forms part of the Annual Report. The said report was issued by the Statutory Auditors with an unmodified opinion and does not contain any qualifications, reservations or adverse remarks.

During the year under review, the Auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013 and therefore disclosure of details under Section 134(3)(ca) of the Companies Act, 2013 is not applicable.

Cost Auditor and their Report

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and have them audited every year. Accordingly, the Board at its meeting held on May 12, 2025, based on the recommendation of the Audit Committee, appointed M/s. PHS & Associates, Cost Accountant (firm registration no.: 101038), as the Cost Auditor of the Company to conduct audit of the cost records for the financial year ending

March 31, 2025. A remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus applicable taxes and out of pocket expenses, has been fixed for the Cost Auditor, subject to the ratification of such fees by the Members at the 7th AGM. Accordingly, the matter relating to ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2025 forms part of the Notice of the 7th AGM. The Company has received requisite consent and certificate of eligibility from PHS & Associates.

During the year under review, the Cost Auditor has not reported any fraud under Section 143(12) of the Companies Act, 2013 and therefore disclosure of details under Section 134(3)(ca) of the Companies Act, 2013 is not applicable.

The Company has maintained cost records as specified under section 148(1) of the Act.

Secretarial Auditor and their Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company had appointed CS Sunil M. Dedhia (COP No. 2031), Proprietor of Sunil M. Dedhia & Co., Company Secretary in Practice to undertake the Secretarial Audit of the Company.

Pursuant to provisions of Section 204(1) of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Audit Report for the Financial Year ended March 31, 2025 issued by CS Sunil M. Dedhia (COP No. 2031), of Sunil M. Dedhia & Co. Company Secretary in Practice and the Secretarial Auditor of the Company is annexed as '**Annexure B**' and forms an integral part of this Report. During the year under review, the Secretarial Auditor had not reported any fraud under Section 143(12) of the Act.

There is no qualification, reservation or adverse remark or disclaimer made by the Auditor in their report.

Pursuant to the amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, on the recommendation of the Audit Committee, has approved and recommended to the Members the appointment of M/s. Parikh & Associates (Firm's Registration no: PI988MH009800) (PR No. 6556/2025), as the Secretarial Auditor of the Company, for a period of five consecutive years commencing from April 1, 2025 to March 31, 2030.

Brief details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Notice of 7th AGM. The Directors recommend the same for approval by the Members.

13. STRATEGIC RISK MANAGEMENT

Managing risk is not just a compliance requirement, it is a strategic priority that underpins our governance and long-term sustainability. A well-defined framework enables us to identify potential threats, implement effective controls, and ensure operational continuity. By fostering a culture of risk awareness across all levels, we strengthen our ability to deliver consistent value to our stakeholders.

We are committed to leveraging technology to enhance risk responsiveness and process efficiency. Through the continuous review of business operations, adoption of modern digital tools, and process digitization—with strong internal controls—we ensure smooth integration with our customers, consumers, and stakeholders, thereby improving agility and resilience. The Company has implemented a comprehensive cybersecurity strategy based on the principles of Identify, Protect, Detect, Respond, and Recover. These measures are designed to safeguard digital assets and data from evolving cyber threats and security breaches.

To oversee and strengthen our risk management practices, the Company has constituted a dedicated Risk Management Committee. The Committee supports the Board by evaluating the effectiveness of risk management systems and ensuring alignment with regulatory requirements, including those specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details regarding the composition, roles, and meeting attendance of the Committee are provided in the Corporate Governance Report.

In terms of the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Board has adopted a Risk Management Policy, which is available on the Company's website at <https://www.aarti-surfactants.com/policies.htm>.

14. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has established a robust system of internal financial controls commensurate with its size and the nature of its operations. These controls

are designed to provide reasonable assurance regarding the accuracy and reliability of financial and operational information, compliance with applicable accounting standards and statutory requirements, safeguarding of assets against unauthorized use or disposition, proper authorization of transactions, and adherence to corporate policies and procedures.

The Internal Auditor prepares an annual audit plan in consultation with the Management and the Audit Committee, prioritizing audit activities based on the criticality of system and process gaps. Reviews are conducted on an ongoing basis under a comprehensive risk-based audit plan, which is approved by the Audit Committee at the beginning of each financial year. The Internal Audit team reports to the Management and the Audit Committee on compliance with internal controls, efficiency and effectiveness of operations, and key process risks.

The Audit Committee meets on a quarterly basis to review Internal Audit reports, monitor implementation of action plans for significant audit findings, and ensure adherence to the approved audit plan.

The Statutory Auditors' Report on Internal Financial Controls, as required under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013, forms part of the Independent Auditors' Report annexed to this Annual Report.

15. RELATED PARTY TRANSACTIONS

The Company has a Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions which is uploaded on the Company's website at <https://www.aarti-surfactants.com/policies.htm>.

All the transactions with the related parties carried out during the FY 2024-2025 are in ordinary course of business and on an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or their relatives which may have potential conflict of interest with the Company at large.

The related party transactions are approved by the Audit Committee. Omnibus approval is obtained for the transactions that are foreseen and repetitive in nature. A statement of related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of transactions. The details

of related party transactions are provided in the accompanying financial statements.

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company submits details of related party transactions on a consolidated basis as per the specified format to stock exchanges on a half yearly basis.

Particulars of contracts or arrangements made with related parties

During the year under review, there were no transactions for which consent of the Board was required to be taken in terms of Section 188(1) of the Companies Act, 2013 and accordingly, no disclosure is required in respect of the related party transactions in Form AOC-2 under Section 134(3)(h) of the Companies Act, 2013 and rules framed thereunder. Further, there were no material related party transactions in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requiring approval of the Members.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism, also referred to as the Whistle-Blower Policy. This mechanism provides a secure and confidential platform for employees, directors, and stakeholders to report genuine concerns relating to unethical behaviour, actual or suspected fraud, violation of the Company's Code of Conduct, leak or suspected leak of Unpublished Price Sensitive Information (UPSI), bribery, corruption, or any other form of misconduct, without fear of retaliation or victimization.

The policy lays down procedures for addressing such disclosures and ensures that all matters are investigated in a fair and objective manner. Adequate safeguards are in place to protect whistle-blowers against unfair treatment or disciplinary action. Further, employees and stakeholders have direct access to the Chairman of the Audit Committee for reporting concerns.

The Audit Committee periodically reviews the functioning of the Vigil Mechanism to ensure its effectiveness and alignment with best corporate governance practices. It is also responsible for monitoring complaints received and ensuring appropriate action is taken for their resolution.



During the financial year under review, no complaints or disclosures were received under the Vigil Mechanism, reaffirming the Company's strong commitment to ethical conduct, transparency, and accountability in all its operations.

The Vigil Mechanism / Whistle-Blower Policy is available on the Company's website at <https://www.aarti-surfactants.com/policies.htm>.

17. NOMINATION AND REMUNERATION COMMITTEE

Your Company has constituted a Nomination and Remuneration Committee (NRC) of the Board, which performs its functions in accordance with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other responsibilities as may be entrusted by the Board from time to time. The composition of the Committee, details of meetings held, and attendance of Members are provided in the Corporate Governance Report forming part of this Annual Report.

The Company has formulated a comprehensive Nomination and Remuneration Policy in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy outlines the criteria for appointment and qualification of Directors, Key Managerial Personnel (KMP), and Senior Management, as well as their remuneration structure, evaluation, and succession planning. The policy is available on the Company's website at <https://www.aartisurfactants.com/policies.htm>.

In addition, the Committee has formulated a separate Policy on Board Diversity, which is also available on the Company's website at the same link.

18. AARTI SURFACTANTS LIMITED EMPLOYEE STOCK OPTION PLAN 2024 ('ESOP 2024'/'Plan')

Your Company has implemented the Aarti Surfactants Limited Employee Stock Option Plan 2024 ('ESOP 2024'/'Plan'), which is administered by the Nomination and Remuneration Committee. The Plan provides for the grant of stock options to eligible employees, in compliance with the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Your Company has received a certificate from CS Sunil M. Dedhia (COP No. 2031), of Sunil M. Dedhia & Co. Company Secretary in Practice that ESOP 2024 has been implemented in accordance with

the provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolution passed by the Shareholders. Any request for inspection of the said Certificate may please be sent to investors@aarti-surfactants.com.

19. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and annexed as 'Annexure C'.

As per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the report and financial statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) to ensure confidentiality and compliance with applicable provisions. These documents are available for inspection during business hours until the date of the forthcoming AGM at the Company's Registered Office and also in electronic form. Members who wish to inspect the same may write to the Company Secretary at investors@aarti-surfactants.com.



20. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company firmly believes that employees are its most valuable asset and a key source of competitive advantage. In line with this philosophy, we continue to strengthen our employee engagement practices aimed at fostering a culture of trust, collaboration, and inclusiveness. Our engagement initiatives are designed to create a sense of belonging and shared purpose while enhancing the overall employee experience.

We actively invest in capability building through structured training and leadership development programs, ensuring that employees are well-prepared to meet evolving business challenges. Continuous communication and feedback mechanisms provide employees with opportunities to participate in decision-making processes, thereby reinforcing a culture of openness and transparency. Furthermore, our wellness and work-life balance programs support holistic growth and help employees align their professional aspirations with personal well-being.

Through these initiatives, the Company seeks to nurture a motivated, committed, and future-ready workforce, recognizing that organizational growth is directly linked to the growth and engagement of its people.

Recognition and Reward

Our employees play a pivotal role in the Company's sustained success. By nurturing talent, fostering innovation, and appropriately recognizing contributions, we encourage our people to deliver their best. We remain committed to creating a culture of safety, well-being, and engagement through various structured initiatives:

- a) National Safety Day and Week includes a series of activities such as lighting the ceremonial lamp (deep prajwalan), displaying banners, pinning safety badges, awarding the best department for housekeeping and safety norms etc, making safety pledges, and explaining the National Safety Day theme. These activities underscore our commitment to safety and create a sense of community and shared responsibility.
- b) Competitions related to safety, including safety belt wearing contests, poster, slogan, poem, and essay contests, quizzes and safety skid competitions. These competitions not only engage employees but also raise awareness about safety practices and encourage proactive safety measures.
- c) Our on-job safety training sessions cover crucial topics such as the use of personal protective equipment (PPE), emergency evacuation procedures, material handling, electrical safety, housekeeping, and basic firefighting. These training sessions equip our employees with the necessary skills and knowledge to maintain a safe working environment.
- d) Engaged workforce is the most productive source for the organisation in their success, delivering the best of their abilities with greater sense of belongingness and commitment at their jobs. We at ASL believe every small step contributes value to employees' Work-Life-Balance. Celebrating employees' special moments (Birthdays/ Anniversary/ Regional Festivals), extending support to foster intellectual growth through various Learning and Development initiatives to nurture conviviality and happiness culture at workplace.

Through these comprehensive initiatives, we aim to create a workplace where employees feel recognized, valued, and motivated to contribute to our collective success. By investing in our employees and fostering a positive work environment, we ensure that ASL remains a dynamic, innovative, and successful organization.

As on March 31, 2025, the Company had 374 permanent employees on the rolls.

21. CORPORATE GOVERNANCE

Your Company believes that effective leadership, robust policies, processes and systems and a rich legacy of values form the hallmark of our best corporate governance framework. The Board, in conjunction with the management, sets values of your Company and drives the Company's business with these principles. These ethics and values are reflected in Company's culture, business practices, disclosure policies and relationship with its stakeholders. These ethics and values is practiced by Company, which is at par with best international standards and good corporate conduct.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is annexed hereto forming part of this report. The requisite certificate from M/s Gokhale & Sathe, Chartered Accountants is attached to the Report on Corporate Governance.

22. ENVIRONMENT HEALTH AND SAFETY

At Aarti Surfactants Limited, we accord the highest priority to Environment, Health, and Safety (EHS) across all operations. We are committed to regulatory compliance, sustainable practices, and the well-being of our workforce, stakeholders, and the communities in which we operate.

During the year, we strengthened our EHS framework through regular risk assessments, hazard identification, and mitigation measures. Comprehensive training programs were conducted to instill a culture of safety, while investments in advanced technologies and state-of-the-art equipment further enhanced workplace safety and environmental stewardship.

Our proactive approach includes periodic audits, robust emergency preparedness plans, and continuous improvement initiatives driven by performance metrics and stakeholder feedback. By focusing on employee well-being, minimizing

environmental impact, and fostering transparency, the Company remains committed to upholding the highest standards of EHS and industry-leading practices.

23. SUSTAINABILITY

At ASL, sustainability is central to our corporate strategy and operational philosophy. We are committed to advancing sustainable practices across our value chain through innovation, responsible sourcing, and resource efficiency. Our approach goes beyond regulatory compliance, focusing on reducing environmental impact while creating long-term value for stakeholders.

Key initiatives include optimizing manufacturing processes to lower energy consumption and emissions, implementing robust waste management protocols, and promoting circular economy principles through strategic partnerships. By embedding sustainability into our business model, we enhance operational resilience and reinforce our position as a responsible corporate citizen.

Guided by a long-term vision, we remain committed to transparency and accountability in our sustainability journey, recognizing that today's actions shape tomorrow's opportunities. Together with our stakeholders, we aim to drive positive change and set new benchmarks for sustainability within the specialty surfactants industry.

24. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stipulate that the top 1000 listed companies by market capitalization must include a Business Responsibility & Sustainability Report (BRSR) in their Annual Report. This requirement aims to enhance transparency and accountability regarding the environmental, social and governance (ESG) practices of these companies. However, your Company is not ranked amongst the top 1000 listed entities for the fiscal year 2024-2025. Consequently, we are not required to include the BRSR in our Annual Report for this period.

25. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company believes that every woman employee should have the opportunity to work in an environment free from any conduct which can be

considered as Sexual Harassment. The Company has Zero Tolerance towards sexual harassment at the workplace.

The Company is committed to treating every employee with dignity and respect. The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules, 2013' (POSH Act and rules). This Policy is available on the website of the Company at www.aarti-surfactants.com/policies.htm. The POSH Policy is gender inclusive and the framework ensures complete anonymity and confidentiality.

This policy, supported by an Internal Complaint Committee, is structured in accordance with Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. It underscores our proactive stance in addressing and mitigating issues of sexual harassment, ensuring a safe and supportive atmosphere for all employees.

Reflective of the efficacy of these measures, it is noteworthy that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace Act, 2013. This underscores our ongoing commitment to maintaining a respectful and secure work environment.

During the year, the Company organised sensitization and awareness programs vide inductions for new joiners, e-learning modules for all employees, trainees, associates including sending emailers etc. to sensitise all employees to conduct themselves in a professional manner.



26. COMPLIANCE UNDER MATERNITY BENEFIT ACT, 1961


Your Company has complied with the applicable provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the benefits as prescribed under the Act. The Company remains committed to supporting working mothers and promoting a gender inclusive workspace.

27. CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility (CSR) Committee in terms of the requirements of Section 135 of the Companies Act, 2013 read with the rules made thereunder. The composition, detailed terms of reference of the CSR Committee, attendance at its meetings and other details have

been provided in the Corporate Governance Report. The primary role of this committee is to approve the CSR activities to be undertaken, allocate the necessary expenditure and oversee the execution and effectiveness of these initiatives.

The Board of Directors, along with the CSR Committee, actively reviews and monitors the CSR activities implemented by the Company. During the year under review, our CSR initiatives were executed in accordance with the annual action plan previously approved by the Board. These activities, which are distinctly separate from our normal business operations, focus on pivotal and relevant areas such as livelihood and financial inclusion, animal welfare, agriculture, community development, education, and healthcare. Our aim is to continue focusing on these areas to achieve meaningful and positive outcomes that contribute to the Sustainable Development Goals.

Your Company's CSR philosophy is anchored on this core purpose of making a difference to the lives of all its stakeholders to help them achieve their full potential. Your Company believes that economic value and social value are inter-linked, and it has a commitment towards the inter-dependent ecosystem consisting of various stakeholders. 

Furthermore, our CSR policy outlines the guidelines and processes for undertaking CSR activities and the same is available on the Company's website at www.aarti-surfactants.com/policies.htm ensuring transparency and accessibility in how we approach our social responsibilities.

The disclosures required to be given under Section 135 of the Act read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in 'Annexure D' forming part of this Board Report.

28. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are provided in 'Annexure E' forming part of this Board's Report.

29. SECRETARIAL STANDARDS

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, have been duly complied by your Company.

30. DETAILS OF DEPOSITS

During the year under review, your Company has neither invited nor accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the rules framed thereunder. The requisite return with respect to amount(s) not considered as deposits has been filed with Registrar of Companies.

31. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, no significant or material orders were passed by Regulators, Courts, or Tribunals which could impact the Company's going concern status or its future operations. However, Members' attention is invited to the Statement on Contingent Liabilities and Commitments appearing in the Notes to the financial statements.

32. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2025 is available on the Company's website at <https://www.aarti-surfactants.com/annual-return.htm>.

33. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

There is no amount due, to be transferred to the IEPF account.

34. COMPLIANCE MANAGEMENT SYSTEM

In pursuit of strengthening our governance framework and ensuring a proactive approach to regulatory adherence, the Company has a Compliance Management Tool as part of its enterprise-wide risk management initiative.



This digital tool is designed to systematize and streamline compliance tracking across all applicable laws, regulations, and industry mandates. It enables real-time monitoring, timely alerts, and seamless documentation, significantly reducing the chances of inadvertent non-compliance.

By automating compliance processes and integrating accountability at various levels, the tool acts as a strategic enabler in:

- Curtailing regulatory risks,
- Enhancing transparency and audit-readiness,
- Enabling prompt response to statutory changes,
- Promoting a culture of responsibility and control.

This initiative reflects the Company's commitment to institutionalizing compliance, minimizing exposure to penalties or reputational damage, and upholding the highest standards of corporate governance.

35. STATUTORY INFORMATION AND OTHER DISCLOSURES

Neither the CEO & Managing Director nor the Executive Director received any remuneration or commission from the subsidiary of your Company.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions / events on these items during the year under review:

- 1) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- 2) Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme.
- 3) Voting rights which are not directly exercised by the employees in respect of shares for the subscription / purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3) (c) of the Companies Act, 2013).

- 4) There are no material changes and commitments affecting the financial position of your Company, which have occurred between the end of FY25 and the date of this report.
- 5) There has been no change in the nature of business of your Company.
- 6) There was no application made and proceeding initiated / pending by any Financial and/or Operational Creditors against your Company under the Insolvency and Bankruptcy Code, 2016.
- 7) The Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions, and hence the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.
- 8) There was no revision of financial statements and Board's Report of your Company during the year under review.

36. ACKNOWLEDGEMENT

The Board of Directors places on record its sincere appreciation for the dedicated services rendered by the employees of the Company at all levels and the constructive cooperation extended by them. Your Directors would like to express their grateful appreciation for the assistance and support by all Shareholders, Government Authorities, Auditors, Financial Institutions, Customers, Employees, Suppliers, other business associates and various other stakeholders.

By order of the Board of Directors

Mulesh M. Savla
Chairman
DIN: 07474847

Mumbai / August 05, 2025

Annexure A

FORM AOC-1

Statement containing salient features of Financial Statement of subsidiary Company

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Name of the Company

Aarti Surfactants Limited

Part "A": Subsidiaries

1. Number of subsidiaries

(Amount in lakhs, except % of shareholding)

Name of Subsidiary Company	Aarti HPC Limited
CIN of subsidiary company	U24290GJ2019PLC111693
Name of the Subsidiary	Aarti HPC Limited
Date since when subsidiary was acquired	December 26, 2019
Provisions pursuant to which the company has become a subsidiary	Section 2(87)(ii)
Financial Period ended	March 31, 2025
Reporting Currency & Exchange Rate	INR
Share Capital	575
Reserves & Surplus	(158.25)
Total Assets	428.38
Total Liabilities	11.63
Investments	0
Turnover	0
Profit / (Loss) Before Taxation	(44.54)
Provision for Taxation	0
Profit / (Loss) after Taxation	(44.54)
Proposed Dividend	Nil
% of Shareholding	100

2. Number of subsidiaries which are yet to commence operations

Sl. No.	CIN	Names of subsidiaries which are yet to commence operations
1	U24290GJ2019PLC111693	Aarti HPC Limited

Point 3 of the Annexure is not applicable as there are no subsidiaries which have been liquidated or have ceased to be a subsidiary during the year.

Part "B" of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on March 31, 2025.

By order of the Board of Directors

Chandrakant V. Gogri

Director
DIN: 0005048

Nikhil P. Desai

CEO & Managing Director
DIN: 01660649

Priyanka A. Chaurasia

Company Secretary
ICSI M.No. A44258

Nitesh H. Medh

Chief Financial Officer
ICAI M.No : 155868

Mumbai / August 05, 2025



Annexure B

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2025

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Aarti Surfactants Limited
(CIN: L24100MP2018PLC067037)
Plot no 57, 58, 60 to 64, 62A, S-3/1,
Sector-3, Sagore Village,
Pithampur Industrial Area,
District Dhar - 454775, Madhya Pradesh

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aarti Surfactants Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **March 31, 2025 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the

extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings which were not applicable to the Company during the Audit Period;

- (v)  The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");
 - (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, to the extent applicable;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 which were not applicable to the Company during the Audit Period;
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 which were not applicable to the Company during the Audit Period; and
- (j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 to the extent applicable to the Company vide SEBI Circular No. CIR/ IMD/DF/50/2017 dated May 26, 2017;
- (d) Air (Prevention and Control of Pollution) Act, 1981;
- (e) Water (Prevention and Control of Pollution) Act, 1974;
- (f) The Noise (Regulation and Control) Rules, 2000;
- (g) Environment Protection Act, 1986 and other environmental laws;
- (h) Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016; and
- (i) Public Liability Insurance Act, 1991.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

Adequate notice was given to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the Audit Period under review and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above;

All decisions at the Board Meetings and Committee Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that based on review of compliance system prevailing in the Company, I am of the opinion that the Company has adequate systems and processes in place commensurate with its size and nature of operations to monitor and ensure compliance with the following laws applicable specifically to the Company:

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- (a) Indian Boiler Act, 1923 & The Indian Boilers Regulations, 1950;
- (b) Petroleum Act, 1934;
- (c) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016;

I further report that during the Audit Period under review, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

This report is to be read with **Annexure** which forms an integral part of this report.

Mumbai, Dated August 6, 2025

CS Sunil M. Dedhia
Proprietor, Sunil M. Dedhia & Co.
Company Secretaries
FCS No: 3483 C.P. No. 2031
UDIN: F003483G000943565
Peer Review Certificate No. 867/2020
Unique Identification No. S1993MH012200



Annexure

To The Members,

Aarti Surfactants Limited

(CIN: L24100MP2018PLC067037)

Plot no 57, 58, 60 to 64, 62A, S-3/1, Sector-3,
Sagore Village, Pithampur Industrial Area,
District Dhar - 454775, Madhya Pradesh

My report of even date is to be read along with this letter.

- (1) Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

CS Sunil M. Dedhia

Proprietor, Sunil M. Dedhia & Co.

Company Secretaries

FCS No: 3483 C.P. No. 2031

UDIN: F003483G000943565

Peer Review Certificate No. 867/2020

Unique Identification No. S1993MH012200

Mumbai, Dated August 6, 2025

Annexure C

Particulars of Employees and Related Disclosures

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of employees and related disclosures for the financial year ended March 31, 2025, are as follows:

A. Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the financial year:

Name (s)	Designation	Ratio to Median Remuneration
Nikhil P. Desai	CEO & Managing Director	38.26: 1
Santosh M. Kakade	Executive Director	13.80: 1
Mullesh M. Savla	Non-executive Independent Director	0.66: 1
Misha B. Gala	Non-executive Independent Director	0.53: 1
Chandrakant V. Gogri	Non-executive Non-Independent Director	0.39: 1
Dattatray S. Galpalli	Non-executive Non-Independent Director	0.11: 1

Notes:

- Median is calculated based on the actual remuneration paid to the employees - whose names are on the roll as on March 31, 2025.
- The median remuneration of all the employees of the Company was ₹ 3.50 lakhs.
- The remuneration to the non-executive directors is paid only by way of sitting fees for attending the Board / Committees Meetings during the year.

B. Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:

Name (s)	Designation	% Increase in Remuneration
	(A) Executive Directors (ED)	
Nikhil P. Desai	CEO & Managing Director	(23.85)
Santosh M. Kakade	Executive Director	5.47
	(B) Non-Executive Directors (NED)	
Mullesh M. Savla	Non-executive Independent Director	143.39
Misha B. Gala	Non-executive Independent Director	141.83
Chandrakant V. Gogri	Non-executive Non-Independent Director	81.33
Dattatray S. Galpalli	Non-executive Non-Independent Director	188.89
	(C) Key Managerial Personnel (KMP)	
Nitish H. Medh	Chief Financial Officer	35.65
Priyanka Chaurasia	Company Secretary	4.17

Notes:

- Increase in Remuneration to Key Managerial Personnel excludes the number of ESOP granted during the Financial Year ended March 31, 2025



- C. The percentage increase in the median remuneration of employees in the financial year 2024-2025:** (29.46) %
- D. The number of permanent employees on the rolls of Company as on March 31, 2025:** 374 employees
- E. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Particulars	% Change in remuneration
Average increase in salary of employees (other than Managerial Personnel*)	(18.07)
Average increase in remuneration of Managerial Personnel*	(14.03)

*Note - 'Managerial Personnel' means employees belong to categories such as Key Managerial Personnel, CEO, Managing Director and Executive Director of the Company.

F. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel, Senior Management Personnel and other employees is as per the Remuneration Policy of the Company.



By order of the Board of Directors

Mulesh M. Savla
Chairman
DIN: 07474847

Mumbai / August 05, 2025

Annexure D

Annual report on CSR activities carried out during FY 2024–2025

1. Brief outline on CSR Policy of the Company:

Our Corporate Social Responsibility (CSR) policy, aligned with Section 135 of the Companies Act, 2013, and Schedule VII, underscores our commitment to sustainable development and societal well-being.

Our CSR policy embodies meticulous planning and implementation, overseen by a dedicated CSR Committee responsible for selecting, executing, and monitoring projects in alignment with guiding principles. The Board plays a pivotal role, approving policies, endorsing annual action plans, and providing oversight to ensure CSR initiatives effectively benefit marginalized communities.

We prioritize initiatives that address key areas such as education, healthcare, environmental sustainability, animal welfare and community development etc. Through strategic partnerships and proactive engagement, we strive to create positive impacts that resonate beyond our business operations.

Our approach integrates ethical practices, transparency and stakeholder collaboration to drive meaningful change. By investing in projects that promote inclusive growth and environmental stewardship, we aim to contribute responsibly to the communities in which we operate, fostering long-term socio-economic progress. Our CSR endeavors are guided by a commitment to uphold the highest standards of corporate governance and ethical conduct, ensuring that our efforts yield measurable benefits and uphold the trust placed in us by our stakeholders.

2. Composition of CSR Committee:



Sr. No.	Name of the Members	Designation	Number of meeting of CSR Committee held during the year	Number of meeting of CSR Committee attended during the year
1.	Chandrakant V. Gogri	Chairman	1	1
2.	Misha B. Gala	Member	1	1
3.	Nikhil P. Desai	Member	1	1

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

- The Composition of CSR Committee at www.aarti-surfactants.com/committees-of-board-of-directors.htm
- CSR Policy and CSR projects at www.aarti-surfactants.com/corporate-governance.htm

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not Applicable**

- (a) Average net profit of the company as per sub-section (5) of section 135: - ₹ **2008.36 lakhs**
 - (b) Two percent of average net profit of the company as per sub-section (5) of section 135: - ₹ **40.17 lakhs**
 - (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: - **Nil**
 - (d) Amount required to be set-off for the financial year, if any: - ₹ **0.75 lakhs**
 - (e) Total CSR obligation for the financial year [(b)+(c) - (d)]: - ₹ **39.42 lakhs**
- (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): - ₹ **43.27 lakhs**
 - (b) Amount spent in Administrative Overheads: - **Nil**

- (c) Amount spent on Impact Assessment, if applicable: - Nil
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: - ₹ 43.27 lakhs
- (e) CSR amount spent or unspent for the Financial Year: -**

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in lakhs)			
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.	
	Amount.	Date of transfer.	Name of the Fund	Amount. Date of transfer.
43.27 lakhs			Not Applicable	

- (f) Excess amount for set-off, if any: -**

Sr. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135*	39.42
(ii)	Total amount spent for the Financial Year	43.27
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	3.85
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	3.85

*Net of excess contribution from previous year set-off in the current financial year

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8	
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ in lakhs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹ in lakhs)	Amount Spent in the Financial Year (₹ in lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ in lakhs)	Deficiency, if any
					Amount	Date of Transfer		
								Not Applicable

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Nil

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

By order of the Board of Directors

Chandrakant V. Gogri
Chairman of CSR Committee
DIN: 00005048

Nikhil P. Desai
CEO & Managing Director
DIN: 01660649

Mumbai / August 05, 2025

Annexure E

Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts), Rules 2014

A. Conservation of Energy

I. Steps taken or impact on Conservation of Energy

At Aarti Surfactants Limited, energy conservation is not merely a compliance requirement but a fundamental element of our long-term sustainability strategy. During the reporting period, the Company implemented several focused initiatives to reduce energy consumption, enhance system efficiency, and optimize resource utilization across operations.

In cooling and temperature-control processes, advanced technologies were introduced to improve reliability and significantly reduce electricity usage. Conventional operating systems were upgraded with modern alternatives that enable better speed control and operational flexibility, resulting in measurable energy savings and reduced equipment wear. Older machinery, such as traditional pumps and cooling units, was replaced with energy-efficient models, which lowered power demand and enhanced equipment productivity.

Additionally, targeted process refinements and system modifications helped reduce monthly steam consumption, improving thermal efficiency and lowering dependence on conventional fuels. Collectively, these measures enabled the Company to lower operating costs, improve resource efficiency, and minimize environmental impact, underscoring our commitment to sustainable growth and responsible business practices.

II. Steps taken by the company for utilizing alternate sources of energy

Recognizing the importance of transitioning towards cleaner and more sustainable energy sources, Aarti

Surfactants Limited undertook initiatives to reduce reliance on conventional energy and promote alternate options during the year. Efforts were directed towards harnessing renewable energy, improving the efficiency of existing systems, and reusing resources that would otherwise go to waste.

These measures supported in-house power generation, reduced dependence on external supply, and contributed to long-term cost savings along with a lower carbon footprint. Alongside energy initiatives, water conservation practices such as harvesting and reuse were integrated into operations, strengthening our holistic approach to resource management. Together, these steps reflect our vision of building a resilient, energy-efficient, and environmentally responsible organization.

III. Capital Investment on Energy Conservation Equipment

During the year, the Company made targeted capital investments of ₹1.00 crore in energy conservation equipment. The investments were primarily focused on upgrading critical systems with advanced and energy-efficient technologies, ensuring better alignment of equipment capacity with operational needs, and enhancing overall process efficiency.

By channeling resources into modernized cooling, motor control, pumping, and process optimization systems, the Company achieved improved reliability, reduced energy intensity, and lowered long-term operating costs. These efforts highlight our proactive approach to integrating sustainability into business operations and reaffirm our commitment to responsible resource management and energy-efficient growth.



B. Technology Absorption

Efforts made towards technology absorption	Nil
Benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	Nil
a) Details of technology imported	N.A.
b) Year of import	N.A.
c) Whether the technology has been fully absorbed	N.A.
d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.

The expenditure incurred on Research and Development:

Years	(₹ in lakhs)
Financial year 2024-2025	721.42
Financial year 2023-2024	209.20

C. Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo during the period under review was as under: -

Particulars	(₹ in lakhs)	
	FY2024-2025	FY2023-2024
Foreign Exchange earned	11,976.04	14,476.44
Foreign Exchange used	32,484.96	22,448.95

By order of the Board of Directors

Mulesh M. Savla
Chairman
DIN: 07474847

Mumbai / August 05, 2025

Corporate Governance Report

The Company's Report on Corporate Governance for the financial year ended March 31, 2025, is in compliance with the principles of Corporate Governance as prescribed in Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At Aarti Surfactants Limited (**ASL**), our approach to corporate governance reflects our deep commitment to ethical practices, environmental sustainability, operational safety, and long-term stakeholder value. As we continue to grow in the manufacturing industry, we are dedicated to operating in a manner that respects both the global environment and the communities we serve, while also ensuring that our company remains accountable and transparent in every facet of its operations.

Our corporate philosophy is built on a foundation of integrity, transparency, and accountability. We are committed to creating sustainable long-term value for our stakeholders, fostering a culture of fairness and ethical conduct, and ensuring that the highest standards of governance are upheld in every aspect of our business operations.

Our Board of Directors, led by independent members, plays a pivotal role in overseeing management to ensure the company's growth, stability, and adherence to legal and regulatory requirements. We believe that by maintaining a responsible approach to governance, we will drive success for our shareholders.

At the heart of our organisation lies a steadfast commitment to sound corporate governance. We believe that robust governance practices are not merely a compliance requirement, but a foundation for building sustainable value for our stakeholders. Guided by integrity, transparency, and accountability, our governance philosophy is anchored on the following core cornerstones:

A. Ethical Conduct and Safety Standards

We hold ourselves to the highest standards of ethical conduct, recognising that integrity forms the bedrock of trust with our stakeholders. As a responsible player in the manufacturing sector, we are deeply

committed to ensuring a safe and healthy workplace for all employees, contractors, and visitors.

Our safety management approach is proactive—focusing not only on compliance with statutory norms but also on fostering a safety-first culture throughout the organisation. We have established rigorous safety protocols, conduct periodic drills, and provide continuous skill enhancement through structured training programmes.

We follow a zero-tolerance policy towards any behaviour or action that compromises health, safety, or ethical norms. By embedding these principles into our daily operations, we aim to create an environment where ethical responsibility and workplace safety are inseparable from productivity and performance.

B. Transparency, Accountability, and Regulatory Oversight

Transparency is central to building long-term trust. We strive to ensure that all our operations, disclosures, and communications are conducted with complete openness and in accordance with applicable laws, regulations, and industry best practices.

To strengthen accountability, our governance framework incorporates multiple layers of review and control, including regular internal and external audits. These audits assess adherence to financial reporting standards, operational efficiency, and risk controls.

We maintain clear lines of responsibility and decision-making authority, enabling us to respond swiftly and effectively to emerging challenges while maintaining compliance with the highest levels of corporate, financial, and operational governance.

C. Risk Management and Safety Protocols

Operating in the manufacturing sector entails navigating a wide spectrum of risks—ranging from operational hazards and supply chain disruptions to environmental impacts and market fluctuations. Our comprehensive risk management framework enables us to systematically identify, assess, and mitigate these risks before they escalate into critical issues.

This framework is supported by robust monitoring systems, contingency planning, and safety

protocols designed to protect both our people and our assets. Our approach addresses not only operational risks such as chemical handling and equipment safety, but also strategic risks including raw material volatility, regulatory changes, and global market dynamics.

By proactively managing risks, we safeguard our business continuity, uphold our reputation, and ensure sustainable growth for the benefit of all stakeholders.

In essence, our governance philosophy is not just about meeting regulatory obligations—it is about embedding responsibility, fairness, and foresight into the very fabric of our operations. This approach enables us to create enduring value, strengthen stakeholder confidence, and position our Company for long-term success in an ever-changing business environment.

II. THE BOARD OF DIRECTORS

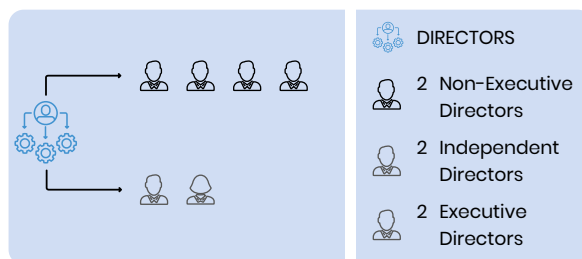
At the core of ASL’s governance framework is a Board of Directors dedicated to ethical leadership, principled decision-making, and transparent oversight. The Board functions not only as a strategic guiding body but also as the custodian of the Company’s values, ensuring that every action is driven by integrity, responsibility, and a long-term vision of sustainability and fairness.

The Board comprises individuals who bring diverse professional expertise, a strong moral compass, and a deep respect for stakeholder interests, regulatory obligations, and societal impact. Through open dialogue, mutual respect, and diligent monitoring of business practices, they actively uphold the principles of good governance.

Together, our Directors foster a culture of ethics, accountability, and inclusive growth—ensuring that decisions are made in the best interests of shareholders while also creating value for employees, communities, and the environment.

Composition of the Board

As on March 31, 2025, the Company’s Board comprised six Directors, of which four were Non-Executive Directors, including two Independent Directors (one of whom is a Woman Independent Director), and two were Executive Directors. The composition of the Board is in compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013, read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Graphical Representation of Board of Directors

Detailed profile of the Directors is available on the Company’s website at <https://www.aarti-surfactants.com/about.htm>

Independent Directors

Eligibility: The Independent Directors declare that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board further confirms that the Independent Directors fulfil the conditions specified in terms of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are Independent of the management of the Company. All the Directors are in compliance with the limit on independent directorships of listed companies as prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All the Directors have confirmed that they are not members of more than ten mandatory committees and do not act as Chairman of more than five mandatory committees in terms of the Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 across all the listed companies in which they are Directors.

Independent Director Databank Registration:

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent Directors have done the registration with the Independent Directors Databank. Requisite disclosures have been received from the concerned Directors in this regard.

Familiarisation Programme for Directors:

Company implemented a comprehensive Director Familiarisation Programme aimed at ensuring that its Board members, including newly appointed Independent Directors, acquire a thorough understanding of the company's strategic initiatives, operational capabilities, and governance framework.

Programme Overview:

- **Strategic Orientation:** Directors were acquainted with the Company's vision, mission, values, and strategic priorities, encompassing areas such as sustainability efforts, technological advancements, expansion plans, business development strategies, and overall strategic direction.
- **Operational Immersion:** The programme included visits to manufacturing plants, primarily located in the State of Madhya Pradesh etc. These visits provided first hand exposure to the Company's operational capabilities, manufacturing processes, and technological innovations, facilitating a deeper understanding of the company's core functions.
- **Ongoing Awareness:** Periodic presentations during Board and Committee meetings covered various aspects such as business models, new business strategies and initiatives by business leaders, risk minimization procedures, changes in domestic and overseas industry scenarios, digital transformation and the regulatory regime affecting the Company.
- **Knowledge Dissemination:** Regular newsletters were circulated to keep Directors informed about the developments happening in the Company, Industry Scenario, Sustainability, Governance Initiatives etc.

Details of familiarisation Programmes imparted to independent Directors are disclosed on the website of the Company at <https://www.aarti-surfactants.com/independent-directors.htm>

Meeting of Independent Directors:

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company met twice during the financial year on February 08, 2025 and March 29, 2025, without the

participation of Non-Independent Directors and members of the management.

All Independent Directors were present at the meetings. The Independent Directors reviewed and discussed, inter alia, the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, and the quality, quantity, and timeliness of the flow of information between the management and the Board, which is essential for the Board to effectively discharge its duties and responsibilities.

Board Leadership and Governance Framework:

Chairman leads the Board and is responsible for fostering and promoting the integrity of the Board while nurturing a culture in which the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. He presides over all meetings of the Board and of the shareholders of the Company. The Chairman takes a lead role in managing the Board and facilitates effective communication among directors. The CEO & MD is responsible for executing corporate strategy in consultation with the Board. He is responsible for achieving annual and long-term business targets. The CEO & MD also monitors the external and internal competitive landscape, and new industry developments and standards, identifies opportunities for expansion and acquisition, and builds relationships with customers and markets to enhance shareholder value and implement the organization's vision, mission, and overall direction. The CEO & MD acts as a link between the Board and the Management and is also responsible for leading and evaluating the work of other executive leaders/senior Management personnel.

The Company Secretary ensures that the Board processes and procedures are followed and regularly reviewed. The Company Secretary also convenes and attends Board, Committee and General meetings of the Company and ensures that all relevant information is made available for effective decision-making. Important decisions of the Board/ Committee meetings are communicated to the management teams promptly for action. The Company Secretary provides the necessary guidance to the Board members with regard to their duties, responsibilities and powers and assists the Chairman in all Board development processes including Board evaluation, Board rejuvenation, inductions and trainings etc. Apart from partnering in policy advocacy initiatives and ensuring



compliance with applicable statutory/ regulatory requirements, the Company Secretary also acts as an institutionalised interface between the Board, management and external stakeholders.

The Board/Committee meetings are pre-scheduled, and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. Additionally, in case of special and urgent business matters such as major capex, critical appointments etc., requisite meetings are convened ensuring utmost participation. In case of special and urgent business needs, the Board's/ Committee approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The Board Committees have been constituted to deal with specific areas/activities as mandated by applicable rules and regulations or as delegated by the Board, which need a closer review. The terms of reference of the Committees decided by the Board define its scope, powers and responsibilities. The Chairperson of the respective Committees briefs the Board about the summary of the discussions held at the Committee meetings and the recommendations of the Committee along with rationale. The minutes of the meetings of all Committees are placed before the Board for their noting. During the year, all recommendations of the Committees were approved by the Board.

Except for price-sensitive matters, agenda papers are circulated to members well in advance. Agendas are categorized into Noting, Review, and Approval. Regular discussions focus on Safety and Sustainability, followed by reviews of budget performance, strategy, financial results, subsidiary performance, fund flow, investments, Forex, related party transactions, compliance, governance, pay-out policy, and ESG progress.

The Board annually reviews strategy, budgets, business plans, and capital expenditure, offering guidance based on economic, sectoral, competitive, and regulatory factors.

All agenda preparation, meetings, and documentation adhere strictly to applicable laws, Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards.

While preparing the agenda, explanatory notes, minutes of the meeting(s) and during conduct of the meetings; adherence to the Companies Act, 2013 and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards and other applicable laws is ensured.

During the year, the Board of Directors met 5 (Five) times on April 22, 2024, June 05, 2024, July 20, 2024, November 11, 2024 and February 08, 2025.

The interval between two meetings was well within the maximum period prescribed.

Directorships and Committee Positions:

The names and categories of the Directors on the Board, their Directorship in other Companies, the Committee positions in other Companies as on March 31, 2025, are as under:

Name	Number of Shares held along with % of paid up share capital	*Number of Directorship	Directorship in Listed Companies	Category		Statutory Committees				
				P/PG	ED/ NED/ ID	AC	NRC	SRC	RMC	CSRC
Mulesh M. Savla Chairman DIN: 07474847	-	3	Aarti Surfactants Limited	-	NED, ID	C	M	M	M	-
			# Valiant Organics Limited	-	NED, ID	C	C	C	C	-
			Valiant Laboratories Limited	-	NED, ID	C	M	C	C	C
Nikhil P. Desai CEO & Managing Director DIN: 01660649	2,65,435 (3.14%)	1	Aarti Surfactants Limited	PG	ED	-	-	M	C	M

Name	Number of Shares held along with % of paid up share capital	*Number of Directorship	Directorship in Listed Companies	Category		Statutory Committees				
				P/PG	ED/ NED/ ID	AC	NRC	SRC	RMC	CSRC
Chandrakant V. Gogri DIN: 00005048	302 (0.00%)	1	Aarti Surfactants Limited	P	NED	M	M	-	M	C
Dattatray S. Galpalli DIN: 01853463	13 (0.00%)	1	Aarti Surfactants Limited	-	NED	-	-	C	-	-
Misha B. Gala DIN: 08523865	-	1	Aarti Surfactants Limited	-	NED, ID	M	C	-	-	M
Santosh M. Kakade DIN: 08505234	-	1	Aarti Surfactants Limited	-	ED	-	-	-	M	-

Mr. Mulesh M. Savla ceased to hold office as a Director of Valiant Organics Limited with effect from April 19, 2025.

P - Promoter; PG - Promoter Group; ED - Executive Director; NED - Non-Executive Director; ID - Independent Director

AC - Audit Committee; NRC - Nomination & Remuneration Committee; SRC - Stakeholders Relationship Committee; RMC - Risk Management Committee; CSRC - Corporate Social Responsibility Committee; M - Membership; C - Chairmanship.

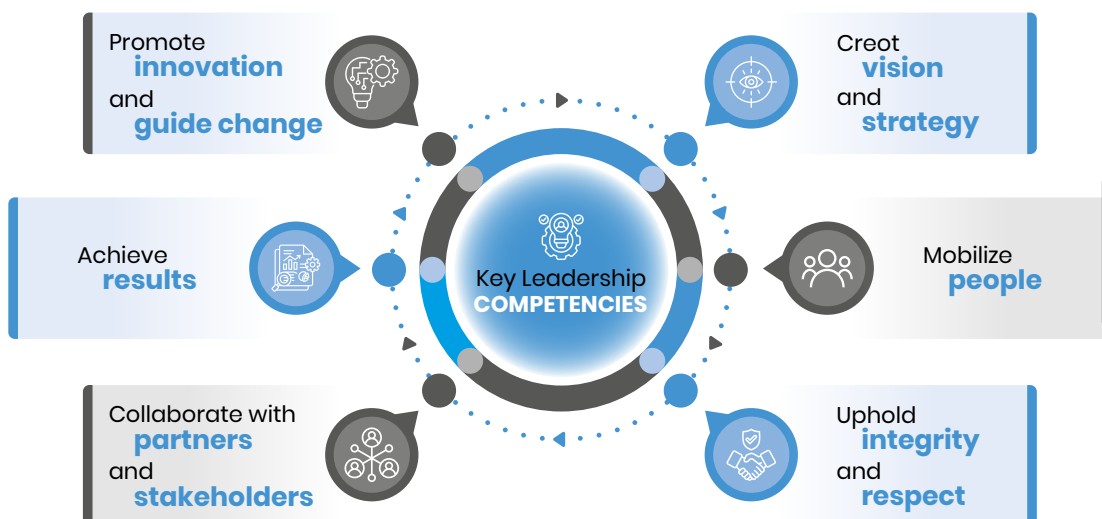
*While considering the total number of Directorships, Directorships in private companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013 have been excluded.

In terms of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby disclosed that there is no inter-se relationship amongst the Directors.

The number of Directorships, Chairmanship / Membership etc. is within the limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors Competence/Skills/Expertise:

The Board comprises individuals with diverse backgrounds and expertise in key areas such as finance, law, governance, strategy, and industry-specific knowledge. Each Director brings valuable experience and insight, contributing to effective oversight and sound decision-making. Collectively, the Board possesses the necessary skills to guide the Company’s strategic direction, ensure regulatory compliance, and uphold high standards of corporate governance.





The Company is engaged in the business of Speciality Surfactants. The table below summarises the broad list of core skills / expertise / competencies identified by the Board of Directors, as required in the context of the Company's business / sector and the said skills are available with the Board members:

List of core skills / expertise / competencies identified by the Board of Directors as required in the context of the business(es) and sector(s)

Name of Director	Industry Experience	Operations, Technology, Sales and Marketing	Leadership	Understanding of Global Business	Finance and Banking	Legal / Governance / Compliance
Mulesh M. Savla	✓	-	✓	✓	✓	✓
Nikhil P. Desai	✓	✓	✓	✓	✓	✓
Chandrakant V. Gogri	✓	✓	✓	✓	✓	✓
Dattatray S. Galpalli	✓	✓	✓	✓	-	-
Misha B. Gala	✓	-	✓	✓	✓	✓
Santosh M. Kakade	✓	✓	✓	✓	-	-

The attendance of the Directors at the above-mentioned board meetings and the Annual General Meeting (AGM) held on August 14, 2024 are listed below:

Name	No. of Board Meeting		1	2	3	4	5	Total Meetings attended	% of attendance	Attendance at last AGM held on August 14, 2024
	Date		April 22, 2024	June 05, 2024	July 20, 2024	November 11, 2024	February 08, 2025			
	Time		03:00 PM	02:00 PM	12:30 PM	12:00 PM	12.00 PM			
	Mode		Physical	Physical	Physical	Physical	Physical			
	P/PG	ED/NED/ID	Physical	Physical	Physical	Physical	Physical			
Mulesh M. Savla Chairman DIN: 07474847	-	NED, ID	✓	✓	✓	✓	✓	5	100	✓
Nikhil P. Desai CEO & Managing Director DIN: 01660649	PG	ED	✓	✓	✓	✓	✓	5	100	✓
Chandrakant V. Gogri DIN: 00005048	P	NED	✓	✓	✓	✓	-	4	80	✓
Dattatray S. Galpalli DIN: 01853463	-	NED	✓	-	✓	-	-	2	40	✓
Misha B. Gala DIN: 08523865	-	NED, ID	✓	✓	✓	✓	✓	5	100	✓
Santosh M. Kakade DIN: 08505234	-	ED	✓	✓	✓	✓	✓	5	100	✓

P - Promoter; PG - Promoter Group; ED - Executive Director; NED - Non-Executive Director; ID - Independent Director

During FY2024-2025, information as mentioned in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company.

KYC of Directors

Pursuant to Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2019, all the Directors of the Company completed the KYC for the financial year 2024-2025.

Code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct to regulate, monitor and report trading by Insiders

The Board has approved and adopted the code of practices and procedures for fair disclosure of unpublished price sensitive information and the code of conduct to regulate, monitor and report trading by Insiders in terms of Regulation 8 and 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down procedures to be followed and disclosures to be made while trading in the Company's shares from time to time. Also this code includes practices and procedures for fair disclosure of unpublished price sensitive information. The same is posted on the Company's website at <https://www.aarti-surfactants.com/code.htm>

III. COMMITTEES OF THE BOARD



The Board of Directors has constituted various Committees to provide focused oversight and ensure more effective governance in key functional areas. These Committees play a critical role in supporting the Board in discharging its responsibilities efficiently and transparently. Each Committee functions within a clearly defined framework, which outlines its composition, roles, powers, and responsibilities, in alignment with the provisions of the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with applicable laws and regulations, the Company has established the following five Statutory Committees of the Board:

Audit Committee

Oversees the Company's financial reporting process, internal controls, audit functions, and risk management framework to ensure transparency and integrity in financial disclosures.

Nomination and Remuneration Committee

Responsible for evaluating and recommending the appointment, re-appointment, and compensation of Directors and Senior Management personnel, while promoting a performance-driven culture.

Stakeholders Relationship Committee

Focuses on resolving grievances and strengthening communication with shareholders and investors, thereby reinforcing stakeholder trust.

Risk Management Committee

Identifies potential business risks, formulates mitigation strategies, and ensures the effectiveness of the Company's risk management framework across operations.

Corporate Social Responsibility (CSR) Committee

Guides and monitors the Company's CSR initiatives to ensure sustainable impact and alignment with the Company's social development objectives.

Finance and Investment Committee

In addition to the above statutory bodies, the Board has also constituted the Finance and Investment Committee to review and decide on routine operational matters, financial investments, banking arrangements, and treasury functions.

From time to time, the Board also establishes functional and ad hoc Committees to address specific business needs and strategic priorities. These Committees ensure focused deliberation and swift decision-making on specialized matters.

Governance and Oversight

All Committees operate under formal charters approved by the Board, which are reviewed periodically to remain aligned with regulatory developments and evolving business needs. The Committees are empowered to seek independent external advice from experts, legal counsel, or consultants, as necessary, to aid in their deliberations.

The Company's governance framework ensures that the minutes of all Committee meetings are properly recorded, circulated to all Committee members, and subsequently placed before the Board for review and noting. This promotes consistency, accountability, and seamless integration of the Committee's recommendations into the overall decision-making process.

During the financial year, all recommendations made by the Committees were accepted by the Board, reflecting the Board's confidence in the Committees' diligence and contributions.

Through this structured Committee system, the Board ensures robust oversight, strategic alignment, and the highest standards of corporate governance across all aspects of the Company's operations.

1. AUDIT COMMITTEE


The Audit Committee of the Board of Directors plays a pivotal role in upholding the integrity of the Company's financial reporting process and ensuring the robustness of its internal control systems. It acts as a cornerstone of the Company's corporate governance framework by providing independent oversight on matters related to financial statements, statutory and internal audits, risk management, and compliance with applicable laws and regulations.

The composition, quorum, powers, and functioning of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Roles and Terms of Reference:

The Board has framed the Audit Committee Charter to ensure effective compliance with statutory requirements. The Committee inter alia performs the following functions:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the Auditor and the fixation of audit fees;
- 3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- 4) Reviewing, with the management, the annual financial statement before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the Director's responsibility Statement which forms part of the Directors' Report pursuant to Clause (c) of subsection 3 of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions and
 - g) modified opinion(s) in the draft audit report.
- 5) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- 6) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;

- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors on any significant findings and follow up thereon;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board; 
- 16) Discussion with statutory auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle blower mechanism;
- 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiary Company exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- 21) Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 with reference to events which were regarded as UPSI, whether such UPSI were shared in the manner expected, instances of leaks, if any, instance of breaches of the Code, efficiency of sensitization process, etc. at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively; and
- 22) The Committee shall also consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- 23) Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the SEBI Regulations and / or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider think fit.

In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Composition, Meetings and Attendance

As of March 31, 2025, the Audit Committee comprised three members, of which two are Non-Executive Independent Directors. All members are financially literate and bring in a rich blend of expertise in Finance, Taxation, Risk, Economics, and International Finance. The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Committee met four times, ensuring that the gap between two consecutive meetings did not exceed 120 days. The required quorum was met for all meetings. The Chairman of the Audit Committee also attended the Sixth Annual General Meeting held on August 14, 2024, to address shareholder queries related to financial and audit matters.

The Promoters, Chief Financial Officer (CFO), relevant Functional Heads, and representatives of the Statutory Auditors, Internal Auditors, and Cost Auditor attended the meetings of the Audit Committee, as and when required, to provide necessary insights and clarifications. Their participation ensured that the Committee had access to comprehensive information and expert opinions to support informed decision-making and effective oversight.

The composition of the Audit Committee, along with the dates of meetings held during the financial year and the attendance of each member, is detailed below:

Members	Category	Meeting Dates	April 22, 2024	July 20, 2024	November 11, 2024	February 08, 2025
		Mode of Meetings	Physical	Physical	Physical	Physical
		Start Time	02.00 PM	11.30 AM	11.00 AM	11.00 AM
Mulesh M. Savla (Chairman)	Non-Executive Independent Director	4	✓	✓	✓	✓
Chandrakant V. Gogri	Non-Executive Director	3	✓	✓	✓	-
Misha B. Gala	Non-Executive Independent Director	4	✓	✓	✓	✓

2. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee of the Board of Directors plays a pivotal role in establishing a performance-driven, meritocratic, and transparent framework for the appointment, evaluation, and remuneration of Directors, Key Managerial Personnel (KMP), and senior management. The Committee is also responsible for fostering a diverse and inclusive leadership pipeline aligned with the long-term vision and values of the Company.

The composition, quorum, powers, and functioning of the Nomination & Remuneration Committee are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D Para A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board, are as follows:

- 1) To help the Board in determining the appropriate size, diversity and composition of the Board;
- 2) To recommend to the Board appointment/reappointment and removal of Directors and Senior Management;
- 3) To frame criteria for determining qualifications, positive attributes and independence of Directors;
- 4) To recommend to the Board, remuneration payable to the Directors and Senior

Management (within the appropriate limits as defined in the Act);

- 5) To create an evaluation framework for Independent Directors and the Board;
- 6) To provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- 7) To recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- 8) To assist in developing a succession plan for the Board and Senior Management; and
- 9) To assist the Board in fulfilling responsibilities entrusted from time-to-time;
- 10) Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the SEBI Regulations and / or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider think fit.

Composition, Meetings and Attendance

As on March 31, 2025, the Nomination & Remuneration Committee comprised three members, including two Non-Executive Independent Directors. The composition of the Committee is in line with applicable regulatory requirements ensuring independence and objectivity in its deliberations.

During the year under review, the Committee met two times, and the necessary quorum was present at all meetings.

The composition of the Nomination and Remuneration Committee, along with the dates of meetings held during the financial year and the attendance of each member, is detailed below:

Members	Category	Meeting Dates	April 22, 2024	July 20, 2024
		Mode of Meetings	Physical	Physical
		Start Time	1.30 PM	10.00 AM
Misha B. Gala (Chairperson)	Non-Executive Independent Director	2	✓	✓
Chandrakant V. Gogri	Non-Executive Director	2	✓	✓
Mullesh M. Savla	Non-Executive Independent Director	2	✓	✓

Performance Evaluation

Pursuant to the provisions of the Companies Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Board carried out an evaluation of its own performance, the performance of its Committees, and that of individual Directors, including Independent Directors and the Chairman of the Board.

A structured questionnaire was used for the evaluation, covering various aspects of the Board’s functioning such as the adequacy of its composition and that of its Committees, Board culture, execution of specific duties, fulfilment of obligations, and governance practices. Suggestions received from Independent Directors were reviewed and duly noted by the Board.

The performance evaluation of the Chairman, CEO & Managing Director, and Non-Independent Directors was conducted by the Independent Directors. At their separate meeting, the Independent Directors also reviewed the quality and timeliness of the flow of information to the Board and provided recommendations to strengthen corporate governance.

The Directors expressed their satisfaction with the overall evaluation process.

The performance evaluation criteria and framework for Independent Directors were formulated by the Nomination and Remuneration Committee, based on which the performance of the Independent Directors was assessed.

Particulars of Senior Management Personnel

Details of Senior Management Personnel as on March 31, 2025 are as follows:

Sr. No.	Names	Designation	
1.	Kanika Rathore	Vice President – Business and Operations	The Vice President – Marketing, Business & Operations is responsible for providing strategic leadership to drive business growth, strengthen market presence, and ensure operational excellence. The role involves developing and executing marketing and branding strategies, identifying and pursuing new business opportunities, and building strong customer and partner relationships. The VP oversees operational processes to enhance efficiency, productivity, and cost-effectiveness while ensuring adherence to quality, compliance, and governance standards. Additionally, the role focuses on financial performance, resource optimization, and team leadership, fostering a culture of innovation, accountability, and continuous improvement across the organization.



2.	Nitesh H. Medh	Chief Financial Officer	The Chief Financial Officer (CFO) is responsible for overseeing the financial health and strategy of the Company. Their role includes managing financial planning, budgeting, and forecasting, ensuring statutory and regulatory compliance, monitoring cash flows, and maintaining effective internal controls. The CFO provides accurate financial reporting to support decision-making, optimizes capital structure, manages risks, and ensures efficient allocation of resources to drive sustainable growth and shareholder value. Additionally, the CFO works closely with the Board and senior management to align financial strategy with overall business objectives.
3.	Priyanka A. Chaurasia	Company Secretary & Compliance Officer	The Company Secretary (CS) is responsible for ensuring effective corporate governance, regulatory compliance, and smooth conduct of Board and General Meetings. CS act as a key advisor to the Board on legal, secretarial, and governance matters, maintain statutory records, and facilitate timely filings with regulatory authorities. The Company Secretary ensures transparent communication between the Company, its Board, shareholders, and regulators, while also supporting the implementation of best practices in governance and compliance to safeguard the Company's integrity and accountability.

Nomination and Remuneration Policy:

The Company has adopted a Nomination and Remuneration Policy in accordance with the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy outlines the responsibilities of the Nomination and Remuneration Committee and the Board with respect to:

- Establishing criteria for the selection and appointment of Board members;
- Recommending and approving the compensation structure and related policies for Directors, Key Managerial Personnel (KMP), and Senior Management;
- Creating a robust framework for the performance evaluation of the Board, its Committees, and individual Directors.

This Policy aims to ensure a transparent, fair, and merit-based approach in the nomination and

remuneration processes, aligned with the Company's strategic goals and stakeholder interests.

The Nomination and Remuneration Policy is available on the Company's website at <https://www.aarti-surfactants.com/policies.htm>

In accordance with the said Policy, the following are the criteria for payment of remuneration to Directors:

Remuneration to Executive Directors

The Company compensates its Executive Directors through a combination of salary, perquisites, allowances, profit-linked commission, and stock options, where applicable.

All remuneration is paid in accordance with the limits approved by the shareholders and as prescribed under the Companies Act, 2013 and the applicable Rules. The structure and quantum of remuneration are determined with reference to industry benchmarks, the individual's role and responsibilities, and the overall performance of the Company, ensuring a balanced and performance-driven compensation framework.

The remuneration paid to the Executive Directors of the Company for the financial year 2024–2025 is detailed below: (₹ in lakhs)

Particulars	Nikhil P. Desai	Nikhil P. Desai
Present Term of Appointment	5 years from August 20, 2022 to August 19, 2027	5 years from August 20, 2022 to August 19, 2027
Salary and Allowances	83.16	40.00
Commission	50.74	8.46
No. of Shares held	2,65,435	#

Notes:

- Figures are exclusive of the cost of perquisites; contribution to provident fund, superannuation fund, driver's salary, and taxable value of car perquisite. This amount does not include gratuity and leave entitlement (both of which are ascertained actuarially) as the same would be determined on retirement.
- Remuneration is within the limits recommended by the Nomination and Remuneration Committee, approved by the Board, and sanctioned by the Members of the Company through a Special Resolution passed at the Annual General Meeting held on August 14, 2024.
- # Mr. Santosh M. Kakade holds 2,750 stock options of the Company.

Remuneration to Non-Executive Directors

Non-Executive Directors are compensated by way of sitting fees (including reimbursement of expenses) for attending the meetings of the Board and its Committees. The payment of sitting fees is in accordance with the provisions of the Companies Act, 2013 and the applicable rules. No stock options were granted to the Non-Executive Directors during the year.

The details of the sitting fees paid and shares held by the Non-Executive Directors as on March 31, 2025 are as under:

Name of Director(s)	Sitting fees in gross (Amt. in ₹)	Shareholding in the Company	% of Total Shareholding
Mullesh M. Savla	2,30,000	Nil	Nil
Misha B. Gala	1,85,000	Nil	Nil
Chandrakant V. Gogri	1,36,000	302 Equity shares	0.00%
Dattatray S. Galpalli	39,000	13 Equity shares	0.00%

Transactions with the Independent Directors:

The Company does not have material pecuniary relationship or transactions with its Independent Directors except the payment of sitting fees for attending the meetings of Board / Committees, as disclosed in this Report.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board of Directors is entrusted with the responsibility of safeguarding the interests of shareholders, debenture holders, and other security holders. The composition, quorum, powers, role, and scope of the Committee are in compliance with the requirements of Section 178(5) of the Companies Act, 2013, and the provisions of Regulation 20 read with Part D, Para B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference

The broad terms of reference of the Stakeholder Relationship Committee shall inter alia, include the following;

- Noting: Shareholding Pattern, category wise composition of the ownership viz institutional, non-institutional and promoters;
- Detailed deliberations on shareholder's complaint received, resolved and pending for the resolution;
- Review: measures taken for effective exercise of voting rights by shareholders;
- Review: Status of Cases in Suspense Accounts;
- Review: Balances Pending in Unclaimed Dividend/Fractional Shares Dividend account and measures taken by Company to reduce the same;



- 6. Review: Status of IEPF Cases;
- 7. Review: Adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 8. Review: Trainings conducted on Takeover / Insider Regulations/ Code of Conduct to the Stakeholders of Company;
- 9. Review: Compliances pertaining to Investors Meet;
- 10. Review: Recommendations of Proxy Advisors;
- 11. Authorise/ Review: Printing of Share Certificate and status of blank Share Certificates;
- 12. Review: Internal Audit Report of RTA Activities;
- 13. Updation - Regulatory changes impacting shareholders;
- 14. Process Improvement initiatives;
- 15. Review and monitoring compliance under SEBI Takeover Regulations and SEBI Prohibition of Insider Trading Regulations;
- 16. To do such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the SEBI Regulations and / or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider think fit.

Composition, Meetings and Attendance

As on March 31, 2025, the Committee comprises of three members of which one is Non-Executive Independent Director.

One Meeting was held during the year under review. The necessary quorum was present for throughout the Meeting, details of which are as under: -

Members	Category	Date of meeting
		March 31, 2025, at 05:30 PM through Video Conferencing
Dattatray S. Galpalli (Chairman)	Non-Executive Director	
Mulesh M. Savla	Non-Executive Independent Director	
Nikhil P. Desai	Executive Director	

Name, Designation and Contact details of the Compliance Officer

Mrs. Priyanka Chaurasia, Company Secretary (M. No. A44258) is the Compliance Officer of the Company. She can be contacted at the corporate office:

Address: "Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund (West), Mumbai - 400080, Maharashtra
Tel.: +91 22 6781 6435;
Email: co.asl@aarti-surfactants.com;
Website: www.aarti-surfactants.com

Separate email id for the redressal of investors' complaints

As per Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

Company has designated a separate e-mail id investors@aarti-surfactants.com exclusively for the registering complaints by the investors.

Shareholders' Complaints

During the year under review, 8 (Eight) complaints were received through SEBI and Stock Exchanges and all were resolved to the satisfaction of the complainants. No request for Share Transfer or Dematerialisation was pending for approval as on March 31, 2025.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, MUFG Intime India Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Stakeholders Relationship Committee Meeting is circulated to the Board and noted by the Board of Directors.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

4. RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board of Directors is entrusted with the responsibility of making recommendations to the Board on the risk management systems designed to enable an early detection of the risks and their effective supervision and Management. The composition, quorum, powers, role and scope are in accordance with the provisions of Regulation 21 read with Part D Para C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference

The broad terms of reference of the Risk Management Committee shall inter alia, include the following;

1. formulate a detailed risk management policy which shall include:
 - i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - iii. Business continuity plan;
2. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. Keep the board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. Appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
7. Such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and / or such other regulatory provisions, as amended from time to time, and the Board of Directors of the Company may consider think fit.

Composition, Meetings and Attendance

As on March 31, 2025, the Committee comprises of five members of which one is Non-Executive Independent Director.

During the year under review, the Committee met three times and the gap between the meetings did not exceed two hundred and ten days. The necessary quorum was present at all meetings.

The composition of the Risk Management Committee, along with the dates of meetings held during the financial year and the attendance of each member, is detailed below:

Members	Category	Meeting Date	April 22, 2024	November 11, 2024	February 08, 2025
		Mode	Physical	Physical	Physical
		Start Timing	1:00 PM	09:30 AM	10:00 AM
Nikhil P. Desai (Chairman)	Executive Director	3	✓	✓	✓
Chandrakant V. Gogri	Non - Executive Director	2	✓	✓	-
Mulesh M. Savla	Non-Executive Independent Director	3	✓	✓	✓
Nitesh H. Medh	Chief Financial Officer	3	✓	✓	✓
Santosh M. Kakade	Executive Director	3	✓	✓	✓



The Company has formulated a Risk Management Policy for early detection and effective supervision of the various risks associated with the business of the Company. The policy is available on the Company's website at <https://www.aarti-surfactants.com/policies.htm>.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee of the Board of Directors is entrusted with the responsibility of identifying the areas of CSR activity, recommending the amount of expenditure to be incurred and implementing and monitoring the CSR policy from time to time. The composition, quorum, powers, role and scope are in accordance with the provisions of Section 135 of the Companies Act, 2013.

Terms of Reference

The broad terms of reference of the Corporate Social Responsibility Committee shall inter alia, include the following;

1. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act, as amended, read with Rules framed thereunder;

2. Recommend the amount of expenditure to be incurred on such activities;
3. Monitor the CSR Policy of the Company from time to time;
4. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the Committee in terms of the provisions of Section 135 of the Companies Act, 2013 and the rules framed thereunder.

The Board has also approved Corporate Social Responsibility Policy and is available on the Company's website at <https://www.aarti-surfactants.com/policies.htm>. The Annual Report on Corporate Social Responsibility Activities as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure which forms part of the Board's Report.

Composition, Meetings and Attendance

As on March 31, 2025, the Committee comprises of three members of which one is Non-Executive Independent Director.

One CSR Meeting was held during the year under review. The necessary quorum was present throughout the meeting.

The date of the meeting and attendance of CSR committee members in the said meeting is given below:

Members	Category	Date of the meeting
		July 20, 2024, at 11:15 AM (Physical)
Chandrakant V. Gogri (Chairman)	Non - Executive Director	☑
Misha B. Gala	Non-Executive Independent Director	☑
Nikhil P. Desai	Executive Director	☑

6. INDEPENDENT DIRECTORS' MEETING

Pursuant to requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Independent Directors met twice during the Financial Year without the presence of Non-Executive Directors, Executive Directors or Management to discuss the matters as laid out therein for such meetings.

The meetings were held on February 8, 2025, and March 29, 2025, wherein the Independent Directors, inter alia, undertook the following:

- i. Reviewed the performance of Non-Independent Directors and the Board as a whole;
- ii. Assessed the quality, adequacy, and timeliness of the flow of information between the Management and the Board to enable the Board to perform its duties effectively;
- iii. Recommended measures, if any, to strengthen the Company's Corporate Governance framework; and

- iv. Reviewed the recommendations from the previous Independent Directors' meeting along with their implementation status.

IV. GENERAL BODY MEETINGS

Details of last three Annual General Meetings are as under:

Financial Year	Day, Date and Time	Venue	Venue
2023-2024	Wednesday, August 14, 2024 at 11.00 a.m. (IST)	Through Video Conferencing / Other Audio-Visual Means	<ol style="list-style-type: none"> 1. To approve 'Aarti Surfactants Limited Employee Stock Option Plan 2024' ('ESOP 2024' / 'Plan'). 2. To approve "Aarti Surfactants Limited Employee Stock Option Plan 2024" ('ESOP 2024' / 'Plan') to the Employees of the Subsidiary Companies (Present or Future). 3. To approve the re-appointment of Mrs. Misha B. Gala (DIN: 08523865), as an Independent Director for a second term of five consecutive years. 4. To approve revision in terms & conditions of appointment of Mr. Nikhil P. Desai (DIN: 01660649) as CEO & Managing Director of the Company. 5. To approve revision in terms & conditions of appointment of Mr. Santosh M. Kakade (DIN: 08505234), Executive Director of the Company.
2022-2023	Tuesday, September 12, 2023 at 11:30 a.m. (IST)	Through Video Conferencing / Other Audio-Visual Means	<ol style="list-style-type: none"> 1. To re-appoint Mr. Mulesh M. Savla (DIN: 07474847) as an Independent Director 2. To create charge(s) on the properties of the Company, in respect of the borrowings
2021-2022	Friday, August 05, 2022 at 11:30 a.m. (IST)	Through Video Conferencing / Other Audio-Visual Means	<ol style="list-style-type: none"> 1. To appoint Mr. Chandrakant Vallabhaji Gogri, who retires by rotation as a Director and had attained the age of seventy-five years. 2. To approve the re-appointment of Mr. Nikhil Parimal Desai (DIN: 01660649) as Managing Director. 3. To approve the re-appointment of Mr. Santosh Kakade (DIN: 08505234) as an Executive Director.



Extraordinary General Meetings

No Extraordinary General Meetings of members was convened during the financial year.

Details of resolutions passed through Postal Ballot

During the Financial Year 2024-2025, no resolution was passed through postal ballot.

V. MEANS OF COMMUNICATION

The Company intimates the Stock Exchanges of its quarterly financial results within the stipulated timelines – generally within 30 minutes or 3 hours from the conclusion of the Board Meeting in which the results are approved. The results are subsequently published in the Financial Express (English) and Jansatta (Hindi) editions and are also uploaded on the Company’s website at www.aarti-surfactants.com

Details of announcements and publications during FY 2024-2025 are as follows:

Period	Date of Announcement on the Stock Exchanges	Date of Newspaper Publication
First Quarter	July 20, 2024	July 22, 2024
Half Year	November 11, 2024	November 13, 2024
Third Quarter	February 08, 2025	February 10, 2025
Annual	May 12, 2025	May 14, 2025

In addition, all disclosures required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – including the Annual Report, quarterly financial statements, shareholding pattern, and Corporate Governance Report – are regularly filed with both BSE Limited (www.bseindia.com) and the National Stock Exchange of India Limited (www.nseindia.com).

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a dedicated ‘Investors’ section titled Disclosure under Regulation 46 is available on the Company’s website. This section hosts key information and disclosures, such as the Annual Report, quarterly/half-yearly/nine-monthly and annual financial results, shareholding patterns, Corporate Governance reports, and applicable Company policies.

VI. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting:

7th Annual General Meeting will be held on Tuesday, September 23, 2025 through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) at 4:00 p.m. (IST)

Financial Year and Tentative Financial Calendar:

The Company follows financial year of 12 months starting from April 1 and ending on March 31. Our tentative calendar for declaration of the quarterly results during financial year 2025-2026 are as follows:

Financial Year	2025-2026
June, 2025	Last week of July / 1 st / 2 nd week of August, 2025
September, 2025	Last week of October / 1 st / 2 nd week of November, 2025
December, 2025	Last week of January / 1 st / 2 nd week of February, 2026
March, 2026	Last week of April / 1 st / 2 nd / 3 rd week of May, 2026

Record Date: September 16, 2025

Dividend payment date:

Dividend will be paid within 30 days from the date of approval at 7th Annual General Meeting.

The name and address of each stock exchange(s) at which the listed entity’s securities are listed:

The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited

Stock Exchange(s)	Stock Code / Symbol
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	543210 – Equity Shares 700135 – Non-Convertible Redeemable Preference Shares
National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai 400051	AARTISURF – Equity Shares and Non-Convertible Redeemable Preference Shares

Confirmation on payment of Annual Listing Fees and Custodial Fees:

The Company has duly paid the Annual Listing Fees to both the Stock Exchanges and the Annual Custodial Fees to both the Depositories for the financial year 2024–2025.

Cases where securities are suspended from trading: Not Applicable

Registrar to an issue and Share transfer agents:

MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited)

C-101, 1st Floor, C Tower, 247 Park, L.B.S Marg, Vikhroli (West) Mumbai- 400083.
Tel. No. +91 22 49186000 | Fax No. 022 – 4918 6060

Email ID: mt.helpdesk@in.mpms.mufg.com

Website: www.in.mpms.mufg.com

The Members are requested to address all their communications / suggestions / grievances to the Share Transfer Agents at the above address.

120 days, then the Company shall credit those shares in the Suspense Escrow Demat Account ('SEDA') held by the Company. Shareholders can claim those shares transferred to SEDA on submission of necessary documentation.

Distribution of Shareholding:

Shareholding Pattern as on March 31, 2025

Sr. No.	Category of Shareholder	Total number of shares	% of holding
1	Promoter and Promoter Group	42,22,080	49.92
2	Public Shareholding	42,36,415	50.08
	Total	84,58,495	100.00

Distribution of Shareholding (Shares)

Share Transfer Process & Dematerialisation:

In accordance with Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, transfer/ transmission and transposition of securities shall be effected only in dematerialised form. Listed companies shall issue the securities in dematerialised form only, for processing any service request from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition etc. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4/ ISR-5, the format of which is available on the Company's website at www.aarti-surfactants.com. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant ('DP') for dematerialising those shares. If the shareholder fails to submit the dematerialisation request within

Sr. No.	Shareholding of Shares	Shareholders	Percentage of Total	Total Shares	Percentage of Total
1	1 to 5000	39378	99.71	2848493	33.68
2	5001 to 10000	54	0.14	375574	4.44
3	10001 to 20000	22	0.05	298553	3.53
4	20001 to 30000	9	0.02	226287	2.68
5	30001 to 40000	1	0.00	30622	0.36
6	40001 to 50000	2	0.00	90886	1.07
7	50001 to 100000	12	0.03	869842	10.28
8	100001 to 999999999	11	0.02	3718238	43.96
	Total	39489	100	8458495	100

Dematerialization of Shares and Liquidity:

As on March 31, 2025, 99.41% of the Company’s paid-up equity share capital was held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) under ISIN No: INE09EO01013.

Break-up of shareholding as on March 31, 2025:

Mode of Holding	Equity Shares	
	No. of shares	(%)
NSDL	63,72,719	75.34
CDSL	20,36,231	24.07
Physical	49,545	0.59
Total	84,58,495	100

The Company’s equity shares are traded under the ‘B’ Category on BSE Limited and are also actively traded on the National Stock Exchange of India Limited.

Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, if any:

The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments.

Commodity price risk or foreign exchange risk and hedging activities, if any:

During the FY2024-2025, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure forms part of the notes of the Annual Accounts.

Plant Locations:

- i. Plot nos. 57, 58, 60 to 64, 62A, S-3-1, Sector-3, Sagore Village, Pithampur Industrial Area, District Dhar, Madhya Pradesh – 454775.

- ii. Survey No. 193/1/4, 193/1/5, 193/1/6, Village Kherdi, Khanvel Udhva Road, Village, Kherdi, Dadra & Nagar Haveli – 396230.

Research & Development Centre:

Esjay House, A-74/2, Kopar Khairane, MIDC, TTC, Navi Mumbai – 400703, Koparkhairane, Maharashtra

Address for Correspondence:

- i. Registered Office: Plot No 57, 61 to 64, Sector 3, Sagore Village, Pithampur, Industrial Area, Dhar, Madhya Pradesh – 454 775
- ii. Corporate and Head Office: Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund (West), Mumbai-400080, Maharashtra,

Credit Rating:

The Company does not have any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad during the financial year ended March 31, 2025.

Below are the details of Credit Ratings as on March 31, 2025:-

Facilities	Ratings
Long term bank facilities	CARE A-; Stable
Long-term instruments (Preference shares - Redeemable)	CARE BBB+; Stable

Green initiative:

As a responsible corporate citizen, the Company welcomes and supports the ‘Green Initiative’ undertaken by the Ministry of Corporate Affairs, Government of India, and Securities & Exchange Board of India enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address registered with the Depository Participant (DPs) and Registrar and Transfer Agent (RTA).

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in Demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with RTA, by sending a letter, duly signed by the first/joint holder quoting details of Folio Number.

VII. OTHER DISCLOSURES:

1. All related party transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of related party transactions entered into by the Company are included in the notes to accounts. During the year under review, there were no material related party transactions that may have a potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of Business are placed before the Audit Committee periodically.

As required under Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on dealing with related party transactions. The said policy is also available under 'Investor' section of the website of the Company at <https://www.aarti-surfactants.com/policies.htm>.

2. The Company has complied with all requirements specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as other regulations, circulars and guidelines issued by the SEBI. There were no strictures or penalties imposed by either SEBI or Stock Exchanges or MCA or any other regulatory/ statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.

3. The Audit Committee and the Board have adopted a Whistle-Blower policy which provides an environment where every Director / employee feels free and secure to report specific incidents of unethical behaviour, actual or suspected incidents of fraud or violation of the Company's Code, investigate such reported incidents in a fair manner, taking appropriate disciplinary action against the delinquent Director(s) and employee(s), ensuring that no Director or employee is victimised or harassed for bringing such incidents to the attention of the Company. The Company affirms that there were no incidence of reporting unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct during the financial year 2024-2025.

4. The status of compliance with discretionary requirements of Part E of schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges is provided below:

Sr. No.	Category of Shareholder	% of holding
1	Non-Executive Chairman's Office	The Company has a Non-executive Independent Director as Chairman of the Company.
2	Shareholder's Rights	The quarterly financial results are published in the newspapers of wide circulation and not sent to individual shareholders. Quarterly Financial Results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.
3	Audit Qualifications	Auditors' Report on Company's financial statement for FY2024-2025 is unmodified.
4	Separate posts of Chairman and Chief Executive Officer ("CEO")	The Company has separate posts of Chairman and CEO & Managing Director.
5	Reporting of Internal Auditor	The Internal Auditor reports to the Audit Committee.

5. The 'Policy for Determining Material Subsidiary' pursuant to Regulation 16(1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been adopted and the same has been hosted on website of the Company at <https://www.aarti-surfactants.com/policies.htm>. The Company does not have any material subsidiary pursuant Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

However, the details of utilisation of funds raised through conversion of Partly Paid to Fully Paid Equity Shares issued pursuant to Rights basis as on March 31, 2025 forms part of the Directors' report.

7. The Company has obtained a certificate from Sunil Dedhia and Co., Practicing Company Secretary confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. A copy of the said certificate is appended to this report.

8. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is part;

Particulars	₹ in Lakhs.
Audit Fees	7.50
Out of pocket expenses	0.60
Other Services	-
Total	8.10

9. Disclosures in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013;

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

10. The Company has not given any loans and advances to firms/Companies in which Directors are interested.

11. The Company hereby confirms compliance with that requirements of Corporate Governance report as specified in sub-para (2) to (10) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. The Company has complied with all the mandatory corporate governance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company confirms compliances with corporate governance requirements specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. The Shareholders, promoters, promoter group entities, related parties, Directors, key managerial personnel, employees of the Company have not entered any agreement among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

14. As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of the shares in the Suspense Account are as follows:

Particulars	Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
Unclaimed suspense account	10717	175	175	10542	10542

VIII. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors has adopted Code of Conduct for the Board of Directors and Senior Management Personnel of the Company in terms of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Board members and Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2025. A declaration to this effect signed by the Chief Executive Officer & Managing Director is appended to this report. The said Code of Conduct may be viewed on the Company's website at <https://www.aarti-surfactants.com/code-of-conduct-and-policies.htm>

Chief Executive Officer & Managing Director and Chief Financial Officer of the Company is appended to this report.

X. CERTIFICATE FROM CHARTERED ACCOUNTANTS FOR COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

A certificate from Gokhale & Sathe, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended to this Report.

IX. CERTIFICATION FOR FINANCIAL REPORTING AND INTERNAL CONTROLS

Pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate duly signed by the

By order of the Board of Directors

Mulesh M. Savla
Chairman
DIN: 07474847

Mumbai / August 05, 2025



Declaration by Chief Executive Officer and Managing Director

All the Directors and the Senior Management Personnel have affirmed compliances with the Code of Conduct laid down by the Board of Directors in terms of Regulation 17(5)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By order of the Board of Directors

Nikhil P. Desai

CEO & Managing Director

DIN: 01660649

Mumbai / August 05, 2025



Chief Executive Officer & Managing Director / Chief Financial Officer Certification pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2025 and we hereby certify and confirm to the best of our knowledge and belief the following:

- a) The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b) The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- c) There are no transactions entered into by the Company during the year ended March 31, 2025 which are fraudulent, illegal or violative of Company' Code of Conduct.
- d) We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.
- e) There have been no significant changes in the abovementioned internal controls over financial reporting during the relevant period.
- f) That there have been no significant changes in the accounting policies during the relevant period.
- g) We have not noticed any significant fraud particularly those involving the management or an employee having a significant role in the Company's internal control system over Financial Reporting.

By order of the Board of Directors

Nikhil P. Desai

CEO & Managing Director
DIN : 01660649

Nitesh H. Medh

Chief Financial Officer
ICAI M. No : 155868

Mumbai / August 05, 2025



Certificate of Non-Disqualification of Directors

(PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(1) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To,

Aarti Surfactants Limited

(CIN: L24100MP2018PLC067037)

Plot no 57, 58, 60 to 64, 62A, S-3/1,

Sector-3, Sagore Village,

Pithampur Industrial Area,

District Dhar - 454775, Madhya Pradesh

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Aarti Surfactants Limited having CIN: L24100MP2018PLC067037** and having registered office at Plot no 57, 58, 60 to 64, 62A, S-3/1, Sector-3, Sagore Village, Pithampur Industrial Area, District Dhar - 454775, Madhya Pradesh (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below **for the Financial Year** ended on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name	DIN	Date of Appointment as Director	Date of Cessation as Director
1	Chandrakant Vallabhaji Gogri	00005048	18/06/2018	Continuing
2	Nikhil Parimal Desai	01660649	18/06/2018	Continuing
3	Dattatray Sidram Galpalli	01853463	18/06/2018	Continuing
4	Mulesh Manilal Savla	07474847	13/06/2019	Continuing
5	Santosh Kakade	08505234	20/08/2019	Continuing
6	Misha Bharat Gala	08523865	20/08/2019	Continuing

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Sunil M. Dedhia

Proprietor, Sunil M. Dedhia & Co.

Practising Company Secretary

FCS No: 3483 C.P. No. 2031

Peer Review Certificate No. 867/2020

UDIN: F003483G000463371

Place: Mumbai

Date: May 27, 2025

Certificate of Compliance with the Corporate Governance Requirements under SEBI (Listing & Disclosure Requirements) Regulations, 2015

To

The Members of Aarti Surfactants Limited

Plot Nos. 57, 58, 60 to 64, 62A, S-3/1,
Sector-3, Sagore Village,
Pithampur Industrial Area,
Dhar District
Madhya Pradesh- 454775, India

Dear Members,

Background:

We, Gokhale and Sathe, Chartered Accountants, being the Statutory Auditors of Aarti Surfactants Limited (“the Company”) are issuing this certificate as required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company. The Corporate Governance Report prepared by Aarti Surfactants Limited, contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para-C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) (“applicable criteria”) with respect to Corporate Governance for the year ended 31 March 2025.

Management Responsibility:



The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor’s Responsibility:

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements.

The procedures selected depend on the auditor’s judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria.

We have examined:

- a) the minutes of the meetings of the board of directors of the Company (the “Board”) and of committees of the Board, the annual general meetings of the shareholders of the Company;



- b) declarations made by the Board under relevant statutory / regulatory requirements;
- c) relevant statutory registers maintained by the Company; and
- d) such other documents and records of the Company as deemed necessary, in connection with ascertaining compliance with the conditions of corporate governance by the Company, as prescribed under the, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI Listing Regulations**”).

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion:

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, in our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with all the SEBI Listing Regulations, and the rules made thereunder, each as amended on Corporate Governance.

Restriction on use:

This Certificate is issued to the company solely for their consideration and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.



Disclaimer:

Such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Yours faithfully,
For Gokhale and Sathe
Chartered Accountants
Firm Registration No: 103264W

Uday Girjapure

Partner

Membership: 161776

UDIN: 25161776BMOHUQ6138

Place: Mumbai

Date: 5th August, 2025

Independent Auditor's Report

To the Members of
Aarti Surfactants Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of **Aarti Surfactant Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including the statement on Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements (including summary of the material 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 31 March 2025 and its profit, and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements 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 ("ICAI") together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters

Assessment of Contingent liabilities and Provisions (Refer Note No. 33 to the Standalone Financial Statements):

The Company is subject to assessment proceedings from time to time with direct and indirect tax authorities. As of 31st March 2025, while the Company has not made provisions for certain direct and indirect tax matters, it has paid certain amounts under protest, which are presented as 'Other Non-Current Assets' due to the uncertainty regarding the timing of their resolution, and has disclosed a contingent liability of Rs. 1,185.84 lakhs (FY 2024: Rs. 1,264.03 lakhs).

Auditors' Response

Our audit procedures, amongst others, include the following:

- Understanding and evaluating the processes and controls designed and implemented by management for the assessment of tax and other legal matters, including testing the operating effectiveness of the relevant controls.
- Enquiring with relevant personnel of the Company to obtain a comprehensive list of all matters under litigation and assessment proceedings.



Key Audit Matters

There is a significant level of management judgement involved in estimating the probable outflow of economic resources and the appropriate level of provisioning and/or disclosure required in the standalone financial statements. Management’s assessment is supported by advice from independent tax and legal consultants, where considered necessary by management. Any unexpected adverse outcomes could significantly impact the Company’s reported profit and financial position.

We considered this area as a key audit matter due to the inherent uncertainty related to the outcome of these tax and legal matters and the application of judgement in the interpretation of applicable laws.

Auditors’ Response

- Obtaining detailed information on litigation matters, reviewing supporting evidence, and critically assessing management’s evaluation through discussions with management on both the likelihood of outcomes and the magnitude of potential economic outflows of resources.
- Assessing the current status of ongoing tax assessments and other legal proceedings.
- Reviewing recent orders and/or communications received from relevant tax authorities and management’s responses to such communications.
- Where relevant, examining independent tax/legal advice obtained by management and evaluating the basis and reasoning presented therein.
- Evaluating the independence, objectivity, and competence of management’s external tax/legal consultants.
- In conjunction with the auditor’s tax experts, assessing management’s evaluation of the likelihood of various outcomes and potential financial exposure for each matter.
- Testing the mathematical accuracy of calculations where provisions have been recorded.
- Evaluating the appropriateness of accounting treatment, presentation, and adequacy of disclosures in the standalone financial statements in accordance with applicable accounting standards.

Information Other than Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises information included in the Management Discussion and Analysis, Board’s Report including annexures thereto, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor’s report thereon, which we expect to be made available to us after the date of this auditor’s report. 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 identified above 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 on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the additional information mentioned above that will be included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements

The Company’s Board of Directors is 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, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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, the Management is responsible for assessing the ability of the Company 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 either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 judgement 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 over financial reporting 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 the use of the going concern basis of accounting by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 standalone 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 standalone 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (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, to the extent applicable, 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 purpose of our audit of the aforesaid standalone financial statements.
 - b. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid standalone financial statements have been kept so far as it appears from our examination of those books. In so far as the modification on maintaining an audit trail in the accounting software is concerned, refer to paragraph (i)(vi) below;
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement

of Changes in Equity dealt with by this report are in agreement with the underlying books of account maintained by the Company.

- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 of the Company as on 31 March 2025, taken on record by the Board of Directors of the Company, none of the directors are disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The modification arising from the maintenance of the audit trail on the accounting software, comprising the application and database, is as stated in paragraph (i)(vi) below on reporting under Rule 11(g).
- g. 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 with reference to standalone financial statements.
- h. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- i. 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 in its Standalone Financial Statements. (Refer Note no. 33 to Standalone Financial Statements)
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- (iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note no. 40(c)(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note no. 40(c)(ii) to the Standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As disclosed in Note No. 11.7, the Board of Directors of the Company has proposed a final dividend for the year, which is subject to approval of the members at the ensuing Annual General Meeting. The proposed dividend is in accordance with Section 123 of the Act, as applicable.
- (vi) Based on our examination which included test checks, w.e.f. 1st July 2024, the Company has used the accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility in respect of the application and the same has operated from 1st July 2024 onwards for all relevant transactions. We did not come across any instance of the audit trail feature being tampered with in respect of accounting software. Normal/Regular users are not granted direct database or super user level access.
- However, unauthorised changes to the database by a super user specifically does not carry the feature of a concurrent real time audit trail.
- Until 30th June 2024, the Company maintained its books of accounts using accounting software with audit trail (edit log) functionality that operated throughout that period. However, the audit trail feature was not enabled at the application layer for master fields in general ledgers, and at the database level to log direct changes to the accounting software.
- With the exception of (i) unauthorised changes to the database by a super user not carrying the feature of concurrent real time audit trail, and (ii) audit trail functionality at the application layer for master fields in general ledgers and at the database level not being enabled until 30th June 2024 as mentioned above, we confirm that the Company has preserved the audit trail in accordance with statutory requirements for record retention.

For **Gokhale & Sathe**
Chartered Accountants
FRN: 103264W

Uday Girjapure
Partner

Membership Number: 161776
UDIN: 25161776BMOHSI7878

Place: Mumbai
Date: : May 12, 2025

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property Plant and Equipment, Right-of-use assets and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right-of-use of assets and capital work in progress.
 - (B) The Company has maintained proper records showing full particulars of intangible assets as at the year end.
 - b) The Property, Plant and Equipment of the Company have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification which were not properly dealt with in the books of accounts in the current year.
 - c) In our opinion, and according to the information and explanations given to us, the records examined by us and based on examination of the copies of the Sale Deed / Conveyance Deed / Transfer Deed, land revenue records provided to us, we report that the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is a lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements under Property, Plant and Equipment, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed separately under Property, Plant and Equipment in the financial statements, the lease agreements are in the name of the Company.
 - d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) during the year.
 - e) On the basis of information provided by management, no proceedings have been initiated during the year or are pending against the Company as of March 31, 2025, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed and discrepancies if any are properly dealt with by the Management of the Company.
- b) The Company has been sanctioned working capital limits in excess of five Crore rupees, in aggregate, from banks on the basis of security of current assets. As mentioned in note no 17.2 to the standalone financial statements, there are no material differences between the quarterly statements of stock filed by the Company with banks and the books of accounts, and any differences between quarterly returns filed by the Company with banks/financial institutions and books of accounts were on account of explainable items and not material in nature.
- iii. a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has during the year made investments of Rs. 50 lakhs in its wholly owned subsidiary. In our opinion, the said investment is not, prima facie, prejudicial to the interest of the Company. The Company has not granted any loans, advances in the nature of loans, or provided any guarantee or security to companies, firms, Limited Liability Partnerships, or any other parties during the year.

Since no loans or advances in the nature of loans have been granted during the year, the requirements of sub-clauses (b) to (f) of clause 3(iii) of the Order are not applicable to the Company.

- iv. In our opinion and according to the information and explanations given to us, the Company has made investments in its wholly owned subsidiary to the extent of Rs. 50 lakhs during the year, which is exempt from the special resolution requirement under Section 186(3) of the Companies Act, 2013. The provisions of section 186 of the Companies Act, 2013 have been complied with. The Company has not granted any loans, advances in the nature of loans, or provided any guarantees or securities during the year, and hence, section 185 of the Companies Act is not applicable.
- v. The Company has not accepted deposits or amounts which are deemed as deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 with regard to the deposits accepted from the public are not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014

prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, duty of customs, value added tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Cess and other material statutory dues in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2025 on account of disputes are given below:

Name of Statute	Nature of Dues	Period for which the amount relates	Forum where dispute is pending	Amount Unpaid (₹ In Lakhs)
Customs Act, 1962	Customs Duty	FY 2016-17	High Court	670.86
Dadra and Nagar Haveli Value Added Tax Regulation, 2005	Value Added Tax	FY 2012-23, FY 2014-25, FY 2015-16 and FY 2016-17	Commissioner (Appeals)	123.31
Madhya Pradesh Goods and Services Tax Act, 2017	GST	FY 2017-18	Commissioner (Appeals)	4.03
Local Municipal/Corporation Acts (Madhya Pradesh)	Entry Tax	FY 2010-11	Appellate Board (Commercial Taxes)	3.91

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) According to the records of the Company examined by us and the information and explanations given to us, the Company has

not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority or other lender.

- c) According to the information and explanations given to us, in our opinion, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.
- b) According to the information and explanations given to us, during the year the Company has granted Employee Stock Options to employees under the Employee Stock Option Plan, however, no preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally convertible) has been made during the year as the options have not yet vested or been exercised. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a) According to the information and explanations given to us, to the best of our knowledge, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- b) According to the information and explanations given to us and to the best of our knowledge, no report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- c) According to the information and explanations given to us by the Management, no whistle blower complaints were received by the Company during the year and up to the date of this report.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the books of accounts and records of the Company, in our opinion, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. a) According to the information and explanations given to us and based on our assessment of the internal audit system, in our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the books of accounts and records of the Company, during the year, the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- xvii. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Gokhale & Sathe**
Chartered Accountants
FRN: 103264W

Uday Girjapure
Partner
Membership Number: 161776
UDIN: 25161776BMOHSI7878

Place: Mumbai
Date: : May 12, 2025



Annexure B to the Independent Auditor's Report on Standalone Financial Statements

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Aarti Surfactants Limited (the "Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the criteria for internal financial control over financial reporting 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.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements 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 (the "ICAI"). 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 the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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 ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. 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 were 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 Company's internal financial controls with reference to standalone financial statements.

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.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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.

For **Gokhale & Sathe**
Chartered Accountants
FRN: 103264W

Uday Girjapure
Partner
Membership Number: 161776
UDIN: 25161776BMOHSI7878

Place: Mumbai
Date: : May 12, 2025



Standalone Balance Sheet

as at 31st March, 2025

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
A ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	1	19,890.43	20,364.49
(b) Right of Use Assets	1	158.56	202.81
(c) Capital Work-in-Progress	1	1,129.50	578.77
(d) Intangible Assets	1	86.16	-
(e) Intangible Assets under development	1	195.11	74.40
(f) Financial Assets			
(i) Investment in Subsidiary	2.1	575.00	525.00
(ii) Other Investments	2.2	0.05	0.03
(iii) Other Financial Assets	3	294.53	281.43
(g) Other Non-Current Assets	4	372.56	377.10
Total Non-Current Assets		22,701.90	22,404.03
2 Current Assets			
(a) Inventories	5	13,432.52	9,920.77
(b) Financial Assets			
(i) Trade Receivables	6	7,625.57	7,010.72
(ii) Cash and Cash Equivalents	7	72.40	614.99
(iii) Bank balances other than cash & cash equivalents	7	34.95	6.55
(iv) Loans	8	13.99	12.14
(iv) Other Financial Assets	9	0.24	136.16
(c) Other Current Assets	10	3,892.07	2,235.67
(d) Current Tax Assets (Net)	11	91.68	-
Total Current Assets		25,163.42	19,937.00
TOTAL ASSETS		47,865.32	42,341.03
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	12	846.58	846.58
(b) Other Equity	13	22,574.14	21,078.10
Total Equity		23,420.72	21,924.68
2 LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	2,760.27	4,793.43
(i) Lease Liabilities	15.1	128.26	166.09
(b) Deferred Tax Liabilities (Net)	16	1,991.75	1,784.01
(c) Other Non-Current Liabilities	17	945.64	755.09
Total Non-Current Liabilities		5,825.92	7,498.62
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	8,112.99	4,929.12
(ii) Trade Payables Due to			
- Micro and Small Enterprises	19	364.77	73.22
- Other Than Micro and Small Enterprises	19	8,846.19	6,653.68
(iii) Others	20	349.24	304.90
(iv) Lease Liabilities	15.2	37.83	32.21
(b) Other Current Liabilities	21	479.48	351.52
(c) Provisions	22	428.18	497.52
(d) Current Tax Liabilities (Net)	23	-	75.56
Total Current Liabilities		18,618.68	12,917.73
Total Liabilities		24,444.60	20,416.35
TOTAL EQUITY AND LIABILITIES		47,865.32	42,341.03
Material Accounting Policies			
Accompanying Notes to the Financial Statements	1-43		

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

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

For and on behalf of the Board

Partner
Uday Girjapur
M.No. 161776

Chandrakant Gogri
Director
DIN : 0005048

Nikhil Desai
CEO & Managing
Director
DIN : 01660649

Priyanka Chaurasia
Company
Secretary
ICSI M.No.A44258

Nitesh Medh
Chief Financial
Officer
ICAI M.No : 155868

Place: Mumbai
Date: 12th May, 2025

Standalone Statement of Profit and Loss

for the Period Ended 31st March, 2025

(₹ in Lakhs)

Particulars	Note No.	For the Year Ended 31st March, 2025	For the Year Ended 31st March, 2024
I Revenue from Operations	24	65,908.54	58,985.74
II Other Income	25	347.88	13.31
III Total Income (I+II)		66,256.42	58,999.05
IV EXPENSES			
(a) Cost of Materials Consumed	26	54,184.43	44,583.19
(b) Purchases of Trading Goods	26	76.46	-
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	27	(829.80)	72.03
(d) Employee Benefits Expense	28	2,013.38	1,789.48
(e) Finance Costs	29	1,155.15	1,403.36
(f) Depreciation / Amortisation Expenses	30	1,711.65	1,598.02
(g) Other Expenses	31	6,250.66	6,240.09
Total Expenses (IV)		64,561.93	55,686.17
V Profit before Exceptional Items and Tax (III-IV)		1,694.49	3,312.88
VI Exceptional Items		420.25	-
VII Profit before Tax (III-IV)		2,114.74	3,312.88
VIII TAX EXPENSE			
Current Tax		408.00	746.00
Adjustment of Tax related to earlier periods		-	14.45
Deferred Tax		207.74	325.74
Total Tax Expenses		615.74	1,086.19
IX Profit for the year (V-VIII)		1,499.00	2,226.69
X OTHER COMPREHENSIVE INCOME			
a. Items that will not be reclassified to Statement of Profit and Loss			
- Remeasurement of defined employee benefit plans (net of tax)		(16.87)	(11.37)
b. Items that will be reclassified to Statement of Profit and Loss			
- MTM Loss on Forward Contract (Net of Tax)		(4.18)	-
Other Comprehensive Income (Net of Tax)		(21.05)	(11.37)
XI TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX (IX+X)		1,477.95	2,215.32
XII Earnings Per Equity Share of Face Value of Rs 10 Each (EPS) (in Rs.)	32		
Basic		17.72	27.81
Diluted		17.71	26.27
Material Accounting Policies			
Accompanying Notes to the Financial Statements	1-43		

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

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

For and on behalf of the Board

Partner
Uday Girjapure
M.No. 161776

Chandrakant Gogri
Director
DIN : 0005048

Nikhil Desai
CEO & Managing
Director
DIN : 01660649

Priyanka Chaurasia
Company
Secretary
ICSI M.No.A44258

Nitesh Medh
Chief Financial
Officer
ICAI M.No : 155868

Place: Mumbai
Date: 12th May, 2025



Standalone Statement of Changes in Equity

for the Period Ended 31st March, 2025

A. Equity Share Capital

Particulars	(₹ in Lakhs)
Particulars	Amount
As at 31st March, 2024	846.58
Changes in equity share capital during the year 2024-25	-
As at 31st March, 2025	846.58

B. Other Equity

Particulars	Securities Premium	Retained Earnings	Employee Share Option Reserve	Effective Portion of Cash Flow Hedges	Total Other Equity
Balance as at 31st March, 2023	1,945.19	14,072.65	-	-	16,017.84
Profit for the year	-	2,226.69	-	-	2,226.69
Remeasurement of defined employee benefit plans (net of tax)	-	(11.37)	-	-	(11.37)
Rights Issue Expenses	-	(13.10)	-	-	(13.10)
Securities Premium on Rights Issue	2,858.04	-	-	-	2,858.04
Balance as at 31st March, 2024	4,803.23	16,274.88	-	-	21,078.10
Profit for the year	-	1,499.00	-	-	1,499.00
MTM Loss on Forward Contract (Net of Tax)	-	-	-	(4.18)	(4.18)
Remeasurement of defined employee benefit plans (net of tax)	-	(16.87)	-	-	(16.87)
Employee Share Option	-	-	18.09	-	18.09
Balance as at 31st March, 2025	4,803.23	17,757.01	18.09	(4.18)	22,574.14

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

As per our report of even date For and on behalf of the Board

For **Gokhale & Sathe**

Chartered Accountants

Firm Registration Number: 103264W

Partner

Uday Girjapure

M.No. 161776

Chandrakant Gogri

Director

DIN : 0005048

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Priyanka Chaurasia

Company

Secretary

ICSI M.No.A44258

Nitesh Medh

Chief Financial

Officer

ICAI M.No : 155868

Place: Mumbai

Date: 12th May, 2025

Standalone Cash Flow Statement

for the Period Ended 31st March, 2025

(₹ in Lakhs)

Sr. No.	Particulars	For the Year Ended 31st March, 2025	For the Year Ended 31st March, 2024
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before Exceptional Item	1,694.49	3,312.88
	Adjusted for:		
	- Finance Costs	1,155.15	1,403.36
	- Depreciation/Amortisation	1,711.65	1,598.02
	- UNREALISED foreign exchange loss/(gain) (net)	-127.87	-15.99
	- Bad debts and irrecoverable balances written off/(written back)	-	2.79
	- Allowance for expected credit loss made	16.86	58.42
	- Dividend income	-	-0.00
	- Interest income	-15.43	-13.31
	- Income on account of government grants	-745.63	-111.16
	Operating Profit before Working Capital Changes	3,689.22	6,235.01
	Adjusted for:		
	- (Increase)/Decrease in Trade and Other Receivables	-2,150.29	280.86
	- (Increase)/Decrease in Inventories	-3,511.75	-2,188.14
	- (Increase)/Decrease in Trade Payables and Other Current Liabilities	3,623.66	1,537.30
	Cash Generated from Operations	1,650.84	5,865.03
	Direct Taxes Paid	-520.72	-664.97
	Net Cash Flow from Operating Activities	1,130.12	5,200.06
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Acquisition of Property, Plant and Equipment and Capital Work In Progress	-1,993.31	-1,609.25
	Exceptional Gain in Insurance receipt against loss of assets	420.25	-
	Investment in Subsidiary	-50.00	-50.00
	Investment in Unquoted Equity Shares	-0.02	-
	Interest and Dividend Received	15.43	13.31
	(Increase)/ Decrease in Earmarked balances with banks (net)	-28.40	0.05
	Net Cash Flow used in Investing Activities	-1,636.05	-1,645.89
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Net Proceeds from Rights Issue of Shares	-	2,897.38
	Repayment from Non Current Borrowings	-2,596.25	-2,598.21
	Proceeds/(Repayment) from Current Borrowing (Net)	3,674.35	-2,665.29
	Finance Costs Paid	-1,065.76	-1,322.83
	Payment of Lease Liabilities	-49.00	-12.00
	Dividends Paid	-	-0.03
	Net Cash Flow from/(used in) Financing Activities	-36.66	-3,700.98
	Net Increase/(Decrease) in Cash and Cash Equivalents	-542.59	-146.81
	Opening Balance of Cash and Cash Equivalents	614.99	761.80
	Closing Balance of Cash and Cash Equivalents	72.40	614.99

Notes:

- The accompanying notes are an integral part of the Ind AS financial statements.
- Previous year figures have been recasted/restated wherever necessary.
- The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India.
- Cash flows from operating activities include Rs. 43.28 lakhs (Previous Year: Rs. 34.09) being expenses towards Corporate Social Responsibility initiatives.



Standalone Cash Flow Statement

for the Period Ended 31st March, 2025

5 Cash and Cash Equivalents comprises of:

Particulars	As at March 31, 2025	As at March 31, 2024
a. Cash on Hand	2.36	1.66
b. Balances with Banks	70.04	613.33
Total Cash and Cash Equivalents	72.40	614.99

6 Reconciliation of Balances in respect of Financial Liabilities.

Particulars	As at 1st April 2024	Net Cash Flow	Non-Cash Flow Changes		As at 31st March, 2025
			Net Addition / Accrued Interest	Other Changes	
Non-current Financial Liabilities					
- Borrowings	4,793.43	-	76.36	-2,109.52	2,760.27
- Lease Liabilities	166.09	49.00	-	-86.83	128.26
Current Financial Liabilities					
- Borrowings	4,929.12	1,074.35	-	2,109.52	8,112.99
- Lease Liabilities	32.21	-	-	5.62	37.83

Particulars	As at 1st April 2023	Net Cash Flow	Non-Cash Flow Changes		As at 31st March, 2024
			Net Addition / Accrued Interest	Other Changes	
Non-current Financial Liabilities					
- Borrowings	7,334.31	28.77	30.35	-2,600.00	4,793.43
- Lease Liabilities	-	-	210.30	-44.21	166.09
Current Financial Liabilities					
- Borrowings	7,578.94	-5,259.82	-	2,600.00	4,929.12
- Lease Liabilities	-	-12.00	-	44.21	32.21

As per our report of even date For and on behalf of the Board

For **Gokhale & Sathe**

Chartered Accountants

Firm Registration Number: 103264W

Partner

Uday Girjapure

M.No. 161776

Chandrakant Gogri

Director

DIN : 0005048

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DIN : 01660649

Priyanka Chaurasia

Company

Secretary

ICSI M.No.A44258

Nitesh Medh

Chief Financial

Officer

ICAI M.No : 155868

Place: Mumbai

Date: 12th May, 2025

Corporate Information and Material 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 no 57, 58, 60 to 64, 62A, S-3/1, Sector-3, Sagore Village, Pithampur Industrial Area, District Dhar - 454775, Madhya Pradesh, India.

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 Shares and Redeemable Preference Shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India.

B. Material Accounting Policies

B.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) (Amendment) Rules, 2015 amended from time to time and other relevant provisions of the Act.

The financial statements of the Company for the year ended 31.3.2025 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 12th May, 2025

B.2 Basis of Preparation and Presentation

The financial statements are prepared in accordance with the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116- Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

B.3 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of standalone financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting judgements, estimates and assumptions in preparation of its standalone financial statements:

(a) Useful Lives of Property, Plant and Equipment ("PPE")

Property, plant and equipment represents a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life

Corporate Information and Material Accounting Policies:

and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(b) Defined Benefit Plans (Gratuity)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Provisions, Contingent Liabilities and Contingent Assets

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates, including management's assessment of historical trends. However, anticipated recoveries are not recognized on a prudential basis. The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

(d) Provision for Income Tax and Deferred Tax Assets

The Company uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

(e) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.



B.4 Material 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;

Corporate Information and Material Accounting Policies:

- 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 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.

Software

The expenditure incurred is amortised over the five years equally commencing from the date of acquisition.

Research and Development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- * development costs can be measured reliably;
- * the product or process is technically and commercially feasible;
- * future economic benefits are probable; and
- * the company intends to, and has sufficient resources to complete development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

(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 Weighted Average cost or net realisable value, whichever is lower.

Corporate Information and Material Accounting Policies:

- b. Work-in-Progress - At cost plus appropriate allocation of overheads or net realisable value, whichever is lower.
- 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.

(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. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discount and schemes offered by the company as part of the contract. 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.
- (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
4.	Computers	Over a period of 2.5 years
5.	Office Equipments	Over a period of 5 years
6.	Furniture and Fixtures	Over a period of 10 years

Corporate Information and Material Accounting Policies:

Sr. No.	Particulars	Depreciation or Amortisation
7.	Vehicles	Over a period of 6.25 years
8.	Intangible Assets	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 the 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.

(k) Leases

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and,

for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised substance fixed lease payments.

The Company has taken various residential and office premises under operating lease or leave and license agreements. These are cancellable by the Company, having a term between 11 months and five years and have no specific obligation for renewal. Payments are recognised in the Standalone Statement of Profit and Loss under 'Rent' in Note 30.

(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

Corporate Information and Material Accounting Policies:

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.

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

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(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

Corporate Information and Material Accounting Policies:

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.

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.

p. Financial Assets, Financial Liabilities and Equity Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially

measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowance for expected credit losses, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Derivative Financial Instruments:

Derivative financial instruments such as forward contracts, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair

Corporate Information and Material Accounting Policies:

value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

Cash Flow Hedge

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions. The company risk management policy is to hedge forecasted foreign currency sales for the subsequent 12 months. As per the risk management policy, appropriate foreign currency hedges are executed or undertaken to hedge forecasted sales.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately classified to statement of profit and loss.

Investments in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists,

Corporate Information and Material Accounting Policies:

the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

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.

C. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.





Notes Forming Part of Standalone Financial Statements

1 Property, Plant and Equipment

FY 2024-25

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 1st April, 2024	Additions	Deletion	Balance as at 31st Mar, 2025	Balance as at 1st April, 2024	Depreciation charge for the Period	Deletion	Balance as at 31st Mar, 2025	Balance as at 31st Mar, 2025	Balance as at 31st March, 2024
I Tangible Assets										
Freehold Land	47.62	-	-	47.62	-	-	-	-	47.62	47.62
Leasehold Land	474.03	-	-	474.03	106.63	14.35	-	120.98	353.05	367.40
Buildings	3,225.71	87.62	-	3,313.32	676.70	172.30	-	848.99	2,464.33	2,549.01
Plant and Machinery	26,373.73	913.54	-	27,287.27	9,246.18	1,374.09	-	10,620.26	16,667.01	17,127.55
Furniture and Fixtures & Computers	381.19	155.36	-	536.55	240.95	56.22	-	297.17	239.38	140.24
Vehicles	304.86	27.34	-	332.20	172.19	40.97	-	213.16	119.04	132.67
Total	30,807.14	1,183.86	-	31,991.00	10,442.65	1,657.91	-	12,100.56	19,890.43	20,364.49
II Right of Use Assets (Leasehold Building)	221.25	-	-	221.25	18.44	44.25	-	62.69	158.56	202.81
III Intangible Assets										
Software	-	28.20	-	28.20	X	3.77	-	3.77	24.43	-
Research and Development	-	67.44	-	67.44	-	5.71	-	5.71	61.74	-
Total	-	95.64	-	95.64	-	9.48	-	9.48	86.16	0.00
IV Capital Work-in-Progress	578.77	1,734.59	1,183.86	1,129.50	-	-	-	-	1,129.50	578.77
V Intangible Asset under development	74.40	216.34	95.64	195.11	-	-	-	-	195.11	74.40

Notes Forming Part of Standalone Financial Statements

FY 2023-24

Particulars	GROSS BLOCK						DEPRECIATION			NET BLOCK	
	Balance as at 1st April, 2023	Additions	Deletion	Balance as at 31st Mar, 2024	Balance as at 1st April, 2023	Depreciation charge for the Period	Deletion	Balance as at 31st Mar, 2024	Balance as at 31st Mar, 2024	Balance as at 31st March, 2023	
	(₹ in Lakhs)										
I Tangible Assets											
Freehold Land	47.62	-	-	47.62	-	-	-	-	47.62	47.62	
Leasehold Land	474.03	-	-	474.03	9119	15.45	-	106.63	367.40	382.84	
Buildings	2,793.66	432.05	-	3,225.71	521.72	154.98	-	676.70	2,549.01	2,271.94	
Plant and Machinery	25,361.65	1,012.08	-	26,373.73	7,924.18	1,322.00	-	9,246.18	17,127.55	17,437.47	
Furniture and Fixtures & Computers	336.19	45.00	-	381.19	195.81	45.14	-	240.95	140.24	140.38	
Vehicles	247.22	57.64	-	304.86	139.51	32.68	-	172.19	132.67	107.71	
Total	29,260.36	1,546.77	-	30,807.14	8,872.41	1,570.24	-	10,442.65	20,364.49	20,387.95	
II Right of Use Assets (Leasehold Building)	-	221.25	-	221.25	-	18.44	-	18.44	202.81	-	
III Intangible Assets											
Product Registration Rights	186.84	-	-	186.84	177.49	9.34	-	186.84	0.00	9.34	
Total	186.84	-	-	186.84	177.49	9.34	-	186.84	0.00	9.34	
IV Capital Work-in-Progress	657.98	1,467.56	1,546.77	578.77	-	-	-	-	578.77	657.98	
V Intangible Asset under development	-	74.40	-	74.40	-	-	-	-	74.40	-	

NOTES -

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 and HSBC Bank.

Notes Forming Part of Standalone Financial Statements

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st March, 2025 is as follows:

(₹ in Lakhs)

Capital Work-in-Progress	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	717.10	312.49	-	99.91	1129.50
Projects temporarily suspended	-	-	-	-	-
	717.10	312.49	-	99.91	1129.50

Ageing for Capital Work-in-Progress as at 31st March, 2024 is as follows:

(₹ in Lakhs)

Capital Work-in-Progress	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	434.71	9.80	115.91	18.35	578.77
Projects temporarily suspended	-	-	-	-	-
	434.71	9.80	115.91	18.35	578.77

Ageing for Intangible Asset under Development as at 31st March, 2025 is as follows:

(₹ in Lakhs)

Intangible assets under development	Amount in Intangible assets under development for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	120.70	74.40	-	-	195.11
Projects temporarily suspended	-	-	-	-	-
	120.70	74.40	-	-	195.11

Ageing for Intangible Asset under Development as at 31st March, 2024 is as follows:

(₹ in Lakhs)

Intangible assets under development	Amount in Intangible assets under development for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	74.40	-	-	-	74.40
Projects temporarily suspended	-	-	-	-	-
	74.40	-	-	-	74.40

NOTES -

- There are no material projects whose completion is overdue as compared to its original plan as at 31st March 2025.
- There were no material projects which have exceeded their original plan cost as at 31st March, 2025.

2 Non Current Financial Assets - Investments

(₹ in Lakhs)

Particulars	Number of Units/Shares (all fully paid up)				As at 31st March, 2025	As at 31st March, 2024
	Opening Balance	Acquisition	Disposal	Closing Balance		
2.1 In UnQuoted Equity Shares (Subsidiary)						
At Cost						
Aarti HPC Limited	52,50,000	5,00,000	-	57,50,000	575.00	525.00
2.2 In UnQuoted Equity Shares (Other Investments)						
SVC Co Operative Bank Limited	25	25	-	50	0.05	0.03
Total	52,50,025	5,00,025	-	57,50,050	575.05	525.03

Notes Forming Part of Standalone Financial Statements

Disclosure pursuant to Ind AS 27 – Separate Financial Statements

Investments in the following subsidiary is accounted at cost

Name of the Subsidiary	Principal Activity	Country of Incorporation	(₹ in Lakhs)	
			As at 31st March, 2025	As at 31st March, 2024
Aarti HPC Limited	Chemical Manufacturing	India	575.00	525.00

3 Other Financial Assets

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Deposits	294.53	281.43
Total	294.53	281.43

4 Other Non-Current Assets

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Capital Advance	0	4.54
Balance with Customs, Central Excise, GST and State Authorities	372.56	372.56
Total	372.56	377.10

5 Current Assets – Inventories

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Raw Materials and Components (incl of In-transit stock)	8,481.89	5,892.68
Work-in-progress	90.74	119.81
Finished Goods (incl of In-transit stock)	4,439.64	3,580.78
Stores and spares	281.5	213.64
Fuel	62.26	63.31
Packing Materials	76.49	50.55
Total	13,432.52	9,920.77

5.1 *Mode of Valuation is stated in note : (d) Valuation of Inventories in Material Accounting Policies.

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

6 Current Financial Assets – Trade Receivables

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Unsecured and considered good	7,670.87	7,039.15
- Credit Impaired	99.96	99.96
- Allowance for expected credit loss	-145.26	-128.39
Total	7625.57	7010.72

Notes Forming Part of Standalone Financial Statements

6.1 Ageing for Trade Receivables – Current Outstanding as on 31st March 2025 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	5,066.43	2,244.82	240.47	50.23	53.53	15.39	7,670.87
(ii) Disputed Trade Receivables – credit impaired					25.61	74.35	99.96
	5,066.43	2,244.82	240.47	50.23	79.14	89.74	7,770.83
Less: Allowance for expected credit loss							-145.26
Total							7,625.57

Ageing for Trade Receivables – Current Outstanding as on 31st March 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	5,198.76	1,372.23	264.16	187.42	7.83	8.75	7,039.15
(ii) Disputed Trade Receivables – credit impaired				25.61		74.35	99.96
	5,198.76	1,372.23	264.16	213.03	7.83	83.10	7,139.11
Less: Allowance for expected credit loss							-128.39
Total							7,010.72

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

6.2 Movement in Expected Credit Loss Allowance

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Balance at the beginning of the year	128.39	128.39
Movement in Expected Credit Loss Allowance	16.86	-
Amount written off during the year	-	-
Balance at the end of the year	145.26	128.39

7 Current Financial Assets – Cash and Bank Balances

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Cash on Hand	2.36	1.66
Balances with Banks	70.04	613.33
Total cash and cash equivalents	72.40	614.99
Earmarked balances with banks*	34.95	6.55
Bank balances other than cash and cash equivalents	34.95	6.55

*Earmarked balances with banks represent amount set aside for payment of dividend and Margin Deposits placed as a security against Bank Guarantee availed from Bank.

Notes Forming Part of Standalone Financial Statements

8 Loans

(₹ in Lakhs)

Particulars	As at	
	31st March, 2025	31st March, 2024
Loan to Employees	13.99	12.14
Total	13.99	12.14

9 Current Other Financial Assets

(₹ in Lakhs)

Particulars	As at	
	31st March, 2025	31st March, 2024
Insurance Claim Receivable	-	135.87
Others Receivable	0.24	0.29
Total	0.24	136.16

10 Other Current Assets

(₹ in Lakhs)

Particulars	As at	
	31st March, 2025	31st March, 2024
Balance with Customs, Central Excise, GST and State Authorities	3,556.78	1,577.37
Subsidy Receivable (Industry Promotion Incentive)	143.55	436.02
Prepaid Expenses	175.36	155.50
Advance to Suppliers	16.38	66.78
Total	3,892.07	2,235.67

11 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at	
	31st March, 2025	31st March, 2024
Current Tax Assets (Net)	91.68	-
Total	91.68	-

12 SHARE CAPITAL:

(₹ in Lakhs)

Particulars	As at	
	31st March, 2025	31st March, 2024
Authorised Share Capital		
3,18,70,000 Equity Shares of Rs 10/- each	3,187.00	3,187.00
81,30,000 Redeemable Preference Shares of Rs 10/- each	813.00	813.00
	-	-
	4,000.00	4,000.00
Issued, Subscribed & Paid up		
84,58,495 Equity Shares of Rs.10/- each fully paid up (PY: 84,76,768 Equity Shares of Rs.10 each fully paid up)	845.85	847.68
Less: Calls unpaid 18,273 Equity Shares		(1.10)
Amount paid-up on 18,273 Equity Shares of Rs. 10 each forfeited	0.73	-
TOTAL	-	846.58

Notes Forming Part of Standalone Financial Statements

12.1 Reconciliation of number of Equity Shares outstanding:

(₹ in Lakhs)

Particulars	No' Of Shares	
	As at	As at
	31st March, 2025	31st March, 2024
Equity Shares at the beginning of the year	84,76,768	75,84,477
Add: Shares issued during the year Pursuant to Rights Issue	-	8,92,291
Less: Shares Forfeited during the year	18,273	-
Equity Shares at the end of the year	84,58,495	84,76,768

12.2 Rights, preferences and restrictions attached to equity shares :

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.

12.3 Dividend

The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2025, the amount of ₹ 1 per share on the face value of ₹ 10 (Previous year - Nil) is proposed to the equity shareholders of the company.

12.4 Rights Issue of Equity Shares :

The Company had issued 892,291 equity shares of face value Rs. 10 each on a rights basis ('Rights Equity Shares'). In accordance with the terms of issue, Rs. 222 per Rights Equity Share, i.e., 40% of the Issue Price, was received from the allottees on application, and the shares were allotted. The Board made the First and Final call of Rs. 333 per Rights Equity Share (including a premium of Rs. 327 per share) in January 2024. As of March 31, 2024, an aggregate amount of Rs. 60.85 lakhs was unpaid on 18,273 partly paid-up Rights Shares. The Board of Directors, at its meeting held on June 5, 2024, approved the forfeiture of all 18,273 partly paid-up equity shares of face value Rs. 10 each, on which the First and Final Call amount was not received, in accordance with the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Company has intimated both stock exchanges and filed the necessary forms with the MCA.

12.5 Details of shareholders holding more than 5% shares:

(₹ in Lakhs)

Name of the Shareholders	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	% held	No. of Shares	% held
Nikhil Holdings Private Limited	12,57,574	14.87	10,07,574	11.89
Jaya Chandrakant Gogri	11,51,831	13.62	11,51,831	13.59
Rashesh Chandrakant Gogri	3,83,438	4.53	3,83,438	4.52

12.6 Details of shares held by promoter/promoter group

(₹ in Lakhs)

Name of the Shareholders	As at 31st March, 2025		As at 31st March, 2024		% change during the year
	No. of Shares	% held	No. of Shares	% held	
Nikhil Holdings Private Limited	12,57,574	14.87	10,07,574	11.89	2.98
Jaya Chandrakant Gogri	11,51,831	13.62	11,51,831	13.59	0.03
Rashesh Chandrakant Gogri	3,83,438	4.53	3,83,438	4.52	0.01
Nikhil Parimal Desai	2,65,435	3.14	2,65,435	3.13	0.01
Hetal Gogri Gala	2,61,553	3.09	2,61,553	3.09	-
Labhdi Business Trust	-	-	2,50,000	2.95	-2.95

Notes Forming Part of Standalone Financial Statements

Name of the Shareholders	As at 31st March, 2025		As at 31st March, 2024		(₹ in Lakhs)
	No. of Shares	% held	No. of Shares	% held	%change
	during the year				
Anushakti Enterprise Pvt Ltd	2,49,250	2.95	2,49,250	2.94	0.01
Indira Madan Dedhia	1,44,636	1.71	1,44,636	1.71	-
Parimal Hashmukhlal Desai	1,19,193	1.41	1,19,193	1.41	-
Tarla Parimal Desai	1,11,765	1.32	1,11,765	1.32	-
Alchemie Financial Services Ltd	67,300	0.80	67,300	0.79	0.01
Manisha Rashesh Gogri	55,000	0.65	55,000	0.65	-
Aarnav Rashesh Gogri	54,999	0.65	54,999	0.65	-
Aashay Rashesh Gogri	54,999	0.65	54,999	0.65	-
Gogri Finserv Pvt Ltd	26,410	0.31	26,410	0.31	-
Bhanu Pradip Savla	17,564	0.21	17,564	0.21	-
Dilesh Roadlines Pvt Ltd	831	0.01	831	0.01	-
Chandrakant Vallabhaji Gogri	302	0.00	302	0.00	-
Total	42,22,080	49.90	42,22,080	49.80	0.10

12.7 Distribution Made and Proposed

Particulars	(₹ in Lakhs)	
	31st March, 2025	31st March, 2024
Cash Dividends on Equity Shares declared and/or paid:		
Final Dividend for the year ended March 31, 2024: (March 31, 2023 : Rs NIL)	-	-
Interim Dividend for the year ended March 31, 2025: Rs NIL per share (March 31, 2024 : Rs NIL per share)	-	-
Total	-	-
Proposed Dividend on Equity Shares:		
Dividend for the year ended March 31, 2025: Rs : 1/- per share (PY: Rs NIL/-)	84.66	-
Total	84.66	-

Footnote: The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Company <https://www.aartisurfactants.com/policies/dividend-distribution-policy.pdf>

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31st March 2025.

13 Other Equity

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
a. Retained Earnings		
As per last Balance Sheet	16,274.87	14,072.65
Profit for the year	1,499.00	2,226.69
Rights Issue Expenses	-	-13.10
Remeasurement of defined employee benefit plans (net of tax)	-16.87	-11.37
Closing Balance	17,757.00	16,274.87

Notes Forming Part of Standalone Financial Statements

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
b. Effective Portion of Cash Flow Hedges		
As per last Balance Sheet	-	-
MTM Loss on Forward Contract(Net of Tax)	-4.18	-
Closing Balance	-4.18	-
c. Securities Premium on Rights Issue		
As per last Balance Sheet	4,763.39	1,945.19
Add: Securities Premium on Rights Issue*	-	2,917.79
Less: Calls Unpaid - Right Issue	-	-59.75
Securities Premium received on 18,273 Equity Shares of Rs.10 each forfeited	39.84	-
Closing Balance	4,803.23	4,803.23
d. Employee Share Option Reserve		
As per last Balance Sheet	-	-
Issue During the year	18.09	-
Closing Balance	18.09	-
Total	22,574.14	21,078.10

*The Company had issued 892,291 equity shares of face value Rs. 10 each on a rights basis (Rights Equity Shares). In accordance with the terms of issue, Rs. 222 per Rights Equity Share, i.e., 40% of the Issue Price, was received from the allottees on application, and the shares were allotted. The Board made the First and Final call of Rs. 333 per Rights Equity Share (including a premium of Rs. 327 per share) in January 2024. As of March 31, 2024, an aggregate amount of Rs. 60.85 lakhs was unpaid on 18,273 partly paid-up Rights Shares. The Board of Directors, at its meeting held on June 5, 2024, approved the forfeiture of all 18,273 partly paid-up equity shares of face value Rs. 10 each, on which the First and Final Call amount was not received, in accordance with the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Company has intimated both stock exchanges and filed the necessary forms with the MCA.

14 Non Current Financial Liabilities – Borrowings

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Secured – At Amortised Cost		
Term loans from Banks (Refer note 13.1.a)	2,537.07	5,138.03
Vehicle Loan from Bank (Refer note 13.1.a)	100.22	95.51
Less:Current Maturity of Term Loan	-2,109.52	-2,600.00
0% Non Convertible Redeemable Preference Shares of '10/- each (Refer note 13.1.b)	2,232.50	2,159.89
Total	2,760.27	4,793.43

14.1 a). Rupee term loan from Bank aggregating to Rs. 2,537.07 lakhs is secured by first charge on all movable and immovable assets of the Company, including current assets, ranking pari passu inter-se and Vehicle loan from banks aggregating to Rs.100.22 lakhs are secured by way of hypothecation of respective vehicles.

The details of Term Loans from Banks and Vehicle Loan from Banks availed by the Company is as below:

- (i) Rupee Term Loan Amounting Rs.299.21 Lakhs (March 31, 2024: Rs.899.93 Lakhs) is repayable in 2 quarterly instalments, the next instalment is due on 30th June, 2025.
- (ii) Rupee Term Loan Amounting Rs.952.30 Lakhs (March 31, 2024: Rs.3,238.10 Lakhs) is repayable in 10 monthly instalments, the next instalment is due on 14th April, 2025.
- (iii) Rupee Term Loan Amounting Rs.1,285.56.00 Lakhs (March 31, 2024: Rs.2,142.86 Lakhs) is repayable in 18 monthly instalments, the next instalment is due on 17th April, 2025.

Notes Forming Part of Standalone Financial Statements

- (iv) Rupee Vehicle Loan Amounting Rs 100.22 Lakhs (March 31, 2024: Rs.95.51 Lakhs) is repayable in monthly instalments, the next instalment is due on 30 April, 2025.
- (v) Term loan from banks carry an average interest rate of 9.00% to 9.95% (March 31, 2024: 9.15% to 9.95%) and Vehicle loan from bank carry an average interest rate of 8.50% to 11.65% (March 31, 2024 : 8.50% to 11.65%)

The Company do not have any charges which is yet to be registered with ROC beyond the statutory period. During the previous year, the Company had created a new pari passu charge of ` 200 Crores, this supercedes the old charge of ` 100 Crores. The Company had registered a new pari passu charge within the statutory period. However, the closure of the previous charge of ` 100 Crores is still under process.

- 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% Non-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 Rs 167.70 per share as per the Scheme.
- b). (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 Rs 167.70 declared in the Scheme of Arrangement

14.2 Repayment Terms (Term Loan)

Repayment Tenor	Amount	
	As at	As at
	31st March, 2025	31st March, 2024
1-2 Years	2108.56	2600
2-3 Years	428.51	2109.46
3-4 Years	-	428.57
Beyond 4 Years	-	-

(₹ in Lakhs)

14.3 Repayment Terms (Vehicle Loan)

Repayment Tenor	Amount	
	As at	As at
	31st March, 2025	31st March, 2024
1-2 Years	51.50	49.67
2-3 Years	25.75	24.74
3-5 Years	22.97	21.10

(₹ in Lakhs)

Notes Forming Part of Standalone Financial Statements

15.1 Non Current Financial Liabilities - Lease Liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Lease Liability	128.26	166.09
Total	128.26	166.09

15.2 Current Financial Liabilities - Lease Liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Lease Liability	37.83	32.21
Total	37.83	32.21

Footnotes:

(i) The Company has lease contracts for its office premises and godowns with lease term between 1 year to 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of office premises and godowns with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(a) The movement in lease liabilities during the year ended 31 March, 2025 and 31 March, 2024 is as follows:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Balance at the beginning	198.30	-
Additions	-	202.58
Accretion of interest	16.79	7.72
Payment of lease liabilities	49.00	12.00
Balance at the end	166.09	198.30
Non-current	128.26	166.09
Current	37.83	32.21

(b) The following are the amounts recognised in profit or loss:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Depreciation on right-of-use assets (Refer note no. 29)	44.25	18.44
Interest expense on lease liabilities (Refer note no. 28)	16.79	7.72
Total amount recognised in statement of profit and loss	61.04	26.16

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 1.

(d) The effective interest rate for lease liabilities is 9.50%, with maturity between five years.

Notes Forming Part of Standalone Financial Statements

16 Deferred Tax Liability (Net)

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
At the start of the year	1,784.01	1,458.27
Charge/(credit) to the Statement of Profit and Loss	207.74	325.74
At the end of the year	1,991.75	1,784.01

16.1 Major components of deferred tax liabilities/(assets) arising on account of timing difference:

As at 31st March, 2025

Particulars	As on April 01, 2024	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As at March 31, 2025
(a) Deferred tax liabilities, on account of:				
Difference between WDV of depreciable fixed assets as per the books of accounts and Income Tax Act, 1961	1,826.05	219.29	-	2,045.34
(b) Deferred tax assets, on account of:				
Provision for expense allowed for tax purpose on payment basis (Net)	-42.04	-11.55	-	-53.59
Deferred tax expense/(benefit) for the year		207.74	-	
(c) Net Deferred tax liabilities	1,784.01			1,991.75

As at 31st March, 2024

Particulars	As on April 01, 2023	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As at March 31, 2024
(a) Deferred tax liabilities, on account of:				
Difference between WDV of depreciable fixed assets as per the books of accounts and Income Tax Act, 1961	1,487.51	338.54	-	1,826.05
(b) Deferred tax assets, on account of:				
Provision for expense allowed for tax purpose on payment basis (Net)	-29.24	-12.80	-	-42.04
Deferred tax expense/(benefit) for the year	-	325.74	-	
(c) Net Deferred tax liabilities	1,458.27			1,784.01

Notes Forming Part of Standalone Financial Statements

16.2 The major components of Income Tax Expense for the year:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
(i) Income tax recognised in the Statement of Profit and Loss		
Current tax:		
For current year	408.00	746.00
In respect of short tax provision for earlier years	-	14.45
Deferred tax:		
For current year	207.74	325.74
Income tax expense recognised in the Statement of Profit and Loss	615.74	1,086.19
(ii) Income tax expense recognised in Other Comprehensive Income	-	-

16.3 Reconciliation of tax expense and accounting profit for the year:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Profit before tax	2,114.74	3,312.88
Income tax expense calculated at 25.168% (23-24: 25.168%)	532.24	833.79
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Tax effect on non-deductible expenses	509.37	469.16
Effect of concessions (depreciation and other allowances under income tax act)	-633.15	-557.35
Others	-0.46	0.41
Total	408.00	746.00
Adjustment of tax relating to earlier periods	-	14.45
Deferred Tax	207.74	325.74
Tax expense as per Statement of Profit and Loss	615.74	1,086.19

Footnote: The tax rate used for reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under Indian tax law. This rate is applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions.

17 Other Non-Current Liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Deferred Incentive Income	945.64	755.09
Total	945.64	755.09

18 Current Financial Liabilities - Borrowings

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
At Amortised Cost		
Secured - Working capital Loan From Banks	6,003.47	2,329.12
Current Maturity of Long Term Debt	2,109.52	2,600.00
Total	8,112.99	4,929.12

Notes Forming Part of Standalone Financial Statements

- 18.1 Working capital Loan from banks as at March 31, 2025 amounting to Rs.6,003.47 were secured by first charge on all movable and immovable assets of the Company, including current assets. These credit facilities carry average interest rates in the range of 8.28% to 9.30% (March 31, 2024: 8.84% to 9.95%)
- 18.2 There are no material differences between the quarterly statements of stock filed by the company with banks and the books of accounts.
- 18.3 The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

19 Current Liabilities - Trade Payables

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Due to		
- Micro and Small Enterprises	364.77	73.22
- Other Than Micro and Small Enterprises	8,846.19	6,653.68
Total	9,210.96	6,726.90

19.1 Ageing for Trade Payables Outstanding as on 31st March 2025 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	291.51	71.21	2.05	-	-	364.77
(ii) Others	8,424.14	402.09	16.07	3.61	0.27	8,846.19
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	8,715.66	473.31	18.13	3.61	0.27	9,210.96

*MSME as per Micro, Small and Medium Enterprises Development Act, 2006

Ageing for Trade Payables Outstanding as on 31st March 2024 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	15.26	57.96	-	-	-	73.22
(ii) Others	2,310.94	4,204.92	134.10	-	3.72	6,653.68
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	2,326.20	4,262.88	134.10	-	3.72	6,726.90

*MSME as per Micro, Small and Medium Enterprises Development Act, 2006

19.2 Disclosure under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (as amended)

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
1) (a) Principal amount remaining unpaid to any supplier	364.77	73.22
(b) Interest on (1)(a) above	-	-
2) The amount of interest paid along with the principal payment made to the supplier	-	-
3) Amount of interest due and payable on delayed payments	-	-
4) Amount of further interest remaining due and payable for the earlier years	-	-
5) Total Outstanding dues of Micro & Small Enterprises	-	-
- Principal	364.77	73.22
- Interest	-	-

Notes Forming Part of Standalone Financial Statements

20 Other Current Financial Liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
At Amortised Cost		
Creditors for Capital Goods	75.53	78.19
Unclaimed Dividends	1.56	1.58
Outstanding Expenses	267.97	225.13
Forward Liability	4.18	-
Total	349.24	304.90

21 Other Current Liabilities

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Other Payables (Statutory Dues)	30.64	39.82
Revenue Received in Advance	337.68	200.54
Deferred Incentive Income	111.16	111.16
Total	479.48	351.52

22 Current Provisions

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Provision for Employee Benefits	218.50	154.97
Other Provisions	209.68	342.55
Total	428.18	497.52

23 Current Tax Liabilities (Net)

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Current Tax Liabilities (Net)	-	75.56
Total	-	75.56

24 Revenue from Operations

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Local Sales	52,394.41	43,240.18
Export Sales	11,976.04	14,476.44
Deemed Export Sales	480.87	844.92
Sales of Products (Net of GST)	64,851.32	58,561.54
Other Operating Revenues (Refer Note No. 23.1)	1,057.22	424.20
Total	65,908.54	58,985.74

Notes Forming Part of Standalone Financial Statements

24.1 Other Operating Revenues

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Export Benefits/Incentives Received	269.56	243.62
Scrap Sales	42.02	69.43
State Government Grant - Industry Promotion Incentive*	745.63	111.16
Total	1,057.22	424.21

*Includes one time State Government Grant - Industry Promotion Incentive received during the year ended 31st March, 2025 of Rs.634 Lakhs

Footnotes:

(a) Disaggregate revenue information

Refer Note 36 for disaggregated revenue information (segment reporting). The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

(b) In case of Domestic Sales, payment terms range from [15 days to 90 days] based on geography and customers. In case of Export Sales these are either against documents at sight, documents against acceptance or letters of credit - [15 days to 135 days]. There is no significant financing component in any transaction with the customers.

(c) The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.

(d) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

25 Other Income

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Interest Income	15.43	13.31
Forex Gain/(Loss)	127.87	-
Other Non-Operating Income		
Insurance Claim Received	204.58	-
Total	347.88	13.31

*Insurance Claim Received - Includes one time insurance proceed received against loss of profit related to the fire incident that occurred in March, 2022 of Rs.194 Lakhs

Notes Forming Part of Standalone Financial Statements

26 Cost of Material Consumed

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Opening Stock of Raw Material and Other Consumables (including Packing Material)	6,220.18	3,960.01
Add: Purchases during the year	56,866.39	46,843.36
Less: Closing Stock at the year end	-8,902.14	-6,220.18
a. Cost of Material Consumed	54,184.43	44,583.19
Purchase of Trading Goods		
Purchase of Trading Goods	76.46	-
b. Total	76.46	-

27 Change in Inventory

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Inventories (at commencement)		
Finished Goods	3,580.78	3,680.61
Work-in-Progress	119.81	92.01
	3,700.59	3,772.62
Inventories (at Close)		
Finished Goods	4,439.65	3,580.78
Work-in-Progress	90.74	119.81
	4,530.39	3,700.59
Increase in Inventory	-829.80	72.03

28 Employee Benefits

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Salaries and Wages	1,813.65	1,606.62
Contribution to Provident and other Funds	116.12	119.02
Staff Welfare Expenses	83.61	63.84
Total	2,013.38	1,789.48

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

Particulars	(₹ in Lakhs)	
	Gratuity (funded) 2024-25	Gratuity (funded) 2023-24
a. Reconciliation of Opening and Closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at beginning of the Year	173.82	147.54
Current Service Cost	26.25	21.75
Interest Cost	12.55	11.10
(Benefit Paid From the Fund)	-14.70	-17.08
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	6.98	4.47
Actuarial (Gains)/Losses on Obligations - Due to Experience	6.55	6.05
Defined Benefit Obligation at year end	211.46	173.82

Notes Forming Part of Standalone Financial Statements

Particulars	(₹ in Lakhs)	
	Gratuity (funded) 2024-25	Gratuity (funded) 2023-24
b. Reconciliation of opening and closing balances fair value of plan assets		
Fair value of plan assets at beginning of the year	107.41	107.27
Interest Income	7.76	8.07
Contributions by the Employer	4.00	10.00
(Benefit Paid from the Fund)	-14.70	-17.08
Return on Plan Assets, Excluding Interest Income	-3.33	-0.85
Fair Value of Plan Assets at the End of the Period	101.14	107.41
c. Reconciliation of fair value of assets and obligations		
Fair value of plan assets	101.14	107.41
Present value of obligation	-211.46	-173.82
Amount Recognized in Balance Sheet	-110.32	-66.41
d. Expenses recognized in the statement of Profit or Loss for Current Period		
Current Service Cost	26.25	21.75
Interest Cost	12.55	11.10
Interest Income	-7.76	-8.07
Net Cost	31.04	24.78
e. Expenses recognized in Other Comprehensive Income for Current Period		
Actuarial(gain)/ loss	13.53	10.51
Expected return on plan assets	3.33	0.85
Net Cost	16.87	11.37
f. Expenses recognized in the statement of Profit or Loss for Next Year		
Current Service Cost	26.25	21.75
Net Interest Cost	4.79	3.03
Net Cost	31.04	24.78
g. Maturity Analysis of Benefit Payments		
Project Benefits Payable in Future Years from the date of Reporting		
1st Following Year	15.75	12.60
2nd Following Year	12.37	11.71
3rd Following Year	13.98	10.90
4th Following Year	13.41	12.25
5th Following Year	19.78	11.73
Sum of Years 6 to 10	86.41	75.15
Sum of Years 11 and above	281.53	251.69
h. Sensitivity Analysis		
Project Benefits Obligation on current assumptions	211.46	173.82
Delta effect of +1% Change in Rate of Discounting	-17.13	-14.16
Delta effect of -1% Change in Rate of Discounting	19.87	16.44
Delta effect of +1% Change in Rate of Salary Increase	18.77	15.58
Delta effect of -1% Change in Rate of Discounting	-16.51	-13.83
Delta effect of +1% Change in Rate of Employee Turnover	2.68	2.87
Delta effect of -1% Change in Rate of Employee Turnover	-3.08	-3.28
The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.		
The sensitivity analysis presented above may not be representative of actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.		

Notes Forming Part of Standalone Financial Statements

Particulars	(₹ in Lakhs)	
	Gratuity (funded) 2024-25	Gratuity (funded) 2023-24
Furthermore, in presenting the above sensitivity analysis, the present value of projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected present obligation as recognised in the balance sheet.		
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.		
i. Investment Details	100% Invested	100% Invested
L.I.C Group Gratuity (Cash Accumulation) Policy	with L.I.C.	with L.I.C.
j. Actuarial assumptions	2012-14	2012-14
Mortality Table (L.I.C.)	(Urban)	(Urban)
Discount rate (per annum)	6.83%	7.22%
Expected rate of return on plan assets (per annum)	6.83%	7.22%
Rate of escalation in Salary (per annum)	5.00%	5.00%
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 ₹65.53 lakhs (Previous Year - ₹51.81 lakhs) has been provided in the Books of Accounts.

29 Finance Cost

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Interest	1,147.42	1,396.57
Other Borrowing Costs	7.73	6.79
Sub Total	1,155.15	1,403.36

30 Depreciation and Amortisation Expenses

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Depreciation of Property, Plant and Equipment (Refer Note No.1)	1,657.92	1570.24
Amortisation of Intangible Assets (Refer Note No.1)	9.48	9.34
Depreciation on ROU Assets (Refer Note No.1)	44.25	18.44
Total Depreciation and Amortisation Expenses	1711.65	1598.02

31 Other Expenses

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Manufacturing Expenses		
Freight, Cartage & Transport	545.93	875.10
Power and Fuel	1,581.81	1,522.40
Water Charges	69.95	74.71
Labour/Helper Charges, Security Services	621.33	532.34
Effluent Treatment Cost	57.16	40.17

Notes Forming Part of Standalone Financial Statements

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Repairs & Maintenance	463.96	433.01
Insurance Charges	156.19	271.08
Factory Administrative Expenses	179.58	164.12
Other Manufacturing Expenses	96.45	89.15
Sub-Total (A)	3,772.36	4,002.08
Office Administrative Expenses		
Rent, Rates and Taxes	27.52	14.12
Travelling and Conveyance	236.80	133.99
Auditor's Remuneration	8.10	8.09
Legal & Professional Charges	120.99	110.78
Postage, Telegraph & Telephone	4.55	1.71
Printing & Stationery Expenses	3.85	3.15
ROC & Other Filing Fees	0.24	0.82
Directors Sitting Fees	5.84	2.32
Provision for Expected Credit Loss	16.86	58.42
Other Administrative Expenses	134.87	75.23
Sub-Total (B)	559.62	408.63
Selling and Distribution Expenses		
Advertisement & Sales Promotion	58.34	16.86
Export Freight Expenses, Outward Freights	1,789.99	1,755.94
Sample Testing & Analysis Charges	17.60	13.87
Other Selling Expenses	9.45	8.53
Sub-Total (C)	1,875.38	1,795.20
Non-Operating Expenses		
CSR Expenses	43.28	34.09
Donations	0.02	0.09
Sub-Total (D)	43.30	34.18
Total (A+B+C+D)	6,250.66	6,240.09

32 Earning Per Share (EPS)

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Face Value Per Equity Share (in Rs.)	10.00	10.00
Basic Earnings Per Share (in Rs.)	17.72	27.81
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	1,499.00	2,226.69
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Lakhs)	84.61	80.07
Diluted Earnings Per Share (in Rs.)	17.71	26.27
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	1,499.00	2,226.69
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Lakhs)	84.61	84.77

Notes Forming Part of Standalone Financial Statements

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Reconciliation of weighted average number of equity shares outstanding		
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Lakhs)	84.58	80.07
Add: Unpaid Amount (Rs.6 per share) of Rights Issue of 18273 shares, w.e.f 09.02.2023	-	4.69
Add: ESOPS Issued During the period	0.03	-
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Lakhs)	84.61	84.77

32.1 The Company had issued 892,291 equity shares of face value Rs. 10 each on a rights basis ('Rights Equity Shares'). In accordance with the terms of issue, Rs. 222 per Rights Equity Share, i.e., 40% of the Issue Price, was received from the allottees on application, and the shares were allotted. The Board made the First and Final call of Rs. 333 per Rights Equity Share (including a premium of Rs. 327 per share) in January 2024. As of March 31, 2024, an aggregate amount of Rs. 60.85 lakhs was unpaid on 18,273 partly paid-up Rights Shares. The Board of Directors, at its meeting held on June 5, 2024, approved the forfeiture of all 18,273 partly paid-up equity shares of face value Rs. 10 each, on which the First and Final Call amount was not received, in accordance with the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Company has intimated both stock exchanges and filed the necessary forms with the MCA.

33 Payment to Auditors

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
a. Statutory Audit Fees	7.50	7.50
b. Certification Fees	-	0.33
c. Reimbursement of Expenses	0.60	0.26
Total	8.10	8.09

34 Contingent Liabilities and Commitments

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
(a) Contingent Liabilities		
Claims against the Company not acknowledged as debts comprise of claims disputed by the Company relating to issues of applicability, classification, deductibility, etc. (Refer Note below)		
Claim against the company not acknowledged as debt - Unpaid		
(i) Sales Tax	127.33	127.33
(ii) Extry Tax related matters	3.91	38.26
(iii) Customs Duty	670.86	670.86
Sub-Total (i)	802.11	836.45
Claim against the company not acknowledged as debt - paid		
(i) Sales Tax/Extry Tax related matters	11.17	55.02
(ii) Customs Duty	225.32	225.32
(iii) Stamp Duty	147.24	147.24
Sub-Total (ii)	383.73	427.58
Sub-Total A (i+ii)	1,185.84	1,264.03

Notes Forming Part of Standalone Financial Statements

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
(b) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	667.86	150.35
Sub-Total (B)	667.86	150.35
Total (A+B)	1853.70	1,414.38

Note:

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

35 Corporate Social Responsibility

Corporate Social Responsibility expenditure

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
(a) Gross amount required to be spent by the Company during the year	40.17	33.37
(b) Amount approved by the Board to be spent during the year		
Construction / acquisition of any asset	-	-
On purposes other than above	40.17	33.37
Total	40.17	33.37
(c) Amount spent during the year		
Construction / acquisition of any asset	-	-
On purposes other than above	43.28	34.09
Total	43.28	34.09
(d) Details of ongoing project and other than ongoing project		
(i) In case of Section 135(6) (ongoing project)		
Opening Balance - With Company	-	-
- In Separate CSR Unspent A/c	-	-
Amount required to be spent during the year	-	-
Amount spent during the year - From Company's bank A/c'	-	-
- From Separate CSR Unspent A/c	-	-
Closing Balance - With Company	-	-
- In Separate CSR Unspent A/c	-	-
(ii) In case of Section 135(5) (other than ongoing project)		
Opening Balance	0.75	0.03
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	40.17	33.37
Amount spent during the year	43.28	34.09
Closing balance (Excess spent)	3.86	0.75
(e) Details related to spent / unspent obligations :		
(i) Animal Welfare	3.00	2.00
(ii) Medical Grants and Healthcare Facilities	40.28	32.09
(iii) Unspent amount in relation to:		
- Ongoing projects	-	-
- Other than ongoing projects	-	-
Total	43.28	34.09

Notes Forming Part of Standalone Financial Statements

Nature of CSR activities undertaken by the Group

The CSR initiatives of the Group aim towards inclusive development of the communities largely around the vicinity of its plants and registered office and at the same time ensure environmental protection through a range of structured interventions in the areas of :

- (i) Animal Welfare - Towards rescue, treatment and rehabilitation of distressed wildlife.
- (ii) Healthcare & Education Facilities - Distribution of medical equipments, Distribution of Benches, Chairs & Computers at Schools, Constuction of Healthcare facilities for special needs and autism individuals.

36 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 2024-25	FY 2023-24
Segment Revenue - External Turnover		
Local Sales	52,394.41	43,240.18
Export Sales	11,976.04	14,476.44
Deemed Export Sales	480.87	844.92
Total	64,851.32	58,561.54
Non-Current Assets*		
Within India	21,832.32	21,597.57
Outside India	-	-
Total	21,832.32	21,597.57

* 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 Sales Revenue of Rs. 64,851.32 Lakhs (P.Y. Rs. 58,561.54 Lakhs) include sales of Rs. 46,041.78 Lakhs (P.Y. Rs. 37,493.61 Lakhs) to two large customers with whom the company is having long standing Relationship.

Notes Forming Part of Standalone Financial Statements

37 Stock Option Schemes

(i) Terms:

The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested over a period of 1 year, subject to the discretion of the management and fulfillment of certain conditions

(ii) The details of the grants under the aforesaid schemes are summarised below:

Particulars	As at 31st March, 2025
i. Grant price -(R)	10.00
ii. Grant dates	11-11-2024
iii. Vesting commences on	11-11-2025
iv. Options granted and outstanding at the beginning of the year	-
v. Vesting commences on	-
vi. Options granted	6,500
vii. Options exercised	-
viii. Options granted and outstanding at the end of the year, of which	6,500
ix. Options vested	-
x. Options yet to vest	6,500
xi. Weighted average remaining contractual life of options (in years)	-

Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2024-25 is ₹ 18.09 Lakhs (previous year: Nil), pursuant to the employee stock option schemes .

The fair value of the options granted during the year has been calculated as per the Black-Scholes Option Pricing Model using the following significant assumptions and inputs:

Particulars	As at 31st March, 2025
i. Risk-free interest rate	6.749%
ii. Expected life of options	1
iii. Expected volatility	0.4264
iv. Expected dividends over the life of the option	0%
v. Share price as on grant date	729.03
vi. Exercise price	10
vii. Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option

Notes Forming Part of Standalone Financial Statements

38 Related Party Disclosures

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

38.1 Subsidiary company

Sr. No.	Name of the Related Party	Relationship
1	Aarti HPC Limited	100% Subsidiary

38.2 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	Managing 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	Ms. Rashesh Gogri	Promoter Group
8	Ms. Priyanka Chaurasia	Company Secretary
9	Mr. Nitesh Medh	Chief Financial Officer
10	MS. Kanika Rathore	Director of Subsidiary Company
11	Aarti Surfactants Limited Employees Group Gratuity Scheme	Post Employment Benefit Trust

38.3 Transactions during the year with Related Parties

Sr. No.	Name of the Related Party	₹ in Lakhs)	
		FY 2024-25	FY 2023-24
Key Management personnel and their relatives			
1	Remuneration*	299.00	272.05
2	Sitting Fees	5.84	2.32
Wholly Owned Subsidiary			
3	Investment in Aarti HPC Limited	50.00	50.00
4	Interest Received from Aarti HPC Ltd on Loan	-	0.18
Post Employment Benefit Trust			
5	Contribution during the year	4.00	10.00
Promoter Group			
6	Rent Paid to Rashesh Gogri	11.37	11.37

* Provision towards gratuity and leave encashment expenses are determined actuarially for the Company as a whole on an annual basis and accordingly have not been considered in the above information.

**The Company had given unsecured loan to its wholly owned subsidiary Aarti HPC Limited. The loan carried an interest rate of 8.5%p.a. and was repayable on demand. Maximum amount outstanding during the year was Rs.NIL (PY Rs.5.12 Lakhs)

Notes Forming Part of Standalone Financial Statements

38.4 Balances outstanding at the end of the year with Related Parties

(₹ in Lakhs)

Sr. No.	Name of the Related Party	FY 2024-25	FY 2023-24
1	Investment in Aarti HPC Ltd	575.00	525.00
2	Aarti Surfactants Limited Employees Group Gratuity Scheme	101.14	107.41

39 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.

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

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Gross Debt	10,873.26	9,722.55
Less: Cash and Cash Equivalent	72.40	614.99
Net Debt (A)	10,800.86	9,107.56
Total Equity (As per Balance Sheet) (B)	23,420.72	21,924.68
Net Gearing Ratio (A/B)	0.46	0.42

40 Financial Instruments

A. Fair Value Measurement Hierarchy

(₹ in Lakhs)

Particulars	As at 31st March, 2025			
	Carrying Amount	Level of Input Used		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivables	7,625.57	-	-	-
Cash and Cash Equivalents	72.40	-	-	-
Bank balances other than cash & cash equivalents	34.95			
Loans	13.99	-	-	-
Others	294.77	-	-	-
At Cost				
Investments	575.05	-	-	-

Notes Forming Part of Standalone Financial Statements

(₹ in Lakhs)

Particulars	As at 31st March, 2025			
	Carrying Amount	Level of Input Used		
		Level 1	Level 2	Level 3
Financial Liabilities				
At Amortised Cost				
Borrowings – Non Current	2,760.27	-	-	-
Borrowings – Current	8,112.99	-	-	-
Trade Payables	9,210.96	-	-	-
Lease Liability	166.09			
Others	349.24	-	-	-

(₹ in Lakhs)

Particulars	As at 31st March, 2024			
	Carrying Amount	Level of Input Used		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivables	7,010.72	-	-	-
Cash and Cash Equivalents	614.99	-	-	-
Bank balances other than cash & cash equivalents	6.55			
Loans	12.14	-	-	-
Others	417.59			
At Cost				
Investments	525.03	-	-	-
Financial Liabilities				
At Amortised Cost				
Borrowings – Non Current	4,793.43	-	-	-
Borrowings – Current	4,929.12	-	-	-
Trade Payables	6,726.90	-	-	-
Lease Liability	198.30			
Others	304.90	-	-	-

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.

Notes Forming Part of Standalone Financial Statements

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.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

Particulars	As at March 2025		As at March 2024	
	Amount in foreign currency - USD in Lakhs	Amount in Rupees- in Lakhs	Amount in foreign currency - USD in Lakhs	Amount in Rupees- in Lakhs
Liabilities				
United States Dollar (\$)	67.11	5,597.20	49.47	4,126.34
	67.11	5,597.20	49.47	4,126.34
Assets				
United States Dollar (\$)	25.30	2,109.99	38.36	3,199.51
	25.30	2,109.99	38.36	3,199.51
Net foreign currency denominated monetary liability/(asset) (total)				
United States Dollar (\$)	41.81	3,487.21	11.11	926.83
Foreign exchange derivatives				
USD (Hedged)	4.03	335.85	-	-
Net foreign currency denominated monetary liability/(asset) (unhedged)				
United States Dollar (\$)	37.78	3,151.36	11.11	926.83

Foreign Currency Risk Sensitivity

The following tables demonstrate foreign currency sensitivity on unhedged exposure (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax - Rs in Lakhs).

Particulars	As at March 2025		As at March 2024	
	+ 100 BPS	- 100 BPS	+ 100 BPS	- 100 BPS
United States Dollar (\$)	-31.51	31.51	-9.27	9.27

(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.

Notes Forming Part of Standalone Financial Statements

(iii) Interest Risk

Currency and interest exposure of borrowings including current maturities is as below (Interest Risk):

Particulars	As at 31st March 2025			As at 31st March 2024		
	Fixed Rate	Floating Rate*	Total	Fixed Rate	Floating Rate*	Total
Indian National Rupee (INR) - Total	2,232.50	8,640.76	10,873.26	2,159.89	7,562.66	9,722.55
Indian National Rupee (INR) - Unhedged	2,232.50	8,640.76	10,873.26	2,159.89	7,562.66	9,722.55
% of Total Borrowings	20.53%	79.47%	100.00%	22.22%	77.78%	100.00%

*All the floating rate borrowings are bank borrowings bearing interest rates based on 'Marginal Cost of Lending Rate(MCLR), Repo rate and LIBOR.

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax

Particulars	(₹ in Lakhs)	
	FY 2024-25	FY 2023-24
50 BPS increase would (decrease) the Profit before Tax by	-43.20	-37.81
50 BPS decrease would increase the Profit before Tax by	43.20	37.81

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.

Maturity profile of non-derivative financial liabilities as on 31st March, 2025

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Borrowings - Non Current	-	2,760.27	-	2,760.27
Borrowings - Current	8,112.99	-	-	8,112.99
Others Financial Liabilities - Non Current	128.26	-	-	128.26
Others Financial Liabilities - Current	387.07	-	-	387.07
Trade Payables	9,210.96	-	-	9,210.96
Total	17,839.28	2,760.27	-	20,599.55

Notes Forming Part of Standalone Financial Statements

Maturity profile of non-derivative financial liabilities as on 31st March, 2024

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Borrowings - Non Current	-	4,793.43	-	4,793.43
Borrowings - Current	4,929.12	-	-	4,929.12
Others Financial Liabilities - Non Current	166.09	-	-	166.09
Others Financial Liabilities - Current	337.11	-	-	337.11
Trade Payables	6,726.90	-	-	6,726.90
Total	12,159.22	4,793.43	-	16,952.65

41 Additional regulatory information required by schedule III to the Companies Act, 2013

- (a) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (b) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (c) Utilisation of borrowed funds and share premium:
- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (d) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (e) The Company has not traded or invested in crypto currency or virtual currency during the year.

42 Disclosure for Struck off companies

The company does not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.



Notes Forming Part of Standalone Financial Statements

43 Ratio Analysis

Sr. No.	Ratio	Numerator	Denominator	As at 31st March 2025	As at 31st March 2024	% Change
1	Current ratio	Current Assets	Current Liabilities = Total current liabilities	1.35	1.54	-12.43%
2	Net Debt-Equity ratio	Net debt = Non-current borrowings + Current borrowings - Cash and cash equivalents	Average Equity [Equity = Equity share capital + Other equity]	0.48	0.47	1.31%
3	Debt Service Coverage ratio	Earnings for debt service = Net Profit before tax + Non-cash operating expenses (depreciation and amortisation) + Net finance cost [Net finance cost = Finance costs - Interest income]	Debt service = Interest payable + Principal Repayments of long term borrowings (excluding prepayments)	1.32	1.58	-16.70%
4	Return on Equity ratio	Profit after tax	Average total equity [Equity = Equity share capital + Other equity]	6.61%	11.50%	-42.49%
5	Inventory Turnover ratio	Cost of goods sold	Average Inventory	4.58	5.06	-9.48%
6	Trade Receivable Turnover ratio	Revenue from Sale of Products and Services	Average Trade Receivable	8.86	8.65	2.50%
7	Trade Payable Turnover ratio	Cost of goods sold and Other Expenses	Average Trade Payables	7.48	8.20	-8.74%
8	Net Capital Turnover ratio	Revenue from Operations	Working capital = Current assets - Current liabilities	10.07	8.40	19.84%
9	Net Profit ratio	Profit after tax	Revenue from operations	2.27%	3.77%	-39.75%
10	Return on Capital Employed	Earnings before interest and tax	Average Capital Employed [Capital Employed = Total Equity + Total non-current liabilities]	11.54%	17.43%	-33.81%
11	Return on Investment	Income generated from Investments	Average Investments	NIL	NIL	-

Notes:Explanation for Change in ratio by more than 25%

- (i) Reduction in Return on Equity, Net Profit and Return on Capital Employed ratio largely on account on higher input cost

As per our report of even date For and on behalf of the Board

For **Gokhale & Sathe**

Chartered Accountants

Firm Registration Number: 103264W

Partner

Uday Girjapure

M.No. 161776

Chandrakant Gogri

Director

DIN : 0005048

Nikhil Desai

CEO & Managing

Director

DIN : 01660649

Priyanka Chaurasia

Company

Secretary

ICSI M.No.A44258

Nitesh Medh

Chief Financial

Officer

ICAI M.No : 155868

Place: Mumbai

Date: 12th May, 2025

Consolidated

Financial Statements



Independent Auditor’s Report

To the Members of
Aarti Surfactants Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Aarti Surfactants Limited** (“the Holding Company”) and its one wholly owned subsidiary, (the Holding Company and its wholly owned subsidiary together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at 31st March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity, for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (herein after referred as “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 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 from time to time and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2025, and their consolidated profit, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor’s Response
<p>Assessment of Contingent liabilities and Provisions (Refer Note No. 33 to the Consolidated Financial Statements):</p> <p>The Group is subject to assessment proceedings from time to time with direct and indirect tax authorities. As of 31st March 2025, while the Group has not made provisions for certain direct and indirect tax matters, it has paid certain amounts under protest, which are presented as ‘Other Non-Current Assets’ due to the uncertainty regarding the timing of their resolution, and has disclosed a contingent liability of Rs. 1,185.84 lakhs (FY 2024: Rs. 1,264.03 lakhs).</p>	<p>Our audit procedures, amongst others, include the following:</p> <ul style="list-style-type: none"> Understanding and evaluating the processes and controls designed and implemented by management for the assessment of tax and other legal matters, including testing the operating effectiveness of the relevant controls. Enquiring with relevant personnel of the Group entities to obtain a comprehensive list of all matters under litigation and assessment proceedings.

Key Audit Matters

There is a significant level of management judgement involved in estimating the probable outflow of economic resources and the appropriate level of provisioning and/or disclosure required in the consolidated financial statements. Management's assessment is supported by advice from independent tax and legal consultants, where considered necessary by management. Any unexpected adverse outcomes could significantly impact the Group's reported profit and financial position.

We considered this area as a key audit matter due to the inherent uncertainty related to the outcome of these tax and legal matters and the application of judgement in the interpretation of applicable laws.

**Auditor's Response**

- Obtaining detailed information on litigation matters, reviewing supporting evidence, and critically assessing management's evaluation through discussions with management on both the likelihood of outcomes and the magnitude of potential economic outflows of resources.
- Assessing the current status of ongoing tax assessments and other legal proceedings.
- Reviewing recent orders and/or communications received from relevant tax authorities and management's responses to such communications.
- Where relevant, examining independent tax/legal advice obtained by management and evaluating the basis and reasoning presented therein.
- Evaluating the independence, objectivity, and competence of management's external tax/legal consultants.
- In conjunction with the auditor's tax experts, assessing management's evaluation of the likelihood of various outcomes and potential financial exposure for each matter.
- Testing the mathematical accuracy of calculations where provisions have been recorded.
- Evaluating the appropriateness of accounting treatment, presentation, and adequacy of disclosures in the consolidated financial statements in accordance with applicable accounting standards.

Information Other than Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises information included in the Management Discussion and Analysis, Board's Report including annexures thereto, Corporate Governance Report, and Shareholder Information, but does not include the consolidated financial statements and our auditor's report thereon, which we expect to be made available to us after the date of this auditor's report. 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 identified above 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the additional information mentioned above that will be included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is 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 financial position, consolidated financial



performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 statements 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, the respective Management of the companies 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 either intends to liquidate their respective entities 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 also responsible for overseeing the financial reporting process of their respective entities.

Auditors’ Responsibility for the Audit of 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 a part of an audit in accordance with SAs, we exercise professional judgement 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 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 Holding Company and its wholly owned subsidiary, which are companies incorporated in India, have adequate internal financial controls over financial reporting 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 the use of the going concern basis of accounting by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the

consolidated 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 consolidated 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books. In so far as the modification on maintaining an audit trail in the accounting software is concerned in respect of the Holding Company and its wholly owned subsidiary, which are companies incorporated in India, refer to paragraph (h)(vi) below;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the underlying books of account maintained by the Holding Company and its wholly owned subsidiary for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS 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 of the Holding Company as on 31 March 2025, taken on record by the Board of Directors of the Holding Company and its wholly owned subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India, are disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. The modification arising from the maintenance of the audit trail on the accounting software, comprising the application and database, is as stated in paragraph (h)(vi) below on reporting under Rule 11(g) so far as it relates to the Holding Company and its wholly owned subsidiary, which are companies incorporated in India.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - h. 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note No. 33 to the consolidated financial statements).

- (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its wholly owned subsidiary.
- (iv) (a) The respective managements of the Holding Company and its wholly owned subsidiary company whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, as disclosed in Note No. 40(c)(i) to the consolidated financial statements, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective managements of the Holding Company and its wholly owned subsidiary whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note No. 40(c)(ii) to the consolidated financial statements, that no funds have been received by the respective Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- (v) As disclosed in Note No. 11.7, the Board of Directors of the Holding Company has proposed a final dividend for the year, subject to approval of the members at the ensuing Annual General Meeting. The proposed dividend is in compliance with the requirements of Section 123 of the Act, as applicable.
- (vi) Based on our examination which included test checks, w.e.f. 1st July 2024, the Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility in respect of the application and the same has operated from 1st July 2024 onwards for all relevant transactions. We did not come across any instance of the audit trail feature being tampered with in respect of the accounting software. Normal/Regular users are not granted direct database or super user level access.
- However, unauthorised changes to the database by a super user specifically do not carry the feature of a concurrent real time audit trail.
- The Holding Company (until 30th June 2024) and the wholly owned subsidiary throughout the year maintained their books of accounts using accounting software with audit trail (edit log) functionality that operated throughout that period. However, the audit trail feature was not enabled at the application layer for master fields in general ledgers, and at the database level to log direct changes to the accounting software.

With the exception of (i) unauthorised changes to the database by a super user not carrying the feature of a concurrent real time audit trail, and (ii) audit trail functionality at the application layer for master fields in general ledgers and at the database level not being enabled until 30th June 2024 by the Holding Company and throughout the year by the wholly owned subsidiary as mentioned above, we confirm that the Holding Company and its wholly owned subsidiary have preserved the audit trail in accordance with statutory requirements for record retention.

2. With respect to matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub-section (11) of

section 143 of the Act, there are no qualifications or adverse remarks in the Companies (Auditor's Report) Order of the subsidiary which is required to be included in the consolidated financial statements.

For **Gokhale & Sathe**
Chartered Accountants
FRN: 103264W

Uday Girjapure
Partner
Membership Number: 161776
UDIN: 25161776BMOHSJ1076

Place: Mumbai
Date: : 12th May 2025





Annexure A to the Independent Auditor's Report on Consolidated Financial Statements

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to consolidated financial statements of Aarti Surfactants Limited (the "Holding Company") as on 31st March 2025 in conjunction with our audit of the consolidated financial statements of the Holding Company and its wholly owned subsidiary for the year ended on that date.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its wholly owned subsidiary, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2025, based on the criteria for internal financial control over financial reporting established by the Holding 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 ICAI.

Managements' Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its wholly owned subsidiary 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 (ICAI). 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

the respective policies of the Company, 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with 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 over financial reporting. 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 were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 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 with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

The 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. The internal financial control over financial reporting includes those policies and procedures that -

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group.
- (ii) 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 group are being made only in accordance with authorisations of management and directors of the companies forming part of the group; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of assets of the group that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Gokhale & Sathe**
Chartered Accountants
FRN: 103264W

Uday Girjapure
Partner
Membership Number: 161776
UDIN: 25161776BMOHSJ1076

Place: Mumbai
Date: : 12th May 2025



Consolidated Balance Sheet

as at 31st March, 2025

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
A ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	1	20,150.54	20,647.54
(b) Right of Use Assets	1	158.56	202.81
(c) Capital Work-in-Progress	1	1,270.25	689.26
(d) Intangible Assets	1	86.16	-
(e) Intangible Assets under development	1	195.11	74.40
(f) Financial Assets			
(i) Other Investments	2	0.05	0.03
(ii) Other Financial Assets	3	303.20	290.09
(g) Other Non-Current Assets	4	372.56	377.10
Total Non-Current Assets		22,536.43	22,281.23
2 Current Assets			
(a) Inventories	5	13,432.52	9,920.77
(b) Financial Assets			
(i) Trade Receivables	6	7,625.57	7,010.72
(ii) Cash and Cash Equivalents	7	85.73	624.90
(iii) Bank balances other than cash & cash equivalents	7	34.95	6.55
(iii) Loans	8	13.99	12.14
(iv) Other Financial Assets	9	0.24	136.16
(c) Other Current Assets	10	3,897.60	2,238.46
(d) Current Tax Assets (Net)	11	91.68	-
Total Current Assets		25,182.28	19,949.70
TOTAL ASSETS		47,718.71	42,230.93
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	11	846.58	846.58
(b) Other Equity	12	22,415.90	20,964.39
Total Equity		23,262.48	21,810.97
3 LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
- Borrowings	13	2,760.27	4,793.43
- Lease Liabilities	14.1	128.26	166.09
(b) Deferred Tax Liabilities (Net)	15	1,991.75	1,784.01
(c) Other Non-Current Liabilities	16	945.64	755.09
Total Non-Current Liabilities		5,825.92	7,498.62
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	8,112.99	4,929.12
(ii) Trade Payables Due to			
- Micro and Small Enterprises	18	364.78	73.22
- Other Than Micro and Small Enterprises	18	8,857.41	6,656.89
(iii) Others	19	349.24	304.90
(iv) Lease Liabilities	14.2	37.83	32.21
(b) Other Current Liabilities	20	479.48	351.52
(c) Provisions	21	428.58	497.92
(d) Current Tax Liabilities (Net)	22	-	75.56
Total Current Liabilities		18,630.31	12,921.34
Total Liabilities		24,456.23	20,419.96
TOTAL EQUITY AND LIABILITIES		47,718.71	42,230.93
Material Accounting Policies			
Accompanying Notes to the Financial Statements	I-43		

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

As per our report of even date

For and on behalf of the Board

For **Gokhale & Sathe**

Chartered Accountants

Firm Registration Number: 103264W

Partner

Uday Girjapur

M.No.161776

Chandrakant Gogri

Director

DIN : 0005048

Nikhil Desai

CEO & Managing

Director

DIN : 01660649

Priyanka Chaurasia

Company

Secretary

ICSI M.No.A44258

Nitesh Medh

Chief Financial

Officer

ICAI M.No : 155868

Place: Mumbai

Date: 12th May, 2025

Consolidated Statement of Profit and Loss

for the Period Ended 31st March, 2025

(₹ in Lakhs)

Particulars	Note No.	For the Year Ended 31st March, 2025	For the Year Ended 31st March, 2024
I Revenue from Operations	23	65,908.54	58,985.74
II Other Income	24	347.89	13.31
III Total Income (I+II)		66,256.43	58,999.05
IV EXPENSES			
(a) Cost of Materials Consumed	25	54,184.43	44,583.19
(b) Purchases of Trading Goods	25	76.46	-
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	26	-829.80	72.03
(d) Employee Benefits Expense	27	2,013.38	1,789.48
(e) Finance Costs	28	1,155.15	1,403.36
(f) Depreciation / Amortisation Expenses	129	1,734.60	1,603.75
(g) Other Expenses	30	6,272.25	6,328.35
Total Expenses (IV)		64,606.47	55,780.16
V Profit before Exceptional Items and Tax (III-IV)		1,649.96	3,218.89
VI Exceptional Items		420.25	-
V Profit before Tax (III-IV)		2,070.21	3,218.89
VI TAX EXPENSE			
Current Tax		408.00	746.00
Adjustment of Tax related to earlier periods		-	14.45
Deferred Tax		207.74	325.74
Total Tax Expenses		615.74	1,086.19
VII Profit for the year (V-VI)		1,454.47	2,132.70
VIII OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to Statement of Profit and Loss			
- Remeasurement of defined employee benefit plans (net of tax)		-16.87	-11.37
b. Items that will be reclassified to Statement of Profit and Loss			
- MTM Loss on Forward Contract (Net of Tax)		-4.18	-
Other Comprehensive Income (Net of Tax)		-21.05	-11.37
IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX (VII+VIII)		1,433.42	2,121.33
X Earnings Per Equity Share of Face Value of Rs 10 Each (EPS) (in Rs.)	31		
Basic		17.20	26.63
Diluted		17.19	25.16
Material Accounting Policies			
Accompanying Notes to the Financial Statements	1- 43		

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

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

For and on behalf of the Board

Partner
Uday Girjapure
M.No. 161776

Chandrakant Gogri
Director
DIN : 0005048

Nikhil Desai
CEO & Managing
Director
DIN : 01660649

Priyanka Chaurasia
Company
Secretary
ICSI M.No.A44258

Nitesh Medh
Chief Financial
Officer
ICAI M.No : 155868

Place: Mumbai
Date: 12th May, 2025



Consolidated Statement of Changes in Equity

for the Period Ended 31st March, 2025

A. Equity Share Capital

Particulars	(₹ in Lakhs)
	Amount
As at 31st March, 2024	846.58
Changes in equity share capital during the year 2024-25	-
As at 31st March, 2025	846.58

B. Other Equity

Particulars	(₹ in Lakhs)				
	Securities Premium	Retained Earnings	Employee Share Option Reserve	Effective Portion of Cash Flow Hedges	Total Other Equity
Balance as at 31st Mar, 2023	1,945.19	14,063.41	-	-	16,008.62
Profit for the year	-	2,132.70	-	-	2,132.70
Remeasurement of defined employee benefit plans (net of tax)	-	-11.37	-	-	-11.37
Rights Issue Expenses	-	-13.10	-	-	-13.10
Stamp Duty paid on new equity shares	-	-10.49	-	-	-10.49
Securities Premium on Rights Issue	2,858.04	-	-	-	2,858.04
Balance as at 31st March, 2024	4,803.23	16,161.16	-	-	20,964.39
Profit for the year	-	1,454.47	-	-	1,454.47
MTM Loss on Forward Contract (Net of Tax)	-	-	-	-4.18	-4.18
Remeasurement of defined employee benefit plans (net of tax)	-	-16.87	-	-	-16.87
Employee Share Option	-	-	18.09	-	18.09
Balance as at 31st March, 2025	4,803.23	17,598.76	18.09	-4.18	22,415.90

The accompanying notes are an integral part of the Ind AS financial statements.

Previous year figures have been recasted/restated wherever necessary.

As per our report of even date For and on behalf of the Board

For **Gokhale & Sathe**

Chartered Accountants

Firm Registration Number: 103264W

Partner

Uday Girjapure

M.No. 161776

Chandrakant Gogri

Director

DIN : 0005048

Nikhil Desai

CEO & Managing

Director

DIN : 01660649

Priyanka Chaurasia

Company

Secretary

ICSI M.No.A44258

Nitesh Medh

Chief Financial

Officer

ICAI M.No : 155868

Place: Mumbai

Date: 12th May, 2025

Consolidated Cash Flow Statement

for the Period Ended 31st March, 2025

(₹ in Lakhs)

Sr. No.	Particulars	For the Year Ended 31st March, 2025	For the Year Ended 31st March, 2024
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before Exceptional Item	1,649.96	3,218.89
	Adjusted for:		
	- Finance Costs	1,155.15	1,403.36
	- Depreciation/Amortisation	1,734.60	1,603.75
	- UNREALISED foreign exchange loss/(gain) (net)	-127.88	-15.99
	- Bad debts and irrecoverable balances written off/(written back)	-	2.79
	- Project related expenses written off	-	87.69
	- Allowance for expected credit loss made	16.86	58.42
	- Interest income	-15.43	-13.31
	- Income on account of government grants	-745.63	-111.16
	Operating Profit before Working Capital Changes	3,667.63	6,234.44
	Adjusted for:		
	- (Increase)/Decrease in Trade and Other Receivables	-2,153.04	282.96
	- (Increase)/Decrease in Inventories	-3,511.75	-2,188.14
	- (Increase)/Decrease in Trade Payables and Other Current Liabilities	3,631.69	1,531.77
	Cash Generated from Operations	1,634.53	5,865.03
	Direct Taxes Paid	-520.72	-664.97
	Net Cash Flow from Operating Activities	1,113.81	5,196.05
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Acquisition of Property, Plant and Equipment and Capital Work In Progress	-2,023.58	-1,635.28
	Exceptional Gain in Insurance receipt against loss of assets	420.25	-
	Investment in Unquoted Equity Shares	-0.02	-
	Interest and Dividend Received	15.43	13.31
	(Increase)/ Decrease in Earmarked balances with banks (net)	-28.40	0.05
	Net Cash Flow used in Investing Activities	-1,616.32	-1,621.92
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Net Proceeds from Rights Issue of Shares	-	2,897.38
	Proceeds/(Repayment) from Borrowings	-2,596.25	-2,598.21
	Proceeds/(Repayment) from Current Borrowing (Net)	3,674.35	-2,665.29
	Finance Costs Paid	-1,065.76	-1,322.83
	Payment of Lease Liabilities	-49.00	-12.00
	Dividends Paid	-	-0.03
	Stamp Duty Paid on Equity Shares	-	-10.49
	Net Cash Flow from/(used in) Financing Activities	-36.66	-3,711.47
	Net Increase/(Decrease) in Cash and Cash Equivalents	-539.17	-137.34
	Opening Balance of Cash and Cash Equivalents	624.90	762.25
	Closing Balance of Cash and Cash Equivalents	85.73	624.90

Notes:

- The accompanying notes are an integral part of the Ind AS financial statements.
- Previous year figures have been recasted/restated wherever necessary.
- The above Cash Flow Statement has been prepared under "Indirect Method" set out in Ind AS-7, issued by Institute of Chartered Accountants of India.
- Cash flows from operating activities include Rs. 43.28 lakhs (Previous Year: Rs. 34.09) being expenses towards Corporate Social Responsibility initiatives.



Consolidated Cash Flow Statement

for the Period Ended 31st March, 2025

5 Cash and Cash Equivalents comprises of:

Particulars	As at March 31, 2025	As at March 31, 2024
a. Cash on Hand	2.43	1.77
b. Balances with Banks	83.30	623.13
Total Cash and Cash Equivalents	85.73	624.90

6 Reconciliation of Balances in respect of Financial Liabilities.

Particulars	As at 1st April 2024	Net Cash Flow	Non-Cash Flow Changes		As at 31st March, 2025
			Net Addition / Accrued Interest	Other Changes	
Non-current Financial Liabilities					
- Borrowings	4,793.43	-	30.16	-2,109.52	2,760.27
- Lease Liabilities	166.09	-	16.79	-86.83	128.26
Current Financial Liabilities					
- Borrowings	4,929.12	1,074.35	-	2,109.52	8,112.99
- Lease Liabilities	32.21	-49.00	-	86.83	37.83

Particulars	As at 1st April 2023	Net Cash Flow	Non-Cash Flow Changes		As at 31st March, 2024
			Net Addition / Accrued Interest	Other Changes	
Non-current Financial Liabilities					
- Borrowings	7,334.31	28.77	30.35	-2,600.00	4,793.43
- Lease Liabilities	-	-	210.30	-44.21	166.09
Current Financial Liabilities					
- Borrowings	7,578.94	-5,249.82	-	2,600.00	4,929.12
- Lease Liabilities	-	-12.00	-	44.21	32.21

As per our report of even date For and on behalf of the Board

For **Gokhale & Sathe**

Chartered Accountants

Firm Registration Number: 103264W

Partner

Uday Girjapure

M.No. 161776

Chandrakant Gogri

Director

DIN : 0005048

Nikhil Desai

CEO & Managing

Director

DIN : 01660649

Priyanka Chaurasia

Company

Secretary

ICSI M.No.A44258

Nitesh Medh

Chief Financial

Officer

ICAI M.No : 155868

Place: Mumbai

Date: 12th May, 2025

Corporate Information and Material Accounting Policies:

A. Corporate Information

Aarti Surfactants Limited ("the Holding 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 Holding Company is located at Plot no 57, 58, 60 to 64, 62A, S-3/1, Sector-3, Sagore Village, Pithampur Industrial Area, District Dhar - 454775, Madhya Pradesh, India.

The Company and its Subsidiary (collectively referred as 'The Group') 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 Group 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 Shares and Redeemable Preference Shares of the Holding Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India.

B. Material Accounting Policies

B.1 Statement of Compliance

These Consolidated Financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) (Amendment) Rules, 2015 amended from time to time and other relevant provisions of the Act.

The Consolidated Financial Statements of the Group for the year ended 31.3.2025 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 12th May, 2025.

B.2 Basis of Preparation and Presentation

The Consolidated Financial Statements are prepared in accordance with the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116- Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 - Inventories or value in use in Ind AS 36 - Impairment of Assets.

The Consolidated Financial Statements have been prepared on the following basis:

The financial statements of the Holding Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions and resulting unrealised profits or losses, unless cost cannot be recovered, as per the applicable Indian Accounting Standards. Accounting Policies of the subsidiary are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS.

The Consolidated Financial Statements are presented, to the extent applicable, in accordance with the requirements of Schedule III of the Companies Act, 2013 as applicable to the Company's Standalone Financial Statements.

Corporate Information and Material Accounting Policies:

B.3 Critical Accounting Estimates, Assumptions and Judgments:

The preparation of Consolidated Financial Statements in conformity with the recognition and measurement principles of Ind AS requires management of the Holding Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of Consolidated Financial Statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Holding Company uses the following critical accounting judgements, estimates and assumptions in preparation of its standalone financial statements:

(a) Useful Lives of Property, Plant and Equipment (“PPE”)

Property, plant and equipment represents a significant proportion of the asset base of the Holding Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group’s assets are determined by the Management at the time the asset is acquired and reviewed periodically at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(b) Defined Benefit Plans (Gratuity)

A liability in respect of defined benefit plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the plan’s assets and is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Provisions, Contingent Liabilities and Contingent Assets

The respective management of the group companies estimate the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates, including management’s assessment of historical trends. However, anticipated recoveries are not recognized on a prudential basis. The Companies in the group uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

(d) Provision for Income Tax and Deferred Tax Assets

The respective management of the group companies uses estimates and judgements based on the relevant rulings in the areas of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the respective management of the group companies exercises its judgement to reassess the carrying amount of deferred tax at the end of each reporting period.

(e) Leases

The respective management of the group companies evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The respective

Corporate Information and Material Accounting Policies:

management of the group companies uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The respective management of the group companies determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the respective companies are reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the respective companies are reasonably certain not to exercise that option. In assessing whether the respective company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the respective company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The respective companies revise the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated.

B.4 Material Accounting Policies

(a) Current and Non-Current Classification

The assets and liabilities of the group are presented 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 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

Corporate Information and Material Accounting Policies:

are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of intangible assets.

Software

The expenditure incurred is amortised over the five years equally commencing from the date of acquisition.

Research and Development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- * development costs can be measured reliably;
- * the product or process is technically and commercially feasible;
- * future economic benefits are probable; and
- * the company intends to, and has sufficient resources to complete development and to use or sell the asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

(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 Weighted Average cost or net realisable value, whichever is lower.
- b. Work-in-Progress - At cost plus appropriate allocation of overheads or net realisable value, whichever is lower.

- 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.

(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 group has not retained any significant risks of ownership or future obligations with respect to the goods shipped. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discount and schemes offered by the company as part of the contract. 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.

Corporate Information and Material Accounting Policies:

- (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 Group 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 Companies recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Companies 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;

(₹ in Lakhs)		
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. period of 19 years, based on the type of Equipment
4.	Computers	Over a period of 2.5 years
5.	Office Equipments	Over a period of 5 years

(₹ in Lakhs)

Sr. No.	Particulars	Depreciation or Amortisation
6.	Furniture and Fixtures	Over a period of 10 years
7.	Vehicles	Over a period of 6.5 years
8.	Intangible Assets	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 the 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.

(k) Leases

The Group assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the commencement date of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for

Corporate Information and Material Accounting Policies:

short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

The Holding Company has taken various residential and office premises under operating lease or leave and license agreements. These are cancellable by the Holding Company, having a term between 11 months and five years and have no specific obligation for renewal. Payments are recognised in the Standalone Statement of Profit and Loss under 'Rent' in Note 30.

(i) 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 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.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(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.

Corporate Information and Material Accounting Policies:

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 Holding 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 Holding 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 respective companies 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.

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.

p. Financial Assets, Financial Liabilities and Equity Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially

Corporate Information and Material Accounting Policies:

measured at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowance for expected credit losses, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Derivative Financial Instruments:

Derivative financial instruments such as forward contracts, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and

are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

Cash Flow Hedge

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions. The Group risk management policy is to hedge forecasted foreign currency sales for the subsequent 12 months. As per the risk management policy, appropriate foreign currency hedges are executed or undertaken to hedge forecasted sales.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on

Corporate Information and Material Accounting Policies:

a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately classified to statement of profit and loss.



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.

C. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.



Notes Forming Part of Consolidated Financial Statements

1 Property, Plant and Equipment

FY 2024-25

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 1st April, 2024	Additions	Deletion	Balance as at 31st Mar, 2025	Balance as at 1st April, 2024	Depreciation charge for the Period	Deletion	Balance as at 31st Mar, 2025	Balance as at 31st Mar, 2025	Balance as at 31st March, 2024
I Tangible Assets										
Freehold Land	47.62	-	-	47.62	-	-	-	-	47.62	47.62
Leasehold Land	802.96	-	-	802.96	152.51	37.29	-	189.80	613.16	650.45
Buildings	3,225.71	87.62	-	3,313.32	676.70	172.30	-	848.99	2,464.33	2,549.01
Plant and Machinery	26,373.73	913.54	-	27,287.27	9,246.18	1,374.09	-	10,620.26	16,667.01	17,127.55
Furniture and Fixtures & Computers	381.19	155.36	-	536.55	240.95	56.22	-	297.17	239.38	140.24
Vehicles	304.86	27.34	-	332.20	172.19	40.97	-	213.16	119.04	132.67
Total	31,136.07	1,183.86	-	32,319.93	10,488.53	1,680.86	-	12,169.39	20,150.54	20,647.54
II Right of Use Assets	221.25	-	-	221.25	18.44	44.25	-	62.69	158.56	202.81
III Intangible Assets										
Software	-	28.20	-	28.20	-	3.77	-	3.77	24.43	-
Research and Development	-	67.44	-	67.44	-	5.71	-	5.71	61.74	-
Total	-	95.64	-	95.64	-	9.48	-	9.48	86.16	0.00
IV Capital Work-in-Progress	689.26	1,764.86	1,183.86	1,270.25	-	-	-	-	1,270.25	689.26
V Intangible Asset under development	74.40	216.34	95.64	195.11	-	-	-	-	195.11	74.40

Notes Forming Part of Consolidated Financial Statements

FY 2023-24

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 1st April, 2023	Additions	Deletion	Balance as at 31st Mar, 2024	Balance as at 1st April, 2023	Depreciation charge for the Period	Deletion	Balance as at 31st Mar, 2024	Balance as at 31st Mar, 2024	Balance as at 31st March, 2023
I Tangible Assets										
Freehold Land	47.62	-	-	47.62	-	-	-	-	47.62	47.62
Leasehold Land	802.96	-	-	802.96	9119	61.32	-	152.51	650.45	711.77
Buildings	2,793.66	432.05	-	3,225.71	521.72	154.98	-	676.70	2,549.01	2,271.94
Plant and Machinery	25,361.65	1,012.08	-	26,373.73	7,924.18	1,322.00	-	9,246.18	17,127.55	17,437.47
Furniture and Fixtures & Computers	336.19	45.00	-	381.19	195.81	45.14	-	240.95	140.24	140.38
Vehicles	247.22	57.64	-	304.86	139.51	32.68	-	172.19	132.67	107.71
Total	29,589.29	1,546.77	-	31,136.07	8,872.41	1,616.11	-	10,488.53	20,647.54	20,716.88
II Right of Use Assets										
III Intangible Assets										
Product Registration Rights	186.84	-	-	186.84	177.49	9.34	-	186.84	0.00	9.34
Total	186.84	-	-	186.84	177.49	9.34	-	186.84	0.00	9.34
IV Capital Work-in-Progress	789.98	1,446.05	1,546.77	689.26	-	-	-	-	689.26	789.98
V Intangible Asset under development	-	74.40	-	74.40	-	-	-	-	74.40	-

NOTES -

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 and HSBC Bank.

Notes Forming Part of Consolidated Financial Statements

Capital Work-in-Progress Ageing

Ageing for Capital Work-in-Progress as at 31st March, 2025 is as follows:

Capital Work-in-Progress	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
	Projects in progress	717.10	453.24	-	
Projects temporarily suspended	-	-	-	-	0.00
	717.10	453.24	-	99.91	1270.25

(₹ in Lakhs)

Ageing for Capital Work-in-Progress as at 31st March, 2024 is as follows:

Capital Work-in-Progress	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
	Projects in progress	434.71	120.29	115.91	
Projects temporarily suspended	-	-	-	-	-
	434.71	120.29	115.91	18.35	689.26

(₹ in Lakhs)

Ageing for Intangible Asset Under Development as at 31st March, 2025 is as follows:

Capital Work-in-Progress	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
	Projects in progress	120.70	74.40	-	
Projects temporarily suspended	-	-	-	-	-
	120.70	74.40	-	-	195.11

(₹ in Lakhs)

Ageing for Intangible Asset Under Development as at 31st March, 2024 is as follows:

Capital Work-in-Progress	Amount in capital work-in-progress for the period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
	Projects in progress	74.40	-	-	
Projects temporarily suspended	-	-	-	-	-
	74.40	-	-	-	74.40

(₹ in Lakhs)

NOTES -

- There are no material projects whose completion is overdue as compared to its original plan as at 31st March 2025.
- There were no material projects which have exceeded their original plan cost as at 31st March, 2025.

2 Non Current Financial Assets - Investments

Particulars	Number of Units/Shares (all fully paid up)				As at 31st March, 2025	
	Opening Balance	Acquisition	Disposal	Closing Balance	As at 31st March, 2025	As at 31st March, 2024
	2.1 In UnQuoted Equity Shares (Other Investments)					
SVC Co Operative Bank Limited	25	25	-	50	0.05	0.03
Total	25.00	25.00	-	50.00	0.05	0.03

(₹ in Lakhs)

Notes Forming Part of Consolidated Financial Statements

3 Other Financial Assets

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Deposits	303.20	290.09
Total	303.20	290.09

4 Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Capital Advance	-	4.54
Balance with Customs, Central Excise, GST and State Authorities	372.56	372.56
Total	372.56	377.10

5 Current Assets - Inventories

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Raw Materials and Components (incl of In-transit stock)	8,481.89	5,892.68
Work-in-progress	90.74	119.81
Finished Goods (incl of In-transit stock)	4,439.64	3,580.78
Stores and spares	281.5	213.64
Fuel	62.26	63.31
Packing Materials	76.49	50.55
Total	13,432.52	9,920.77

5.1 *Mode of Valuation is stated in note : (d) Valuation of Inventories in Material Accounting Policies.

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

6 Current Financial Assets - Trade Receivables

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Unsecured and considered good	7,670.87	7,039.15
- Credit Impaired	99.96	99.96
- Allowance for expected credit loss	-145.26	-128.39
Total	7625.57	7010.72

Notes Forming Part of Consolidated Financial Statements

6.1 Ageing for Trade Receivables – Current Outstanding as on 31st March 2025 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	5,066.43	2,244.82	240.47	50.23	53.53	15.39	7,670.87
(ii) Disputed Trade Receivables – credit impaired					25.61	74.35	99.96
	5,066.43	2,244.82	240.47	50.23	79.14	89.74	7,770.83
Less: Allowance for expected credit loss							-145.26
Total							7,625.57

Ageing for Trade Receivables – Current Outstanding as on 31st March 2024 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	5,198.76	1,372.23	264.16	187.42	7.83	8.75	7,039.15
(ii) Disputed Trade Receivables – credit impaired				25.61		74.35	99.96
	5,198.76	1,372.23	264.16	213.03	7.83	83.10	7,139.11
Less: Allowance for expected credit loss							-128.39
Total							7,010.72

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

6.2 Movement in Expected Credit Loss Allowance

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Balance at the beginning of the year	128.39	128.39
Movement in Expected Credit Loss Allowance	16.86	-
Amount written off during the year	-	-
Balance at the end of the year	145.26	128.39

7 Current Financial Assets – Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Cash on Hand	2.43	1.77
Balances with Banks	83.30	623.13
Total cash and cash equivalents	85.73	624.90
Earmarked balances with banks*	34.95	6.55
Bank balances other than cash and cash equivalents	34.95	6.55

*Earmarked balances with banks represent amount set aside for payment of dividend and Margin Deposits placed as a security against Bank Guarantee availed from Bank.

Notes Forming Part of Consolidated Financial Statements

8 Loans

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
(ii) Loan to Employees	13.99	12.14
Total	13.99	12.14

9 Current Other Financial Assets

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Insurance Claim Receivable	-	135.87
Others Receivable	0.24	0.29
Total	0.24	136.16

10 Other Current Assets

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Balance with Customs, Central Excise, GST and State Authorities	3,562.31	1,580.16
Subsidy Receivable (Industry Promotion Incentive)	143.55	436.02
Prepaid Expenses	175.36	155.50
Advance to Suppliers	16.38	66.78
Total	3,897.60	2,238.46

11 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Current Tax Assets (Net)	91.68	-
Total	91.68	0.00

11 SHARE CAPITAL:

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Authorised Share Capital		
3,18,70,000 Equity Shares of Rs 10/- each	3,187.00	3,187.00
81,30,000 Redeemable Preference Shares of Rs 10/- each	813.00	813.00
	4,000.00	4,000.00
Issued, Subscribed & Paid up		
84,58,495 Equity Shares of Rs. 10/- each fully paid up (PY: 84,76,768 Equity Shares of Rs.10 each fully paid up)	845.85	847.68
Less: Calls unpaid 18,273 Equity Shares		-1.10
Amount paid-up on 892291 Equity Shares of Rs. 10 each forfeited	0.73	-
TOTAL	846.58	846.58

Notes Forming Part of Consolidated Financial Statements

11.1 Reconciliation of number of Equity Shares outstanding:

(₹ in Lakhs)

Particulars	No' Of Shares	
	As at	As at
	31st March, 2025	31st March, 2024
Equity Shares at the beginning of the year	84,76,768	75,84,477
Add: Shares issued during the year Pursuant to Rights Issue	-	8,92,291
Less: Shares Forfeited during the year	18,273	
Equity Shares at the end of the year	84,58,495	84,76,768

11.2 Rights, preferences and restrictions attached to equity shares :

The Holding 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.

11.3 Dividend

The Companies in the Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors of the respective companies is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2025, the amount of ₹ 1 per share on the face value of ₹ 10 (Previous year - Nil) is proposed to the equity shareholders of the Holding Company.

11.4 Partly Paid up Rights Issue of Equity Shares :

The Holding Company had issued 892,291 equity shares of face value Rs. 10 each on a rights basis ('Rights Equity Shares'). In accordance with the terms of issue, Rs. 222 per Rights Equity Share, i.e., 40% of the Issue Price, was received from the allottees on application, and the shares were allotted. The Board made the First and Final call of Rs. 333 per Rights Equity Share (including a premium of Rs. 327 per share) in January 2024. As of March 31, 2024, an aggregate amount of Rs. 60.85 lakhs was unpaid on 18,273 partly paid-up Rights Shares. The Board of Directors, at its meeting held on June 5, 2024, approved the forfeiture of all 18,273 partly paid-up equity shares of face value Rs. 10 each, on which the First and Final Call amount was not received, in accordance with the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Holding Company has intimated both stock exchanges and filed the necessary forms with the MCA.

11.5 Details of shareholders holding more than 5% shares:

(₹ in Lakhs)

Name of the Shareholders	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	% held	No. of Shares	% held
Nikhil Holdings Private Limited	12,57,574	14.87	10,07,574	11.89
Jaya Chandrakant Gogri	11,51,831	13.62	11,51,831	13.59
Rashesh Chandrakant Gogri	3,83,438	4.53	3,83,438	4.52

Notes Forming Part of Consolidated Financial Statements

11.6 Details of shares held by promoter/promoter group

Name of the Shareholders	As at 31st March, 2025		As at 31st March, 2024		(₹ in Lakhs)
	No. of Shares	% held	No. of Shares	% held	% change
	during the year				
Nikhil Holdings Private Limited	12,57,574	14.87	10,07,574	11.89	2.98
Jaya Chandrakant Gogri	11,51,831	13.62	11,51,831	13.59	0.03
Rashesh Chandrakant Gogri	3,83,438	4.53	3,83,438	4.52	0.01
Nikhil Parimal Desai	2,65,435	3.14	2,65,435	3.13	0.01
Hetal Gogri Gala	2,61,553	3.09	2,61,553	3.09	-
Labhdi Business Trust	-	-	2,50,000	2.95	-2.95
Anushakti Enterprise Pvt Ltd	2,49,250	2.95	2,49,250	2.94	0.01
Indira Madan Dedhia	1,44,636	1.71	1,44,636	1.71	-
Parimal Hashmukhlal Desai	1,19,193	1.41	1,19,193	1.41	-
Tarla Parimal Desai	1,11,765	1.32	1,11,765	1.32	-
Alchemie Financial Services Ltd	67,300	0.80	67,300	0.79	0.01
Manisha Rashesh Gogri	55,000	0.65	55,000	0.65	-
Aarnav Rashesh Gogri	54,999	0.65	54,999	0.65	-
Aashay Rashesh Gogri	54,999	0.65	54,999	0.65	-
Gogri Finserv Pvt Ltd	26,410	0.31	26,410	0.31	-
Bhanu Pradip Savla	17,564	0.21	17,564	0.21	-
Dilesh Roadlines Pvt Ltd	831	0.01	831	0.01	-
Chandrakant Vallabhaji Gogri	302	0.00	302	0.00	-
Total	42,22,080	49.90	42,22,080	49.80	0.10



11.7 Distribution Made and Proposed

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Cash Dividends on Equity Shares declared and/or paid:		
Final Dividend for the year ended March 31, 2024: (March 31, 2023 : Rs NIL)	-	-
Interim Dividend for the year ended March 31, 2025: Rs NIL per share (March 31, 2024 : Rs NIL per share)	-	-
Total	-	-
Proposed Dividend on Equity Shares:		
Dividend for the year ended March 31, 2025: Rs :1/- per share (PY: Rs NIL/-)	84.66	-
Total	84.66	-

Footnote: The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Company <https://www.aartisurfactants.com/policies/dividend-distribution-policy.pdf>

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31st March 2025.

Notes Forming Part of Consolidated Financial Statements

12 Other Equity

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
a. Retained Earnings		
As per last Balance Sheet	16,161.17	14,063.43
Profit for the year	1,454.46	2,132.70
Rights Issue Expenses	-	-13.10
Stamp Duty Paid on New Equity Shares	-	-10.49
Remeasurement of defined employee benefit plans (net of tax)	-16.87	-11.37
Closing Balance	17,598.76	16,161.17
b. Effective Portion of Cash Flow Hedges		
As per last Balance Sheet	-	-
MTM Loss on Forward Contract (Net of Tax)	-4.18	-
Closing Balance	-4.18	-
c. Securities Premium on Rights Issue		
As per last Balance Sheet	4,763.39	1,945.19
Add: Securities Premium on Rights Issue*	-	2,917.79
Less: Calls Unpaid - Right Issue (Refer Note No 11.5)	-	-59.75
Securities Premium received on 18,273 Equity Shares of Rs.10 each forfeited*	39.84	-
Closing Balance	4,803.23	4,803.23
d. Employee Share Option Reserve		
As per last Balance Sheet	-	-
Issue During the year	18.09	-
Closing Balance	18.09	-
Total	22,415.90	20,964.39

*The Holding Company had issued 892,291 equity shares of face value Rs. 10 each on a rights basis ('Rights Equity Shares'). In accordance with the terms of issue, Rs. 222 per Rights Equity Share, i.e., 40% of the Issue Price, was received from the allottees on application, and the shares were allotted. The Board made the First and Final call of Rs. 333 per Rights Equity Share (including a premium of Rs. 327 per share) in January 2024. As of March 31, 2024, an aggregate amount of Rs. 60.85 lakhs was unpaid on 18,273 partly paid-up Rights Shares. The Board of Directors, at its meeting held on June 5, 2024, approved the forfeiture of all 18,273 partly paid-up equity shares of face value Rs. 10 each, on which the First and Final Call amount was not received, in accordance with the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Holding Company has intimated both stock exchanges and filed the necessary forms with the MCA.

13 Non Current Financial Liabilities - Borrowings

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Secured - At Amortised Cost		
Term loans from Banks (Refer note 13.1.a)	2,537.07	5,138.03
Vehicle Loan from Bank (Refer note 13.1.a)	100.22	95.51
Less: Current Maturity of Term Loan	-2,109.52	-2,600.00
0% Non Convertible Redeemable Preference Shares of ₹10/- each (Refer note 13.1.b)	2,232.50	2,159.89
Total	2,760.27	4,793.43

Notes Forming Part of Consolidated Financial Statements

- 13.1 a). Rupee term loan from Bank aggregating to Rs. 5,138.03 lakhs is secured by first charge on all movable and immovable assets of the Holding Company, including current assets, ranking pari passu inter-se and Vehicle loan from banks aggregating to Rs.95.51 lakhs are secured by way of hypothecation of respective vehicles.

The details of Term Loans from Banks and Vehicle Loan from Banks availed by the Holding Company is as below:

- (i) Rupee Term Loan Amounting Rs.299.21 Lakhs (March 31, 2024: Rs.899.93 Lakhs) is repayable in 2 quarterly instalments, the next instalment is due on 30th June, 2025.
- (ii) Rupee Term Loan Amounting Rs.952.30 Lakhs (March 31, 2024: Rs.3,238.10 Lakhs) is repayable in 10 monthly instalments, the next instalment is due on 14th April, 2025.
- (iii) Rupee Term Loan Amounting Rs.1,285.56.00 Lakhs (March 31, 2024: Rs.2,142.86 Lakhs) is repayable in 18 monthly instalments, the next instalment is due on 17th April, 2025.
- (iv) Rupee Vehicle Loan Amounting Rs 100.22 Lakhs (March 31, 2024: Rs.95.51 Lakhs) is repayable in monthly instalments, the next instalment is due on 30 April, 2025.
- (v) Term loan from banks carry an average interest rate of 9.00% to 9.95% (March 31, 2024: 9.15% to 9.95%) and Vehicle loan from bank carry an average interest rate of 8.50% to 11.65% (March 31, 2024 : 8.50% to 11.65%)

The Holding Company and its Subsidiary do not have any charges which is yet to be registered with ROC beyond the statutory period. During the previous year, the Holding Company had created a new pari passu charge of ` 200 Crores, this supercedes the old charge of ` 100 Crores. The Holding Company had registered a new pari passu charge within the statutory period. However, the closure of the previous charge of ` 100 Crores is still under process.

- 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% Non-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 Rs 167.70 per share as per the Scheme.
- b). (ii) Terms of preference shares:

The Holding 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 Rs 167.70 declared in the Scheme of Arrangement

13.2 Repayment Terms (Term Loan)

Repayment Tenor	Amount	
	As at	As at
	31st March, 2025	31st March, 2024
1-2 Years	2108.56	2600
2-3 Years	428.51	2109.46
3-4 Years	-	428.57
Beyond 4 Years	-	-

(₹ in Lakhs)

Notes Forming Part of Consolidated Financial Statements

13.3 Repayment Terms (Vehicle Loan)

(₹ in Lakhs)

Repayment Tenor	Amount	
	As at	As at
	31st March, 2025	31st March, 2024
1-2 Years	51.50	49.67
2-3 Years	25.75	24.74
3-5 Years	22.97	21.10

14.1 Non Current Financial Liabilities - Lease Liabilities

(₹ in Lakhs)

Non Current Financial Liabilities - Lease Liabilities	As at	As at
	31st March, 2025	31st March, 2024
	Lease Liability	128.26
Total	128.26	166.09

14.2 Current Financial Liabilities - Lease Liabilities

(₹ in Lakhs)

Current Financial Liabilities - Lease Liabilities	As at	As at
	31st March, 2025	31st March, 2024
	Lease Liability	37.83
Total	37.83	32.21

Footnotes:

- (i) The Holding Company has lease contracts for its office premises and godowns with lease term between 1 year to 5 years. The Holding Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Holding Company is restricted from assigning and subleasing the leased assets. The Holding Company also has certain leases of office premises and godowns with lease terms of 12 months or less. The Holding Company applies the 'short-term lease' recognition exemptions for these leases.
- (a) The movement in lease liabilities during the year ended 31 March, 2025 and 31 March, 2024 is as follows:

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Balance at the beginning	198.30	-
Additions	-	202.58
Accretion of interest	16.79	7.72
Payment of lease liabilities	49.00	12.00
Balance at the end	166.09	198.30
Non-current	128.26	166.09
Current	37.83	32.21

Notes Forming Part of Consolidated Financial Statements

(b) The following are the amounts recognised in profit or loss:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Depreciation on right-of-use assets (Refer note no. 29)	44.25	18.44
Interest expense on lease liabilities (Refer note no. 28)	16.79	7.72
Total amount recognised in statement of profit and loss	61.04	26.16

(c) Details of carrying amount of right-of-use assets and movement during the period is disclosed under Note 1.

(d) The effective interest rate for lease liabilities is 9.50%, with maturity between five years.

15 Deferred Tax Liability (Net)

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
At the start of the year	1,784.01	1,458.27
Charge/(credit) to the Statement of Profit and Loss	207.74	325.74
At the end of the year	1,991.75	1,784.01

15.1 Major components of deferred tax liabilities/(assets) arising on account of timing difference:

As at 31st March, 2025

Particulars	As on April 01, 2024	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As at March
				31, 2025
(a) Deferred tax liabilities, on account of:				
Difference between WDV of depreciable fixed assets as per the books of accounts and Income Tax Act, 1961	1,826.05	219.29	-	2,045.34
(b) Deferred tax assets, on account of:				
Provision for expense allowed for tax purpose on payment basis (Net)	-42.04	-11.55	-	-53.59
Deferred tax expense/(benefit) for the year		207.74	-	
(c) Net Deferred tax liabilities	1,784.01			1,991.75

As at 31st March, 2024

Particulars	As on April 01, 2023	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As at March
				31, 2024
(a) Deferred tax liabilities, on account of:				
Difference between WDV of depreciable fixed assets as per the books of accounts and Income Tax Act, 1961	1,487.51	338.54	-	1,826.05

Notes Forming Part of Consolidated Financial Statements

Particulars	As on April 01, 2023	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As at March 31, 2024
(b) Deferred tax assets, on account of:				
Provision for expense allowed for tax purpose on payment basis (Net)	-29.24	-12.80	-	-42.04
Deferred tax expense/(benefit) for the year	-	325.74		
(c) Net Deferred tax liabilities	1,458.27		-	1,784.01

15.2 The major components of Income Tax Expense for the year:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
(i) Income tax recognised in the Statement of Profit and Loss		
Current tax:		
For current year	408.00	746.00
In respect of short tax provision for earlier years	-	14.45
Deferred tax:		
For current year	207.74	325.74
Income tax expense recognised in the Statement of Profit and Loss	615.74	1,086.19
(ii) Income tax expense recognised in Other Comprehensive Income	-	-

15.3 Reconciliation of tax expense and accounting profit for the year:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Profit before tax	2,070.21	3,218.89
Income tax expense calculated at 25.168% (23-24: 25.168%)	521.03	810.13
Effect of adjustments to reconcile the expected tax expense to reported income tax expense:		
Tax effect on non-deductible expenses	515.14	493.61
Effect of concessions (depreciation and other allowances under income tax act)	-633.15	-557.71
Others	4.97	-0.03
Total	408.00	746.00
Adjustment of tax relating to earlier periods	-	14.45
Deferred Tax	207.74	325.74
Tax expense as per Statement of Profit and Loss	615.74	1,086.19

Footnote: The tax rate used for reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under Indian tax law. This rate is applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions.

Notes Forming Part of Consolidated Financial Statements

16 Other Non-Current Liabilities

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Deferred Incentive Income	945.64	755.09
Total	945.64	755.09

17 Current Financial Liabilities - Borrowings

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
At Amortised Cost		
Secured - Working capital Loan From Banks	6,003.47	2,329.12
Current Maturity of Long Term Debt	2,109.52	2,600.00
Total	8,112.99	4,929.12

17.1 Working capital Loan from banks as at March 31, 2025 amounting to Rs.6,003.47 were secured by first charge on all movable and immovable assets of the Holding Company, including current assets. These credit facilities carry average interest rates in the range of 8.28% to 9.30% (March 31, 2024: 8.84% to 9.95%)

17.2 There are no material differences between the quarterly statements of stock filed by the Holding Company with banks and the books of accounts.

17.3 The Holding Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

18 Current Liabilities - Trade Payables

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Due to		
- Micro and Small Enterprises	364.78	73.22
- Other Than Micro and Small Enterprises	8,857.41	6,656.89
Total	9,222.19	6,730.11

18.1 Ageing for Trade Payables Outstanding as on 31st March 2025 is as follows:

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	291.51	71.21	2.05	-	-	364.77
(ii) Others	8,424.14	413.33	16.07	3.61	0.27	8,857.42
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	8,715.65	484.54	18.12	3.61	0.27	9,222.19

*MSME as per Micro, Small and Medium Enterprises Development Act, 2006

Notes Forming Part of Consolidated Financial Statements

Ageing for Trade Payables Outstanding as on 31st March 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment					(₹ in Lakhs)
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME*	15.26	57.96	-	-	-	73.22
(ii) Others	2,310.95	4,208.12	134.10	-	3.72	6,656.89
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	2,326.21	4,266.08	134.10	-	3.72	6,730.11

*MSME as per Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro and Small Enterprise to whom the Holding Company owes dues which are outstanding for more than 45 days as at 31st March, 2025. This information is required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the bases of information available with the company.

18.2 Disclosure under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (as amended)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
1) (a) Principal amount remaining unpaid to any supplier	364.77	73.22
(b) Interest on (1)(a) above	-	-
2) The amount of interest paid along with the principal payment made to the supplier	-	-
3) Amount of interest due and payable on delayed payments	-	-
4) Amount of further interest remaining due and payable for the earlier years	-	-
5) Total Outstanding dues of Micro & Small Enterprises	-	-
- Principal	364.77	73.22
- Interest	-	-

19 Other Current Financial Liabilities

Particulars	As at	As at
	31st March, 2025	31st March, 2024
At Amortised Cost		
Creditors for Capital Goods	75.53	78.19
Unclaimed Dividends	1.56	1.58
Outstanding Expenses	267.97	225.13
Forward Liability	4.18	-
Total	349.24	304.90

20 Other Current Liabilities

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Other Payables (Statutory Dues)	30.64	39.82
Revenue Received in Advance	337.68	200.54
Deferred Incentive Income	111.16	111.16
Total	479.48	351.52

Notes Forming Part of Consolidated Financial Statements

21 Current Provisions

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Provision for Employee Benefits	218.50	154.97
Other Provisions	210.08	342.55
Total	428.58	497.52

22 Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Current Tax Liabilities (Net)	-	75.56
Total	0.00	75.56

23 Revenue from Operations

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Local Sales	52,394.41	43,240.18
Export Sales	11,976.04	14,476.44
Deemed Export Sales	480.87	844.92
Sales of Products (Net of GST)	64,851.32	58,561.54
Other Operating Revenues (Refer Note No. 23.1)	1,057.22	424.20
Total	65,908.54	58,985.74

23.1 Other Operating Revenues

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Export Benefits/Incentives Received	269.56	243.62
Scrap Sales	42.02	69.43
State Government Grant - Industry Promotion Incentive*	745.63	111.16
Total	1,057.21	424.21

*Includes one time State Government Grant - Industry Promotion Incentive received during the year ended 31st March, 2025 of Rs.634 Lakhs

Footnotes:

(a) Disaggregate revenue information

Refer Note 36 for disaggregated revenue information (segment reporting). The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

(b) In case of Domestic Sales, payment terms range from [15 days to 90 days] based on geography and customers. In case of Export Sales these are either against documents at sight, documents against acceptance or letters of credit - [15 days to 135 days]. There is no significant financing component in any transaction with the customers.

(c) The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.

(d) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.



Notes Forming Part of Consolidated Financial Statements

24 Other Income

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Interest Income	15.43	13.31
Forex Gain/(Loss)	127.88	-
Other Non-Operating Income		
Insurance Claim Received	204.58	-
Total	347.89	13.31

*Insurance Claim Received - Includes one time insurance proceed received against loss of profit related to the fire incident that occurred in March,2022 of Rs.194 Lakhs

25 Cost of Material Consumed

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Opening Stock of Raw Material and Other Consumables (including Packing Material)	6,220.18	3,960.01
Add: Purchases during the year	56,866.39	46,843.36
Less: Closing Stock at the year end	-8,902.14	-6,220.18
a. Cost of Material Consumed	54,184.43	44,583.19
Purchase of Trading Goods		
Purchase of Trading Goods	76.46	-
b. Total	76.46	-

26 Change in Inventory

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Inventories (at commencement)		
Finished Goods	3,580.78	3,680.61
Work-in-Progress	119.81	92.01
	3,700.59	3,772.62
Inventories (at Close)		
Finished Goods	4,439.65	3,580.78
Work-in-Progress	90.74	119.81
	4,530.39	3,700.59
Increase in Inventory	-829.80	72.03

Notes Forming Part of Consolidated Financial Statements

27 Employee Benefits

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Salaries and Wages	1,813.65	1,606.62
Contribution to Provident and other Funds	116.12	119.02
Staff Welfare Expenses	83.61	63.84
Total	2,013.38	1,789.48

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

(₹ in Lakhs)

Particulars	Gratuity	Gratuity
	(funded) 2024-25	(funded) 2023-24
a. Reconciliation of Opening and Closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at beginning of the Year	173.82	147.54
Current Service Cost	26.25	21.75
Interest Cost	12.55	11.10
(Benefit Paid From the Fund)	-14.70	-17.08
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	6.98	4.47
Actuarial (Gains)/Losses on Obligations - Due to Experience	6.55	6.05
Defined Benefit Obligation at year end	211.46	173.82
b. Reconciliation of opening and closing balances fair value of plan assets		
Fair value of plan assets at beginning of the year	107.41	107.27
Interest Income	7.76	8.07
Contributions by the Employer	4.00	10.00
(Benefit Paid from the Fund)	-14.70	-17.08
Return on Plan Assets, Excluding Interest Income	-3.33	-0.85
Fair Value of Plan Assets at the End of the Period	101.14	107.41
c. Reconciliation of fair value of assets and obligations		
Fair value of plan assets	101.14	107.41
Present value of obligation	-211.46	-173.82
Amount Recognized in Balance Sheet	-110.32	-66.41
d. Expenses recognized in the statement of Profit or Loss for Current Period		
Current Service Cost	26.25	21.75
Interest Cost	12.55	11.10
Interest Income	-7.76	-8.07
Net Cost	31.04	24.78
e. Expenses recognized in Other Comprehensive Income for Current Period		
Actuarial(gain)/ loss	13.53	10.51
Expected return on plan assets	3.33	0.85
Net Cost	16.87	11.37
f. Expenses recognized in the statement of Profit or Loss for Next Year		
Current Service Cost	26.25	21.75
Net Interest Cost	4.79	3.03
Net Cost	31.04	24.78

Notes Forming Part of Consolidated Financial Statements

Particulars	(₹ in Lakhs)	
	Gratuity (funded) 2024-25	Gratuity (funded) 2023-24
g. Maturity Analysis of Benefit Payments		
Project Benefits Payable in Future Years from the date of Reporting		
1st Following Year	15.75	12.60
2nd Following Year	12.37	11.71
3rd Following Year	13.98	10.90
4th Following Year	13.41	12.25
5th Following Year	19.78	11.73
Sum of Years 6 to 10	86.41	75.15
Sum of Years 11 and above	281.53	251.69
h. Sensitivity Analysis		
Project Benefits Obligation on current assumptions	211.46	173.82
Delta effect of +1% Change in Rate of Discounting	-17.13	-14.16
Delta effect of -1% Change in Rate of Discounting	19.87	16.44
Delta effect of +1% Change in Rate of Salary Increase	18.77	15.58
Delta effect of -1% Change in Rate of Discounting	-16.51	-13.83
Delta effect of +1% Change in Rate of Employee Turnover	2.68	2.87
Delta effect of -1% Change in Rate of Employee Turnover	-3.08	-3.28
The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.		
The sensitivity analysis presented above may not be representative of actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.		
Furthermoew, in presenting the above sensitivity analysis, the present value of projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected present obligation as recognised in the balance sheet.		
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.		
i. Investment Details		
L.I.C Group Gratuity (Cash Accumulation) Policy	100% Invested with L.I.C.	100% Invested with L.I.C.
j. Actuarial assumptions		
Mortality Table (L.I.C.)	2012-14 (Urban)	2012-14 (Urban)
Discount rate (per annum)	6.83%	7.22%
Expected rate of return on plan assets (per annum)	6.83%	7.22%
Rate of escalation in Salary (per annum)	5.00%	5.00%
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 ₹65.53 lakhs (Previous Year - ₹51.81 lakhs) has been provided in the Books of Accounts.

Notes Forming Part of Consolidated Financial Statements

28 Finance Cost

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Interest	1,147.42	1,396.57
Other Borrowing Costs	7.73	6.79
Sub Total	1,155.15	1,403.36

29 Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Depreciation of Property, Plant and Equipment (Refer Note No.1)	1,680.87	1575.97
Amortisation of Intangible Assets (Refer Note No.1)	9.48	9.34
Depreciation on ROU Assets (Refer Note No.1)	44.25	18.44
Total Depreciation and Amortisation Expenses	1734.60	1603.75

30 Other Expenses

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Manufacturing Expenses		
Freight, Cartage & Transport	545.93	875.10
Power and Fuel	1,583.04	1,522.40
Water Charges	70.18	74.71
Labour/Helper Charges, Security Services	635.01	532.34
Effluent Treatment Cost	57.16	40.17
Repairs & Maintenance	466.56	433.01
Insurance Charges	156.19	271.08
Factory Administrative Expenses	179.58	164.12
Other Manufacturing Expenses	96.45	89.15
Sub-Total (A)	3,790.10	4,002.08
Office Administrative Expenses		
Rent, Rates and Taxes	31.21	14.12
Travelling and Conveyance	236.80	133.99
Auditor's Remuneration	8.25	8.24
Legal & Professional Charges	120.99	110.78
Postage, Telegraph & Telephone	4.55	1.71
Printing & Stationery Expenses	3.85	3.15
ROC & Other Filing Fees	0.24	0.82
Directors Sitting Fees	5.84	2.32
Provision for Expected Credit Loss	16.86	58.42
Project related expenses written off in Subsidiary*	-	87.69
Other Administrative Expenses	134.88	75.65
Sub-Total (B)	563.47	496.89
Selling and Distribution Expenses		
Advertisement & Sales Promotion	58.34	16.86
Export Freight Expenses, Outward Freights	1,789.99	1,755.94
Sample Testing & Analysis Charges	17.60	13.87
Other Selling Expenses	9.45	8.53
Sub-Total (C)	1,875.38	1,795.20

Notes Forming Part of Consolidated Financial Statements

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Non-Operating Expenses		
CSR Expenses	43.28	34.09
Donations	0.02	0.09
Sub-Total (D)	43.30	34.18
Total (A+B+C+D)	6,272.25	6,328.35

31 Earning Per Share (EPS)

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Face Value Per Equity Share (in Rs.)	10.00	10.00
Basic Earnings Per Share (in Rs.)	17.20	26.63
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	1,454.47	2,132.70
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Lakhs)	84.58	80.07
Diluted Earnings Per Share (in Rs.)	17.19	25.16
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	1,454.47	2,132.70
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Lakhs)	84.61	84.77
Reconciliation of weighted average number of equity shares outstanding		
Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (in Lakhs)	84.58	80.07
Add: Unpaid Amount (Rs.6 per share) of Rights Issue of 18273 shares, w.e.f 09.02.2023	-	4.69
Add: ESOPS Issued During the period	0.03	-
Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS (in Lakhs)	84.61	84.77

31.1 The Holding Company had issued 892,291 equity shares of face value Rs. 10 each on a rights basis ('Rights Equity Shares'). In accordance with the terms of issue, Rs. 222 per Rights Equity Share, i.e., 40% of the Issue Price, was received from the allottees on application, and the shares were allotted. The Board made the First and Final call of Rs. 333 per Rights Equity Share (including a premium of Rs. 327 per share) in January 2024. As of March 31, 2024, an aggregate amount of Rs. 60.85 lakhs was unpaid on 18,273 partly paid-up Rights Shares. The Board of Directors, at its meeting held on June 5, 2024, approved the forfeiture of all 18,273 partly paid-up equity shares of face value Rs. 10 each, on which the First and Final Call amount was not received, in accordance with the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Holding Company has intimated both stock exchanges and filed the necessary forms with the MCA.

Notes Forming Part of Consolidated Financial Statements

32 Payment to Auditors

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
a. Statutory Audit Fees	7.65	7.65
b. Certification Fees		0.33
c. Reimbursement of Expenses	0.60	0.26
Total	8.25	8.24

33 Contingent Liabilities and Commitments

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
(a) Contingent Liabilities		
Claims against the Company not acknowledged as debts comprise of claims disputed by the Company relating to issues of applicability, classification, deductibility, etc. (Refer Note below)		
Claim against the company not acknowledged as debt - Unpaid		
(i) Sales Tax	127.33	127.33
(ii) Extry Tax related matters	3.91	38.26
(iii) Customs Duty	670.86	670.86
Sub-Total (i)	801.11	836.45
Claim against the company not acknowledged as debt - paid		
(i) Sales Tax/Extry Tax related matters	11.17	55.02
(ii) Customs Duty	225.32	225.32
(iii) Stamp Duty	147.24	147.24
Sub-Total (ii)	383.73	427.58
Sub-Total A (i+ii)	1,185.84	1,264.03
(b) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	667.86	150.35
Sub-Total (B)	667.86	150.35
Total (A+B)	1853.70	1,414.38

Note:

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

34 Corporate Social Responsibility

Corporate Social Responsibility expenditure

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2025	31st March, 2024
(a) Gross amount required to be spent by the Company during the year	40.17	33.37
(b) Amount approved by the Board to be spent during the year		
Construction / acquisition of any asset	-	-
On purposes other than above	40.17	33.37
Total	40.17	33.37
(c) Amount spent during the year		
Construction / acquisition of any asset	-	-
On purposes other than above	43.28	34.09
Total	43.28	34.09

Notes Forming Part of Consolidated Financial Statements

Particulars	(₹ in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
(d) Details of ongoing project and other than ongoing project		
(i) In case of Section 135(6) (ongoing project)		
Opening Balance - With Company	-	-
- In Separate CSR Unspent A/c	-	-
Amount required to be spent during the year	-	-
Amount spent during the year - From Company's bank A/c'	-	-
- From Separate CSR Unspent A/c	-	-
Closing Balance - With Company	-	-
- In Separate CSR Unspent A/c	-	-
(ii) In case of Section 135(5) (other than ongoing project)		
Opening Balance	0.75	0.03
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	40.17	33.37
Amount spent during the year	43.28	34.09
Closing balance (Excess spent)	3.86	0.75
(e) Details related to spent / unspent obligations :		
(i) Animal Welfare	3.00	2.00
(ii) Others (Healthcare & Education Facilities)	40.28	32.09
(iii) Unspent amount in relation to:		
- Ongoing projects	-	-
- Other than ongoing projects	-	-
Total	43.28	34.09

Nature of CSR activities undertaken by the Company

The CSR initiatives of the Company aim towards inclusive development of the communities largely around the vicinity of its plants and registered office and at the same time ensure environmental protection through a range of structured interventions in the areas of :

- (i) Animal Welfare - Towards rescue, treatment and rehabilitation of distressed wildlife.
- (ii) Healthcare & Education Facilities - Distribution of medical equipments, Distribution of Benches, Chairs & Computers at Schools, Constuction of Healthcare facilities for special needs and autism individuals.

35 Segment Information

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors of the Holding Company, 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.

Notes Forming Part of Consolidated Financial Statements

Secondary Segment Information

Particulars	(₹ in Lakhs)	
	FY 2024-25	FY 2023-24
Segment Revenue - External Turnover		
Local Sales	52,394.41	43,240.18
Export Sales	11,976.04	14,476.44
Deemed Export Sales	480.87	844.92
Total	64,851.32	58,561.54
Non-Current Assets*		
Within India	22,233.18	21,991.11
Outside India	-	-
Total	22,233.18	21,991.11

* 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 Sales Revenue of Rs. 64,851.32 Lakhs (P.Y. Rs. 58,561.54 Lakhs) include sales of Rs. 46,041.78 Lakhs (P.Y. Rs. 37,493.61 Lakhs) to two large customers with whom the Holding Company is having long standing Relationship.

36 Stock Option Schemes

(i) Terms:

The grant of options to the employees under the stock option schemes is on the basis of their performance and other eligibility criteria. The options are vested over a period of 1 year, subject to the discretion of the management and fulfillment of certain conditions

(ii) The details of the grants under the aforesaid schemes are summarised below:

Particulars	As at 31st March, 2025
i. Grant price - (₹)	10.00
ii. Grant dates	11-11-2024
iii. Vesting commences on	11-11-2025
iv. Options granted and outstanding at the beginning of the year	-
v. Vesting commences on	-
vi. Options granted	6,500
vii. Options exercised	-
viii. Options granted and outstanding at the end of the year, of which	6,500
ix. Options vested	-
x. Options yet to vest	6,500
xi. Weighted average remaining contractual life of options (in years)	-

Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2024-25 is ₹ 18.09 Lakhs (previous year: Nil), pursuant to the employee stock option schemes.

The fair value of the options granted during the year has been calculated as per the Black-Scholes Option Pricing

Notes Forming Part of Consolidated Financial Statements

Model using the following significant assumptions and inputs:

Particulars	As at 31st March, 2025
i. Risk-free interest rate	6.749%
ii. Expected life of options	1
iii. Expected volatility	0.4264
iv. Expected dividends over the life of the option	0%
v. Share price as on grant date	729.03
vi. Exercise price	10
vii. Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option

37 Related Party Disclosures

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

37.1 Subsidiary company

Sr. No.	Name of the Related Party	Relationship
1	Aarti HPC Limited	100% Subsidiary

37.2 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	Managing 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	Ms. Rashesh Gogri	Promoter Group
8	Ms. Priyanka Chaurasia	Company Secretary
9	Mr. Nitesh Medh	Chief Financial Officer
10	MS. Kanika Rathore	Director of Subsidiary Company
11	Aarti Surfactants Limited Employees Group Gratuity Scheme	Post Employment Benefit Trust

Notes Forming Part of Consolidated Financial Statements

37.3 Transactions during the year with Related Parties

		(₹ in Lakhs)	
Sr. No.	Name of the Related Party	FY 2024-25	FY 2023-24
Key Management personnel and their relatives			
1	Remuneration*	299.00	272.05
2	Sitting Fees	5.84	2.32
Wholly Owned Subsidiary			
3	Investment in Aarti HPC Limited	50.00	50.00
4	Interest Received from Aarti HPC Ltd on Loan	-	0.18
Post Employment Benefit Trust			
5	Contribution during the year	4.00	10.00
Promoter Group			
6	Rent Paid to Rashesh Gogri	11.37	11.37

* Provision towards gratuity and leave encashment expenses are determined actuarially for the Company as a whole on an annual basis and accordingly have not been considered in the above information.

**The Holding Company had given unsecured loan to its wholly owned subsidiary Aarti HPC Limited. The loan carried an interest rate of 8.5%p.a. and was repayable on demand, Maximum amount outstanding during the year was Rs.NIL (PY Rs.5.12 Lakhs)

37.4 Balances outstanding at the end of the year with Related Parties

		(₹ in Lakhs)	
Sr. No.	Name of the Related Party	FY 2024-25	FY 2023-24
1	Aarti Surfactants Limited Employees Group Gratuity Scheme	101.14	107.41

38 Capital Management

The Group'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 Group's overall strategy remains unchanged from previous year.

The Group 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 Group'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 Respective Management of the Group Companies believes that it will be able to meet all its current liabilities and interest obligations on timely manner.

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

		(₹ in Lakhs)	
Particulars	As at 31st March, 2025	As at 31st March, 2024	
Gross Debt	10,873.26	9,722.55	
Less: Cash and Cash Equivalent	85.73	624.90	
Net Debt (A)	10,787.53	9,097.65	
Total Equity (As per Balance Sheet) (B)	23,262.48	21,810.97	
Net Gearing Ratio (A/B)	0.46	0.42	

Notes Forming Part of Consolidated Financial Statements

39 Financial Instruments

A. Fair Value Measurement Hierarchy

(₹ in Lakhs)

Particulars	As at 31st March, 2025			
	Carrying Amount	Level of Input Used		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivables	7,625.57	-	-	-
Cash and Cash Equivalents	85.73	-	-	-
Bank balances other than cash & cash equivalents	34.95			
Loans	13.99	-	-	-
Others	303.44	-	-	-
At Cost				
Investments	0.05	-	-	-
Financial Liabilities				
At Amortised Cost				
Borrowings – Non Current	2,760.27	-	-	-
Borrowings – Current	8,112.99	-	-	-
Trade Payables	9,222.19	-	-	-
Lease Liability	166.09			
Others	349.24	-	-	-

(₹ in Lakhs)

Particulars	As at 31st March, 2024			
	Carrying Amount	Level of Input Used		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivables	7,010.72	-	-	-
Cash and Cash Equivalents	624.90	-	-	-
Bank balances other than cash & cash equivalents	6.55			
Loans	12.14	-	-	-
Others	426.25			
At Cost				
Investments	0.03	-	-	-
Financial Liabilities				
At Amortised Cost				
Borrowings – Non Current	4,793.43	-	-	-
Borrowings – Current	4,929.12	-	-	-
Trade Payables	6,730.11	-	-	-
Lease Liability	198.30			
Others	304.90	-	-	-

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.

Notes Forming Part of Consolidated Financial Statements

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 Group'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 Group's 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 Group's senior management oversees the management of these risks.

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 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.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

Particulars	As at March 2025		As at March 2024	
	Amount in foreign currency - USD in Lakhs	Amount in Rupees- in Lakhs	Amount in foreign currency - USD in Lakhs	Amount in Rupees- in Lakhs
Liabilities				
United States Dollar (\$)	67.11	5,597.20	49.47	4,126.34
	67.11	5,597.20	49.47	4,126.34
Assets				
United States Dollar (\$)	25.30	2,109.99	38.36	3,199.51
	25.30	2,109.99	38.36	3,199.51
Net foreign currency denominated monetary liability/(asset) (total)				
United States Dollar (\$)	41.81	3,487.21	11.11	926.83
Foreign exchange derivatives				
USD (Hedged)	4.03	335.85	-	-
Net foreign currency denominated monetary liability/(asset) (unhedged)				
United States Dollar (\$)	37.78	3,151.36	11.11	926.83

Notes Forming Part of Consolidated Financial Statements

Foreign Currency Risk Sensitivity

The following tables demonstrate foreign currency sensitivity on unhedged exposure (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax - Rs in Lakhs).

Particulars	FY 2024-25		FY 2023-24	
	+ 100 BPS	- 100 BPS	+ 100 BPS	- 100 BPS
United States Dollar (\$)	-31.51	31.51	-9.27	9.27

(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.

(iii) Interest Risk

Currency and interest exposure of borrowings including current maturities is as below (Interest Risk):

Particulars	As at 31st March 2025			As at 31st March 2024		
	Fixed Rate	Floating Rate*	Total	Fixed Rate	Floating Rate*	Total
Indian National Rupee (INR)	2,232.50	8,640.76	10,873.26	2,159.89	7,562.66	9,722.55
- Total						
Indian National Rupee (INR) - Unhedged	2,232.50	8,640.76	10,873.26	2,159.89	7,562.66	9,722.55
% of Total Borrowings	20.53%	79.47%	100.00%	22.22%	77.78%	100.00%

*All the floating rate borrowings are bank borrowings bearing interest rates based on 'Marginal Cost of Lending Rate(MCLR), Repo rate and LIBOR.

Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit before Tax

Particulars	FY 2024-25		FY 2023-24	
50 BPS increase would (decrease) the Profit before Tax by	-43.20		-37.81	
50 BPS decrease would increase the Profit before Tax by	43.20		37.81	

(₹ in Lakhs)

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 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 Group'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 Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Notes Forming Part of Consolidated Financial Statements

Maturity profile of non-derivative financial liabilities as on 31st March, 2025

Particulars	(₹ in Lakhs)			
	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Borrowings - Non Current	-	2,760.27	-	2,760.27
Borrowings - Current	8,112.99	-	-	8,112.99
Others Financial Liabilities - Non Current	128.26	-	-	128.26
Others Financial Liabilities - Current	387.07	-	-	387.07
Trade Payables	9,222.19	-	-	9,222.19
Total	17,850.51	2,760.27	-	20,610.78

Maturity profile of non-derivative financial liabilities as on 31st March, 2024

Particulars	(₹ in Lakhs)			
	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Borrowings - Non Current	-	4,793.43	-	4,793.43
Borrowings - Current	4,929.12	-	-	4,929.12
Others Financial Liabilities - Non Current	166.09	-	-	166.09
Others Financial Liabilities - Current	337.11	-	-	337.11
Trade Payables	6,730.11	-	-	6,730.11
Total	12,162.43	4,793.43	-	16,955.86

40 Additional regulatory information required by schedule III to the Companies Act, 2013

- (a) The Holding Company and its Subsidiary does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Holding Company and its Subsidiary for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (b) The Holding Company and its Subsidiary has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (c) Utilisation of borrowed funds and share premium:
- (i) The Holding Company and its Subsidiary has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company/and its Subsidiary (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (ii) The Holding Company and its Subsidiary has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Holding Company/ and its Subsidiary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.



Notes Forming Part of Consolidated Financial Statements

- (d) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account of the Holding Company/ and its Subsidiary
- (e) The Holding Company/ and its Subsidiary has not traded or invested in crypto currency or virtual currency during the year.

41 Disclosure for Struck off companies

The Holding Company/ and its Subsidiary does not have any transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

42 Ratio Analysis

Sr. No.	Ratio	Numerator	Denominator	As at 31st March 2025	As at 31st March 2024	% Change
1	Current ratio	Current Assets	Current Liabilities = Total current liabilities	1.35	1.54	-12.45%
2	Net Debt- Equity ratio	Net debt = Non-current borrowings + Current borrowings - Cash and cash equivalents	Average Equity [Equity = Equity share capital + Other equity]	0.48	0.47	1.58%
3	Debt Service Coverage ratio	Earnings for debt service = Net Profit before tax + Non-cash operating expenses (depreciation and amortisation) + Net finance cost [Net finance cost = Finance costs - Interest income]	Debt service = Interest payable + Principal Repayments of long term borrowings (excluding prepayments)	1.32	1.56	-15.25%
4	Return on Equity ratio	Profit after tax	Average total equity [Equity = Equity share capital + Other equity]	6.45%	11.05%	-41.58%
5	Inventory Turnover ratio	Cost of goods sold	Average Inventory	4.58	5.06	-9.48%
6	Trade Receivable Turnover ratio	Revenue from Sale of Products and Services	Average Trade Receivable	8.86	8.65	2.50%
7	Trade Payable Turnover ratio	Cost of goods sold and Other Expenses	Average Trade Payables	7.48	8.21	-8.93%
8	Net Capital Turnover ratio	Revenue from Operations	Working capital = Current assets - Current liabilities	10.06	8.39	19.86%
9	Net Profit ratio	Profit after tax	Revenue from operations	2.21%	3.62%	-38.96%
10	Return on Capital Employed	Earnings before interest and tax	Average Capital Employed [Capital Employed = Total Equity + Total non-current liabilities]	11.44%	17.12%	-33.21%
11	Return on Investment	Income generated from Investments	Average Investments	NIL	NIL	-

Notes:Explanation for Change in ratio by more than 25%

- (i) Reduction in Return on Equity, Net Profit and Return on Capital Employed ratio largely on account on higher input cost

Notes Forming Part of Consolidated Financial Statements

43 Disclosure if additional information pertaining to the parent, subsidiary and joint venture companies as per schedule III of the Companies Act, 2013

Particulars	Net Assets		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)	As % of consolidated other comprehensive income	Amount (Rs. in Lakhs)	As % of consolidated total comprehensive income	Amount (Rs. in Lakhs)
Holding Company								
Aarti Surfactants Limited		23,420.72		1499.00		-21.05		1,477.95
Indian Subsidiaries								
Aarti HPC Limited		416.76		-44.53		-		-44.93
Total [A]		23,837.48		1,454.47		-21.05		1,433.42
(a) Adjustments arising out of consolidation		-575.00		-		-		-
(g) Non-controlling Interest								
Total [B]		-575.00						
Consolidation [A+B]		23,262.00		1,454.00		-21.05		1,433.42

As per our report of even date For and on behalf of the Board

For **Gokhale & Sathe**

Chartered Accountants

Firm Registration Number: 103264W

Partner

Uday Girjapure

M.No. 161776

Director
DIN : 0005048

Chandrakant Gogri

Director
CEO & Managing Director
DIN : 01660649

Nikhil Desai

Company Secretary
ICSI M.No.A44258

Priyanka Chaurasia

Nitesh Medh

Chief Financial Officer
ICAI M.No : 155868

Place: Mumbai

Date: 12th May, 2025



CIN: L24100MP2018PLC067037

Registered Office: Plot no 57, 58, 60 to 64, 62A, S-3/1, Sector-3, Sagore Village,
Pithampur Industrial Area, Dhar, Madhya Pradesh – 454775

Tel.: (+91-22) 6781 6435, **Email:** investors@aarti-surfactants.com, **Website:** www.aarti-surfactants.com

NOTICE OF 7TH ANNUAL GENERAL MEETING

Notice is hereby given that the Seventh Annual General Meeting (“AGM”) of the Members of **AARTI SURFACTANTS LIMITED (“Company”)** will be held on **Tuesday, September 23, 2025, at 4:00 p.m. (IST)** through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) facility to transact the following business.

The proceedings of the Seventh Annual General Meeting (“AGM”) shall be deemed to be conducted at the Registered Office of the Company at Plot no 57, 58, 60 to 64, 62A, S-3/1, Sector-3, Sagore Village, Pithampur Industrial Area, Dhar, Madhya Pradesh – 454775 which shall be the deemed venue of the AGM.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors’ and the Auditors’ thereon.
2. To declare dividend @ 10% i.e. Re. 1/- (Rupee One Only) per Equity Share for the year ended March 31, 2025.
3. To appoint a director in place of Mr. Santosh M. Kakade (DIN: 08505234), who retires by rotation and being eligible, offers himself for re-appointment.

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company, be and is hereby accorded to re-appointment of Mr. Santosh M. Kakade (DIN: 08505234) as a Director, liable to retire by rotation.”

SPECIAL BUSINESS:

4. To approve the revision in terms of appointment pertaining to remuneration of Mr. Nikhil P. Desai

(DIN: 01660649), as CEO & Managing Director of the Company.

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

“**RESOLVED THAT** in supersession of the resolution passed by the Members at the 6th Annual General Meeting approving the revision in terms of appointment pertaining to the remuneration of Mr. Nikhil P. Desai, CEO & Managing Director of the Company, and pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the recommendation of the Nomination and Remuneration Committee of the Board, and subject to other approvals, if any, approval of the Members be and is hereby accorded for the revision in the terms of appointment pertaining to remuneration, including perquisites and other benefits of Mr. Desai, as set out in the Explanatory Statement annexed to this Notice, with authority to the Board of Directors (including any Committee thereof) to alter and vary the terms and conditions of his appointment, including remuneration, within the overall ceiling prescribed in the Explanatory Statement, for the remainder of his tenure effective from April 1, 2025.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Nikhil P. Desai, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Desai, the remuneration, as specified in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, as minimum remuneration under Section II of Part II of Schedule V of the

Companies Act, 2013 by way of salary, perquisites, other allowances, benefits, commission etc. for the remaining tenure of his appointment or such other period as may be statutorily permitted, subject to receipt of the requisite approvals, if any notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members in the Annual General Meeting held on August 5, 2022, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To approve the revision in terms of appointment pertaining to remuneration of Mr. Santosh M. Kakade (DIN: 08505234), Executive Director of the Company.

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the resolution passed by the Members at the 6th Annual General Meeting approving the revision in terms of appointment pertaining to the remuneration of Mr. Santosh M. Kakade, CEO & Managing Director of the Company, and pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, other applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the recommendation of the Nomination and Remuneration Committee of the Board, and subject to other approvals, if any, approval of the Members be and is hereby accorded for the revision in the terms of appointment pertaining to remuneration, including perquisites and other benefits of Mr. Kakade, as set out in the Explanatory Statement annexed to this Notice, with authority to the Board of Directors (including any Committee thereof) to alter and vary the terms and conditions of his appointment, including remuneration, within

the overall ceiling prescribed in the Explanatory Statement, for the remainder of his tenure effective from April 1, 2025.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Santosh M. Kakade, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Kakade, the remuneration, as specified in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, as minimum remuneration under Section II of Part II of Schedule V of the Companies Act, 2013 by way of salary, perquisites, other allowances, benefits, commission etc. for the remaining tenure of his appointment or such other period as may be statutorily permitted, subject to receipt of the requisite approvals, if any notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT except for the revision in the terms of appointment pertaining to Remuneration, all other terms and conditions of appointment, as approved earlier by the Members in the Annual General Meeting held on August 5, 2022, and which are not dealt with in this Resolution, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To appoint Mr. Parimal H. Desai (DIN: 00009272) as a Non-Executive Director of the Company, on completion of seventy-five (75) years of age.

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under, Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, and based on the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors at its meeting held on August 05, 2025, Mr. Parimal H. Desai (DIN: 00009272), who has attained the age of

seventy-five (75) years, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation, with effect from October 01, 2025.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To appoint Mrs. Nisha B. Shah (DIN: 10049176), as an Independent Director of the Company.

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013 and the Rules made there under, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other applicable laws and regulations (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and on the basis of the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors at its meeting held on August 05, 2025, Mrs. Nisha B. Shah (DIN: 10049176) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of three (3) consecutive years commencing from October 01, 2025.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To appoint M/s. Parikh & Associates, Practicing Company Secretaries (FRN: P1988MH009800), as Secretarial Auditors of the Company.

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 any other applicable laws and regulations (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), and on the basis of the recommendation of the Audit Committee and as approved by the Board of Directors at its meeting held on August 05, 2025, M/s. Parikh & Associates (FRN: P1988MH009800) (PR No. 6556/2025), Practicing Company Secretaries be and is hereby appointed as the Secretarial Auditors of the Company for a term of five (5) consecutive years commencing from the financial year 2025-2026 till the financial year 2029-2030, on such a remuneration (including applicable taxes and out-of-pocket expenses) as may be finalized between the Company Secretary and the Secretarial Auditor with power to the Board to increase the remuneration by 5% to 10% per annum.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To ratify the remuneration payable to the Cost Auditor for the FY 2025-2026.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 148(3) read with section 141 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors), Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹1,00,000/- (Rupees One Lakh only) per annum plus taxes, as applicable, and reimbursement of out of

pocket expenses to be paid to M/s. PHS & Associates, Cost Accountant (Firm Registration No.101038), being the Cost Auditor appointed by the Board of Directors of the Company, to conduct audit of the cost records and related books maintained by the Company for the Financial Year 2025-2026, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office:

Plot no 57, 58, 60 to 64, 62A, S-3/1, Sector-3,
Sagore Village, Pithampur
Industrial Area, Dhar - 454775,
Madhya Pradesh
CIN: L24100MP2018PLC067037
E-mail: investors@aarti-surfactants.com

Mumbai / August 05, 2025

By order of the Board of Directors

Priyanka Chaurasia
Company Secretary
ICSI M. No. A44258





NOTES:

1. The Ministry of Corporate Affairs (MCA) vide its circulars dated September 19, 2024, September 25, 2023, December 8, 2022, May 5, 2022, December 14, 2021 read with circulars dated January 13, 2021, May 5, 2020, April 8, 2020 and April 13, 2020 (collectively referred to as MCA Circulars) and the Securities and Exchange Board of India vide its circulars dated October 3, 2024, October 7, 2023, January 5, 2023, May 13, 2022 read with circulars January 15, 2021 and May 12, 2020 (collectively referred to as SEBI Circulars) have permitted the holding of the Annual General Meeting (AGM) through VC /OAVM, without the physical presence of the members at a common venue till September 30, 2025. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars, the 7th AGM of the Company is being held through VC / OAVM. The members can attend and participate in the AGM through VC/OAVM.
2. Pursuant to the above referred MCA Circulars, the facility, to appoint a proxy to attend and cast vote, for the members is not available for this AGM and hence the proxy form and attendance slip are not attached to the Notice. However, the body corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
3. In line with MCA Circulars read with circulars issued by Securities Exchange Board of India (SEBI) vide SEBI/HO/CFD/PoD-2 dated October 3, 2024 (hereinafter referred to as "SEBI Circular for AGM"), the Notice of 7th AGM along with the Annual Report for FY 2024-2025 is being sent only through electronic mode to those members whose email addresses are registered with the Company's Registrar & Share Transfer Agents, MUG Intime India Private Limited (Formerly known as Link Intime India Private Limited) ("RTA") / Depositories. A letter containing the web link, along with the exact path to access the complete details of the Annual Report, is being sent to shareholders who have not registered their email address with the Company's RTA or DP. The physical copies of such statements and Notice of AGM will be dispatched only to those shareholders who request for the same.
4. Members may note that the Notice of the 7th AGM along with the Annual Report for FY 2024-2025 will also be available on the Company's website www.aarti-surfactants.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL www.evoting.nsdl.com.
5. Since the Annual General Meeting is being held through VC / OAVM, physical attendance of shareholders has been dispensed with. Members attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
6. Pursuant to section 113 of the Companies Act, 2013, Institutional shareholders/corporate shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to cs@parikhassociates.com with a copy marked to evoting@nsdl.com.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
 - a. For shares held in electronic form: to their Depository Participants ("DPs")
 - b. For shares held in physical form: to the Company/RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/ CIR/2023/169 dated October 12, 2023. To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details.
8. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statements of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8

dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at www.aarti-surfactants.com. It may be noted that any service request can be processed only after the folio is KYC Compliant.

10. In terms of Regulation 40(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or MUFG for assistance in this regard.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or MUFG Intime Private Limited (Formerly known as Link Intime India Private Limited) the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
12. As per the provisions of Section 72 of the Companies Act 2013, the facility for making nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website www.aarti-surfactants.com and on the website of MUFG Intime India Private Limited at <https://web.in.mpms.mufg.com/KYC-downloads.html> Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to MUFG in case the shares are held in physical form.
13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will only be entitled to vote during the AGM.
14. The Company has fixed Tuesday, September 16, 2025, as the 'Record Date' for determining members' entitlement to the Final Dividend for the financial year ended March 31, 2025, if approved at the AGM.
15. If the Final Dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such Dividend subject to deduction of tax at source will be made within a statutory timeline of 30 days as under:
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as at the close of business hours on Tuesday, September 16, 2025.
 - b) To all members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as at the close of business hours on Tuesday, September 16, 2025.
16. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).
17. To register an email address for all future correspondence and update the bank account details, please follow the below process:

Physical Holding – Send a request to MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) at rnt.helpdesk@in.mpms.mufg.com

To register email address, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN and AADHAR (self-attested scanned copy of both PAN card and Aadhar card)

To update bank account details, please send the following additional documents/information followed by the hard copies:

- a) Name of the bank and branch address
- b) Type of bank account i.e., savings or current
- c) Bank account no. allotted after implementation of core banking solutions
- d) 9-digit MICR code no., and
- e) 11-digit IFSC code
- f) Original cancelled cheque bearing the name of the first shareholder, failing which a copy of the bank passbook / statement attested by bank

Demat Holding – Please contact your DP and follow the process advised by your DP

18. Since the AGM will be held through VC / OAVM, the Route Map does not form part of the Notice. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Business at item nos. 4 to 9 above is annexed hereto and forms part of the Notice.
19. Relevant documents referred to in the Notice, Register of Directors / Key Managerial Personnel ('KMP') and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of Contracts maintained under Section 189 of the Companies Act, 2013 and other relevant registers are open for inspection by the members at the registered office of the Company on all working days during 11:00 AM to 1:00 PM. Members can request the same by sending an email to investors@aarti-surfactants.com till the date of the AGM.
20. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM are requested to write to the Company at least 5 days before the date of AGM through e-mail on investors@aarti-surfactants.com. The same will be replied by the Company suitably.
21. Members are requested to note that dividends, if not encashed for a period of 7 years from the

date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

The Members whose unclaimed dividends and/or shares have been transferred to IEPF, may contact the Company or RTA and submit the required documents for issue of Entitlement Letter. The Members can attach the Entitlement Letter and other required documents and file the IEPF-5 form for claiming the dividend and/ or shares available on www.iepf.gov.in.

22. Pursuant to the Income-Tax Act, 1961, as amended by the Finance Act, 2020, dividend income is taxable in the hands of shareholders effective April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and the amendments thereof. In general, to enable compliance with TDS requirements, members are requested to complete and / or update their Residential status, PAN, Category with their depository participants ('DPs') or in case shares are held in physical form, with the Company / Registrars and Transfer Agents ('RTA') by sending documents through email on or before Tuesday, September 16, 2025.

23. Voting through Electronic Means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the

Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-voting Facility provided by Listed Entities, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ('NSDL') for facilitating voting through electronic means, as the authorised e-voting agency. The facility of casting

votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL. The members, whose names appear in the Register of Members/list of Beneficial Owners as on Tuesday, September 16, 2025, are entitled to vote on the resolutions, set forth in this Notice. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the 'cut-off date' of Tuesday, September 16, 2025. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday, September 16, 2025 may obtain the login ID and password by sending a request at rnt.helpdesk@in.mpms.muvg.com and/or evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

24. Mr. Mitesh Dhabliwala (FCS 8331; CP 9511) or failing him Ms. Anuja Parikh (FCS 13520; CP 21367) or failing her Ms. Akruhi Shah (A43371; CP 22955), Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Scrutinizer shall within 2 working days of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favor or against, if any, to the Chairman/ Company Secretary or a person authorized by him in writing.

The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited and National Stock Exchange of India Limited. The results will also be displayed on the noticeboard at the Registered Office of the Company.





THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on **Saturday, September 20, 2025, at 9:00 A.M. and ends on Monday, September 22, 2025, at 5:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Tuesday, September 16, 2025**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, **September 16, 2025**.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Designation
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> For OTP based login you can click on https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/ideasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Designation
Individual Shareholders holding securities in demat mode with CDSL	<p>5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>   </p> <div style="display: flex; justify-content: space-around;">   </div>
	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>



Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.



Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

4. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
5. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on **"Forgot User Details/ Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - Now, you will have to click on "Login" button.
 - After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**
- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**
- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
 - Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
 - Now you are ready for e-Voting as the Voting page opens.
 - Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote cast successfully" will be displayed.
 - You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@parikhassociates.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload

- their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 - In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request to Mr. Amit Vishal, Senior Manager, NSDL, 022-2499 4360 or email at amitv@nsdl.co.in or Ms. Pallavi Mhatre, Manager, NSDL, 022-2499 4545 or email at pallavid@nsdl.co.in at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@aarti-surfactants.com
- In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (investors@aarti-surfactants.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

- Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the

EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (investors@aarti-surfactants.com). The same will be replied by the company suitably.
6. Members who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request from their registered email ID mentioning their name, demat account number/ folio number, PAN, mobile number at investors@aarti-surfactants.com at least 5 days before the date of AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. When a pre-registered speaker is invited to speak at the meeting, but he/ she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Members can raise questions at the AGM through a chat box and they are requested to frame their questions precisely. Once the Member clicks the link for VC/ OAVM in Shareholder/Members login where the EVEN of Company will be displayed, Members will be able to view AGM VC/OAVM proceedings along with the chat box. The questions raised by the Members will be replied to, by the Company suitably.

Registered Office:

Plot no 57, 58, 60 to 64, 62A, S-3/1, Sector-3,
Sagore Village, Pithampur
Industrial Area, Dhar - 454775,
Madhya Pradesh
CIN: L24100MP2018PLC067037
E-mail: investors@aarti-surfactants.com

Mumbai / August 05, 2025

By order of the Board of Directors

Priyanka Chaurasia

Company Secretary

ICSI M. No. A44258



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the businesses mentioned under Item Nos. 4 to 9 of the accompanying Notice:

Item No. 4 :

Mr. Nikhil P. Desai has been associated with the Company since June 18, 2018, as a Director and has been serving as the Managing Director since August 20, 2019. The Members, at the 4th Annual General Meeting held on August 5, 2022, approved his re-appointment for a term of five (5) years commencing from August 20, 2022, up to August 19, 2027. Further, the Board at its meeting held on October 31, 2023, designated him as Chief Executive Officer (CEO) and Managing Director (MD) of the Company with effect from the said date. As part of the approval in 2022, the Members had also sanctioned remuneration for FY 2022-2023. with annual revisions to

be considered by the Nomination and Remuneration Committee and the Board, subject to Members' approval from time to time.

The remuneration payable to Mr. Nikhil P. Desai, CEO and MD for the remaining tenure of his appointment are as under:

- A. Remuneration: Considering the criteria set under the Remuneration Policy, prevailing regulatory requirements, industry trend, individual performance evaluation of Mr. Nikhil P. Desai and the Company's Performance as well projections set, and in line with practices followed in the industry, the Board of Directors based on the recommendation of Nomination and Remuneration Committee approved the remuneration with a ceiling as tabled below for his remaining tenure effective from April 1, 2025:

Particulars	Remuneration Details Salary (₹ in lakhs)	
	For FY 2025-2026	Ceiling up to FY 2027
Fixed Compensation	90.00	120.00
Commission	Up to 3% of Net Profit, as determined by the Board/Committee, in accordance with Section 198 of the Companies Act, 2013.	

Annual increments until FY 2027 shall be determined at the discretion of the Board/Committee, considering inflation, executive pay trends, and business context.

In addition to the fixed compensation and commission, Mr. Nikhil P. Desai will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances") in such form and manner as the Board may decide: -

- a) Reimbursement of medical expenses and medical insurance premiums for self and family; leave travel allowance, telephone and internet facilities at residence and mobile phone facility, personal accident insurance, bonus, ex-gratia incentives, assignment of key man or other insurance policies obtained by the Company, contribution to National Pension Scheme and such other perquisites and special allowances as may be determined by the Board of Directors from time to time,

- b) Contribution to Provident Fund, Contributions to Superannuation fund or Annuity fund as per the rules of the Company.
- c) Gratuity payable at rate not exceeding half a month's salary for each completed year of service,
- d) Encashment of leave at the end of the tenure, and
- e) Provision of car for business purpose of the Company.
- f) Such other perquisites and allowances as per the policy/ rules of the Company in force and/or as may be approved by the Board from time to time.

No sitting fee shall be payable to him for attending the Meetings of the Board of Directors or Committee thereof.

- B. Minimum Remuneration: Notwithstanding the foregoing, where in any financial year during the currency of the term of re-appointment, the Company has no profits or its profits are inadequate,

the Company may pay to Mr. Nikhil P. Desai, the above remuneration as minimum remuneration under Section II of Part II of Schedule V of the Companies Act, 2013 by way of salary, perquisites, other allowances, benefits and commissions as specified above, for the remaining tenure of his appointment or such other period as may be statutorily permitted subject to receipt of the requisite approvals, if any.

The remuneration as previously approved by the Members of the Company and payable to Mr. Nikhil P. Desai is justified in terms of his key role within the Company.

The above may be treated as a written memorandum setting out the terms of appointment pertaining to remuneration of Mr. Nikhil P. Desai under Section 190 of the Companies Act, 2013.

Pursuant to Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013 the proposal for remuneration payable to Mr. Nikhil P. Desai is now being placed before the Members at the Annual General Meeting for their approval by way of a Special Resolution. Information as required under Schedule V to the Act is given in Annexure - 2 to the Notice.

None of the Directors except Mr. Nikhil P. Desai, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution. The relatives of Mr. Nikhil P. Desai

may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

Your Directors recommend the resolution set out at Item no. 4 for approval of the Members by way of a Special Resolution.

Item No. 5:

Mr. Santosh M. Kakade (DIN: 08505234) has been director of the Company effective from August 20, 2019. The Members, at the 4th Annual General Meeting held on August 5, 2022, approved his re-appointment for a term of five (5) years commencing from August 20, 2022, up to August 19, 2027. As part of the approval in 2022, the Members had also sanctioned remuneration for FY 2022-2023, with annual revisions to be considered by the Nomination and Remuneration Committee and the Board, subject to Members' approval from time to time.

The remuneration payable to Santosh M. Kakade, Executive Director for the remaining tenure of his appointment are as under:

- A. Remuneration: Considering the criteria set under the Remuneration Policy, prevailing regulatory requirements, industry trend, individual performance evaluation of Mr. Santosh M. Kakade and the Company's Performance as well projections set, and in line with practices followed in the Industry, the Board of Directors based on the recommendation of Nomination and Remuneration Committee approved the remuneration with a ceiling as tabled below for his remaining tenure effective from April 1, 2025:

Particulars	Remuneration Details Salary (₹ in lakhs)	
	For FY 2025-2026	Ceiling up to FY 2027
Fixed Compensation	43.00	60.00
Commission	Up to 0.50% of Net Profit, as determined by the Board/Committee, in accordance with Section 198 of the Companies Act, 2013.	
Stock Options	Grant of Options under "Aarti Surfactants Limited Employee Stock Option Plan 2024" ('ESOP 2024'/'Plan') as determined by the Board/Committee	

In addition to the fixed compensation and commission, Mr. Santosh M. Kakade will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 2013 (collectively called "perquisites and allowances") in such form and manner as the Board may decide: -

- a) Reimbursement of medical expenses and medical insurance premiums for self and family; leave travel allowance, telephone and internet facilities at residence and mobile phone facility, personal accident insurance, bonus, ex-gratia incentives, assignment of key man or other insurance policies obtained by the Company, contribution to National Pension Scheme and such other perquisites and



special allowances as may be determined by the Board of Directors from time to time,

- b) Contribution to Provident Fund, Contributions to Superannuation fund or Annuity fund as per the rules of the Company.
- c) Gratuity payable at rate not exceeding half a month's salary for each completed year of service,
- d) Encashment of leave at the end of the tenure, and
- e) Provision of car for business purpose of the Company.
- f) Such other perquisites and allowances as per the policy/ rules of the Company in force and/or as may be approved by the Board from time to time.

No sitting fee shall be payable to him for attending the Meetings of the Board of Directors or Committee thereof.

B. Minimum Remuneration: Notwithstanding the foregoing, where in any financial year during the currency of the term of re-appointment, the Company has no profits or its profits are inadequate, the Company may pay to Mr. Santosh M. Kakade, the above remuneration as minimum remuneration under Section II of Part II of Schedule V of the Companies Act, 2013 by way of salary, perquisites, other allowances, benefits and commissions as specified above, for the remaining tenure of his appointment or such other period as may be statutorily permitted subject to receipt of the requisite approvals, if any.

The remuneration as previously approved by the Members of the Company and payable to Mr. Santosh M. Kakade is justified in terms of his key role within the Company.

The above may be treated as a written memorandum setting out the terms of appointment pertaining to remuneration of Mr. Santosh M. Kakade under Section 190 of the Companies Act, 2013.

Pursuant to Sections 196, 197, 198, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013 the proposal for remuneration payable to Mr. Santosh M. Kakade is now being placed before the Members at the Annual General Meeting for their approval by way

of a Special Resolution. Information as required under Schedule V to the Act is given in Annexure - 2 to the Notice.

None of the Directors except Mr. Santosh M. Kakade, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution. The relatives of Mr. Santosh M. Kakade may be deemed to be interested in the said resolution, to the extent of their respective shareholding, if any, in the Company.

Your Directors recommend the resolution set out at Item no. 5 for approval of the Members by way of a Special Resolution.

Item No. 6:

Pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under, Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 05, 2025, approved the appointment of Mr. Parimal H. Desai (DIN: 00009272), who has attained the age of seventy-five (75) years, as a Non-Executive Director of the Company, liable to retire by rotation, with effect from October 01, 2025.

The Securities and Exchange Board of India has amended the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 vide circular dated May 9, 2018, which requires the appointment of any Non-Executive Director who has attained the age of 75 years only after seeking the prior approval of shareholders by way of a Special Resolution. Mr. Parimal H. Desai has completed the age of 75 years, hence approval by way of a Special Resolution is placed before the shareholders in order to comply with the aforesaid circular.

Mr. Parimal H. Desai (DIN: 00009272) holds a bachelor's degree in Chemical Engineering from UDCT, Mumbai. He is a proven technocrat with rich experience of nearly five decades in Chemical Industry, including Product Development, Project Commissioning & Implementation.

The Board is of the opinion that Mr. Parimal H. Desai's rich and diverse experience is a valuable asset to the Company which adds value and enriched point of view during Board discussions and decision making. He is also a person of integrity who possesses required expertise and his association will be beneficial to the Company.

Mr. Parimal H. Desai has confirmed his eligibility to act as a Director and he is not debarred from holding office of Director of the Company, by virtue of any SEBI Order or any other such authority. He further has consented to act as a Non-Executive Director. The Board of Directors has taken on record all required declarations and confirmations submitted by Mr. Parimal H. Desai.

Mr. Parimal H. Desai shall, as a Non-Executive Director, liable to retire by rotation in terms of the provisions of the Companies Act, 2013.

Mr. Parimal H. Desai will be paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and/or its Committees, reimbursement of expenses for participating in the Board and other meetings.

Details pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India and other requisite information is made available under Annexure - 1 hereto and forms a part of this Notice. The Board of Directors of the Company are of the opinion that his association would be of immense benefit to the Company and it is desirable to avail his services as a Non- Executive Director.

Mr. Parimal H. Desai, the appointee, is interested in the resolution set out in Item No. 6 of the Notice. His relatives are also deemed to be interested in the resolution to the extent of their shareholding in the Company, if any.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Nikhil P. Desai (CEO and Managing Director), is in any way, financially or otherwise, concerned or interested in the resolution set out above.

Your Directors recommend the resolution set out at Item no. 6 for approval of the Members by way of a Special Resolution.

Item No. 7:

Pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013 and the Rules made there under, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the basis of the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 05, 2025

approved the appointment of Mrs. Nisha B. Shah (DIN: 10049176) as an Independent Director of the Company, not liable to retire by rotation, for a term of three (3) consecutive years commencing from October 01, 2025.

Mrs. Nisha B. Shah is a Chartered Accountant and CFA (Level II) professional with over 22 years of experience in investment strategies, private equity, and family office advisory. She is currently a Partner at AUM Ventures, a venture capital fund. Prior to this, she led strategies at the Narotam Sekhsaria Family Office (NSFO) and has previously worked with KPMG and EY advising global PE/VC funds and family offices on investments and transactions.

Mrs. Nisha B. Shah has conveyed her consent to act as a Director of the Company together with other necessary disclosures and declarations including the declaration that she is not debarred from holding the office of Director pursuant to any order passed by SEBI or any other authority. She further declared that she meets the criteria of independence as provided in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, the appointment of Mrs. Nisha B. Shah as an Independent Director of the Company would be in the interest of the Company taking into consideration her knowledge, background and vast experience. Mrs. Nisha B. Shah possesses the identified core skills/expertise/competencies as required in the context of the Company's business and the industry it operates. In the opinion of the Board, Mrs. Nisha B. Shah is a person of integrity, meets the criteria of Independence and is 'fit and proper' as an Independent Director.

A copy of the letter of appointment issued to Mrs. Nisha B. Shah setting out the terms and conditions thereof is available for inspection, without any fee to be paid by the members, at the Registered Office of the Company during business hours (11:00 am to 1:00 pm) on any working day till the date of this AGM.

Details pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India and other requisite information is made available under Annexure - 1 hereto and forms a part of this Notice.

Mrs. Nisha B. Shah, the appointee, is interested in the resolution set out in Item No. 9 of the Notice. Her relatives



are also deemed to be interested in the resolution to the extent of their shareholding in the Company, if any.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution

Your Directors recommend the resolution set out at Item no. 7 for approval of the Members by way of a Special Resolution.

Item No. 8:

Pursuant to the provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed Companies shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report with the Annual Report.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, at its meeting held on August 05, 2025 subject to the shareholders' approval, approved the appointment of M/s. Parikh & Associates (Firm Registration No. P1988MH009800) (PR No. 6556/2025), Practicing Company Secretaries as the Secretarial Auditors of the Company, for a term of five consecutive years from Financial Year April 1, 2025 to March 31, 2030.

M/s. Parikh & Associates is a firm of Company Secretaries in Practice and is peer-reviewed and quality-reviewed by the Institute of Company Secretaries of India (ICSI). The firm was established in the year 1987 and has its registered office in Mumbai, Maharashtra. The firm offers a wide range of professional services in the field of corporate laws, SEBI regulations, FEMA regulations, including carrying out Secretarial Audits, Due Diligence Audits, and Compliance Audits, to its clients. It is amongst the reputed audit firms and are secretarial auditors for several large companies.

The firm is registered with the ICSI and holds Peer Review Certificate no. 6556/2025 issued by the "Peer Review Board of ICSI". The firm does not attract any disqualification as per SEBI circular SEBI/HO/CFD/CFD-PoD- 2/CIR/P/2024/185 dated December 31, 2024, in terms of regulation 24A(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

M/s. Parikh & Associates has confirmed that they are not disqualified from being appointed as Secretarial Auditors and that they have no conflict of interest. M/s Parikh & Associates has further furnished a declaration that they have not taken up any prohibited non-secretarial audit assignments for the Company, its holding and subsidiary companies.

The proposed remuneration to be paid to M/s Parikh & Associates for the financial year 2025 -2026, is ₹2,75,000/- (Rupees Two Lakhs Seventy-Five thousand only) plus, applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the audit for the financial year 2025-2026 and remuneration for subsequent years as may be finalized between the Company Secretary and the Secretarial Auditor with power to the Board to increase the remuneration by 5% to 10% per annum. Besides the audit services, the Company may also obtain certifications which are to be mandatorily received from the Secretarial Auditors under various statutory regulations from time to time. The Board of Directors or the persons authorised by it, upon mutual agreement with the Secretarial Auditors alter or vary their terms and conditions of appointment, including revising their remuneration for the remaining tenure to account for additional efforts due to regulatory changes, restructuring, or other considerations.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

Your Directors recommend the resolution set out at Item no. 8 for approval of the Members by way of an Ordinary Resolution.

Item No. 9:

The Board of Directors at its Meeting held on May 12, 2025, upon the recommendation of the Audit Committee, approved the re-appointment of M/s. PHS & Associates, Cost Accountant (Firm Registration Number: 101038), to conduct the audit of the cost records of the Company on a remuneration of ₹1,00,000/- (Rupees One Lakh only) excluding all applicable taxes and reimbursement of out of pocket expenses incurred in connection with the audit for the financial year 2025-2026.

In terms of the provisions of Section 148 of the Companies Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (as amended from time to time), the remuneration

as mentioned above, payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year 2025-2026 for the aforesaid services to be rendered by them.

Registered Office:

Plot no 57, 58, 60 to 64, 62A, S-3/1, Sector-3,
Sagore Village, Pithampur
Industrial Area, Dhar - 454775,
Madhya Pradesh
CIN: L24100MP2018PLC067037
E-mail: investors@aarti-surfactants.com

Mumbai / August 05, 2025

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

Your Directors recommend the resolution set out at Item no. 9 for approval of the Members by way of an Ordinary Resolution.

By order of the Board of Directors

Priyanka Chaurasia

Company Secretary

ICSI M. No. A44258





Annexure - 1

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE- APPOINTMENT

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]

Name of the Director	Mr. Santosh M. Kakade	Mr. Parimal H. Desai	Mrs. Nisha B. Shah
Director's Identification Number (DIN)	08505234	00009272	10049176
Date of birth	February 05, 1971	May 29, 1949	January 20, 1982
Age (in Years)	54 Years	76 Years	43 Years
Date of first appointment on the Board	August 20, 2019	The appointment shall be effective from October 01, 2025	The appointment shall be effective from October 01, 2025
Qualifications	BE (Electrical)	holds a bachelor's degree in chemical engineering from UDCT, Mumbai	Chartered Accountant and CFA (Level II) professional
Expertise in specific functional areas and skills and capabilities required for the role	He has over 30 years of rich experience in the field of Plant Operations, Process development, Project Management and General Management	He is a proven technocrat with rich experience of nearly five decades in Chemical Industry, including Product Development, Project Commissioning & Implementation.	A professional with over 22 years of experience in investment strategies, private equity, and family office advisory. She is currently a Partner at AUM Ventures, a venture capital fund. Prior to this, she led strategies at the Narotam Sekhsaria Family Office (NSFO) and has previously worked with KPMG and EY advising global PE/VC funds and family offices on investments and transactions.
Terms and conditions of re-appointment/ Appointment	To be re-appointed as a director, liable to retire by rotation.	Appointment as a Non-Executive Director, Non-Independent Director with effect from October 01, 2025 on completion of 75 years of age.	Appointment as an Independent Director for the first term of 3 years with effect from October 01, 2025.
Remuneration last drawn (including sitting fees, if any)	Reference is drawn to the Corporate Governance Report forming part of the Annual Report	NA	NA
Remuneration proposed to be paid	Within the overall ceiling as may be approved by the shareholders in the ensuing Annual General Meeting.	They shall be paid remuneration by the way of sitting fees and reimbursement of expenses for attending meetings of Board or Committees thereof or for any other purpose as may be decided by the Board.	

Name of the Director	Mr. Santosh M. Kakade	Mr. Parimal H. Desai	Mrs. Nisha B. Shah
List of Directorship held in all the Companies	<ul style="list-style-type: none"> Aarti HPC Limited 	<ul style="list-style-type: none"> Aarti Pharmalabs Limited. Aarti Corporate Services Limited. Aarti HPC Limited. Valiant Organics Limited Valiant Speciality Chemical Limited Nikhil Holdings Pvt Ltd Sulochna And Nandini Welfare Foundation 	None
List of Membership / Chairmanship of Committees of Board held in all the Companies	<p>Membership in Aarti Surfactants Limited</p> <ul style="list-style-type: none"> Risk Management Committee 	<p>Membership</p> <p>Aarti Pharmalabs Limited</p> <ul style="list-style-type: none"> Risk Management Committee Finance and Investment Committee <p>Valiant Organics Limited</p> <ul style="list-style-type: none"> Audit Committee Corporate Social Responsibility Committee <p>Chairmanship</p> <p>Valiant Organics Limited</p> <ul style="list-style-type: none"> Risk Management Committee 	None
Listed entities from which the Director has resigned from Directorship in last 3 (three) years	None		<ul style="list-style-type: none"> GACL Finance Private Limited Key Profiles (India) Private Limited Siddhesh Capital Market Services Private Limited Pallav Management Services Private Limited Divine Properties and Investments Private Limited NSFO Management Services Private Limited Madhurima International Private Limited White Knight Real Estate Private Limited Trapu Cans Private Limited Nilyam Holdings Private Limited Falak Investment Private Limited



Name of the Director	Mr. Santosh M. Kakade	Mr. Parimal H. Desai	Mrs. Nisha B. Shah
No. of Board Meetings attended during FY 2024-2025	Five	NA	NA
Inter-se relationship with other Directors and Key Managerial Personnel of the Company	None	He is the father of Mr. Nikhil P. Desai, who is the CEO & Managing Director of the Company. He is also Promoter of the Company.	None
No. of shares held:	#2,750		
a) Own	Nil	1,19,193	Nil
b) For other persons on a beneficial basis		Nil	Nil

#As on the date of this Notice, Mr. Santosh M. Kakade, holds 2,750 stock options of the Company



Annexure – 2 (For Item No. 4 and 5)

Information required under Section II, Part II of Schedule V of the Companies Act, 2013

I. General Information

1. Nature of Industry : Aarti Surfactants came into existence following the demerger of the home and personal care division of Aarti Industries Limited. The Company specialises in manufacturing ionic and non-ionic surfactants and speciality products.
2. Date or expected date of commencement of commercial production : The Company was incorporated on 18th June 2018 and commenced production in 2019, following the demerger of the Home and Personal Care division of Aarti Industries Limited.
3. Financial performance The details of financial performance of past 3 years are summarized below:

Particulars	FY 2024-2025	FY 2023-2024	FY 2022-2023
	Revenue from Operations	65,908.54	58,985.74
Total Expenses	64,561.93	55,686.17	58,382.07
Profit Before Tax	2,114.74	3,312.88	1,780.66
Profit After Tax	1,499.00	2,226.69	1,271.05
Total Comprehensive Income	1,477.95	2,215.32	1,277.05

4. Foreign investments or collaborations, if any. The Company does not have any direct foreign investments or collaborations.



II. Information about the Appointee(s):

SR.	Particulars	Mr. Nikhil P. Desai	Mr. Santosh M. Kakade
1.	Background details, Recognition or awards, Job profile and his suitability	He is Master of Science in Telecommunications & Networking and holds a Business Management degree from USA. He has worked as IT Technical Lead, Project Manager, Technical Sales with various Companies in USA and has experience of more than 20 years in the field of Information Technology, Project Management, Technical Sales, Vendor Management, Team Building, Process Improvement, Business Strategy, Change Management, Marketing and Product Development in Pharma and Chemical Industry.	He is a BE (Electrical). He has over 30 years of rich experience in the fields of Plant Operations, Process Development, Project Management and General Management.
2.	Past remuneration during the financial year ended March 31, 2025	Reference is drawn to the Corporate Governance Report forming part of the Annual Report	
3.	Proposed Remuneration	As recommended by the Board and mentioned in the Explanatory Statement for Item nos. 4 and 5 of this Notice. The proposed remuneration may exceed the limit prescribed under Section 197 and 198 read with Schedule V of the Companies Act, 2013.	
4.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration proposed is as per Section 197 and 198 read with Schedule V of the Companies Act, 2013 and is comparable to the remuneration levels of similar sized companies in similar Industry.	



SR.	Particulars	Mr. Nikhil P. Desai	Mr. Santosh M. Kakade
5.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	There is no pecuniary relationship with the Company, except for the remuneration received as a Director. He is also a member of the Promoter Group	No pecuniary relationship with the Company, except for the remuneration received as a Director

III. Other Information:

6.	Reasons of loss or inadequate profits	<p>The financial year 2024-2025 was characterized by global economic uncertainty, volatile raw material prices, and geopolitical tensions, leading to subdued domestic and international demand. Inflationary pressures, price corrections, and weak demand across key end-user industries further impacted overall performance.</p> <p>While there is currently inadequacy of profits for payment of remuneration to Directors, in order to ensure continuity in such payments, approval of the members is being sought by way of a special resolution.</p>	
7.	Steps taken or proposed to be taken for improvement	<p>To enhance performance, the Company plans to implement several strategic initiatives. The company will focus on optimizing operations to boost efficiency, invest in product development to drive innovation. Additionally, the Company is committed to expanding its sustainability initiatives.</p>	
8.	Expected increase in productivity and profits in measurable terms	<p>To improve performance, the Company anticipates significant gains in productivity and profitability. By optimizing operations, investing in product development, the company expects to see marked improvements in efficiency. Additionally, expanding sustainability initiatives is projected to contribute positively to cost savings and overall revenue growth. Specifically, the Company aims to achieve a sales growth between 20% and 30% as a result of these strategic efforts.</p>	

IV. Disclosures:

The necessary disclosures under this heading are forming part of the Notice / Explanatory statement to the Item Nos. 4 & 5 and Corporate Governance Report which forms an integral part of this Annual Report.

Registered Office:

Plot no 57, 58, 60 to 64, 62A, S-3/1, Sector-3,
Sagore Village, Pithampur
Industrial Area, Dhar - 454775,
Madhya Pradesh
CIN: L24100MP2018PLC067037
E-mail: investors@aarti-surfactants.com

Mumbai / August 05, 2025

By order of the Board of Directors

Priyanka Chaurasia
Company Secretary
ICSI M. No. A44258





Aarti Surfactants Limited

AARTI SURFACTANTS LIMITED

Registered Address

Plot Nos. 57, 58, 60 to 64, 62A, S-3/1, Sector-3, Sagore Village, Pithampur Industrial Area,
District Dhar, Madhya Pradesh – 454775

Corporate/HO Address

Unit 202, Plot 71, Udyog Kshetra, 2nd Floor, Mulund-Goregaon Link Road, Mulund (West),
Mumbai – 400080, Maharashtra.

CIN : L24100MP2018PLC067037