

**Ref. No: AIL/B-40/2020/111  
June 20, 2020**

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

**BSE CODE –524208**

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

Dear Sir/Madam,

**Sub.:** Disclosure regarding impact of Covid-19  
Pandemic

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Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find enclosed herewith disclosure regarding impact of Covid-19 pandemic on the Company’s operations.

Kindly take the same on record.

Thanking You,

Yours faithfully,  
**FOR AARTI INDUSTRIES LIMITED**

  
  
RAJ SARRAF  
**COMPANY SECRETARY**  
ICSI M. NO. A15526  
Encl.: As above.

## **Aarti Industries Limited: Corporate Update**

This is in continuation to the Company's update given on April 23<sup>rd</sup> 2020 and also in compliance to the requirement vide SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84, dated May 20, 2020. The Company would like to share an update with reference to the impact of COVID on its various aspects of business activities as below:

**In respect of the Manufacturing Operations:** Following the directives of the Central Government, the company had faced logistics-related challenges for the movement of raw materials, finished goods, manpower etc. As a result the chemical manufacturing facilities of the company had initially gone into temporary shutdown or safe mode in a phased manner; while the pharma business, being included in essential goods has continued manufacturing operations throughout this period. Subsequently, based on our wider product profile that includes key ingredients for various pharma/agrochemical intermediates, which are included in essential goods, we applied and were granted permissions to operate our chemical manufacturing facilities and to enable movement of critical workforce, materials, etc. After securing the supply chain, logistics and mandatory compliance requirements, we had resumed operations at all our manufacturing units since the first half of April. The units are currently operating at about 80% capacity utilization. However the challenges of Supply Chain, Labour availability poses challenges/threat to continuation of manufacturing operations. The company is taking adequate efforts including revision in rates, wherever applicable to secure the resources and mitigate this threat.

**In respect of the Business, Customer demand, movement of materials:** Over 60% of the company's revenue comes from end use applications such as Agrochemicals, Pharma, Fertilizers, FMCG which is not impacted by COVID-19 and hence the company is protected to this extent. In respect of the balance part of company's business with end user application into usages such Polymers & Additives, Dyes, Pigments, etc, the company envisages demand contraction to be there on account of COVID-19. It would be difficult to assess the impact at this stage. We shall provide guidance once we have more clarity on the matter. The Company expects its long term contract execution to be on track and it does not believe any significant impact of COVID-19 to those contracts.

Further the company is also facing challenges for movement of materials at the Port impacting its exports business. This would result into increase cost of storage and also the delay in shipments from India. The Company is monitoring the situation closely and taking adequate steps to prioritize its export shipments.

**In respect of the Projects:** On account of the lockdown announced by Central & State government and also due to restrictions in man power movement, most of the project work in earlier part of this financial year had been impacted. The company has undertaken activity for prioritization of its projects and accordingly taken steps to ensure the critical projects does not have a major impact. Further the migration of labour possess additional threat to the project and construction works. Additional some of the suppliers of equipments have also been impacted due to COVID-19, which would delay the delivery from their end. This may also cause delay in the project works. The company is closely monitoring the situation and will take adequate steps to secure the resources as may be required.

**In respect of the Financials Position and Ability to meet obligations:** The Company has been meeting all the financials obligations in time. The company has adequate surplus cash and also the additional debt are secured to ensure the cashflows of the company and the ability of the company is not affected.

At present, in line with the Government advisory, the company's other establishments such as the offices at Mumbai and Vadodara as well as R&D units are temporarily closed and work-from-home has been facilitated for the convenience and safety of all our employees. Adequate data security measures and additional protocols have been introduced to ensure the safeguard the sensitive information of the company.

The management continues to closely monitor all key developments across its various aspects of the business and is taking adequate steps to address any impending issues.

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## About Us:

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Aarti Industries (AIL) is one of the most competitive benzene-based speciality chemical companies in the world. AIL is a rare instance of a global speciality chemicals company that combines process chemistry competence (recipe focus) with scale-up engineering competence (asset utilization). Over the last decade, AIL has transformed from an Indian company servicing global markets to what is fundamentally a global company selecting to manufacture out of India. The Company globally ranks at 1st – 4th position for 75% of its portfolio and is “Partner of Choice” for various Major Global & Domestic Customers.

AIL has de-risked portfolio that is multi-product, multi-geography, multi-customer and multi-industry. AIL has 200+ products, 700+ domestic customers, 400+ export customers spread across the globe in 60 countries with major presence in USA, Europe, Japan. AIL serves leading consumers across the globe of Speciality Chemicals and Intermediate for Pharmaceuticals, Agro Chemicals, Polymers, Pigments, Printing Inks, Dyes, Fuel additives, Aromatics, FMCG and various other speciality chemicals. The diversified end-use mix with Agrochemicals, Pharmaceuticals and FMCG (which are generally agnostic to economic cycles) contributes about 60-65% of AIL’s revenue, while other end-user industry such as Polymers, Pigments, Printing Inks, Dyes, Fuel additives, Aromatics, etc (which are generally dependent on global and domestic economic cycle) accounts for the balance 35-40% of AIL’s revenue. This mix provides a steady growth opportunity and stability on AIL’s business.

AIL is committed to Safety Health & Equipment Quality with environment polices mapped to global benchmarks ensuring customer confidence and business sustainability. The Company has 14 Zero Discharge units and a strong focus on Reduce-Reuse-Recover across its 17 manufacturing sites.

AIL is a responsible corporate citizen engaged in community welfare through associated trusts (Aarti Foundation and Dhanvallabh Charitable Trust) as well as focused NGOs engaged in diverse social causes.

Over the years, AIL has received multiple awards and recognitions for outstanding export performance, leadership in the chemical industry, efforts in conserving the environments as well as ensuring sustainable growth through path breaking innovation.

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### For further information on the Company, please visit [www.aarti-industries.com](http://www.aarti-industries.com)

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Chetan Gandhi / Raj Sarraf  
Aarti Industries Ltd  
Tel: +91 22 6797 6666  
Email: [info@aarti-industries.com](mailto:info@aarti-industries.com)

Shiv Muttoo / Shruti Joshi  
CDR, India  
Tel: +91 98335 57572 / +91 75065 67349  
Email: [shiv@cdr-india.com](mailto:shiv@cdr-india.com)  
[shruti@cdr-india.com](mailto:shruti@cdr-india.com)

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### DISCLAIMER:

Certain statements that may be made or discussed at the conference call may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like significant changes in economic environment in India and overseas, tax laws, import duties, litigation, labour relations etc. Actual results might differ substantially from those expressed or implied. Aarti Industries Ltd will not be in any way responsible for any action taken based on such statements and discussions; and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.