



**AARTI
INDUSTRIES
LIMITED**

**Ref. No: AIL/B-39/2019/416
July 10, 2019**

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

BSE CODE -524208

Dear Sir/Madam,

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

Ref: Regulation 30(6) of the SEBI (LODR) Regulations, 2015.

Please find enclosed herewith updated Analyst Presentation of the Company.

Kindly take the same on record.

Thanking You,

Yours faithfully,
For AARTI INDUSTRIES LIMITED

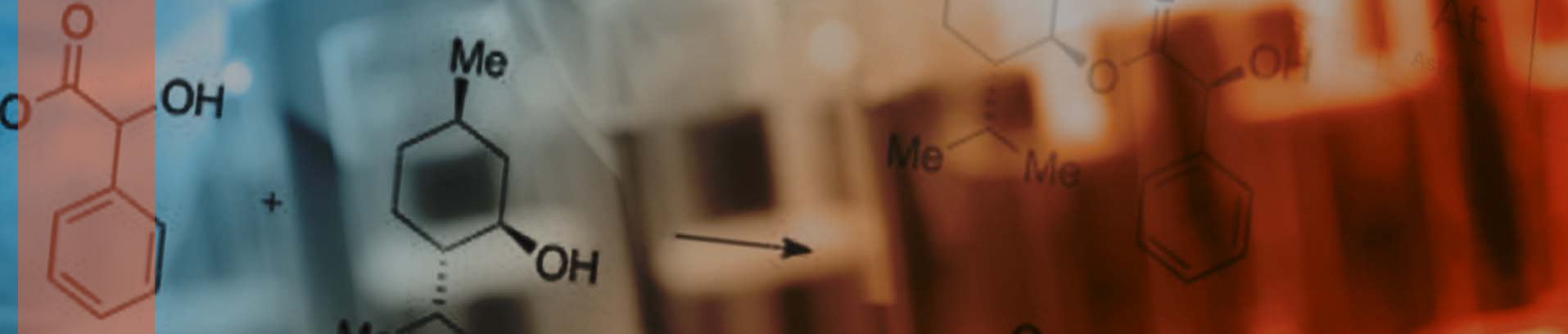

RAJ SARRAF

COMPANY SECRETARY

ICSI M. NO. A15526

Encl. As above.





Analyst Presentation Aarti Industries Ltd.

June 2019

Our vision has strong emphasis on the customer



Vision

**To be a Global Partner
of Choice**

Purpose

**Right Chemistry for A
Brighter tomorrow**

Care



We care for our people, our customers, our suppliers, our assets and our community. Care for our people is reflected in our people policies, programs and developmental efforts

Integrity



We strive to maintain the highest ethical and moral standards. We honour our commitments towards our people, co-workers, partners, community and society

Excellence



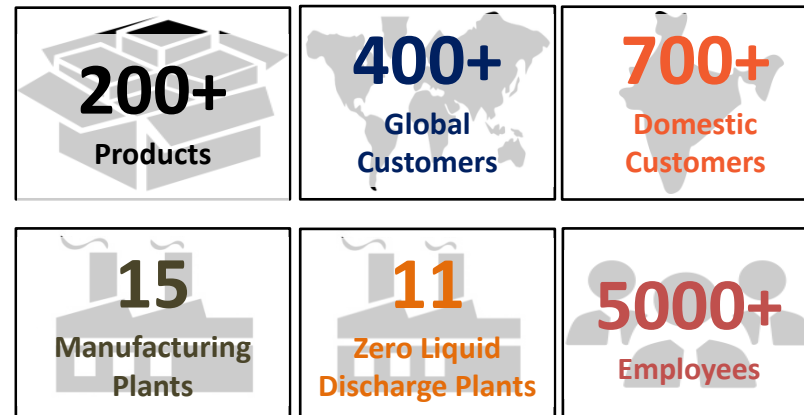
We continuously raise the bar for our performance standards in safety, productivity and employee & customer satisfaction, We encourage innovative ideas & creativity by promoting a learning culture

Company Overview

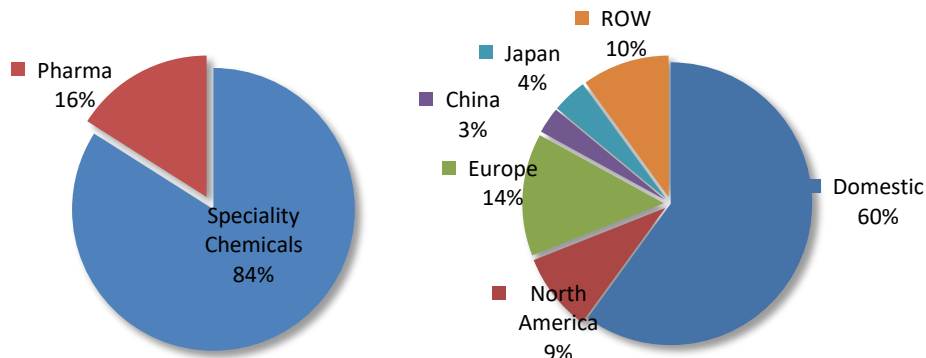
Overview

- A leading Speciality Chemicals company in Benzene based derivatives with integrated operations and high level of cost optimization
- Established by first generation technocrats in 1984
- Pharma operations spanning APIs, intermediates and Xanthene derivatives
- Strong R&D capabilities – 3 R&D facilities; dedicated pool of over 170 engineers & scientists; IPRs for developing customized products.
- 11 plants located in western India with proximity to ports
 - 11 for Speciality chemicals; 4 for Pharma (2 USFDA and 2 WHO/GMP)
 - 2 upcoming project sites at Dahej SEZ and 4th R&D center at Navi Mumbai

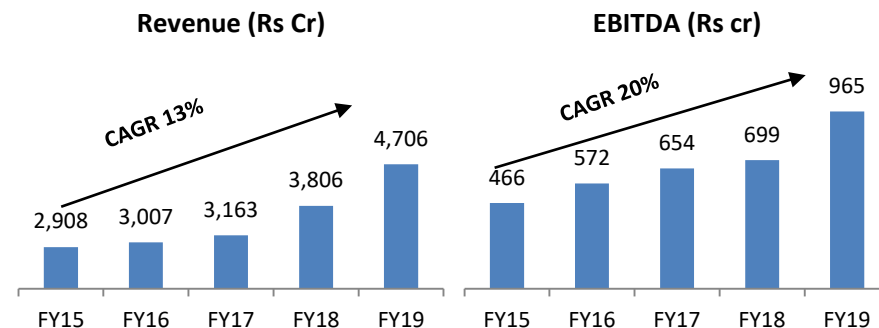
Key Metrics



Revenue split - Segmental and Geographical – FY19

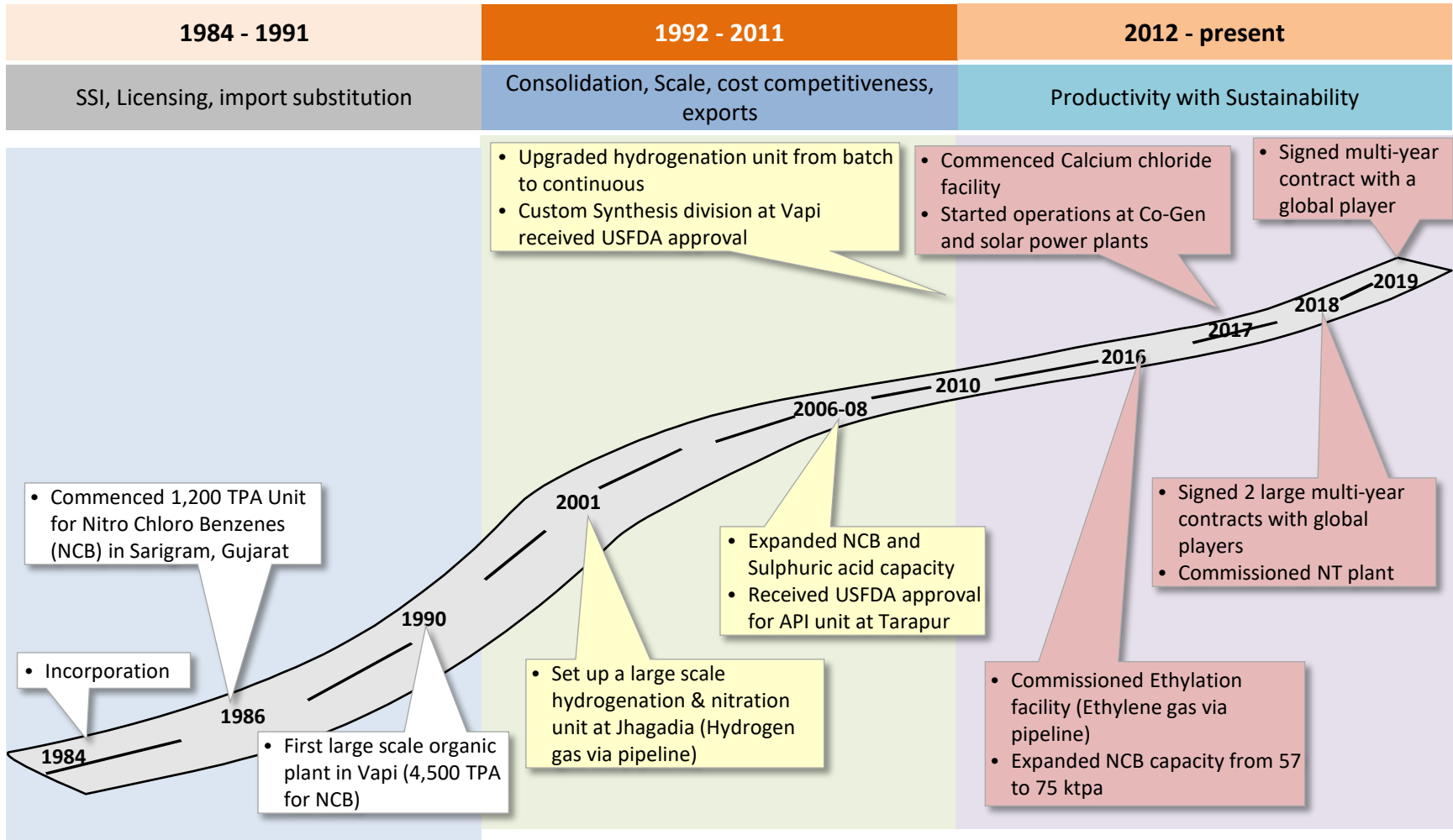


Key Financials



Key Milestones with Adaptive Growth Strategies

Growth Strategies



Strategically Located Plants

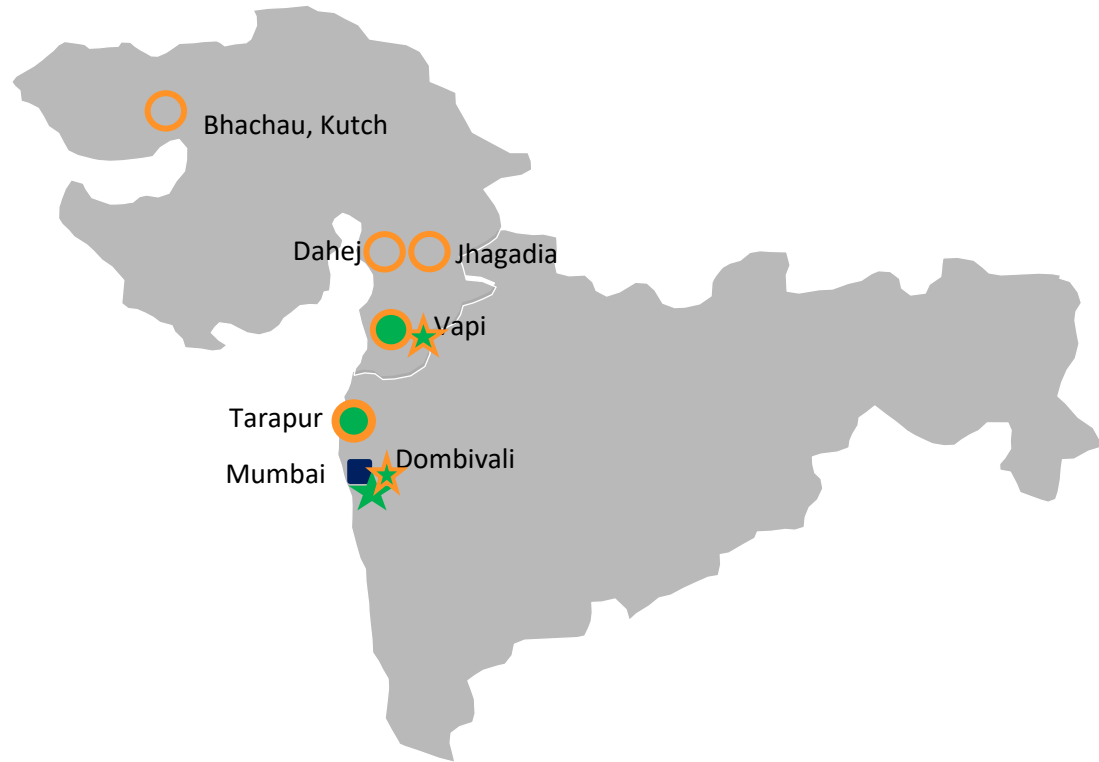


○ Chemical Plants

■ Head Office

● Pharma Plants

★ R&D Center



- Over 100 acres of land available in Jhagadia for future development

Management Team

Technocrats



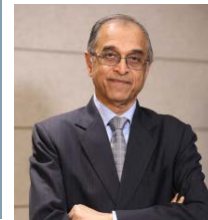
**Mr. Chandrakant
Gogri**
Chairman
Emeritus



**Mr. Rajendra
Gogri**
Chairman & M.D.



**Mr. Rashesh
Gogri**
Vice Chairman &
M.D.



**Mr. Parimal
Desai**
Founder Director



Mr. Renil Gogri
Director



**Mrs. Hetal
Gogri Gala**
Director

Finance



**Mr. Shantilal
Shah**
Vice Chairman



**Mr. Manoj
Chheda**
Director



Mr. Kirit Mehta
Director

Administration

Independent Directors

Rich and Diverse Experienced

Banking



**Mr. K.V.S
Shyamsundar**
Independent
Director



Mr. P. A. Sethi
Independent
Director

Legal



**Mr. Ramdas
Gandhi**
Independent
Director



Industry



**Mr. Vinay
Nayak**
Independent
Director



**Mr. Lalitkumar
Naik**
Independent
Director

Academia / Technical



**Prof. Ganapati D.
Yadav**
Independent
Director

Chartered Accountants



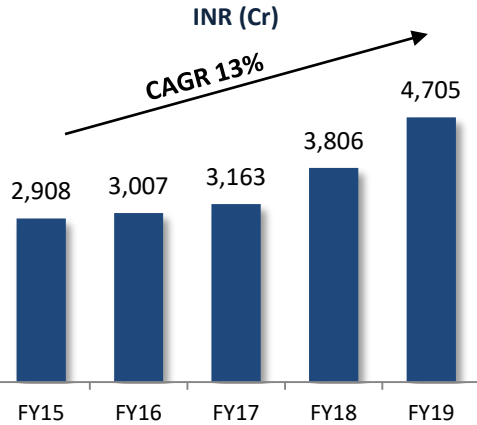
**Mr. Bhavesh
Vora**
Independent
Director



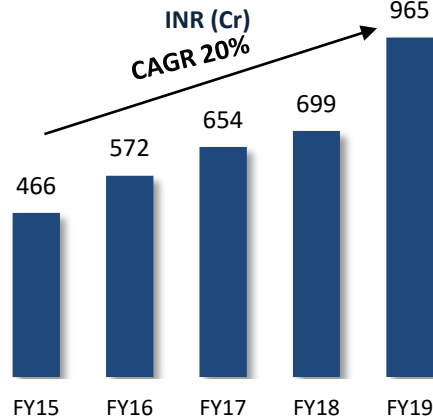
Mrs. Preeti Savla
Independent
Director

Financials - Consolidated

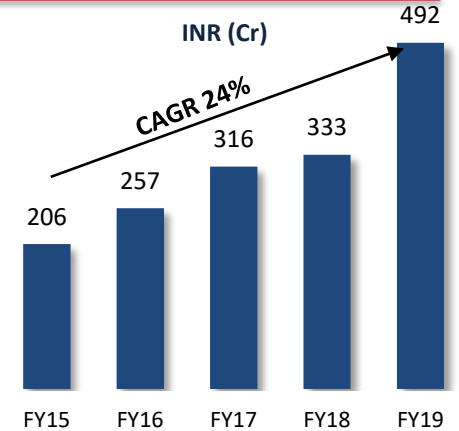
Robust Revenue Growth



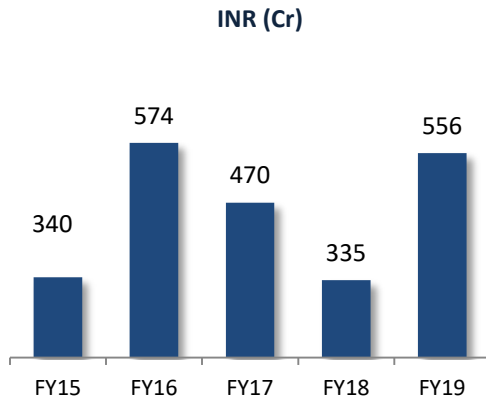
Strong EBITDA Growth



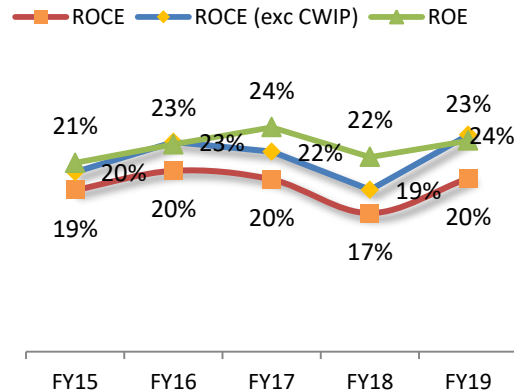
Strong PAT Growth



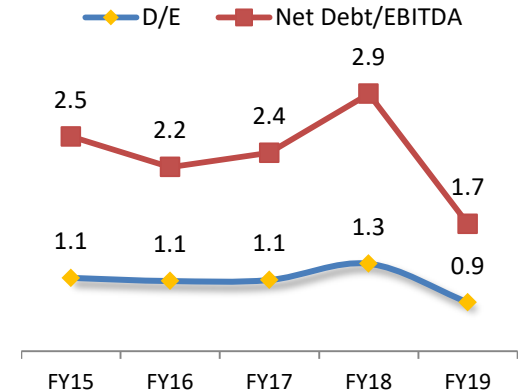
Strong Operating Cash Flows



Strong Return Ratios



Debt Profile



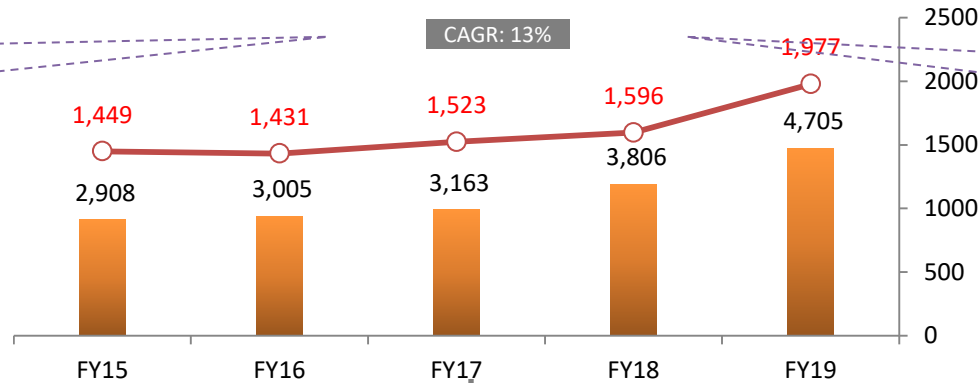
EBITDA = Profit before Tax + Interest Expense + Depreciation – Other Income; EBIT = EBITDA-Depreciation; Capital Employed= Net Worth + LT Debt+ ST debt+ current maturity of long term debt- cash; Capital Employed adj for CWIP= Capital Employed -CWIP; ROCE= EBIT/(Average of Capital employed of current & previous year); ROCE (exc CWIP) = EBIT/(Average of Capital employed adj for CWIP of current & previous year); ROE = Net Income/Average of Net Worth of current & previous year; D/E = Total Debt/ Total Equity; Net Debt/EBITDA = (Gross Debt- cash)/ EBITDA

Revenue Performance (Consolidated)

Operating revenues have grown on the back of strong volume growth in key business segments and better product mix. Top line is a function of variations in raw material prices especially crude

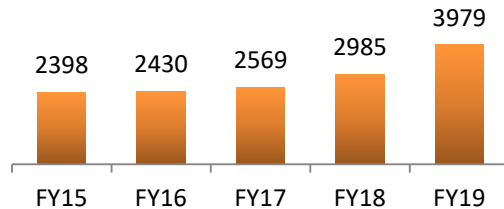
Deep engagement with global customers in Speciality chemicals and pharma. In addition, part of domestic revenues are indirect exports.

Revenue — Export



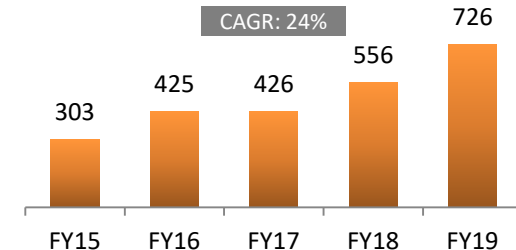
Speciality Chemicals

CAGR: 14%



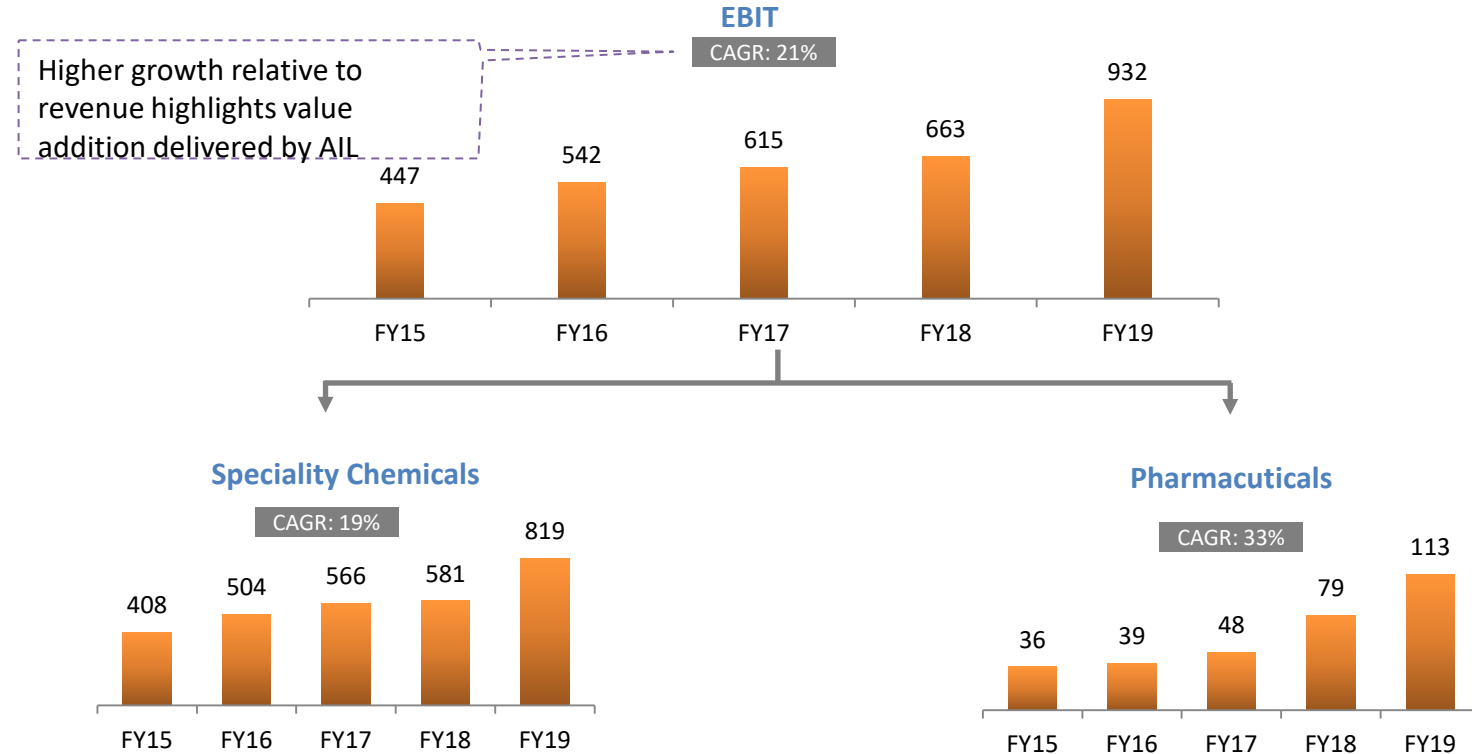
Pharmaceuticals

CAGR: 24%



(Rs. Crore)

EBIT Performance (Consolidated)



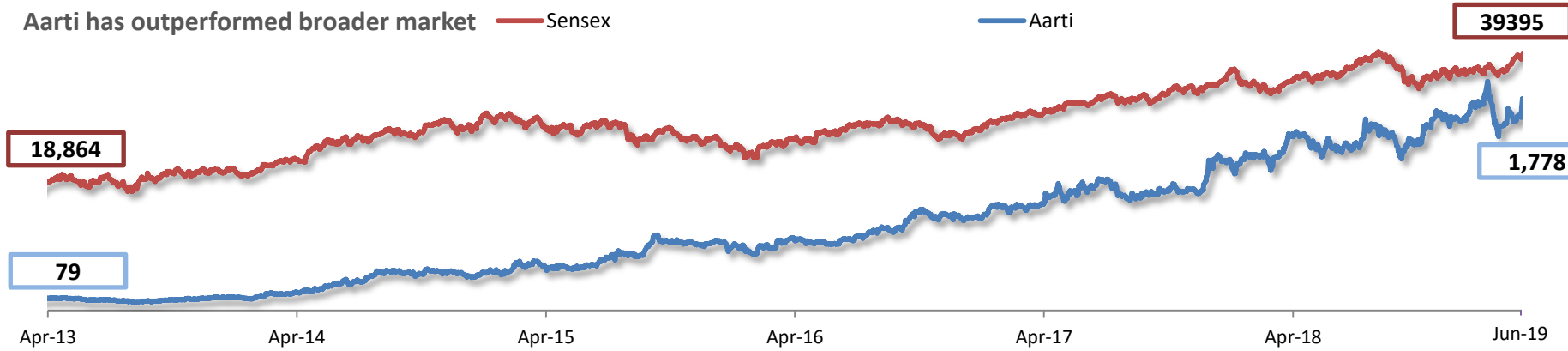
(Rs. Crore)

Stock Performance and Shareholding

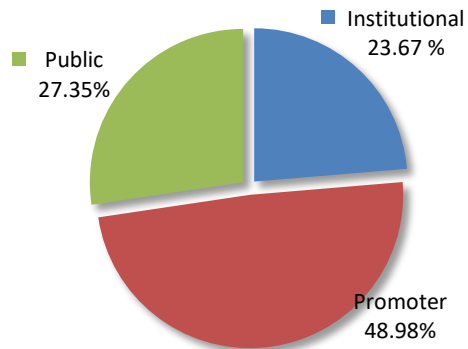
Aarti has outperformed broader market

— Sensex

— Aarti



Shareholding Pattern (as of 30 June 2019)



Key Institutional Investors (As of 30 June 2019)

Fund House	% Holding in the company
HDFC Asset Management	8.23%
DSP Investment Managers	1.59%
L&T Investment Management	1.55%
Other	12.30%

Key Strengths

- **Global Player in Benzene based Derivatives with Integrated Operations**

- *Strong/Leadership position in key products and processes*
- *Integrated operations across product chain of Benzene and Toluene*
- *Ability to effectively use co-products and generate value-added products*

- **Well Diversified Across Multiple Dimensions**

- *Diversification provides significant de-risking*
- *Multi-product, multi-customer, multi-geographies & multi-end-user industry*

- **Pharma – Significant growth with diversification across products and geographies**

- *Pharma segment has seen significant growth over last 5 years*
- *India's API market (both domestic and exports) is expected to witness strong growth*

- **Strong Return Profile despite Significant Capex**

- *Expanded capacities and diversified into new products while maintaining return profile*
- *New capacities are still ramping up providing operating leverage*

- **Well placed to benefit from Industry Tailwinds**

- *Significant opportunity for exports arising from environmental related shutdowns in China*
- *Structural drivers in places for a robust domestic demand growth*

- **Strong Focus on R&D and Process Innovation**

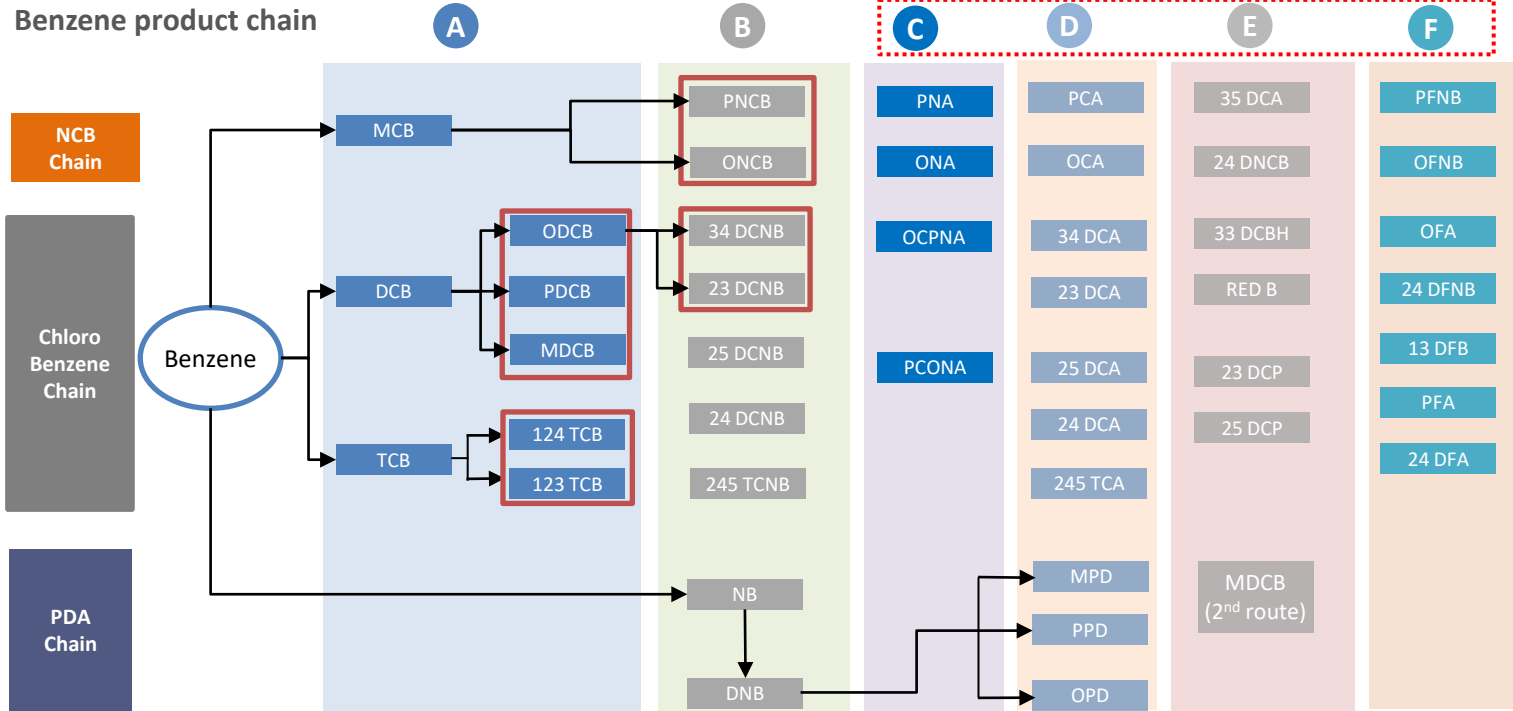
- *Focus on downstream products through processes like high value chlorination, hydrogenation, ammonolysis*
- *Plan to set up a 4th R&D plant focused on Speciality chemicals*

- **Thrust on Sustainability**

- *Significant capex done in SH&E and power, which provide long term benefits*

Global Player in Benzene based derivatives with Integrated Operations (1/2)

Benzene product chain



- Integrated operations across product chain of Benzene and Toluene
- Co-products / Isomer balancing
- Optimizing product mix
- Ability to meet stringent specifications
- Supply chain not linked with China
- Significant Cost Competitiveness
- "A" and "B" account less than 30% of the segment revenue
- Focus on growth oriented products
- Diversified enduse

Global Ranking

NCB Among **top3** globally

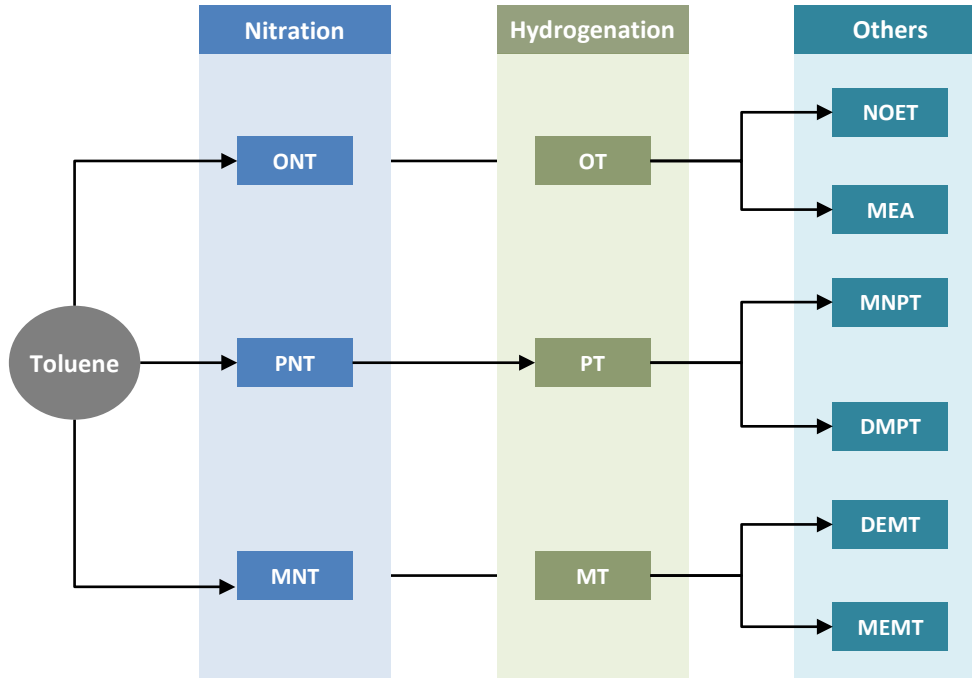
DCB Among **top3** globally

Domestic Ranking

Only manufacturer for Nitro Fluoro Auromatics (via **Halex** chemistry) and **PDA**

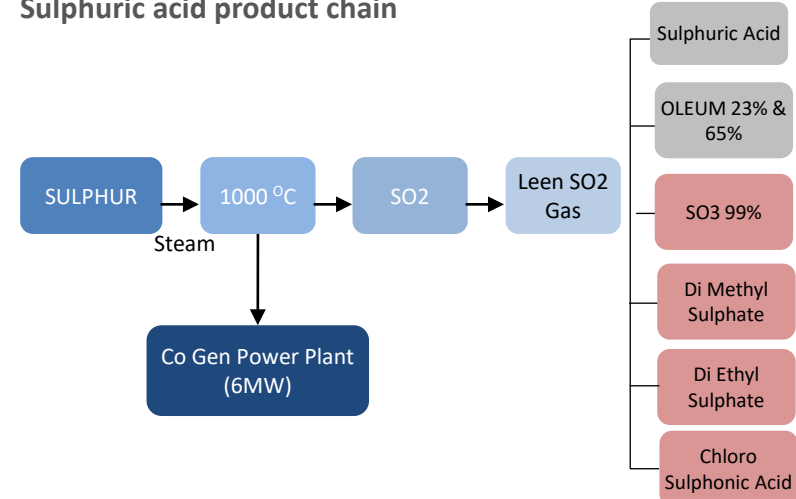
Global Player in Benzene based derivatives with Integrated Operations (2/2)

Toluene product chain



- Commissioned the Nitro Toluene plant in Sep 2017
- Commissioned the Hydrogenation of Nitro Toluene facility in Q4 FY19

Sulphuric acid product chain

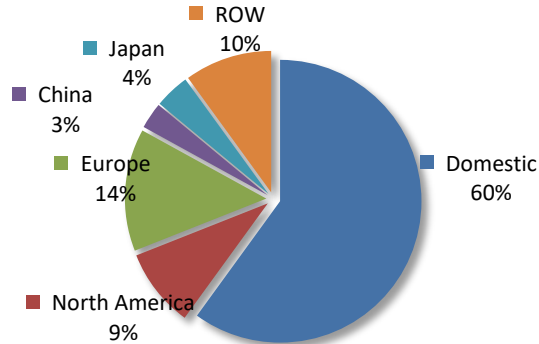


Other Speciality Chemical products

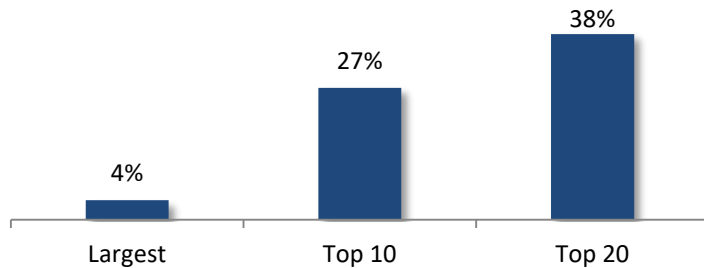
- Single Super Phosphate (SSP)
- Export Grade Calcium Chloride Granules (for Oil exploration & De-icing)
- Fuel Additives
- Phthalates

Well Diversified Across Multiple Dimensions

High level of geographic diversification...

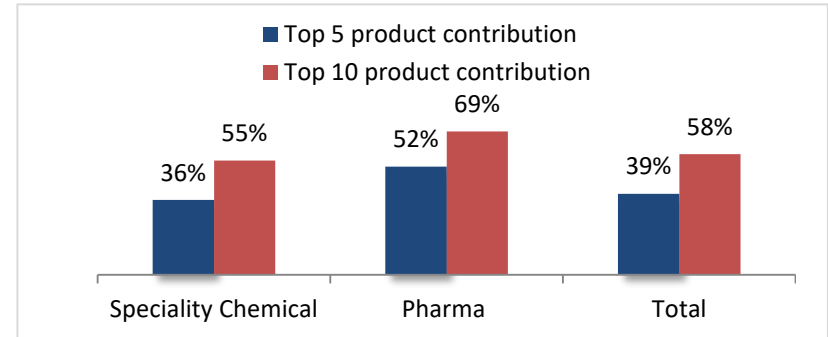


Supplier to leading chemical companies across the globe, with largest customer contributing to less than 5% of sales



- 85% revenue in FY19 was from customers of over 5 years

...with a well diversified product portfolio, and low dependence on individual products



Products are used across different end industries and have different business cycles

Segments	End usage industries	Product cycle	FY18-23 CAGR
Agrochem	Pesticides, Insecticides, Fungicides, Herbicides, Nutrients	Agrochemical cycle	7-9%
Dyes & Pigments	Printing inks	Normal Business cycle	10-12%
Polymer and Additives	Aircrafts, Automobiles, Cruise Liners, Bullet-proof jackets, Electronic products	Normal Business cycle	7-9% 10-11%
Pharma	Intermediates used in drugs catering to anticancer, anti-asthma and anti-hypertensive drugs oncology therapies	Non cyclical	12-13%
Others	Fuel additives, Rubber chemicals		

We are proud to be associated with most of the major players in the specialty chemicals domain



BASF

We create chemistry



syngenta



'TORAY'
Innovation by Chemistry



FlintGroup



TEIJIN



HUNTSMAN



SUDARSHAN



Lonza



TEVA PHARMACEUTICALS LTD



EASTMAN



Simple chemistries of our products have a host of end uses..



In lightweight polymers of the aircraft bodies



In the medicines that keep you healthy



In the Agrochemicals which help improve productivity of farms



In perfumes and flavours that tickle your senses



In lightweight polymers of the aircraft bodies



In printing inks that help express stories



In gasoline to improve engine performance



In soaps and shampoos that keep you clean

Pharmaceuticals – Exposure to multiple segments & products, with strong infrastructure in place

End User Industry

- Global generic pharma companies
- Innovator and large pharma MNCs
- Branded generic Indian pharma companies

Pharmaceuticals

61%

Pharma Intermediates & Ingredients

APIs

- **Backward integrated intermediates** for most APIs
- **Exports to lucrative regulated markets** - US, EU and Japan contributes to 53% of total exports.
- Distinct advantage having **dedicated USA, Japan and EU approvals** for cortico steroids and Anti-cancer products
- Exclusive Sterile block for Oncology APIs

Intermediates

- CRAMs activity focused on intermediates
- Working with several Innovators on API Intermediates opportunities
- US FDA approved manufacturing facility for upcoming generic APIs

39%

Xanthine derivatives (Caffeine and others)

- Xanthine derivatives find applications in **beverages, nutraceuticals and pharmaceuticals**
- Aarti's capabilities – **2 dedicated plants**
- Key certifications – **"Star Kosher"**; **"HACCP"**; **"GMP"** in manufacturing & testing.
- **Doubled capacity in FY17** to cater to demand for Cola and energy drinks manufacturers

2 USFDA approved facilities

2 WHO GMP facilities

9 Patents (21 under assessment)

30 USDMF

18 CEP (2 under assessment)

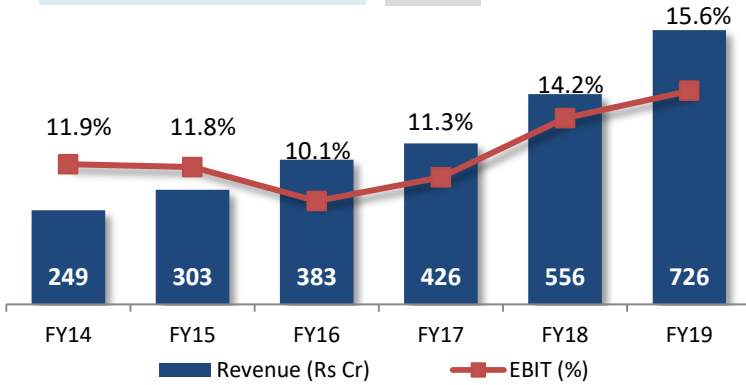
12 DMF (7 under assessment)

Pharmaceuticals – Significant growth with diversification across products and geographies

Pharma - significant top line and margin growth...

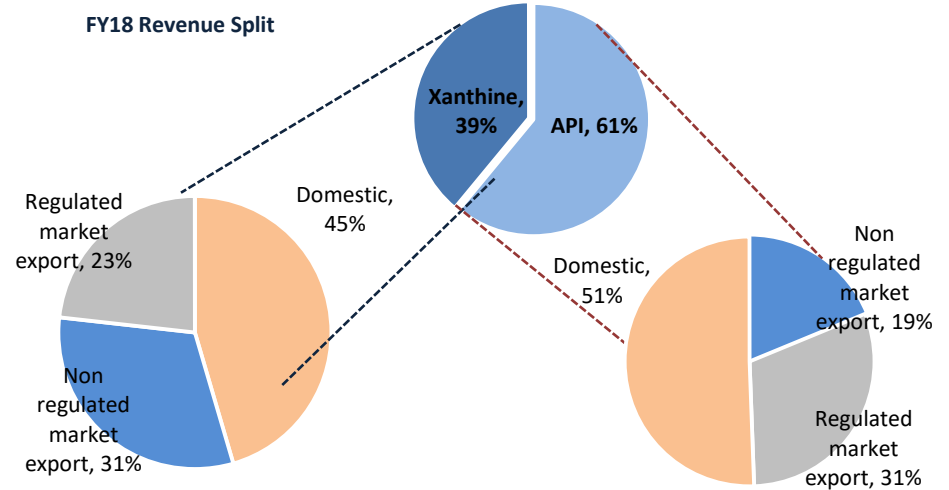
Revenue CAGR FY14-19 **24%**

EBIT CAGR FY14-19 **31%**



...with diversification across products and geographies

FY18 Revenue Split



Patents and Regulatory...

2 USFDA approved facilities

2 WHO GMP facilities

9 Patents (21 under assessment)

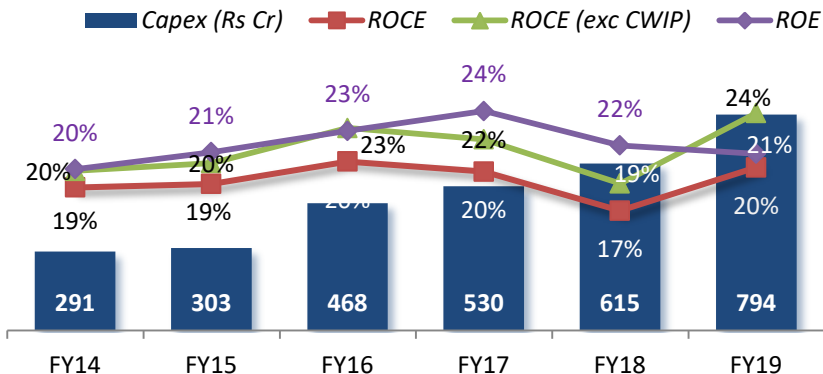
30 USDMF

18 CEP (2 under assessment)

12 DMF (7 under assessment)

Strong Return Profile despite Significant Capex over Last 5 Years

Strong return profile despite significant capex spend



- Expanded capacity to scale base businesses (NCB and Chlorination) and downstream value added products
- Diversified** into toluene-based derivatives
- New capacities are still ramping up providing significant operating leverage

Key expansion projects undertaken

Project	Location	Capacity Details	Commissioning	Q4FY19 Utilization	Objective of Capex
Nitro-Chloro Benzene	Vapi	Expanded From 57 to 75ktpa and further expanding to 108 ktpa	FY16	90%	Diversifying further in benzene value chain
Phenylene Diamines	Jhagadia	Expanded from 5 to 12ktpa	FY17	40%	Strengthen presence in high-end polymer
Nitro-Toluene	Jhagadia	Set up a 30KTPA plant	FY18	53%	Foray in Toluene chain
Ethylation	Dahej	Set up a 8 to 10 ktpa plant	FY17	55%	Increase of agrochemicals intermediates

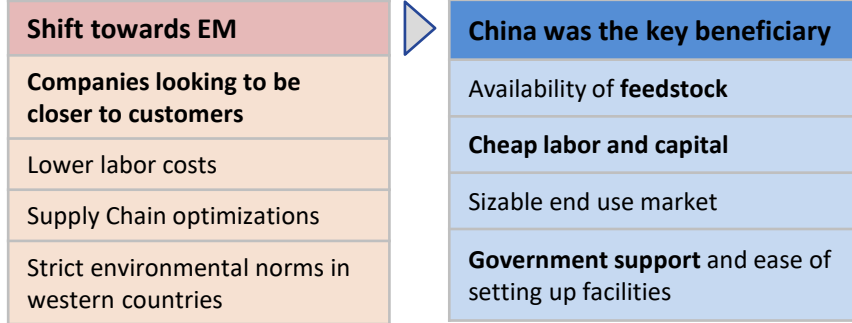
Key projects being setup

Location	Details
Vapi, Kutch & Tarapur	Various Speciality Chemicals, API & Pharma Intermediates. De-bottlenecking and expansions
Jhagadia	Chlorination & Speciality Chemical Complex, Nitration of Chloro Benzenes
Dahej	Capex for New Long Term Contracts
Navi Mumbai	New R&D Centre

EBIT = EBITDA-Depreciation; Capital Employed= Net Worth + LT Debt+ ST debt+ current maturity of long term debt- cash; Capital Employed adj for CWIP= Capital Employed -CWIP; ROCE= EBIT/(Average of Capital employed of current & previous year); ROCE (exc CWIP) = EBIT/(Average of Capital employed adj for CWIP of current & previous year); ROE = Net Income/Average of Net Worth of current & previous year

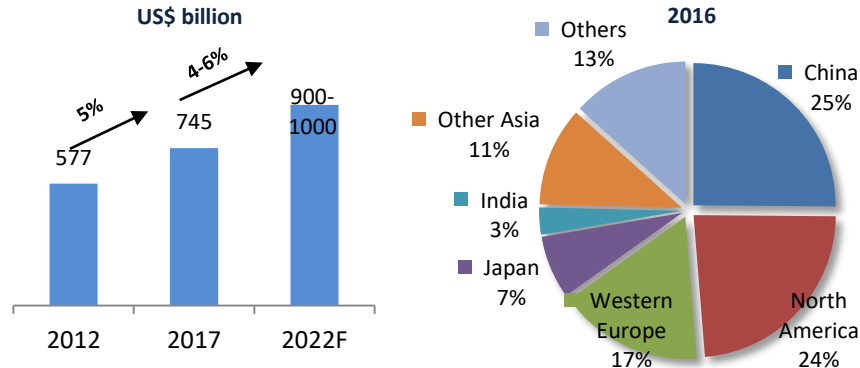
Well placed to benefit from sector tailwinds – Global

Speciality chemicals market has been shifting eastwards with China benefitting significantly over the last 2 decades



China market CAGR	2003-08	25%
	2008-16	13%

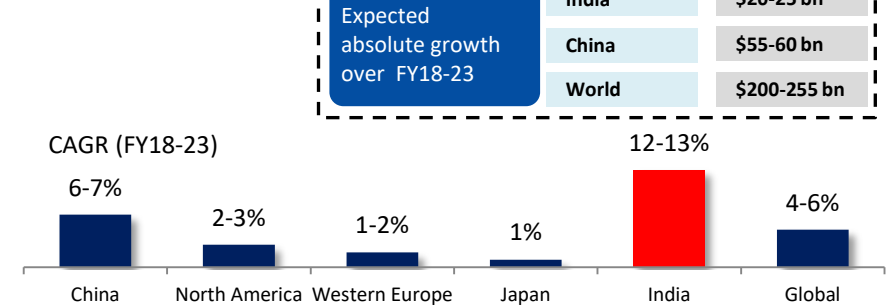
Global Speciality chemicals market size and region-wise share



...India to benefit from China's downturn

- Gradual erosion in China's cost advantage, due to:
 - Appreciation of Chinese currency
 - Increase in capital costs** driven by adherence to stricter effluent treatment norms and environmental regulations
 - Increasing **labour cost**
 - Reduction of government subsidies**
- Global companies trying to diversify supply risk from China which is leading to more orders for Indian chemical companies
- India is expected to benefit from this shift as there are **few other countries** with requisite scale, technology, raw materials, supportive government policies to capture this opportunity
- Depreciation of rupee in recent times is expected to aid the domestic industry's export competitiveness
- Labour Costs significantly lower in India** as compared to China and West.

Significant opportunity of growth for Indian speciality chemicals markets



Offerings & Requirements

What India offers

- ▶ Capex & Opex Cost Savings
- ▶ Availability of Feed Stock
- ▶ Skilled Manpower
- ▶ Access to Ports
- ▶ Geographic De-Risking
- ▶ Better Legal & Regulatory Framework
- ▶ Stronger IP Protection



What Indian Companies need to do

- ▶ Strong Safety, Health & Environment
- ▶ Better Project Management
- ▶ Strong R&D
- ▶ Customer Relations Management
- ▶ Operating Efficiencies
- ▶ Availability of Finance and Willingness to Invest.
- ▶ Legal & Regulatory Compliance
- ▶ Competent Manpower



AI's strengths, including its backward Integration to globally available raw-materials / feed stocks enhances its competitiveness and provides supply security to customers, *resulting into multiple opportunities to collaborate with Global MNCs across various product segments.*

Strong Focus on R&D & Process Innovation

Process Innovation

- Scrub NO_x in Sulphuric Acid from MDCB plant to manufacture commercial grade Nitrosyl Sulphuric Acid
- Directly utilize HCL gas, byproduct of Benzene chlorination, for Chloro Sulphonic Acid (CSA) manufacturing
- First and only company in India to commercialize manufacture of our range of Nitro Fluoro compounds via Halox Chemistry (with KCl recovery)

World Class Technology

World Class Technology

- Adopted Swiss technology for
 - Continuous Loop reactor for eco-friendly hydrogenation process
 - Continuous crystallizer

Process Innovation

Commercial Innovation

Commercial Innovation

- Produce 100% export grade Calcium Chloride Granules from dilute HCL
- Export Speciality chemicals in ship load

Strong focus on R&D and process innovation

- Aarti has been increasing its presence in niche chemistries where competitive intensity is low
- 3 R&D facilities with over 170 employees
 - 2 are focused to pharmaceutical API business and 1 for the Speciality chemicals business
 - In process of setting up the 4th R&D plant focused on Speciality chemicals, with a capacity to host around 250 scientists
- Constant focus on downstream products through processes like high value chlorination, hydrogenation, ammonolysis, fluoro-compounding

Upcoming Research & Technology Centre

A new 50,000 sq. ft. Research & Technology Centre is being set up in Navi Mumbai

This R&D centre will have dedicated lab for:

- Process Safety
- Effluent Treatment
- Flow chemistry
- Kilo Lab
- High-pressure reactors

This R&D centre when at full strength will host around 250 scientists



Sustainability

Our Strategy

Growth with Sustainability for a Sustainable Growth

Commitment
to Safety and
Health

Commitment
to
Environment

Commitment
towards
Society

Commitment
to Energy
Efficiency

Strong Focus on Sustainability

Health & Safety

Process safety audits and inspections from external experts

DCS control systems and process automation

- Focused on Zero tolerance and Zero harm
- Process of 'Learning from Incident' is established
- Toxicologist on board for Occupational Health and emergency response
- Complete Fire protection audits for all facilities
- Focus on Behavior Base Safety
- Launched company-wide “BE SAFE” initiative

INR 240 Cr
Amount invested in EHS initiatives over last five years

Environment & Sustainability

3R Principle:
Reduce – Recover – Reuse

Swiss Loop Reactor technology for hydrogenation

Chilling water generation from chlorine tonners for chilling applications

USD 1mn+ invested in solar energy in 2016

- Installation of Ash Handling Systems, Solvent Recovery Systems and Gas Scrubbing Units
- Installation of bioreactors, chemical RO's, multiple effect evaporator and incinerator drastically minimized water consumption
- IMS certification for major operations
- Adapted online compliance management system for better governance
- Governance through Sustainability Council Committee for Sustainability Management
- Major units audited by TFS (Together for Sustainability) initiative
- Gold Standard Ratings by ECOVADIS

11 units
With Zero Liquid Discharge Facility

697 kW
Installed solar power generation capacity across units

We have received multiple awards in the area of sustainability/ HSE



Gujarat Cleaner Production Award

Forest and Environment Dept., Government of Gujarat presented the Gujarat Cleaner Production Award to team Jhagadia.



SERB IGCW 2017 Award

The Industrial Green Chemistry World Council (IGCW) presented the biennial award for 2017 for excellence in green chemistry and process implementation to Aarti Industries.

Aarti has been trusted by global majors with multi-year contracts

Contract #1

- **10-year** supply contract with an agrochemical major for a key herbicide intermediate
- Total contract value of **\$620 million**
- Capital Outlay of **\$62m**
- Aarti to scale up its capacity in the product by **30x** under the contract
- **40%** EBIDTA Margin



Contract #2

- **20-year** supply contract with a specialty chemicals conglomerate for a key specialty Chemical intermediate
- Total contract value of **\$1,540 million**
- Capital Outlay of **\$40m** fully funded by the customer
- Aarti had no prior experience in the product and was chosen among other Indian and Chinese players for long-term partnership
- Proprietary technology being shared by the partner
- **10%** PAT Margin

Contract #3

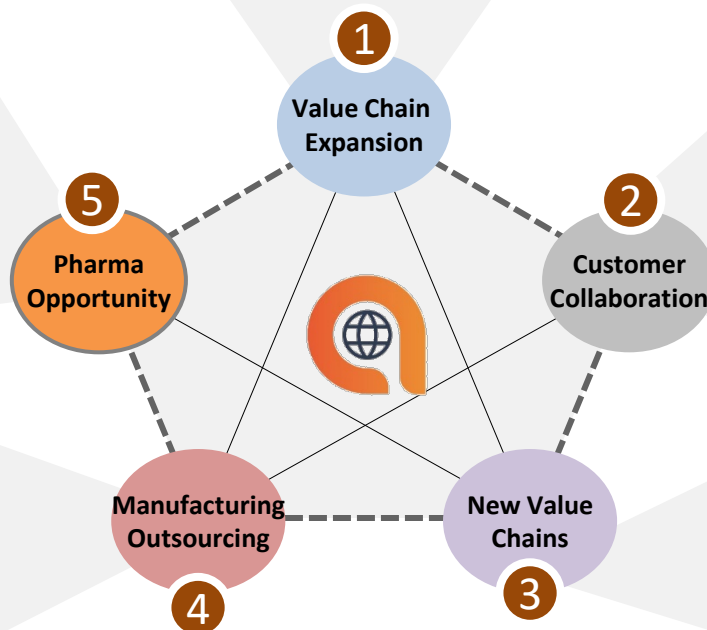
- **10-year** supply contract for a new specialty chemical intermediate for a global chemical major
- Total contract value of **\$125 million** with a capital outlay of **\$18 million**
- Product was co-developed by Aarti with the customer over **4 years** from lab to commercial scale
- **35%** EBIDTA Margin

Growth Strategy

- Scale up of capacities in existing products
- New markets and applications for existing products
- New value-added products in existing value chains
- Improving market position across isomers

- Scale up of capacities in existing products and related applications
- Increase presence in the Regulated markets.
- Develop and explore more opportunities for Innovators for APIs & Intermediates

- Long term contracts with customers leveraging process expertise, RM security and India advantage
- Setting up dedicated toll manufacturing facilities



- Co-development and scale up of new products through customer partnerships
- Multi-product collaboration with customers to deepen relationships
- Strategic Alliances

- Extending process and chemistry expertise to enter new value chains (such as chlorotoluenes)
- Adding new reaction capabilities

01

Financial Sustainability

Maintaining financial leverage over long-term within the range of 0.7-1.0 debt equity ratio



- Reduced debt-equity ratio from **1.3x to below 1.0x** with a **6.6% dilution** in overall shareholding of the company.
- Promoter shareholding still retained **above 49%**
- Amount raised equivalent to **1.5 years** of cash accruals

02

Institutional Participation

Fostering broad-based participation of domestic & international institutional investors



- Close to **60 institutional investors** subscribed (60% domestic and 40% foreign)
- Strong investor interest evident from **2x subscription** of QIP issue
- First instance of capital raising from Public / FIs / FIIs post IPO in 1992

03

Investing in Growth

Improving the company's ability to capitalize on emerging opportunities in the global chemical industry



- Planned addition of new product value chains
- Downstream growth in existing value chains
- Partnering with global majors to gain access to newer markets and technologies.
- Additional new **100+ acre** greenfield site in Gujarat in addition to the existing 100 acres available at Jhagadia
- Entry into new chemistries to leverage the upcoming research and technology center in Navi Mumbai

Consolidated Financial Statements

In Rs Cr	FY15	FY16	FY17	FY18	FY19*
Balance Sheet					
Property, Plant and Equipment	967	1,246	1,695	1,996	2,145
Capital Work-in-Progress	1,923	313	270	436	795
Intangible Assets	0.04	0	2	2	1
Investments	173	41	47	47	33
Other Non-Current Assets	103	132	168	225	306
Total Non-Current Assets	1,436	1,732	2,182	2,707	3,281
Inventories	552	495	571	747	772
Trade Receivables	439	523	525	591	776
Cash and Cash Equivalents	34	29	29	32	804
Others Current Financial Assets	173	168	169	225	191
Other Current Assets	32	18	24	26	34
Total Current Assets	1,230	1,234	1,317	1,621	2,577
Total Assets	2,665	2,966	3,499	4,327	5,858
Equity Share Capital	44	42	41	41	43
Other Equity	1,025	1,096	1,321	1,538	2,587
Non Controlling Interest	6	52	64	77	84
Total Equity	1,075	1,189	1,426	1,655	2,715
Borrowings	419	527	596	908	815
Deferred Tax Liabilities (Net)	103	127	155	177	193
Other Financial Liabilities	0.18	0	0	0	203
Total Non-Current Liabilities	522	654	752	1,086	1,211
Borrowings	648	706	839	1,012	1,291
Trade Payables	248	305	300	357	280
Other Current Liabilities	156	91	154	185	320
Provisions	14	21	28	31	42
Total Current Liabilities	1,068	1,123	1,320	1,586	1,932
Total Liabilities	1,590	1,777	2,073	2,672	3,143
Total Equity and Liabilities	2,665	2,966	3,499	4,327	5,858

Note: FY14-15 numbers are IGAAP, while FY16-19 are IND AS. FY19 financials are after considering the impact of scheme of arrangement

Consolidated Financial Statements

In Rs Cr	FY15	FY16	FY17	FY18	FY19*
Profit and Loss					
Revenue	2,908	3,007	3,163	3,806	4,706
EBITDA	466	572	654	699	965
Depreciation	82	99	123	146	163
Profit Before Tax	251	363	416	429	622
Tax	61	95	88	83	118
PAT	206	257	316	333	492
% EBITDA	16%	19%	21%	18%	21%
% ROCE	19%	20%	20%	17%	20%
% ROCE (ex CWIP)	20%	23%	22%	19%	24%
% ROE	21%	23%	24%	22%	23%
Cash Flow Statement					
Cash Flow from Operating Activities	340	574	470	335	556
Cash Flow from Investing Activities	-298	-452	-529	-610	-623
Cash Flow from Financing Activities	-23	-128	58	279	839
Net Increase/(Decrease) in Cash and Cash Equivalents	19	-7	-0.5	4	771

Note: FY14-15 numbers are IGAAP, while FY16-19 are IND AS. Financials for FY19 are after considering the impact of Scheme of Arrangement

Impact of Scheme on FY19 Consol numbers

In Rs Cr	FY19 (Pre approval of Scheme)	FY19 (Post approval of Scheme)	Impact Analysis
<u>Profit and Loss – Key Financials</u>			
Revenue	5,014	4,706	
EBITDA	971	965	Decr by 0.6%
EBIDTA %	19.4%	20.5%	Incr by 1.1%
EBIT	799	802	Incr by 0.4%
EBIT %	15.9%	17.0%	Incr by 1.1%
Profit After Tax	483	492	Incr by 1.9%
Profit After Tax %	9.6%	10.5%	Incr by 0.9%
<u>Balance Sheet – Key Financials</u>			
Fixed Assets Incl WIP	3,084	2,941	
Investments	65	33	
Networth	2,845	2,715	
Borrowings	2,431	2,401	
% ROCE	19.6%	20.4%	Incr by 0.8%
% ROCE (ex CWIP)	23%	24%	Incr by 1%
% ROE	21%	23%	Incr by 2%
Debt Equity	0.85	0.88	

Scheme Highlights

- Demerger of HPC Undertaking into a separate Company namely Aarti Surfactants Ltd (ASL) and Merger of Manufacturing arm of step down Subsidiary Nascent Chemicals Industries Ltd into AIL.
- AIL shareholders to have option for Equity or Redeemable Preference shares of ASL.
- Both these shares would be listed on Stock Exchange in India.
- ASL accounted to close to 6% of AIL's revenues and had distinct business assets with no significant linkage with other AIL operations.
- Demerger to help dedicated focus and cost savings for ASL.
- Demerger also helps in improvement of AIL financials.

Multiple Awards for innovation, excellence in exports, etc.



Chemtech Foundation Award

CHEMTECH Foundation accorded Aarti Industries with the 'Outstanding Achievement for Innovation' award for the company's commendable efforts in conserving the environments as well as ensuring sustainable growth through path breaking innovation



Trishul Award for outstanding export performance

CHEMEXCIL presented the Company 'Trishul Award' for outstanding export performance for FY14-15 and 'Award of Excellency' for the consistency in export performance for FY13-14, FY15 -16 & FY 16 - 17

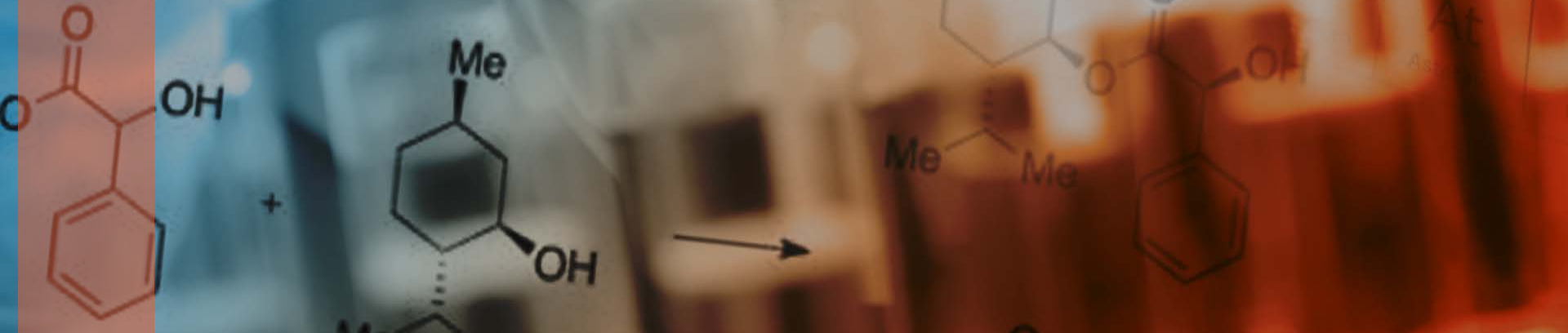
PRODUCTIVITY WITH SAFETY IS OUR MOTTO
उत्पादकता के साथ सुरक्षा हमारा लक्ष्य है

सुरक्षा निकाय
अवैध, पूर्ण
निकाय

SAFETY GUIDELINES
Do not touch any equipment
Do not walk on pipes
Do not climb on structures
Do not use mobile phones
Do not drink or eat
Do not smoke

WHERE THERE'S
ACCIDENT THERE'S
PAIN

Thank You



Analyst Presentation Aarti Industries Ltd.

June 2019

Our vision has strong emphasis on the customer



Vision

**To be a Global Partner
of Choice**

Purpose

**Right Chemistry for A
Brighter tomorrow**

Care



We care for our people, our customers, our suppliers, our assets and our community. Care for our people is reflected in our people policies, programs and developmental efforts

Integrity



We strive to maintain the highest ethical and moral standards. We honour our commitments towards our people, co-workers, partners, community and society

Excellence



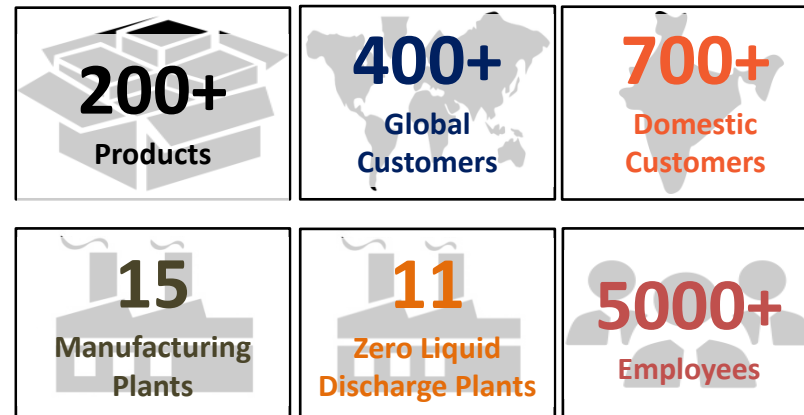
We continuously raise the bar for our performance standards in safety, productivity and employee & customer satisfaction, We encourage innovative ideas & creativity by promoting a learning culture

Company Overview

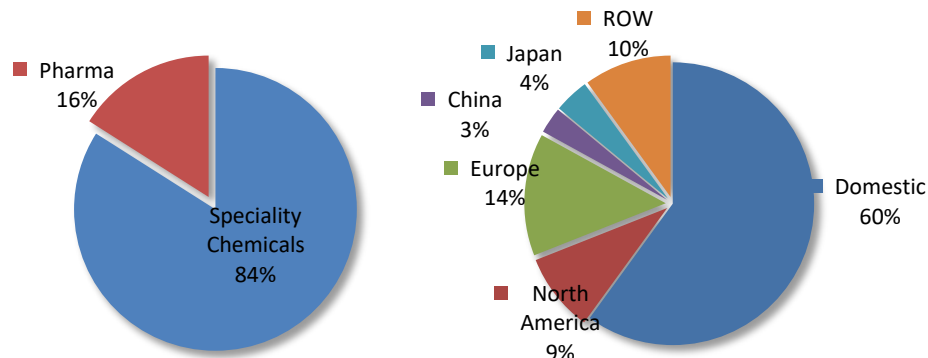
Overview

- A leading Speciality Chemicals company in Benzene based derivatives with integrated operations and high level of cost optimization
- Established by first generation technocrats in 1984
- Pharma operations spanning APIs, intermediates and Xanthene derivatives
- Strong R&D capabilities – 3 R&D facilities; dedicated pool of over 170 engineers & scientists; IPRs for developing customized products.
- 11 plants located in western India with proximity to ports
 - 11 for Speciality chemicals; 4 for Pharma (2 USFDA and 2 WHO/GMP)
 - 2 upcoming project sites at Dahej SEZ and 4th R&D center at Navi Mumbai

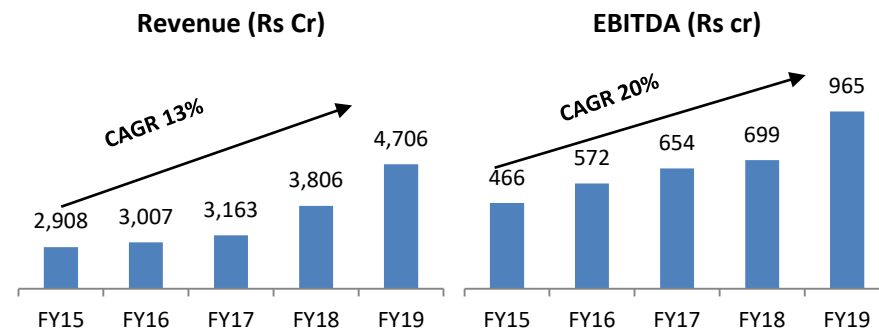
Key Metrics



Revenue split - Segmental and Geographical – FY19

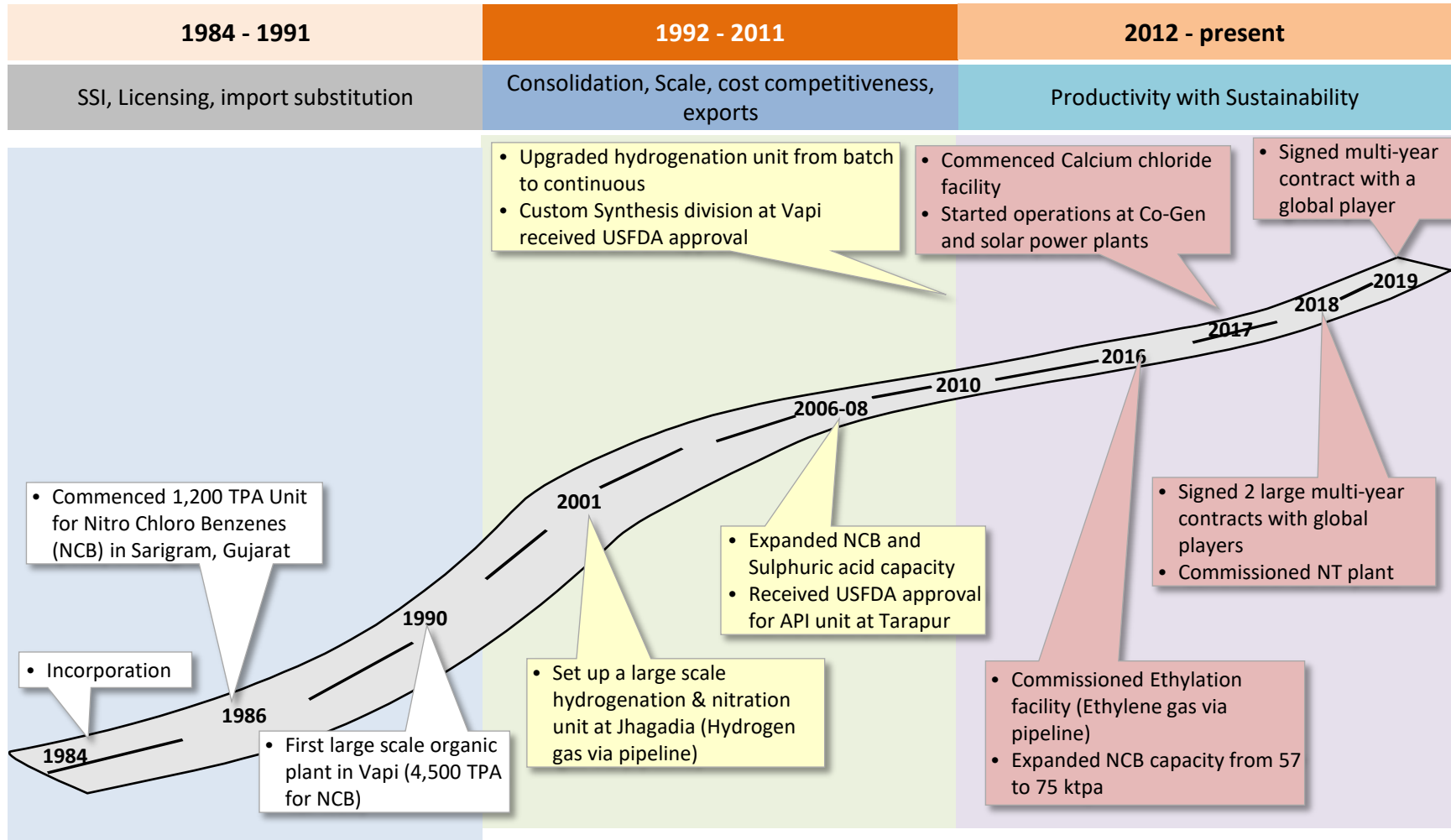


Key Financials



Key Milestones with Adaptive Growth Strategies

Growth Strategies



Strategically Located Plants

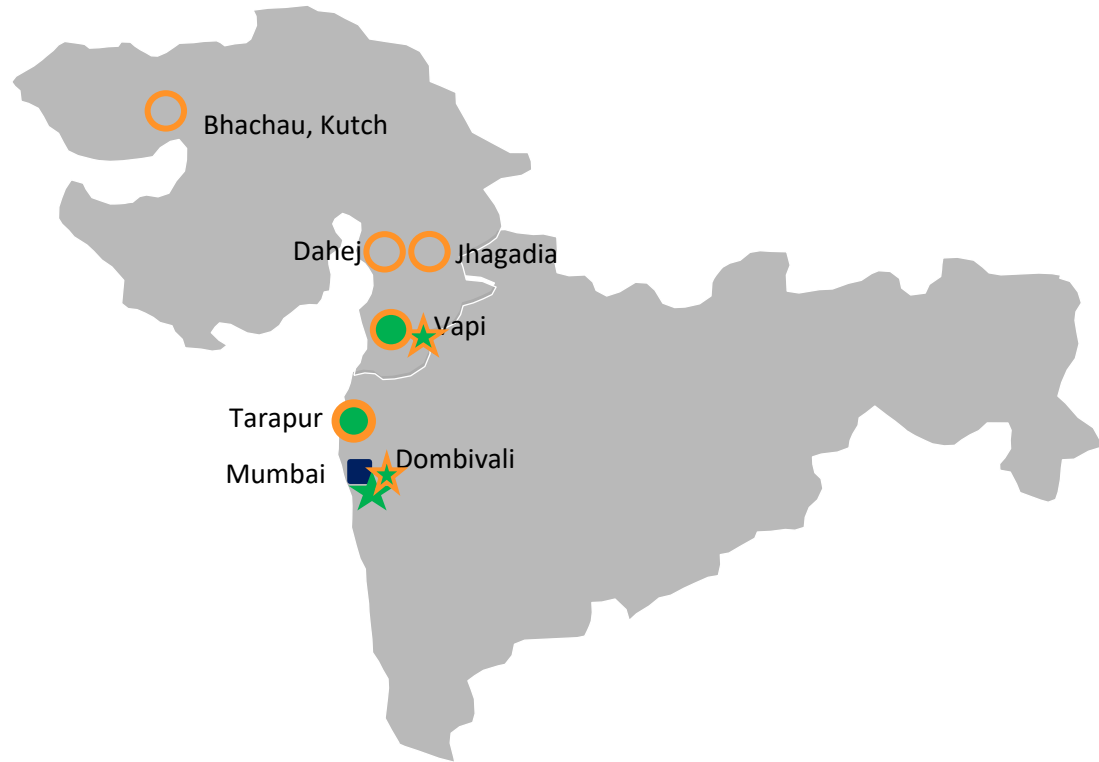


○ Chemical Plants

■ Head Office

● Pharma Plants

★ R&D Center



- Over 100 acres of land available in Jhagadia for future development

Management Team

Technocrats



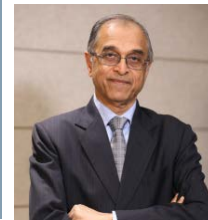
**Mr. Chandrakant
Gogri**
Chairman
Emeritus



**Mr. Rajendra
Gogri**
Chairman & M.D.



**Mr. Rashesh
Gogri**
Vice Chairman &
M.D.



**Mr. Parimal
Desai**
Founder Director



Mr. Renil Gogri
Director



**Mrs. Hetal
Gogri Gala**
Director

Finance



**Mr. Shantilal
Shah**
Vice Chairman



**Mr. Manoj
Chheda**
Director



Mr. Kirit Mehta
Director

Administration

Independent Directors

Rich and Diverse Experienced

Banking



**Mr. K.V.S
Shyamsundar**
Independent
Director



Mr. P. A. Sethi
Independent
Director

Legal



**Mr. Ramdas
Gandhi**
Independent
Director



Industry



**Mr. Vinay
Nayak**
Independent
Director



**Mr. Lalitkumar
Naik**
Independent
Director

Academia / Technical



**Prof. Ganapati D.
Yadav**
Independent
Director

Chartered Accountants



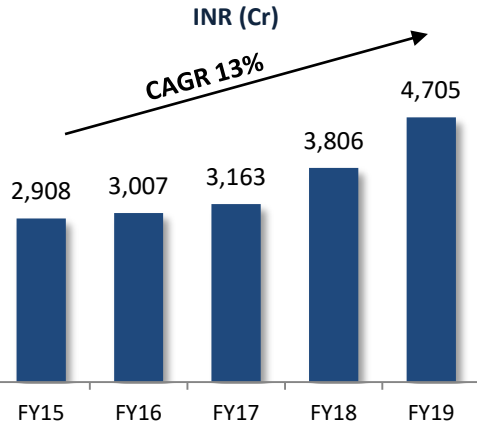
**Mr. Bhavesh
Vora**
Independent
Director



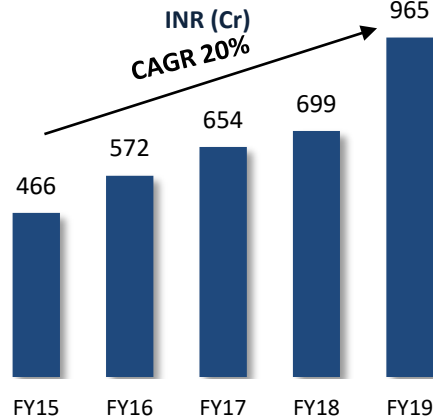
Mrs. Preeti Savla
Independent
Director

Financials - Consolidated

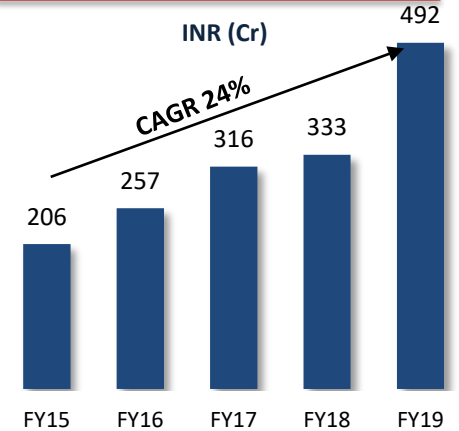
Robust Revenue Growth



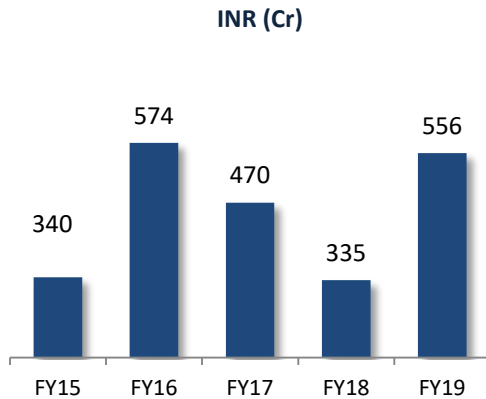
Strong EBITDA Growth



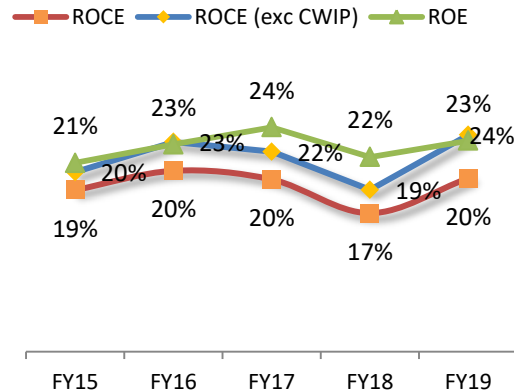
Strong PAT Growth



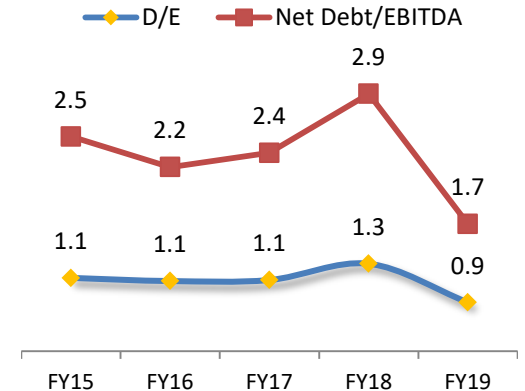
Strong Operating Cash Flows



Strong Return Ratios



Debt Profile



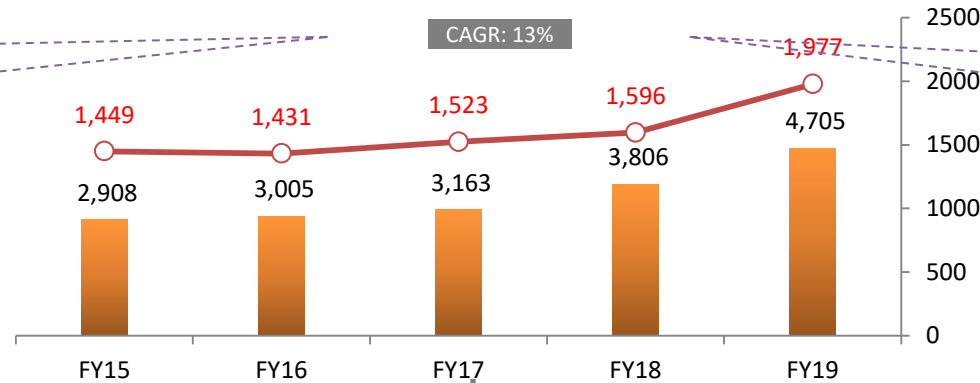
EBITDA = Profit before Tax + Interest Expense + Depreciation – Other Income; EBIT = EBITDA-Depreciation; Capital Employed= Net Worth + LT Debt+ ST debt+ current maturity of long term debt- cash; Capital Employed adj for CWIP= Capital Employed -CWIP; ROCE= EBIT/(Average of Capital employed of current & previous year); ROCE (exc CWIP) = EBIT/(Average of Capital employed adj for CWIP of current & previous year); ROE = Net Income/Average of Net Worth of current & previous year; D/E = Total Debt/ Total Equity; Net Debt/EBITDA = (Gross Debt- cash)/ EBITDA

Revenue Performance (Consolidated)

Operating revenues have grown on the back of strong volume growth in key business segments and better product mix. Top line is a function of variations in raw material prices especially crude

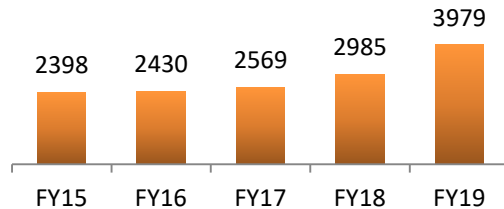
Deep engagement with global customers in Speciality chemicals and pharma. In addition, part of domestic revenues are indirect exports.

Revenue Export



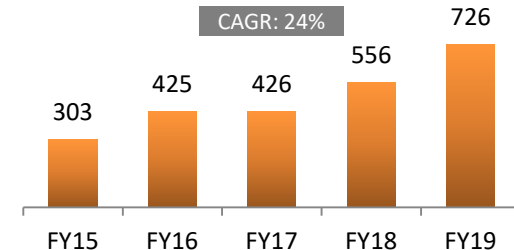
Speciality Chemicals

CAGR: 14%



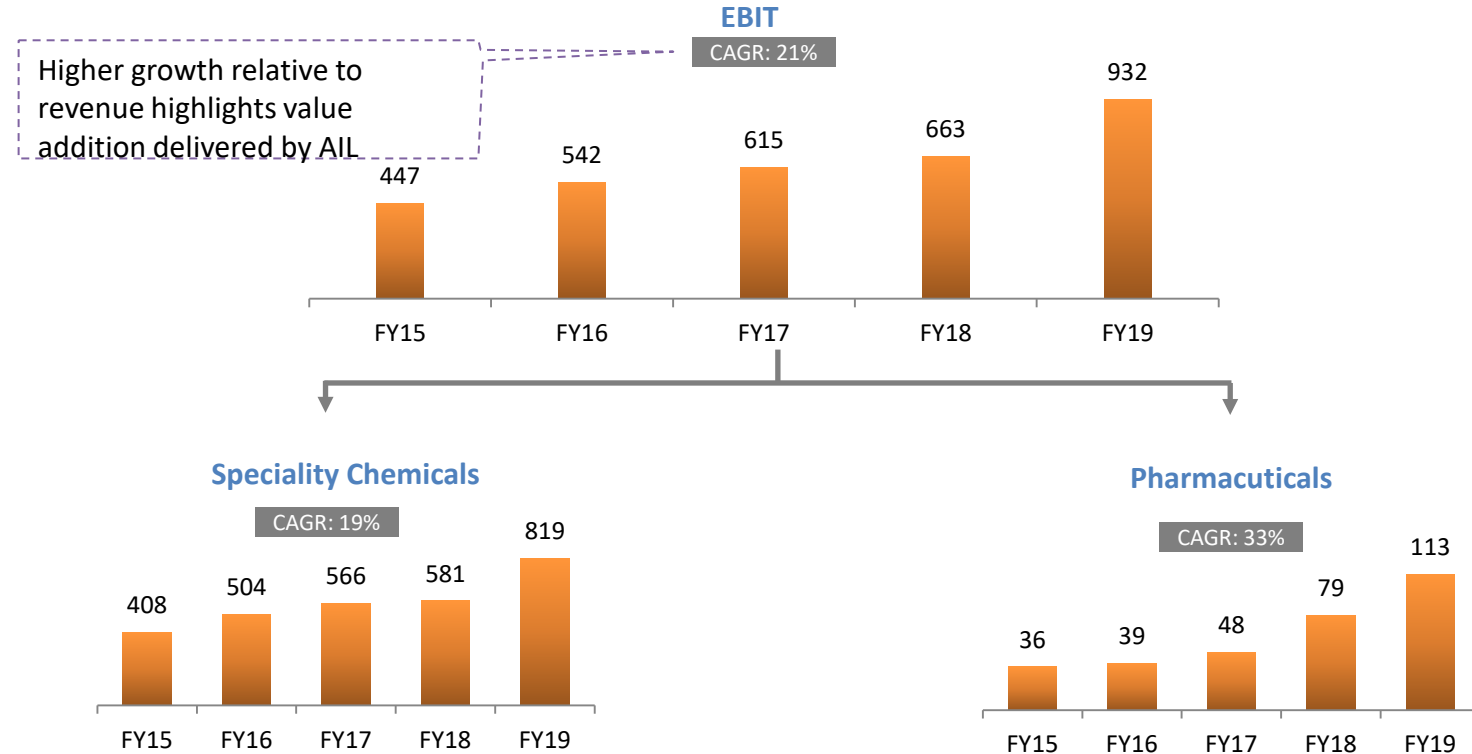
Pharmaceuticals

CAGR: 24%



(Rs. Crore)

EBIT Performance (Consolidated)



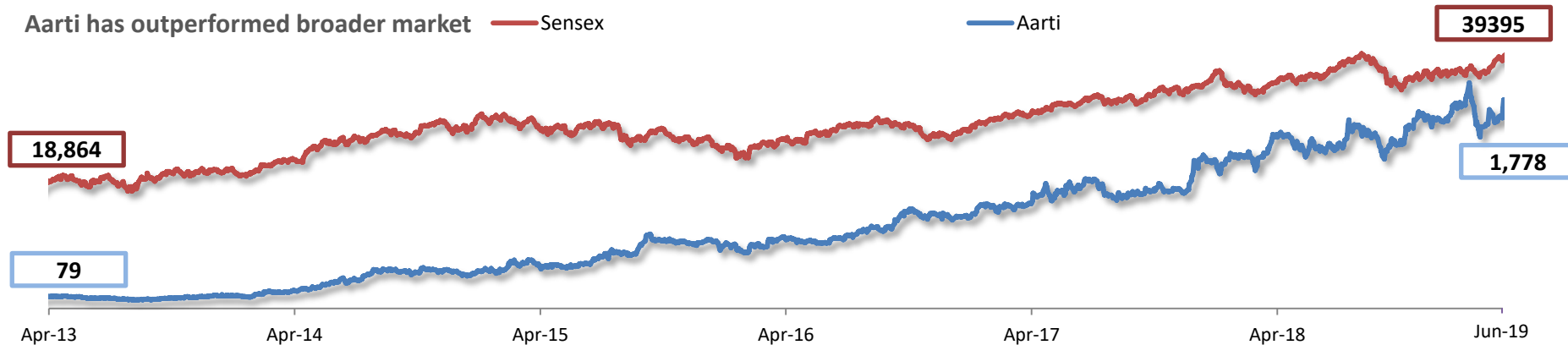
(Rs. Crore)

Stock Performance and Shareholding

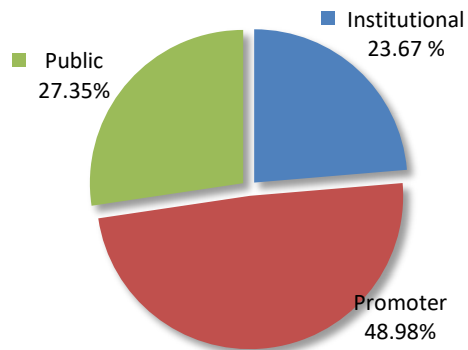
Aarti has outperformed broader market

— Sensex

— Aarti



Shareholding Pattern (as of 30 June 2019)



Key Institutional Investors (As of 30 June 2019)

Fund House	% Holding in the company
HDFC Asset Management	8.23%
DSP Investment Managers	1.59%
L&T Investment Management	1.55%
Other	12.30%

Key Strengths

- **Global Player in Benzene based Derivatives with Integrated Operations**

- *Strong/Leadership position in key products and processes*
- *Integrated operations across product chain of Benzene and Toluene*
- *Ability to effectively use co-products and generate value-added products*

- **Well Diversified Across Multiple Dimensions**

- *Diversification provides significant de-risking*
- *Multi-product, multi-customer, multi-geographies & multi-end-user industry*

- **Pharma – Significant growth with diversification across products and geographies**

- *Pharma segment has seen significant growth over last 5 years*
- *India's API market (both domestic and exports) is expected to witness strong growth*

- **Strong Return Profile despite Significant Capex**

- *Expanded capacities and diversified into new products while maintaining return profile*
- *New capacities are still ramping up providing operating leverage*

- **Well placed to benefit from Industry Tailwinds**

- *Significant opportunity for exports arising from environmental related shutdowns in China*
- *Structural drivers in places for a robust domestic demand growth*

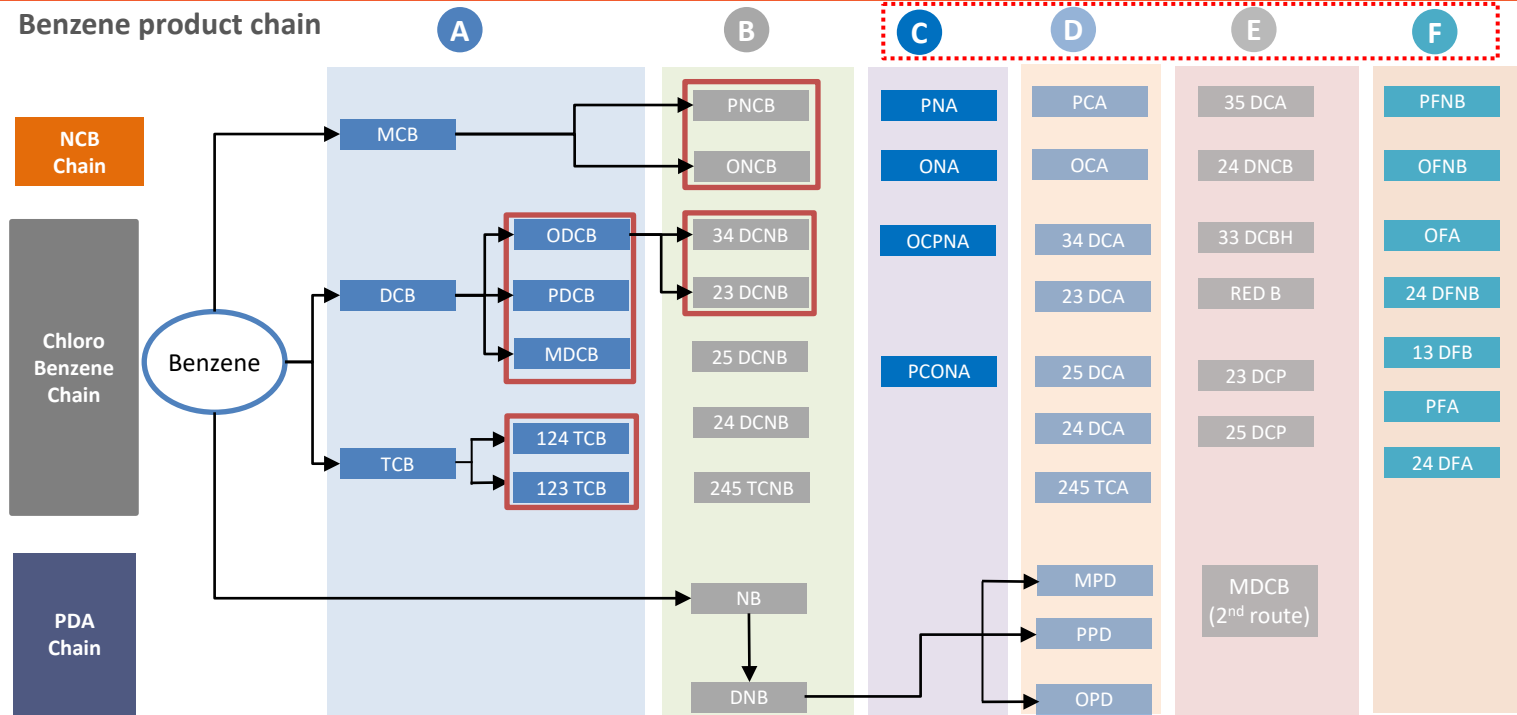
- **Strong Focus on R&D and Process Innovation**

- *Focus on downstream products through processes like high value chlorination, hydrogenation, ammonolysis*
- *Plan to set up a 4th R&D plant focused on Speciality chemicals*

- **Thrust on Sustainability**

- *Significant capex done in SH&E and power, which provide long term benefits*

Global Player in Benzene based derivatives with Integrated Operations (1/2)



- Integrated operations across product chain of Benzene and Toluene
- Co-products /Isomer balancing
- Optimizing product mix
- Ability to meet stringent specifications
- Supply chain not linked with China
- Significant Cost Competitiveness
- "A" and "B" account less than 30% of the segment revenue
- Focus on growth oriented products
- Diversified enduse

Global Ranking

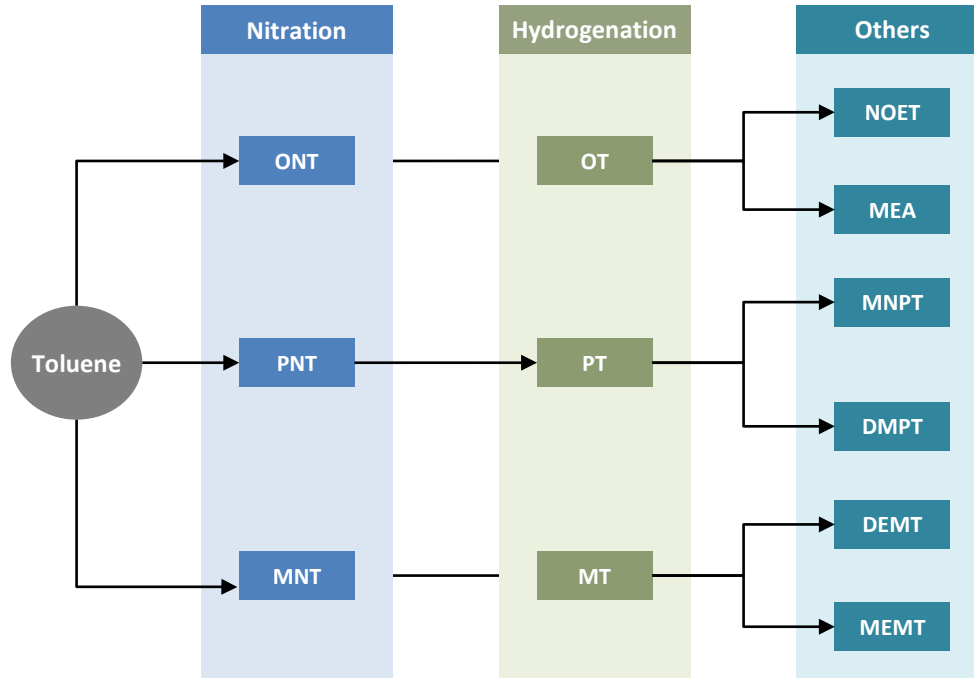
NCB Among top3 globally
DCB Among top3 globally

Domestic Ranking

Only manufacturer for Nitro Flouro Auromatics (via Halex chemistry) and PDA

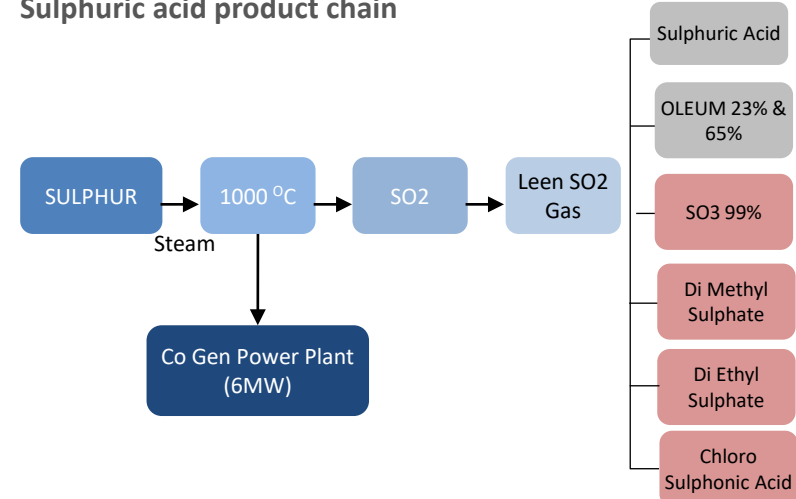
Global Player in Benzene based derivatives with Integrated Operations (2/2)

Toluene product chain



- Commissioned the Nitro Toluene plant in Sep 2017
- Commissioned the Hydrogenation of Nitro Toluene facility in Q4 FY19

Sulphuric acid product chain

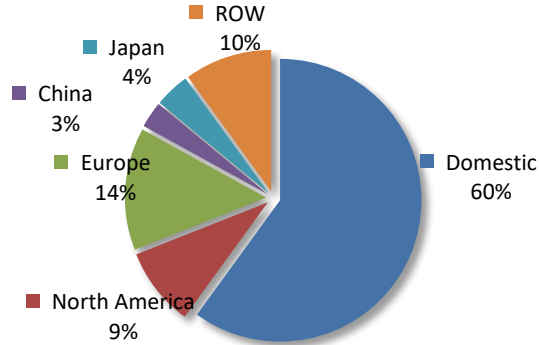


Other Speciality Chemical products

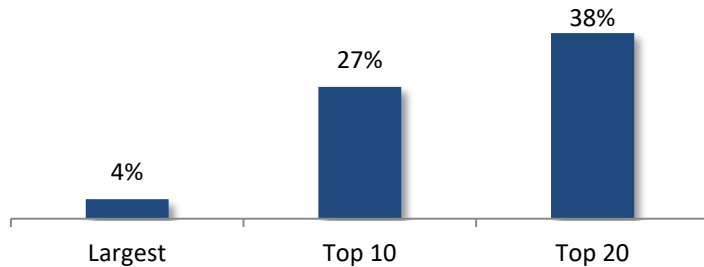
- Single Super Phosphate (SSP)
- Export Grade Calcium Chloride Granules (for Oil exploration & De-icing)
- Fuel Additives
- Phthalates

Well Diversified Across Multiple Dimensions

High level of geographic diversification...

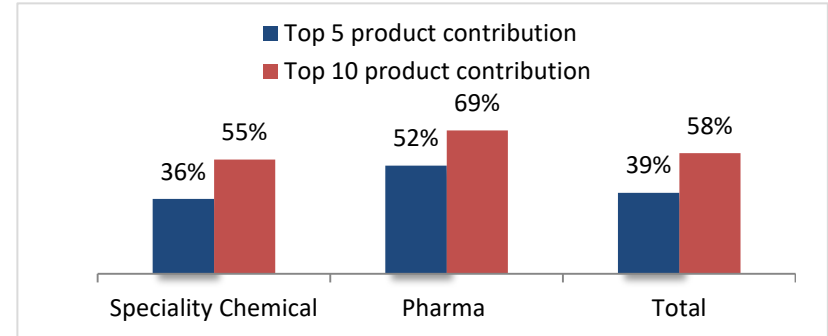


Supplier to leading chemical companies across the globe, with largest customer contributing to less than 5% of sales



- 85% revenue in FY19 was from customers of over 5 years

...with a well diversified product portfolio, and low dependence on individual products



Products are used across different end industries and have different business cycles

Segments	End usage industries	Product cycle	FY18-23 CAGR
Agrochem	Pesticides, Insecticides, Fungicides, Herbicides, Nutrients	Agrochemical cycle	7-9%
Dyes & Pigments	Printing inks	Normal Business cycle	10-12%
Polymer and Additives	Aircrafts, Automobiles, Cruise Liners, Bullet-proof jackets, Electronic products	Normal Business cycle	7-9% 10-11%
Pharma	Intermediates used in drugs catering to anticancer, anti-asthma and anti-hypertensive drugs oncology therapies	Non cyclical	12-13%
Others	Fuel additives, Rubber chemicals		

We are proud to be associated with most of the major players in the specialty chemicals domain



BASF

We create chemistry



syngenta



SUDARSHAN



Lonza



TEVA PHARMACEUTICALS LTD



EASTMAN



Simple chemistries of our products have a host of end uses..



In lightweight polymers of the aircraft bodies



In the medicines that keep you healthy



In the Agrochemicals which help improve productivity of farms



In perfumes and flavours that tickle your senses



In lightweight polymers of the aircraft bodies



In printing inks that help express stories



In gasoline to improve engine performance



In soaps and shampoos that keep you clean

Pharmaceuticals – Exposure to multiple segments & products, with strong infrastructure in place

End User Industry

- Global generic pharma companies
- Innovator and large pharma MNCs
- Branded generic Indian pharma companies

Pharmaceuticals

61%

Pharma Intermediates & Ingredients

APIs

- **Backward integrated intermediates** for most APIs
- **Exports to lucrative regulated markets** - US, EU and Japan contributes to 53% of total exports.
- Distinct advantage having **dedicated USA, Japan and EU approvals** for cortico steroids and Anti-cancer products
- Exclusive Sterile block for Oncology APIs

Intermediates

- CRAMs activity focused on intermediates
- Working with several Innovators on API Intermediates opportunities
- US FDA approved manufacturing facility for upcoming generic APIs

39%

Xanthine derivatives (Caffeine and others)

- Xanthine derivatives find applications in **beverages, nutraceuticals and pharmaceuticals**
- Aarti's capabilities – **2 dedicated plants**
- Key certifications – **"Star Kosher"**; **"HACCP"**; **"GMP"** in manufacturing & testing.
- **Doubled capacity in FY17** to cater to demand for Cola and energy drinks manufacturers

2 USFDA approved facilities

2 WHO GMP facilities

9 Patents (21 under assessment)

30 USDMF

18 CEP (2 under assessment)

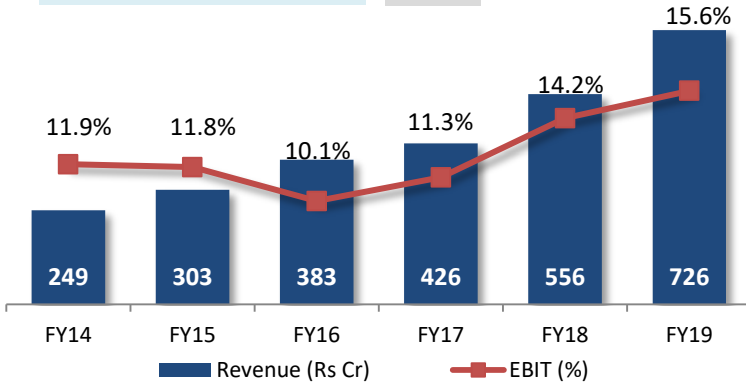
12 DMF (7 under assessment)

Pharmaceuticals – Significant growth with diversification across products and geographies

Pharma - significant top line and margin growth...

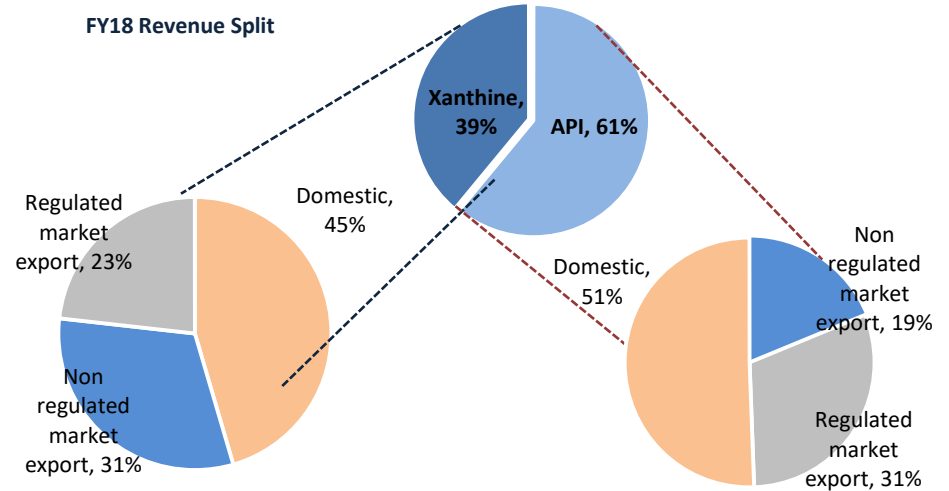
Revenue CAGR FY14-19 **24%**

EBIT CAGR FY14-19 **31%**



...with diversification across products and geographies

FY18 Revenue Split



Patents and Regulatory...

2 USFDA approved facilities

2 WHO GMP facilities

9 Patents (21 under assessment)

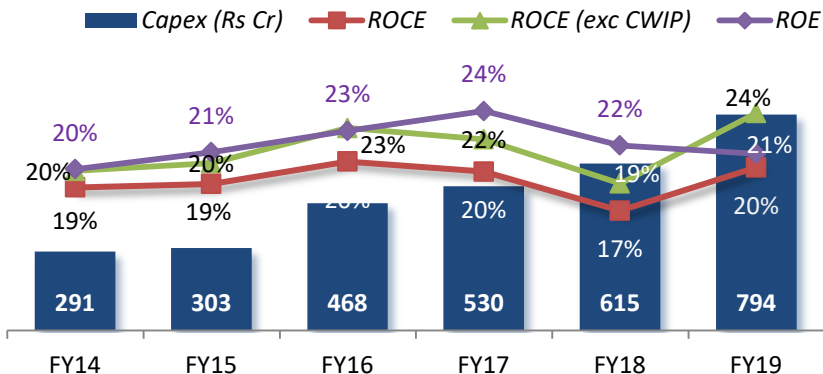
30 USDMF

18 CEP (2 under assessment)

12 DMF (7 under assessment)

Strong Return Profile despite Significant Capex over Last 5 Years

Strong return profile despite significant capex spend



- Expanded capacity to scale base businesses (NCB and Chlorination) and downstream value added products
- Diversified** into toluene-based derivatives
- New capacities are still ramping up providing significant operating leverage

Key expansion projects undertaken

Project	Location	Capacity Details	Commissioning	Q4FY19 Utilization	Objective of Capex
Nitro-Chloro Benzene	Vapi	Expanded From 57 to 75ktpa and further expanding to 108 ktpa	FY16	90%	Diversifying further in benzene value chain
Phenylene Diamines	Jhagadia	Expanded from 5 to 12ktpa	FY17	40%	Strengthen presence in high-end polymer
Nitro-Toluene	Jhagadia	Set up a 30KTPA plant	FY18	53%	Foray in Toluene chain
Ethylation	Dahej	Set up a 8 to 10 ktpa plant	FY17	55%	Increase of agrochemicals intermediates

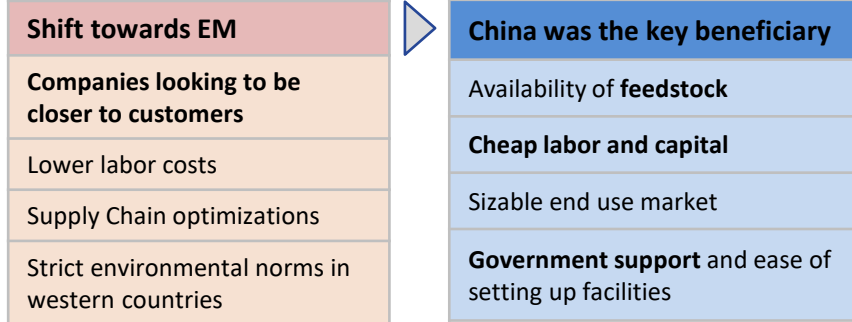
Key projects being setup

Location	Details
Vapi, Kutch & Tarapur	Various Speciality Chemicals, API & Pharma Intermediates. De-bottlenecking and expansions
Jhagadia	Chlorination & Speciality Chemical Complex, Nitration of Chloro Benzenes
Dahej	Capex for New Long Term Contracts
Navi Mumbai	New R&D Centre

EBIT = EBITDA-Depreciation; Capital Employed= Net Worth + LT Debt+ ST debt+ current maturity of long term debt- cash; Capital Employed adj for CWIP= Capital Employed -CWIP; ROCE= EBIT/(Average of Capital employed of current & previous year); ROCE (exc CWIP) = EBIT/(Average of Capital employed adj for CWIP of current & previous year); ROE = Net Income/Average of Net Worth of current & previous year

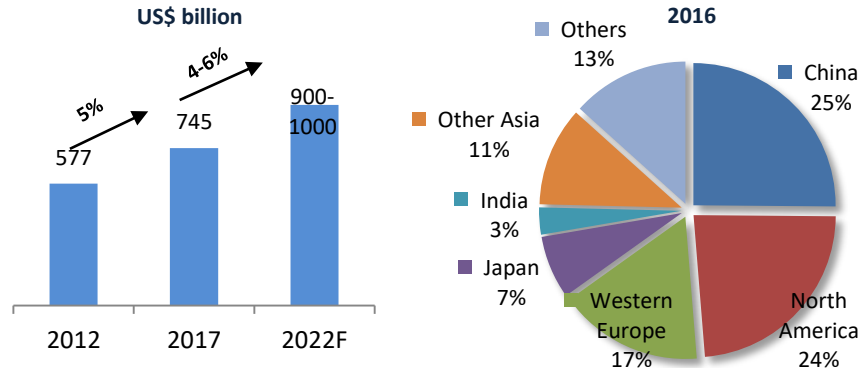
Well placed to benefit from sector tailwinds – Global

Speciality chemicals market has been shifting eastwards with China benefitting significantly over the last 2 decades



China market CAGR	2003-08	25%
	2008-16	13%

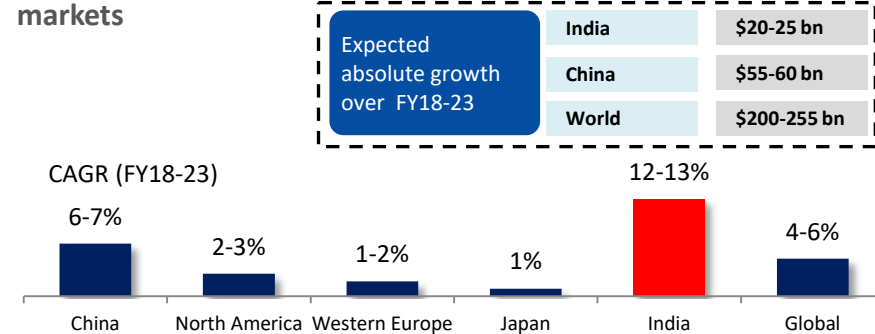
Global Speciality chemicals market size and region-wise share



...India to benefit from China's downturn

- Gradual erosion in China's cost advantage, due to:
 - Appreciation of Chinese currency
 - Increase in capital costs** driven by adherence to stricter effluent treatment norms and environmental regulations
 - Increasing **labour cost**
 - Reduction of government subsidies**
- Global companies trying to diversify supply risk from China which is leading to more orders for Indian chemical companies
- India is expected to benefit from this shift as there are **few other countries** with requisite scale, technology, raw materials, supportive government policies to capture this opportunity
- Depreciation of rupee in recent times is expected to aid the domestic industry's export competitiveness
- Labour Costs significantly lower in India** as compared to China and West.

Significant opportunity of growth for Indian speciality chemicals markets



Offerings & Requirements

What India offers

- ▶ Capex & Opex Cost Savings
- ▶ Availability of Feed Stock
- ▶ Skilled Manpower
- ▶ Access to Ports
- ▶ Geographic De-Risking
- ▶ Better Legal & Regulatory Framework
- ▶ Stronger IP Protection



What Indian Companies need to do

- ▶ Strong Safety, Health & Environment
- ▶ Better Project Management
- ▶ Strong R&D
- ▶ Customer Relations Management
- ▶ Operating Efficiencies
- ▶ Availability of Finance and Willingness to Invest.
- ▶ Legal & Regulatory Compliance
- ▶ Competent Manpower



AI's strengths, including its backward Integration to globally available raw-materials / feed stocks enhances its competitiveness and provides supply security to customers, *resulting into multiple opportunities to collaborate with Global MNCs across various product segments.*

Strong Focus on R&D & Process Innovation

Process Innovation

- Scrub NO_x in Sulphuric Acid from MDCB plant to manufacture commercial grade Nitrosyl Sulphuric Acid
- Directly utilize HCL gas, byproduct of Benzene chlorination, for Chloro Sulphonic Acid (CSA) manufacturing
- First and only company in India to commercialize manufacture of our range of Nitro Fluoro compounds via Halox Chemistry (with KCl recovery)

World Class Technology

World Class Technology

- Adopted Swiss technology for
 - Continuous Loop reactor for eco-friendly hydrogenation process
 - Continuous crystallizer

Process Innovation

Commercial Innovation

Commercial Innovation

- Produce 100% export grade Calcium Chloride Granules from dilute HCL
- Export Speciality chemicals in ship load

Strong focus on R&D and process innovation

- Aarti has been increasing its presence in niche chemistries where competitive intensity is low
- 3 R&D facilities with over 170 employees
 - 2 are focused to pharmaceutical API business and 1 for the Speciality chemicals business
 - In process of setting up the 4th R&D plant focused on Speciality chemicals, with a capacity to host around 250 scientists
- Constant focus on downstream products through processes like high value chlorination, hydrogenation, ammonolysis, fluoro-compounding

Upcoming Research & Technology Centre

A new 50,000 sq. ft. Research & Technology Centre is being set up in Navi Mumbai

This R&D centre will have dedicated lab for:

- Process Safety
- Effluent Treatment
- Flow chemistry
- Kilo Lab
- High-pressure reactors

This R&D centre when at full strength will host around 250 scientists



Sustainability

Our Strategy

Growth with Sustainability for a Sustainable Growth

Commitment
to Safety and
Health

Commitment
to
Environment

Commitment
towards
Society

Commitment
to Energy
Efficiency

Strong Focus on Sustainability

Health & Safety

Process safety audits and inspections from external experts

DCS control systems and process automation

- Focused on Zero tolerance and Zero harm
- Process of 'Learning from Incident' is established
- Toxicologist on board for Occupational Health and emergency response
- Complete Fire protection audits for all facilities
- Focus on Behavior Base Safety
- Launched company-wide “BE SAFE” initiative

INR 240 Cr
Amount invested in EHS initiatives over last five years

Environment & Sustainability

3R Principle:
Reduce – Recover – Reuse

Swiss Loop Reactor technology for hydrogenation

Chilling water generation from chlorine tonners for chilling applications

USD 1mn+ invested in solar energy in 2016

- Installation of Ash Handling Systems, Solvent Recovery Systems and Gas Scrubbing Units
- Installation of bioreactors, chemical RO's, multiple effect evaporator and incinerator drastically minimized water consumption
- IMS certification for major operations
- Adapted online compliance management system for better governance
- Governance through Sustainability Council Committee for Sustainability Management
- Major units audited by TFS (Together for Sustainability) initiative
- Gold Standard Ratings by ECOVADIS

11 units
With Zero Liquid Discharge Facility

697 kW
Installed solar power generation capacity across units

We have received multiple awards in the area of sustainability/ HSE



Gujarat Cleaner Production Award

Forest and Environment Dept., Government of Gujarat presented the Gujarat Cleaner Production Award to team Jhagadia.



SERB IGCW 2017 Award

The Industrial Green Chemistry World Council (IGCW) presented the biennial award for 2017 for excellence in green chemistry and process implementation to Aarti Industries.

Aarti has been trusted by global majors with multi-year contracts

Contract #1

- **10-year** supply contract with an agrochemical major for a key herbicide intermediate
- Total contract value of **\$620 million**
- Capital Outlay of **\$62m**
- Aarti to scale up its capacity in the product by **30x** under the contract
- **40%** EBIDTA Margin



Contract #2

- **20-year** supply contract with a specialty chemicals conglomerate for a key specialty Chemical intermediate
- Total contract value of **\$1,540 million**
- Capital Outlay of **\$40m** fully funded by the customer
- Aarti had no prior experience in the product and was chosen among other Indian and Chinese players for long-term partnership
- Proprietary technology being shared by the partner
- **10%** PAT Margin

Contract #3

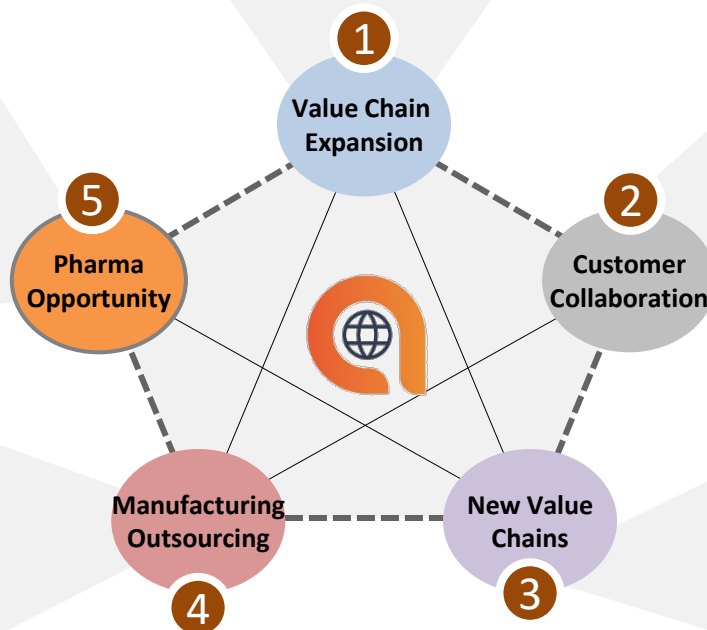
- **10-year** supply contract for a new specialty chemical intermediate for a global chemical major
- Total contract value of **\$125 million** with a capital outlay of **\$18 million**
- Product was co-developed by Aarti with the customer over **4 years** from lab to commercial scale
- **35%** EBIDTA Margin

Growth Strategy

- Scale up of capacities in existing products
- New markets and applications for existing products
- New value-added products in existing value chains
- Improving market position across isomers

- Scale up of capacities in existing products and related applications
- Increase presence in the Regulated markets.
- Develop and explore more opportunities for Innovators for APIs & Intermediates

- Long term contracts with customers leveraging process expertise, RM security and India advantage
- Setting up dedicated toll manufacturing facilities



- Co-development and scale up of new products through customer partnerships
- Multi-product collaboration with customers to deepen relationships
- Strategic Alliances

- Extending process and chemistry expertise to enter new value chains (such as chlorotoluenes)
- Adding new reaction capabilities

01

Financial Sustainability

Maintaining financial leverage over long-term within the range of 0.7-1.0 debt equity ratio



- Reduced debt-equity ratio from **1.3x** to **below 1.0x** with a **6.6% dilution** in overall shareholding of the company.
- Promoter shareholding still retained **above 49%**
- Amount raised equivalent to **1.5 years** of cash accruals

02

Institutional Participation

Fostering broad-based participation of domestic & international institutional investors



- Close to **60 institutional investors** subscribed (60% domestic and 40% foreign)
- Strong investor interest evident from **2x subscription** of QIP issue
- First instance of capital raising from Public / FIs / FIIs post IPO in 1992

03

Investing in Growth

Improving the company's ability to capitalize on emerging opportunities in the global chemical industry



- Planned addition of new product value chains
- Downstream growth in existing value chains
- Partnering with global majors to gain access to newer markets and technologies.
- Additional new **100+ acre** greenfield site in Gujarat in addition to the existing 100 acres available at Jhagadia
- Entry into new chemistries to leverage the upcoming research and technology center in Navi Mumbai

Consolidated Financial Statements

In Rs Cr	FY15	FY16	FY17	FY18	FY19*
Balance Sheet					
Property, Plant and Equipment	967	1,246	1,695	1,996	2,145
Capital Work-in-Progress	1,923	313	270	436	795
Intangible Assets	0.04	0	2	2	1
Investments	173	41	47	47	33
Other Non-Current Assets	103	132	168	225	306
Total Non-Current Assets	1,436	1,732	2,182	2,707	3,281
Inventories	552	495	571	747	772
Trade Receivables	439	523	525	591	776
Cash and Cash Equivalents	34	29	29	32	804
Others Current Financial Assets	173	168	169	225	191
Other Current Assets	32	18	24	26	34
Total Current Assets	1,230	1,234	1,317	1,621	2,577
Total Assets	2,665	2,966	3,499	4,327	5,858
Equity Share Capital	44	42	41	41	43
Other Equity	1,025	1,096	1,321	1,538	2,587
Non Controlling Interest	6	52	64	77	84
Total Equity	1,075	1,189	1,426	1,655	2,715
Borrowings	419	527	596	908	815
Deferred Tax Liabilities (Net)	103	127	155	177	193
Other Financial Liabilities	0.18	0	0	0	203
Total Non-Current Liabilities	522	654	752	1,086	1,211
Borrowings	648	706	839	1,012	1,291
Trade Payables	248	305	300	357	280
Other Current Liabilities	156	91	154	185	320
Provisions	14	21	28	31	42
Total Current Liabilities	1,068	1,123	1,320	1,586	1,932
Total Liabilities	1,590	1,777	2,073	2,672	3,143
Total Equity and Liabilities	2,665	2,966	3,499	4,327	5,858

Note: FY14-15 numbers are IGAAP, while FY16-19 are IND AS. FY19 financials are after considering the impact of scheme of arrangement

Consolidated Financial Statements

In Rs Cr	FY15	FY16	FY17	FY18	FY19*
Profit and Loss					
Revenue	2,908	3,007	3,163	3,806	4,706
EBITDA	466	572	654	699	965
Depreciation	82	99	123	146	163
Profit Before Tax	251	363	416	429	622
Tax	61	95	88	83	118
PAT	206	257	316	333	492
% EBITDA	16%	19%	21%	18%	21%
% ROCE	19%	20%	20%	17%	20%
% ROCE (ex CWIP)	20%	23%	22%	19%	24%
% ROE	21%	23%	24%	22%	23%
Cash Flow Statement					
Cash Flow from Operating Activities	340	574	470	335	556
Cash Flow from Investing Activities	-298	-452	-529	-610	-623
Cash Flow from Financing Activities	-23	-128	58	279	839
Net Increase/(Decrease) in Cash and Cash Equivalents	19	-7	-0.5	4	771

Note: FY14-15 numbers are IGAAP, while FY16-19 are IND AS. Financials for FY19 are after considering the impact of Scheme of Arrangement

Impact of Scheme on FY19 Consol numbers

In Rs Cr	FY19 (Pre approval of Scheme)	FY19 (Post approval of Scheme)	Impact Analysis
<u>Profit and Loss – Key Financials</u>			
Revenue	5,014	4,706	
EBITDA	971	965	Decr by 0.6%
EBIDTA %	19.4%	20.5%	Incr by 1.1%
EBIT	799	802	Incr by 0.4%
EBIT %	15.9%	17.0%	Incr by 1.1%
Profit After Tax	483	492	Incr by 1.9%
Profit After Tax %	9.6%	10.5%	Incr by 0.9%
<u>Balance Sheet – Key Financials</u>			
Fixed Assets Incl WIP	3,084	2,941	
Investments	65	33	
Networth	2,845	2,715	
Borrowings	2,431	2,401	
% ROCE	19.6%	20.4%	Incr by 0.8%
% ROCE (ex CWIP)	23%	24%	Incr by 1%
% ROE	21%	23%	Incr by 2%
Debt Equity	0.85	0.88	

Scheme Highlights

- Demerger of HPC Undertaking into a separate Company namely Aarti Surfactants Ltd (ASL) and Merger of Manufacturing arm of step down Subsidiary Nascent Chemicals Industries Ltd into AIL.
- AIL shareholders to have option for Equity or Redeemable Preference shares of ASL.
- Both these shares would be listed on Stock Exchange in India.
- ASL accounted to close to 6% of AIL's revenues and had distinct business assets with no significant linkage with other AIL operations.
- Demerger to help dedicated focus and cost savings for ASL.
- Demerger also helps in improvement of AIL financials.

Multiple Awards for innovation, excellence in exports, etc.



Chemtech Foundation Award

CHEMTECH Foundation accorded Aarti Industries with the 'Outstanding Achievement for Innovation' award for the company's commendable efforts in conserving the environments as well as ensuring sustainable growth through path breaking innovation



Trishul Award for outstanding export performance

CHEMEXCIL presented the Company 'Trishul Award' for outstanding export performance for FY14-15 and 'Award of Excellency' for the consistency in export performance for FY13-14, FY15 -16 & FY 16 - 17

PRODUCTIVITY WITH SAFETY IS OUR MOTTO
उत्पादकता के साथ सुरक्षा हमारा लक्ष्य है

सुरक्षा निकाय
अवैध, पूर्ण
निकाय

SAFETY GUIDELINES
Do not touch any equipment
Do not walk on pipes
Do not climb on structures
Do not use mobile phones
Do not drink or eat
Do not smoke

WHERE THERE'S
ACCIDENT THERE'S
PAIN

Thank You