



**AARTI  
INDUSTRIES  
LIMITED**

**Ref. No.: AIL/B-38/2019 / 133**

February 23, 2019

To,  
**National Stock Exchange of  
India Limited,**  
Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra East,  
Mumbai 400 051  
**Scrip Code: AARTIIND**

To,  
**BSE Limited,**  
Department of Corporate Services,  
P.J. Towers,  
Dalal Street,  
Mumbai - 400 001

**Scrip Code: 524208**

Dear Sir/Madam,

**Sub: Intimation of schedule of meetings with institutional investors under Regulation 30 (6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")**

Pursuant to Regulation 30 (6) of the Listing Regulations, we wish to inform you that our Company had organised meetings with certain domestic institutional investors (as identified in Annexure A) in Mumbai on February 22, 2019.

A copy of the investor presentation shared with the institutional investors during the aforesaid meetings is attached herewith. Further, this intimation along with the investor presentation shall also be available on the website of the Company ([www.aarti-industries.com](http://www.aarti-industries.com)) in accordance with Regulation 46 (2) (o) of the Listing Regulations.

The Company will provide further updates in this regard, if and when necessary.

We request you to take the same on record.

Thanking you,

Yours faithfully,

**FOR AARTI INDUSTRIES LIMITED**

  
RAJ SARRAF  
**COMPANY SECRETARY**  
ICSI M. NO. A15526



[www.aarti-industries.com](http://www.aarti-industries.com) | CIN: L24110GJ1984PLC007301

**Admin. Office :** 71, Udyog Kshetra, 2nd Floor, Mulund Goregaon Link Road, Mulund (W), Mumbai - 400080, INDIA.

T : 022-67976666, F : 022-2565 3234 | E : [info@aarti-industries.com](mailto:info@aarti-industries.com)

**Regd. Office :** Plot No. 801, 801/23, Illrd Phase, GIDC Vapi-396195, Dist- Valsad. INDIA. T : 0260-2400366.

**Annexure A**

<b>Sr. No.</b>	<b>Name of the Institutional Investor</b>
1.	Tata AIA Life Insurance Company Limited
2.	Goldman Sachs Asset Managemen
3.	DSP Mutual Fund
4.	Reliance Industries Limited
5.	Aditya Birla Sun Life AMC
6.	IIFL AMC





**Investor Presentation  
Aarti Industries Ltd.**

**Feb 2019**

This presentation does not constitute a prospectus, offering memorandum or an offer, or a solicitation of any offer, to purchase or sell any securities.

This presentation should not be considered as a recommendation that any investor should subscribe for or purchase any securities of Aarti Industries Limited or its subsidiaries (collectively, the “**Group**”) and should not be used as a basis for any investment decision.

The information contained in this presentation is only current as of its date and has not been independently verified. The Group will not update you in the event the information in the presentation becomes stale. Moreover, both express or implied representation or warranty is made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this presentation.

None of the Group or any of its affiliates, advisers or representatives accept any liability whatsoever for any loss howsoever arising from any information presented or contained in this presentation. Furthermore, no person is authorized to give any information or make any representation which is not contained in, or is inconsistent with, this presentation. Any such extraneous or inconsistent information or representation, if given or made, should not be relied upon as having been authorized by or on behalf of the Group.

This presentation is highly confidential, being given solely for your information and for your use, and may not be copied, reproduced or redistributed to any other person in any manner. The distribution of this presentation in certain jurisdictions may be restricted by law. Accordingly, any persons in possession of this presentation should inform themselves about and observe any such restrictions.

This presentation contain certain statements of future expectations and other forward-looking statements, including those relating to the Group's general business plans and strategy, its future financial condition and growth prospects, and future developments in its sectors and its competitive and regulatory environment. In addition to statements which are forward looking by reason of context, the words ‘may’, ‘will’, ‘should’, ‘expects’, ‘plans’, ‘intends’, ‘anticipates’, ‘believes’, ‘estimates’, ‘predicts’, ‘potential’ or ‘continue’ and similar expressions identify forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results, performances or events to differ materially from the results contemplated by the relevant forward looking statement. The factors which may affect the results contemplated by the forward looking statements could include, among others, future changes or developments in (i) the Group’s business, (ii) the Group’s regulatory and competitive environment, and (iii) political, economic, legal and social conditions in India or the jurisdictions in which our Group operates.

The information contained herein does not constitute an offer of securities for sale in the United States or in any other jurisdiction. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended.

## Care



We care for our people, our customers, our suppliers, 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

# Agenda

## Company Overview

---

5

## Investment Highlights

---

13

## Growth Strategy

---

25

## Key Financials

---

27

## Appendix

---

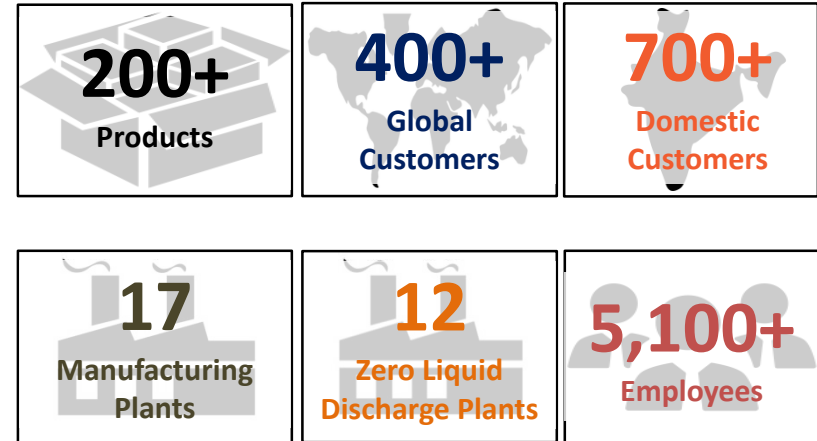
30

# Company Overview

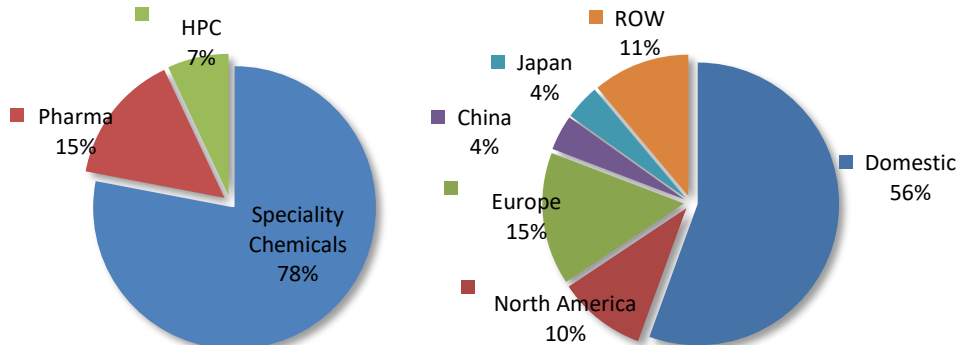
## Overview

- One of the leading Speciality chemical company in Benzene based derivatives with integrated operations which helps in cost optimization
- Strong R&D capabilities – 3 R&D facilities; dedicated pool of over 170<sup>2</sup> engineers & scientists; IPRs for developing customized products.
- 3 business segments – Speciality chemicals, Pharma and Home and personal care
  - Speciality chemical segments – Agrochemicals, Polymer, Dyes and pigments, etc
- 17 plants located in western India with proximity to ports
  - 11 are dedicated to Speciality chemicals; 4 for Pharma (2 USFDA and 2 WHO/GMP) and 2 for HPC
  - 2 upcoming project sites at Dahej SEZ and 4<sup>th</sup> R&D center at Navi Mumbai
- Established by first generation technocrats, Aarti was incorporated in 1984. 3 out of 4 promoter directors are Chemical Engg from ICT(formerly UDCT)

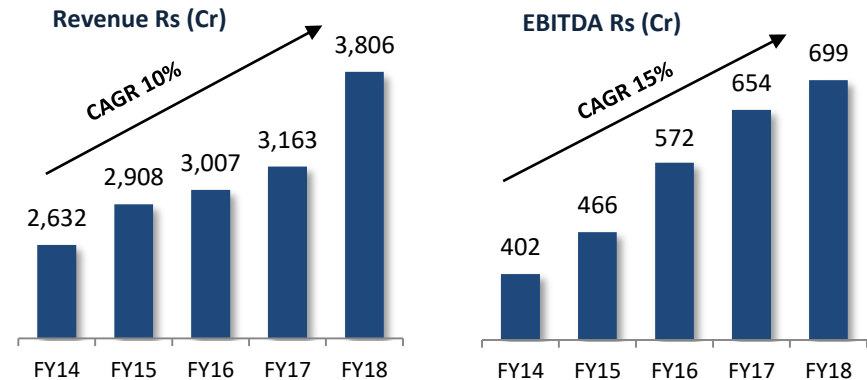
## Key Metrics<sup>2</sup>



## Revenue split<sup>1</sup> - Segmental and Geographical



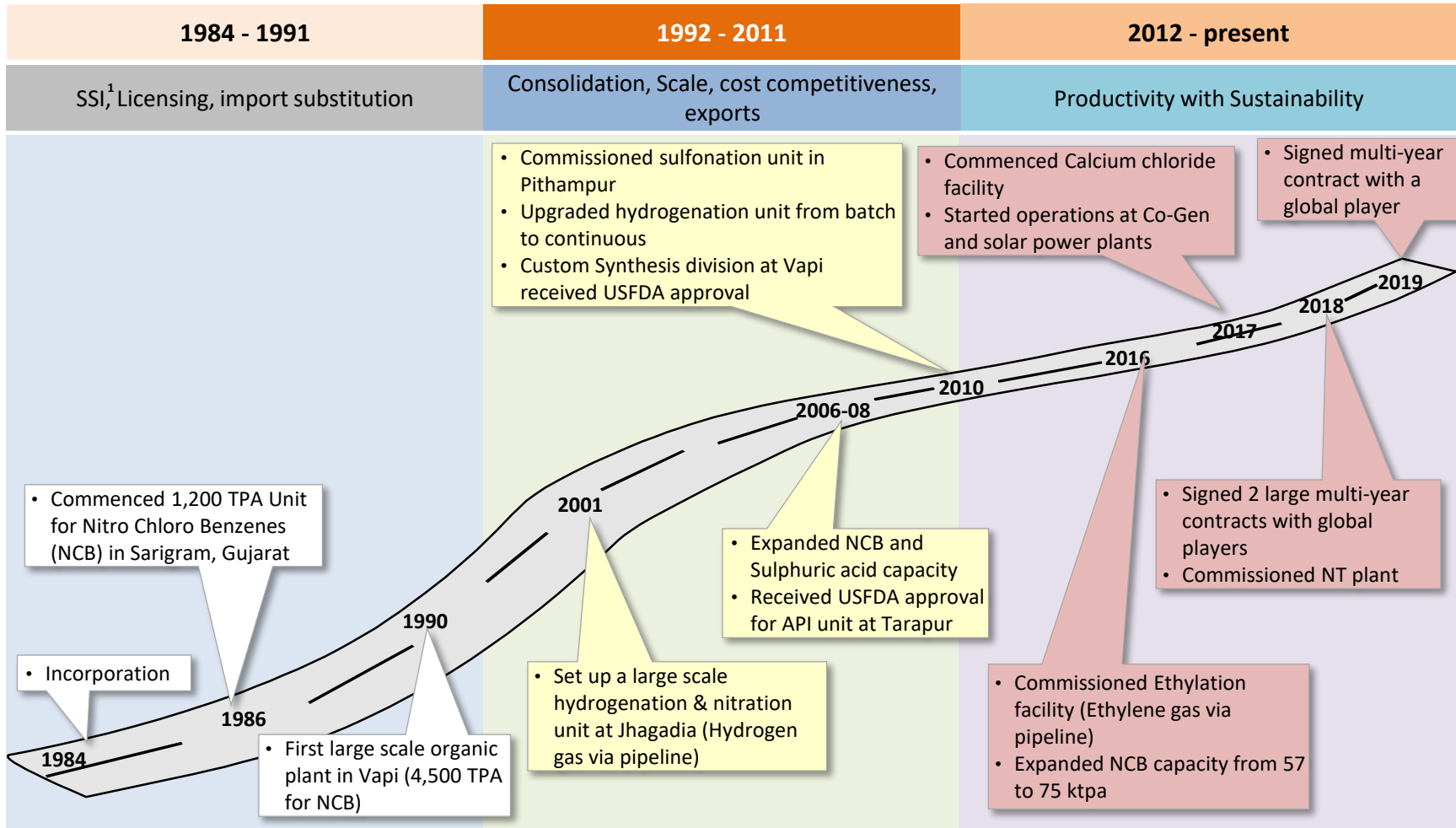
## Key Consolidated Financials<sup>3</sup>



Note: <sup>1</sup>FY18 Consolidated; <sup>2</sup>As of 31 Dec 2018; <sup>3</sup>FY14-15 numbers are IGAAP, while FY16-18 are IND AS

# Key Milestones with Adaptive Growth Strategies

Growth Strategies





# Strategically Located Plants



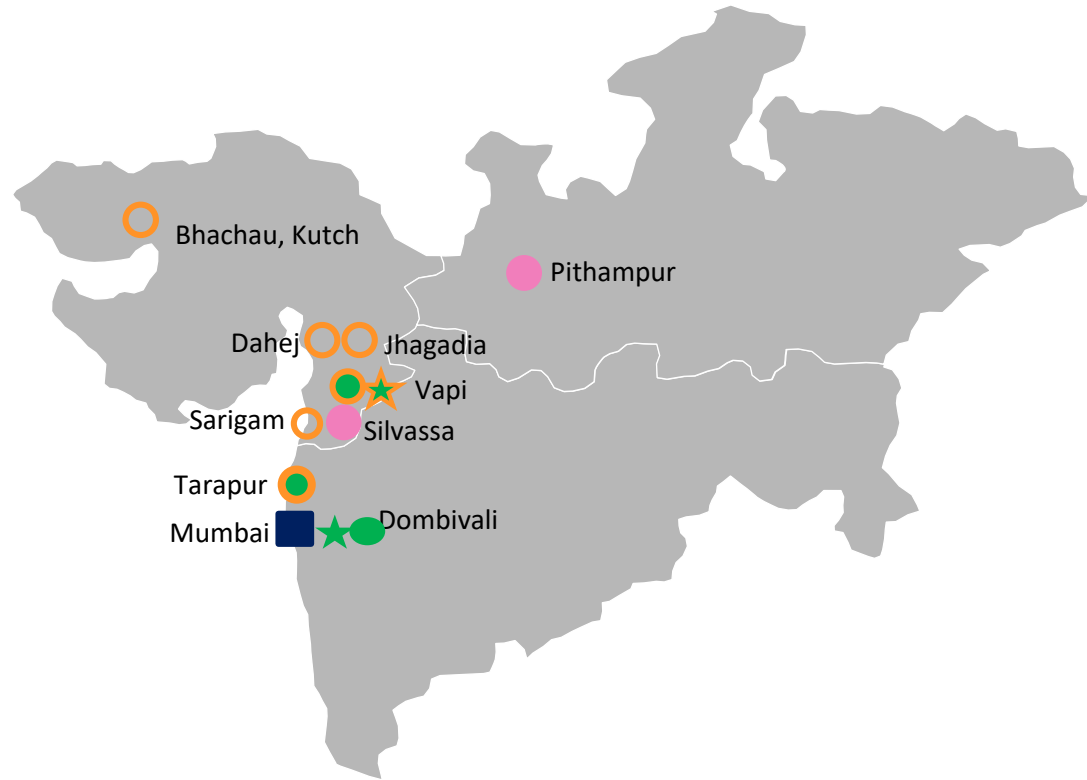
 Chemical Plants

 Head Office

 Pharma Plants

 H&PC Plants

 R&D Center



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

# Key Management Team

## Richly experienced



**Mr. Rajendra Gogri – Chairman & M.D.**  
Chemical Engineer-UDCT, Masters – Chemical Engineer (IOWA State USA)  
*Portfolio – Strategic Planning, New Business Development, Financial Management, Head-Speciality Chemicals*



**Mr. Rashesh Gogri – Vice Chairman & M.D.**  
Production Engineer  
*Portfolio – Head Commercial- Speciality Chemicals & Head-Pharma*



**Mr. Shantilal Shah – Non Executive Director**  
Founder Director  
Commerce Graduate  
*Portfolio: Financial Management*



**Mrs. Hetal Gogri Gala – Director**  
Electronics Engineer and MDP from IIM – Ahmedabad  
*Portfolio: Pharma, HR & Admin*



**Mr. Parimal Desai – Director**  
Founder Director  
Chemical Engineer from UDCT  
*Portfolio: Technology, Head- Home & Personal Care*



**Mr. Kirit Mehta – Director**  
Commerce Graduate  
*Portfolio: Factory Administration*



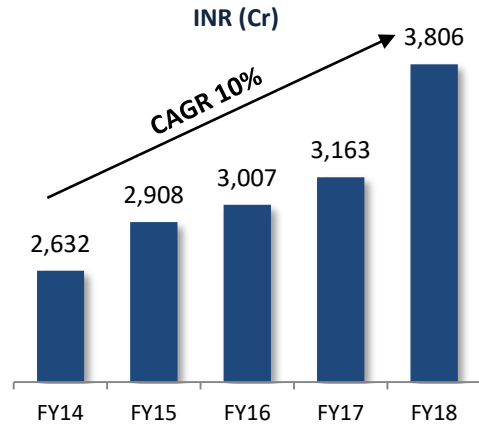
**Mr. Manoj Chheda – Director**  
Commerce Graduate  
*Portfolio – Sales & Marketing (Speciality Chemical)*



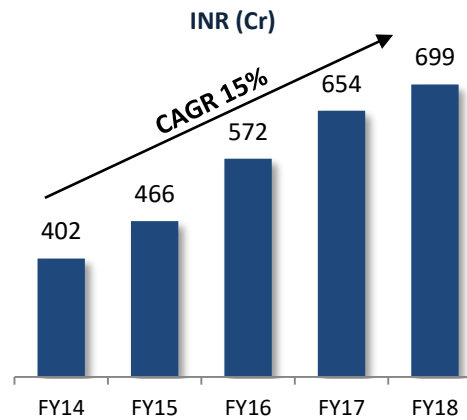
**Mr. Renil Gogri - Director**  
Mechanical Engineer from IIT, Bombay  
*Portfolio: Projects & Operations (Speciality Chemicals), IT, Business Excellence.*

# Financials - Consolidated

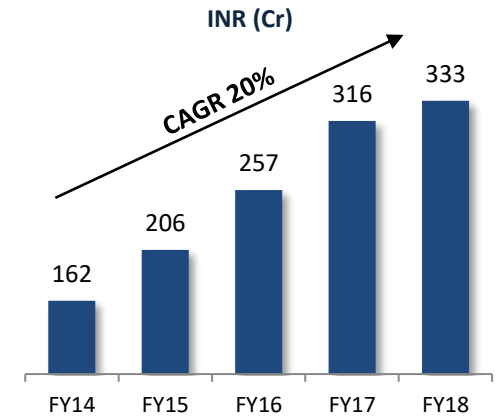
## Robust Revenue Growth



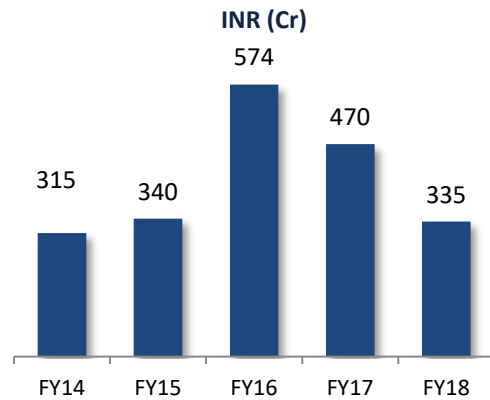
## Strong EBITDA Growth



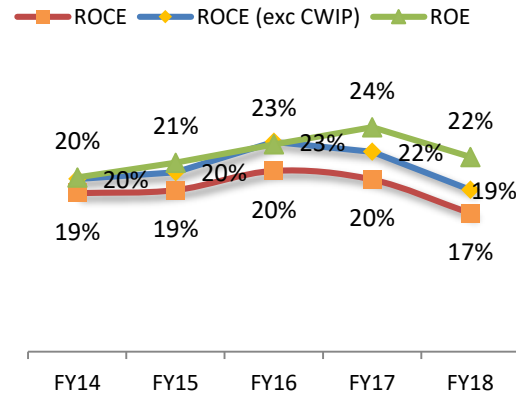
## Strong PAT Growth



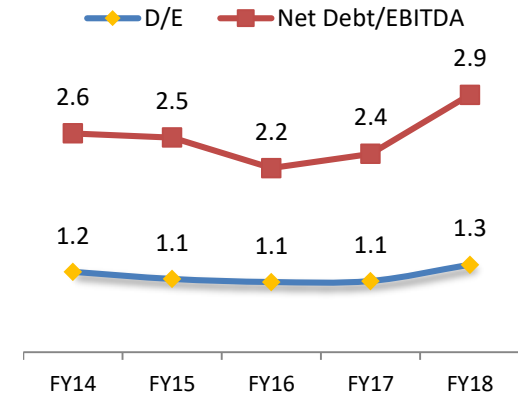
## Strong Operating Cash Flows



## Strong Return Ratios



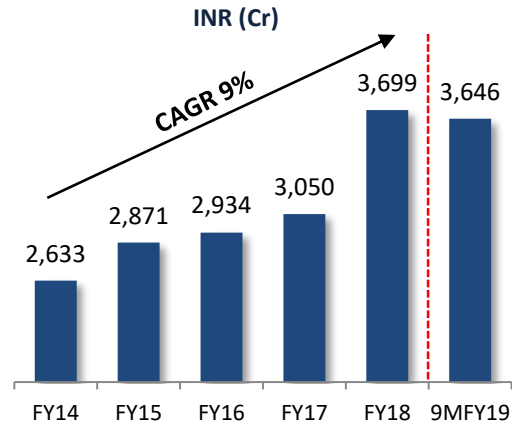
## Debt Profile



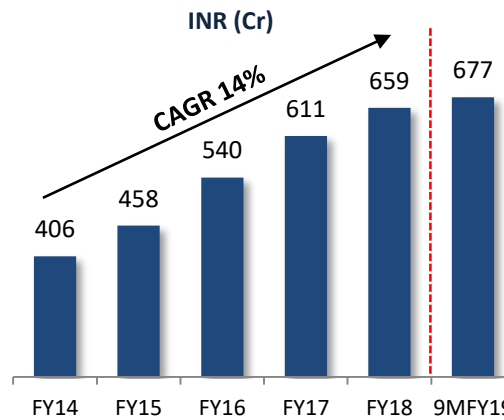
EBITDA = Profit before Tax + Interest Expense + Depreciation – Other Income; EBIT = EBITDA-Depreciation; Capital Employed= Net Worth + LT Debt+ ST debt+ current maturity of long term debt- cash; Capital Employed adj for CWIP= Capital Employed -CWIP; ROCE= EBIT/(Average of Capital employed of current & 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

# Financials - Standalone

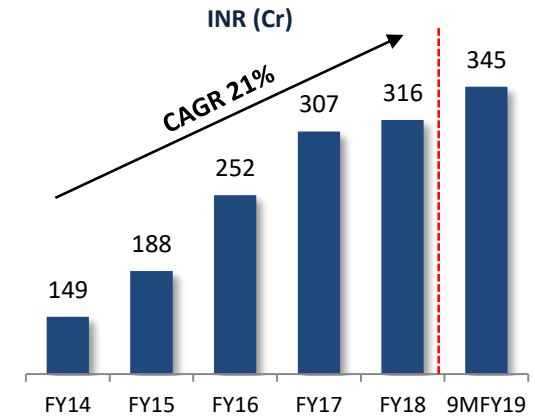
## Robust Revenue Growth



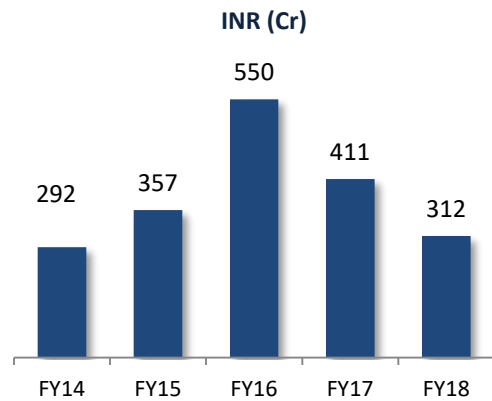
## Strong EBITDA Growth



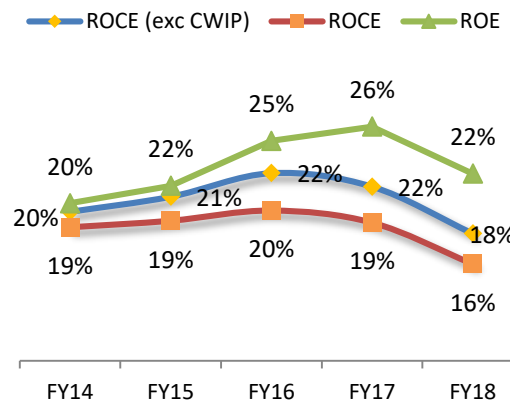
## Strong PAT Growth



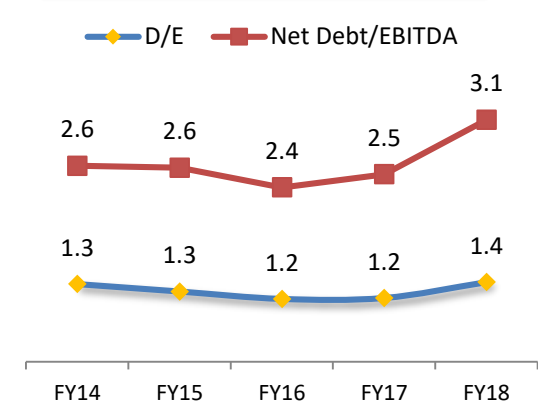
## Strong Operating Cash Flows



## Strong Return Ratios



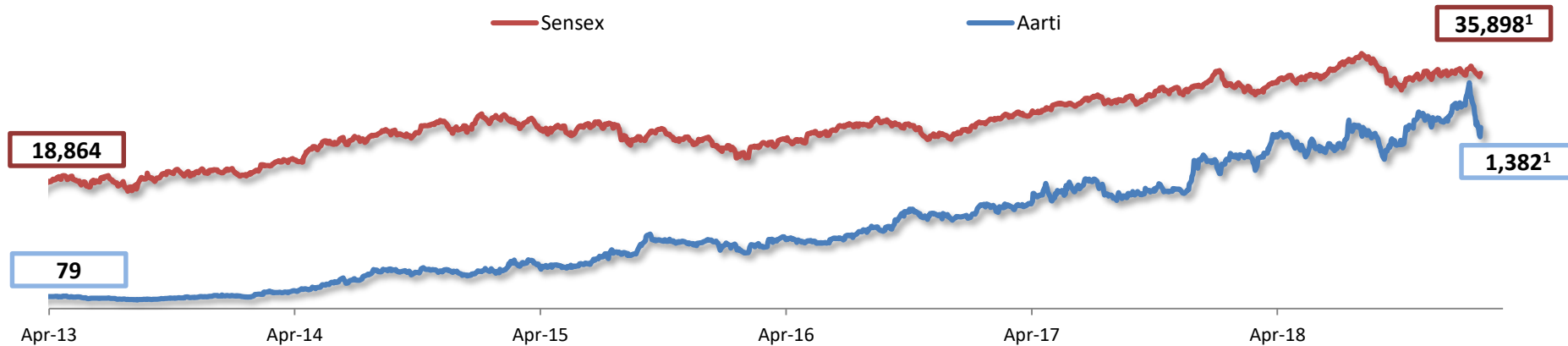
## Debt Profile



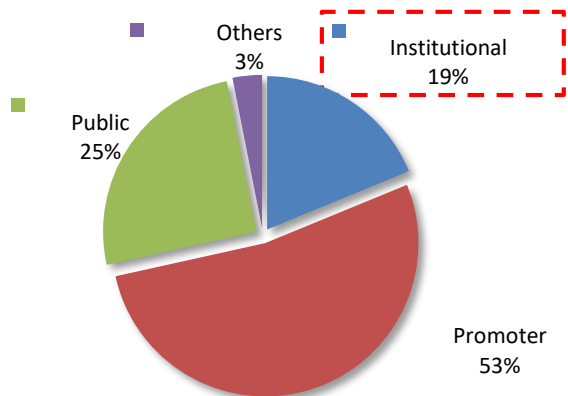
EBITDA = Profit before Tax + Interest Expense + Depreciation - Other Income; EBIT = EBITDA - Depreciation; Capital Employed = Net Worth + LT Debt + ST debt + current maturity of long term debt - cash; Capital Employed adj for CWIP = Capital Employed - CWIP; ROCE = EBIT / (Average of Capital employed 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

# Stock Performance and Shareholding

Aarti has outperformed broader market



## Shareholding Pattern (as of 31 December 2018)



## Key Institutional Investors (As of 31 Dec 2018)

Fund House	% Holding in the company
HDFC Asset Management	8.15%
L&T Investment Management	2.60%
DSP Investment Managers	2.03%
Other	6.01%

# Agenda

**Company Overview** 5

---

**Investment Highlights** 13

---

**Growth Strategy** 25

---

**Key Financials** 27

---

**Appendix** 30

---

1

• **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*

2

• **Well Diversified Across Multiple Dimensions**

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

3

• **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*

4

• **Strong Return Profile despite Significant Capex over Last 5 Years**

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

5

• **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 4<sup>th</sup> R&D plant focused on Speciality chemicals*

6

• **Thrust on Sustainability**

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

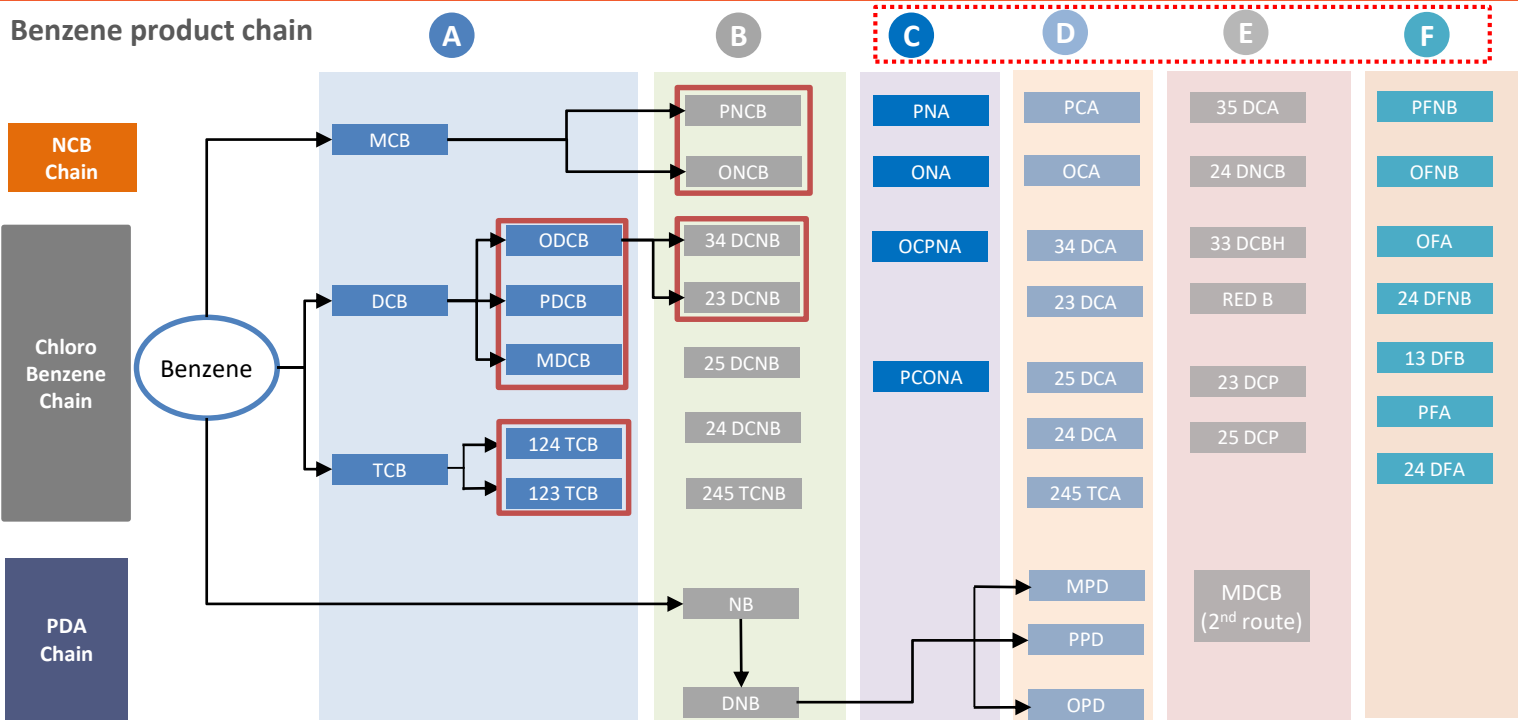
7

• **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*

# 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
- "A" and "B" account for 30% of the Speciality chemicals revenue<sup>1</sup>
- Focus on growth oriented products
- Diversified enduse

Note: <sup>1</sup>FY18 Consolidated basis

### Global Ranking

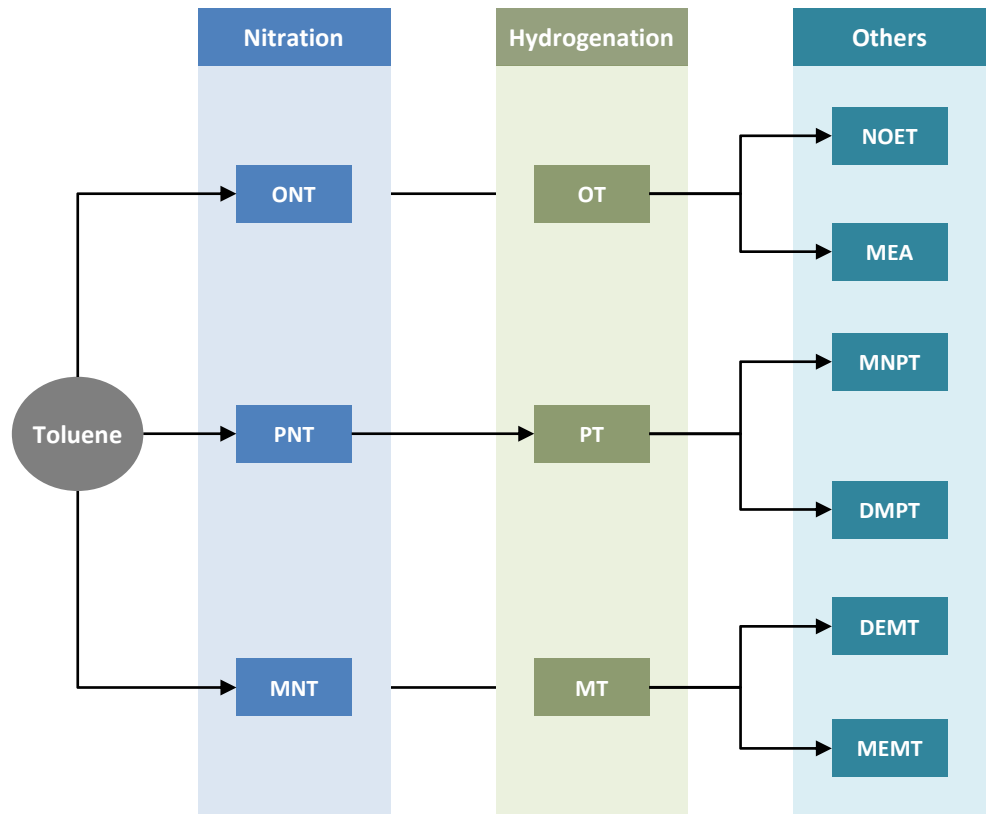
**NCB** Among top3 globally  
**DCB** Among top3 globally

### Domestic Ranking

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

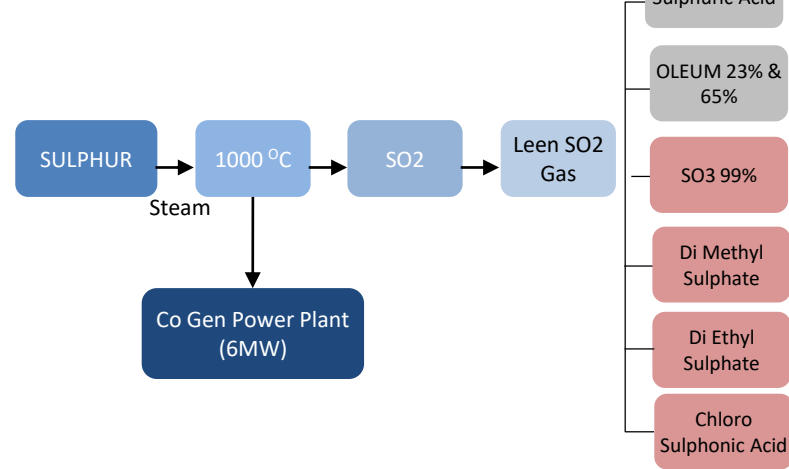


## Toluene product chain



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

## Sulphuric acid product chain

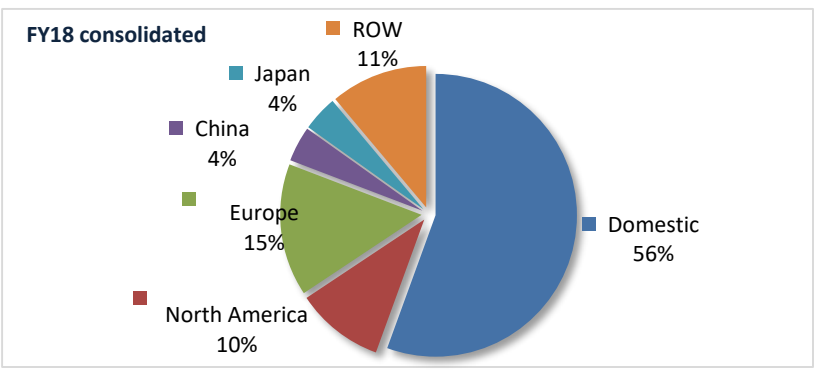


## Other Speciality Chemical products

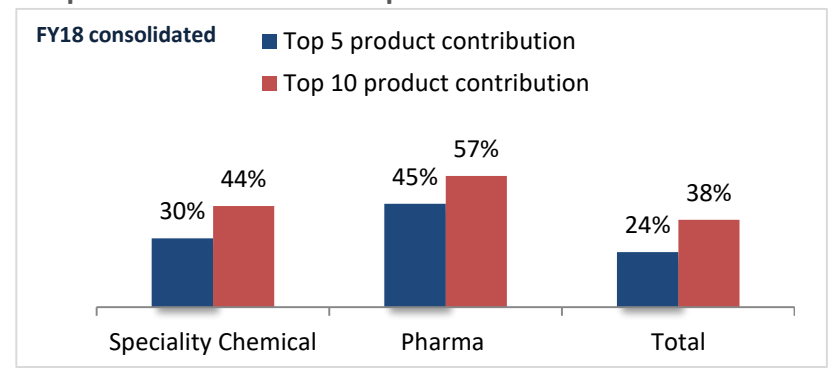
- Single Super Phosphate (SSP)
- Export Grade Calcium Chloride Granules (for Oil exploration & De-icing)
- Fuel Additives
- Phthalates

# Well Diversified Across Multiple Dimensions

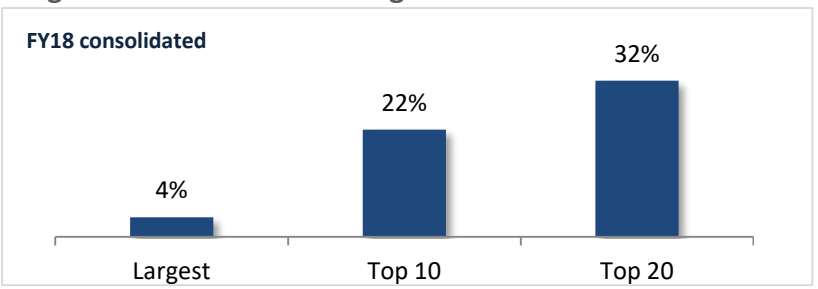
High level of geographic diversification...



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



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



• 85% revenue in FY18 was from customers of over 5 years

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

Segments	End usage industries	Product cycle <sup>1,4</sup>	FY18-23 CAGR <sup>1,4</sup>
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% <sup>2</sup> 10-11% <sup>3</sup>
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		

Note:<sup>1</sup>India industry growth rates; <sup>2</sup>Polymers; <sup>3</sup>Polymer Additives  
Source: <sup>4</sup>CRISIL Report titled "Market assessment of Speciality Chemicals"

# 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

64%<sup>1</sup>

Pharma Intermediates & Ingredients

36%<sup>1</sup>

Xanthine derivatives (Caffeine and others)

APIs

Intermediates

- **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

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

- 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<sup>2</sup>

2 WHO GMP facilities<sup>2</sup>

9 Patents (21 under assessment)<sup>2</sup>

30 USDMF<sup>2</sup>

18 CEP (2 under assessment)<sup>2</sup>

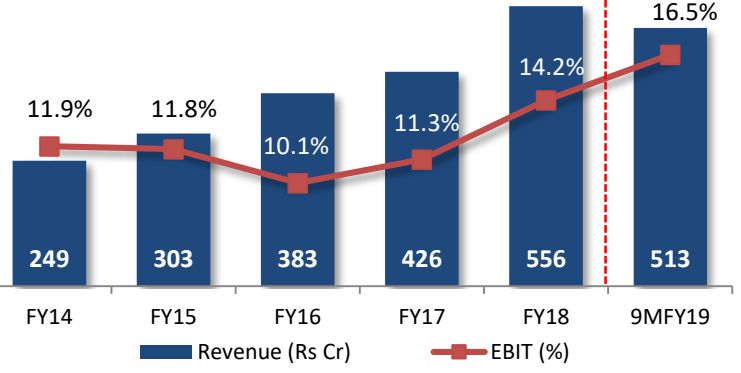
12 DMF (7 under assessment)<sup>2</sup>

Note: <sup>1</sup>FY18 revenue contribution to pharma business on a standalone basis; <sup>2</sup>As of 31 Dec 2018

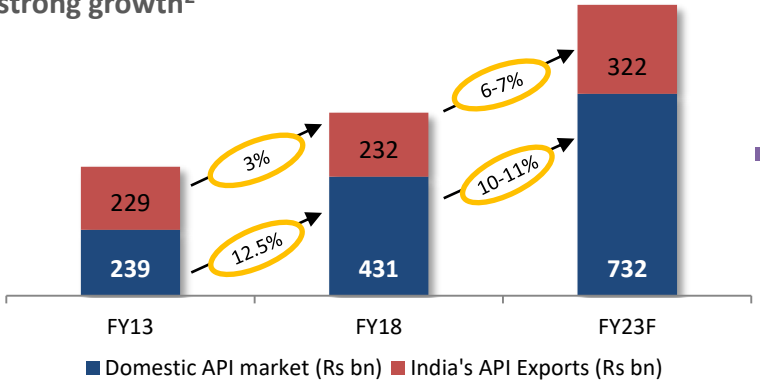
# Pharmaceuticals – Significant growth with diversification across products and geographies

Pharma<sup>1</sup> - significant top line and margin growth...

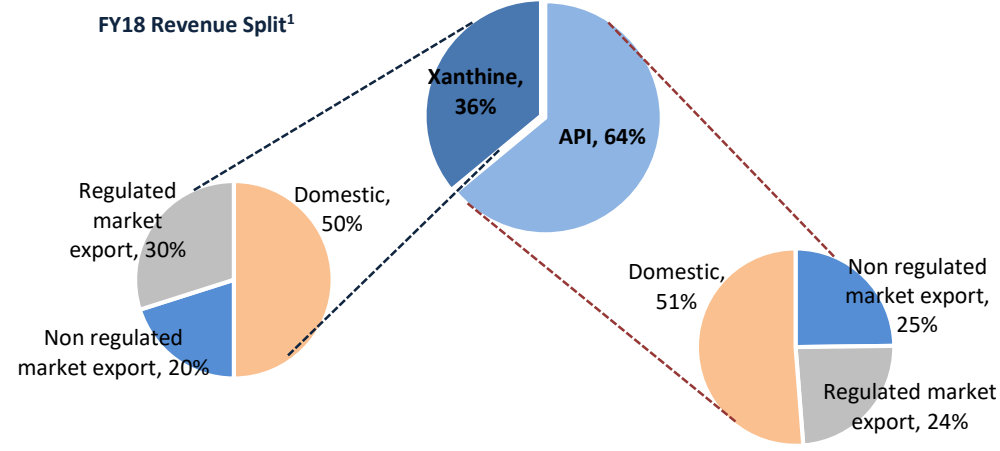
Revenue CAGR FY14-18 **22%**  
EBIT CAGR FY14-18 **27%**



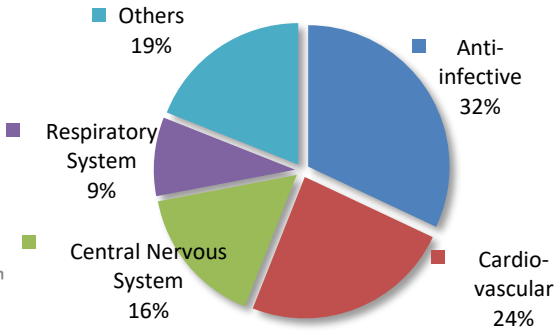
India's API domestic and exports market to witness strong growth<sup>2</sup>



...with diversification across products and geographies



API's share by application<sup>2</sup>



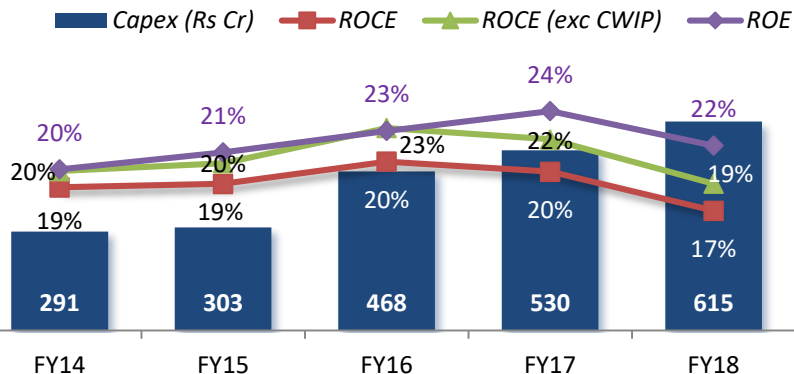
- **Supply disruption in China** (due to pollution related shutdowns) is expected to offer great opportunity for Indian exports
- **Transition expected towards Speciality products** and high value APIs
- Domestic bulk drug manufacturers are expected to register double-digit growth, supported by strong domestic sales

Note: <sup>1</sup>Pharma segmental Sales and EBIT Margin on a standalone basis; <sup>2</sup>CRISIL Report titled "Market assessment of Speciality Chemicals"

CAGR

# Strong Return Profile despite Significant Capex over Last 5 Years

## Strong return profile despite significant capex spend



- Expanded capacity to scale base businesses (NCB & DCB) 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	Q3FY19 Utilization	Objective of Capex
Nitro-Chloro Benzene	Vapi	Expanded From 57 to 75ktpa and <b>further expanding to 108 ktpa</b>	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	80%	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

## Process Innovation

- Scrub NOx 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 Halax 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<sup>1</sup>
  - 2 are focused to pharmaceutical API business and 1 for the Speciality chemicals business
  - Plan to set up a 4<sup>th</sup> R&D plant focused on Speciality chemicals, which we believe may have the capacity to host around 250 scientists
- Constant focus on downstream products through processes like high value chlorination, hydrogenation, ammonolysis, fluoro-compounding

# 6 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
- Process Safety element through Aarti Management System
- Focus on Behavior Base Safety

**INR 240 Cr**  
*Amount invested in  
EHS initiatives  
over FY14-18*

## Environment & Sustainability

3R Principle:  
Reduce – Recover – Reuse

Swiss Loop Reactor  
technology for hydrogenation

Chilling water generation  
from chlorine tonners for  
chilling applications

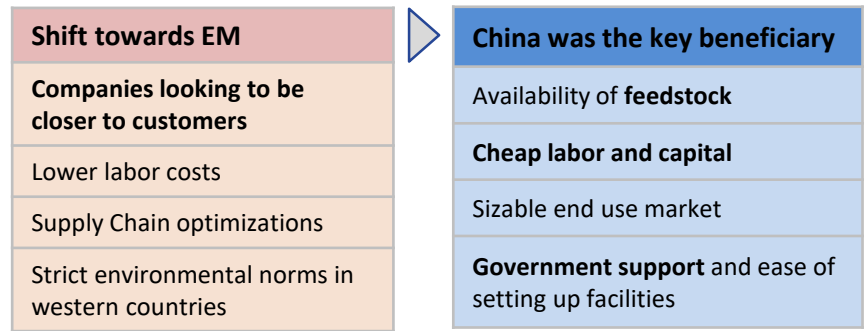
USD 1mn+ invested in solar  
energy in 2016

- 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

**12 units**  
*With Zero Liquid  
Discharge Facility*

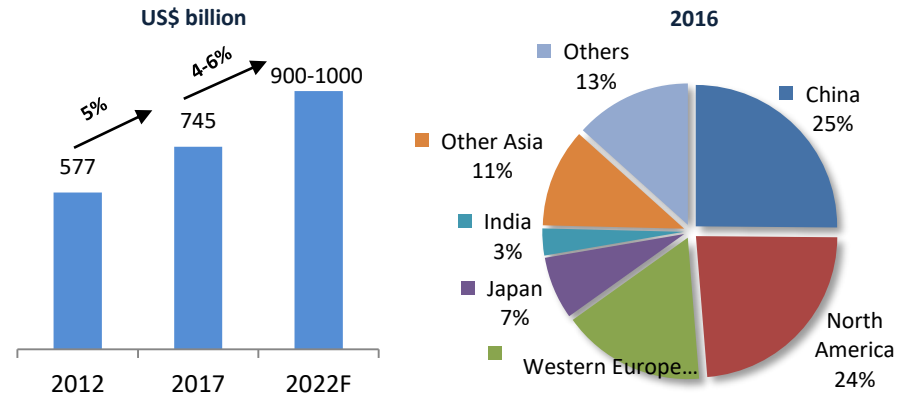
**697 kW**  
*Installed solar power  
generation capacity  
across units*

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

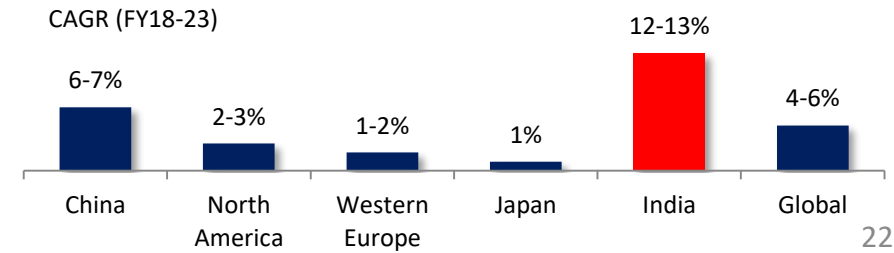


...India to benefit from China's downturn

- 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

Significant opportunity of growth for Indian speciality chemicals markets

Expected absolute growth over FY18-23	India	\$20-25 bn
	China	\$55-60 bn
	World	\$200-255 bn



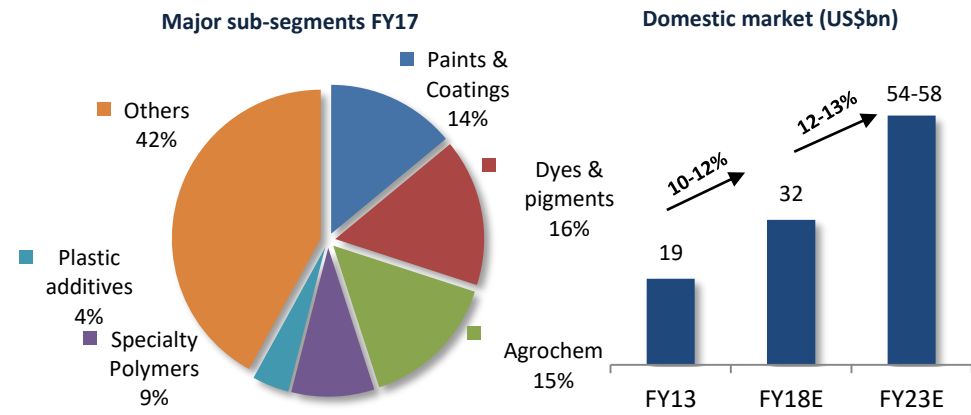
Source: CRISIL Report titled "Market assessment of Speciality Chemicals"



## Growth drivers for speciality chemicals demand in India...

<b>Consumption Intensity</b>	<ul style="list-style-type: none"> <li>Per capita consumption in India is ~<b>USD 23</b> (in value terms) vis-à-vis global average of <b>USD 100</b></li> </ul>
<b>Growth in end-use segments</b>	<ul style="list-style-type: none"> <li>India's urban population is expected to increase by 275 million people till 2030. This will result in <b>high consumption-led growth</b> in key end markets</li> <li>Performance of end-user industries will drive industry's demand</li> </ul>
<b>Improved consumption standards</b>	<ul style="list-style-type: none"> <li>Consumer <b>needs are evolving away from basic product</b> properties across all end-user industries</li> <li>Most developed countries have implemented stringent consumption standards. As the economy develops, India will also strengthen standards which will increase Speciality chemicals usage</li> </ul>
<b>Government Initiatives</b>	<ul style="list-style-type: none"> <li>Foreign direct investment (FDI) of up to 100% in the sector</li> <li><b>Make in India</b> and other policies have been initiated to set up integrated PCPIRs which are expected to boost chemicals manufacturing</li> </ul>
<b>Global Factors</b>	<ul style="list-style-type: none"> <li>Stricter environmental regulations in China have impacted its chemical industry</li> <li>It is expected to play out in favour of India's Speciality chemicals industry as exports will see an uptrend over the next few years</li> </ul>

## ...Driven by rising end-use demand



## Threat of environmental regulations is limited to smaller players

- Supernormal growth story of China had **multiple small players in non-compliance to environmental norms**
  - Smaller plants are being shut down with rising environmental concerns
  - Larger organized players with established markets and compliance certificates continue to operate
- Stringent compliance norms remain a threat to Indian unorganized players as well giving an opportunity to larger players to capture the market**
  - Most large players are already making investments in SH&E to ensure their plants are sustainable for the environment

Source: CRISIL Report titled "Market assessment of Speciality Chemicals"

# Agenda

**Company Overview** 5

---

**Investment Highlights** 13

---

**Growth Strategy** 25

---

**Key Financials** 27

---

**Appendix** 30

---

- 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

# Agenda

**Company Overview** 5

---

**Investment Highlights** 13

---

**Growth Strategy** 25

---

**Key Financials** 27

---

**Appendix** 30

---

# Consolidated Financial Statements

In Rs Cr	FY14	FY15	FY16	FY17	FY18
<b>Balance Sheet</b>					
Property, Plant and Equipment	826	967	1,246	1,695	1,996
Capital Work-in-Progress	117	1,923	313	270	436
Intangible Assets	0.08	0.04	0	2	2
Investments	117	173	41	47	47
Other Non-Current Assets	384	103	132	168	225
<b>Total Non-Current Assets</b>	<b>1,445</b>	<b>1,436</b>	<b>1,732</b>	<b>2,182</b>	<b>2,707</b>
Inventories	606	552	495	571	747
Trade Receivables	443	439	523	525	591
Cash and Cash Equivalents	15	34	29	29	32
Others Current Financial Assets	131	173	168	169	225
Other Current Assets	30	32	18	24	26
<b>Total Current Assets</b>	<b>1,225</b>	<b>1,230</b>	<b>1,234</b>	<b>1,317</b>	<b>1,621</b>
<b>Total Assets</b>	<b>2,670</b>	<b>2,665</b>	<b>2,966</b>	<b>3,499</b>	<b>4,327</b>
Equity Share Capital	44	44	42	41	41
Other Equity	826	1,025	1,096	1,321	1,538
Non Controlling Interest	4	6	52	64	77
<b>Total Equity</b>	<b>875</b>	<b>1,075</b>	<b>1,189</b>	<b>1,426</b>	<b>1,655</b>
Borrowings	255	419	527	596	908
Deferred Tax Liabilities (Net)	85	103	127	155	177
Other Financial Liabilities	268	0.18	0	0	0
<b>Total Non-Current Liabilities</b>	<b>608</b>	<b>522</b>	<b>654</b>	<b>752</b>	<b>1,086</b>
Borrowings	687	648	706	839	1,012
Trade Payables	369	248	305	300	357
Other Current Liabilities	101	156	91	154	185
Provisions	30	14	21	28	31
<b>Total Current Liabilities</b>	<b>1,187</b>	<b>1,068</b>	<b>1,123</b>	<b>1,320</b>	<b>1,586</b>
<b>Total Liabilities</b>	<b>1,795</b>	<b>1,590</b>	<b>1,777</b>	<b>2,073</b>	<b>2,672</b>
<b>Total Equity and Liabilities</b>	<b>2,670</b>	<b>2,665</b>	<b>2,966</b>	<b>3,499</b>	<b>4,327</b>

Note: FY14-15 numbers are IGAAP, while FY16-18 are IND AS

# Consolidated Financial Statements

In Rs Cr	FY14	FY15	FY16	FY17	FY18
<b>Profit and Loss</b>					
Revenue	2,632	2,908	3,007	3,163	3,806
EBITDA	402	466	572	654	699
Depreciation	89	82	99	123	146
Profit Before Tax	206	251	363	416	429
Tax	54	61	95	88	83
PAT	162	206	257	316	333
<b>% EBITDA</b>	15%	16%	19%	21%	18%
<b>% ROCE</b>	19%	19%	20%	20%	17%
<b>% ROCE (ex CWIP)</b>	20%	20%	23%	22%	19%
<b>% ROE</b>	20%	21%	23%	24%	22%
<b>Cash Flow Statement</b>					
Cash Flow from Operating Activities	315	340	574	470	335
Cash Flow from Investing Activities	-291	-298	-452	-529	-610
Cash Flow from Financing Activities	-22	-23	-128	58	279
Net Increase/(Decrease) in Cash and Cash Equivalents	2	19	-7	-0.5	4

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 (ex 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 Note: FY14-15 numbers are IGAAP, while FY16-18 are IND AS

# Agenda

**Company Overview** 5

---

**Investment Highlights** 13

---

**Growth Strategy** 25

---

**Key Financials** 27

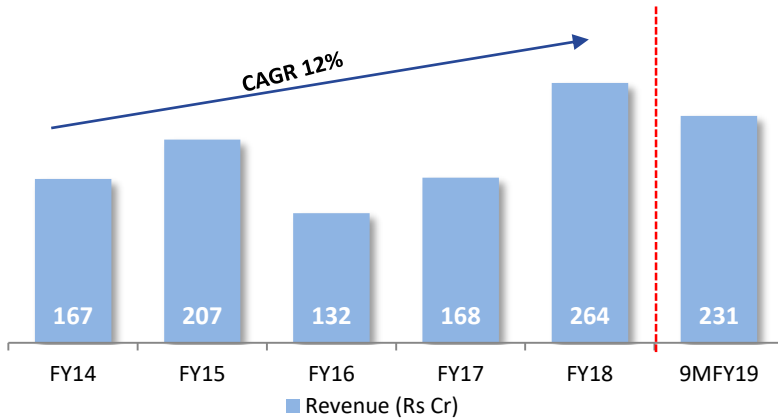
---

**Appendix** 30

---

# HPC Demerger Update

## Key Financials (Standalone)



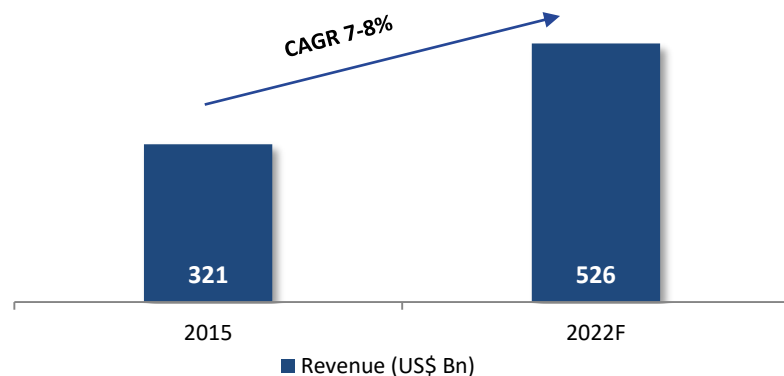
FY18 data (Rs Cr)	Total Assets	EBIT
HPC business	229	3
Total	4,118	555
HPC as a % of Total	5.6%	0.5%

- The home and personal care chemicals business, which constitutes of the Home and Personal Care Undertaking, is currently not ROE accretive
- In order to create overall value for the shareholders, the company has decided to restructure HPC business by demerging into a different entity
- The demerger would allow the management of the demerged entity to focus and adopt relevant strategies necessary for the turning around and promoting growth in HPC business
- Financial resources will be conveniently raised in accordance with the requirement of the business, leading to optimum utilization of resources towards expansion of the business
- De-merger proposal has received approval from Stock exchanges, Shareholders, Secured & Unsecured creditors
- Proposal now at NCLT for approval

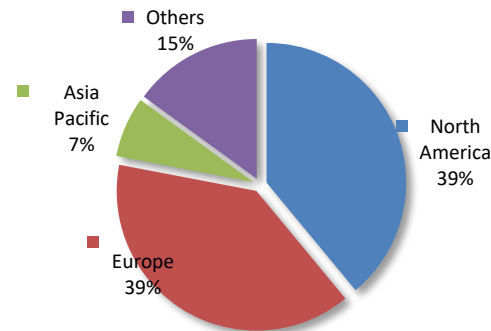


# Dicamba: Significant growth potential globally driven by rising demand for food security

Global Dicamba market to grow at 7-8% CAGR



Global Dicamba market by region (2015)



Region	Expected CAGR (%)
North America	10-11%
Europe	3-4%
Asia Pacific	3-4%
Others	6-7%
Overall	7-8%

- The Dicamba herbicide market is in the developing phase and finds application in the production of corn, soybean, cotton, and other crops
- The growth of this market is to be propelled by research & development in herbicide manufacturing technology, rising prices of agricultural commodities, and ease of application and handling of synthetic herbicides
- Growth in global Dicamba market is attributed mainly to growing demand for herbicides and advancements in agricultural technologies
- North American region is expected to witness maximum growth. Further, Emerging economies such as Brazil, Argentina, China, and India offer several untapped opportunities

# Awards and Industry Accreditation

## Industry Accreditation for Innovation

Indian Institute of Chemical Engineers bestowed the prestigious **Lala Shriram National Award for “Leadership in Chemical Industry”** to our Chairman Emeritus and founder Shri Chandrakant V. Gogri. in 2015

## Industry Accreditation for Green Chemistry

**Awarded at SERB-IGCW 2017** in “MNC, Large & Medium Scale Industries Category”, for incorporating principles of green chemistry & engineering into manufacturing as well as for the initiatives taken towards pollution prevention while meeting the triple bottom line of People, Profit & Planet

## Industry Accreditation for Exports

**CHEMEXCIL** presented the company, Trishul Award **2014-15** in the Dyes & Dye Intermediaries Panel, Large Scale Sector; Award of Excellency **2015-16** in the Dyes & Dye Intermediaries Panel, Large Scale Sector; Trishul Award **2016-17** in the Dyes & Dye Intermediaries Panel, LSM & Merchant Exporter Sector

## Award for Sustainability

**Forests and Environment Dept.**, Government of Gujarat presented the “Gujarat Cleaner Production Award 2014-15” to team Jhagadia

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



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

Thank You