

INVESTOR UPDATE

PERFORMANCE REVIEW: Q1FY13



AARTI INDUSTRIES LIMITED

RIGHT CHEMISTRY FOR BRIGHTER TOMMOROW



- Aarti Industries - Profile
- Core Strengths
- Segmental overview
- Q1 FY13 Segmental Performance
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- Segmental Revenue Growth Trend
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- Segmental Revenue Growth Trend
- Financial Highlights - over 5 quarters
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- **Leading manufacturer of Speciality Chemicals & Pharmaceuticals** with diversified end-uses in Pharmaceuticals, Agrochemicals, Polymer, Additives, Surfactants, Pigments, Dyes, etc.
- Promoters are **First Generation Technocrats** with sound entrepreneurial Skills.
- Manufacturing units of **Global Scale & Size** and are situated in the State of Gujarat, Maharashtra, Madhya Pradesh and U.T. of Silvassa.
- **Highly integrated Plants** with Cost-Efficient Manufacturing Process,.
- Pioneer to introduce **latest technology** and manufacturing processes in India with the help of **World Class R & D**
- Globally ranks at 1st - 5th Position for majority of its key products

- ◆ Presence in high margin specialty chemicals with diverse applications
- ◆ Global Scale Units
- ◆ Manufacturing more than 125 products
- ◆ Ability to Supply Basket of products to Global Customers & MNCs
- ◆ Tagged as “Strategic Supplier” by various Global MNCs
- ◆ Backward Integration
- ◆ Latest Manufacturing Technology & World Class R&D
- ◆ Superior Cost Management Skills & Economies of Scale
- ◆ Capability to convert by-products into commercially viable product
- ◆ IPRs for Developing Customized Products & Products under Secrecy Agreements
- ◆ Captive Power Plants

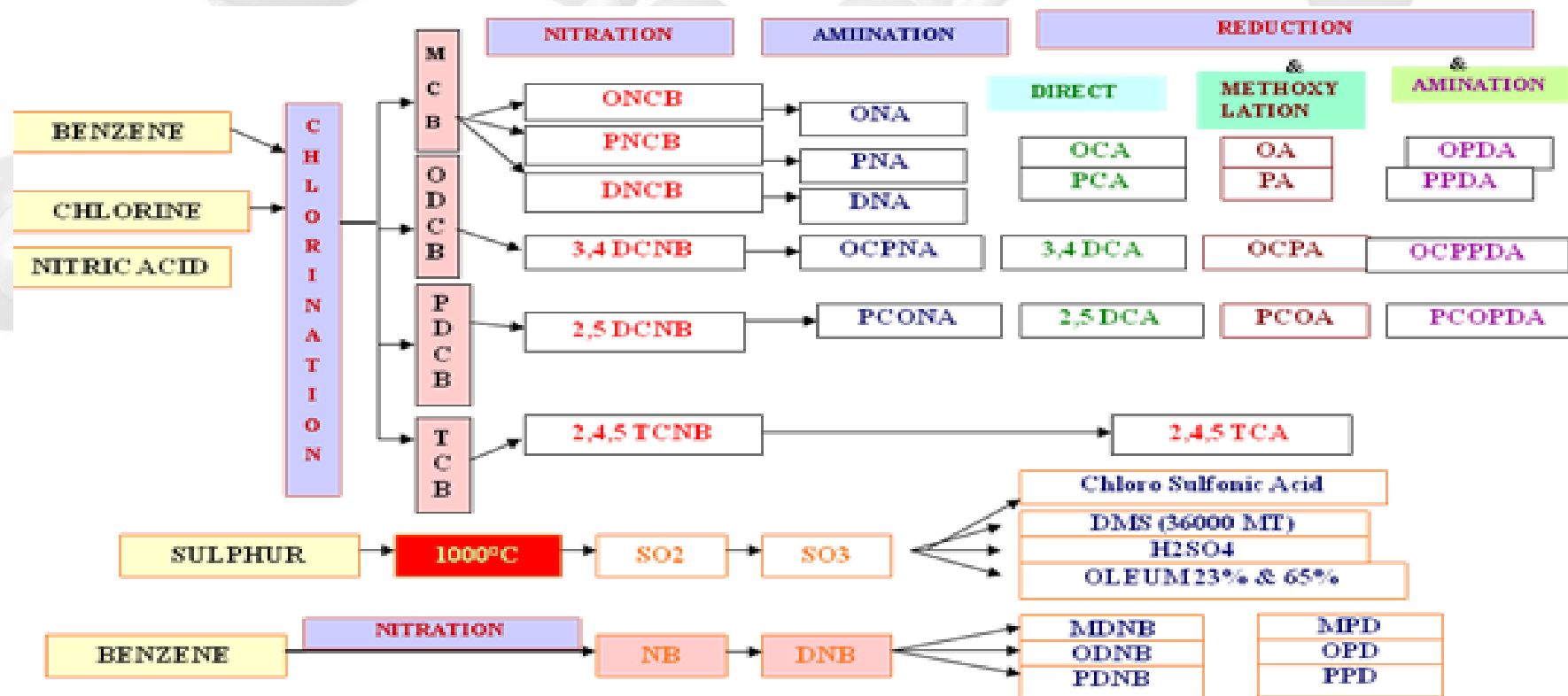
Product & Process Flexibility



AARTI INDUSTRIES LIMITED

A significant portion of Aarti's Production capabilities are process driven and not based on a particular product. This gives Aarti the flexibility to change its input mix and manufacture different products, thereby resulting into optimum utilization of production capabilities

Brief Structure of Aarti Industries' Production Capabilities



Segmental overview



AARTI INDUSTRIES LIMITED

Performance

- Polymer & additives
- Dyes, Pigments, Paints & Printing Inks
- Rubber chemicals, Resins, etc.

Home & Personal Care

- Non-ionic Surfactants
- Concentrates for shampoo, hand wash & dish wash

Agro-ingredients & Fertilizers

- Fertilizer
- Nutrients
- Agrochemicals & intermediates

Pharmaceuticals

- Active Pharmaceutical Ingredients (APIs)
- CRAMS

Q1 FY13 Segmental Performance

(standalone)



AARTI INDUSTRIES LIMITED

In Rs. Lakh

	Performance	Agro	Pharma	H&PC	Total
Income	25,409	10,466	4,803	4,211	44,889
<i>% of Total Income</i>	<i>56.60%</i>	<i>23.32%</i>	<i>10.70%</i>	<i>9.38%</i>	<i>100.00%</i>
Export	13,577	4,922	2,475	776	21,749
<i>% of Sales</i>	<i>53.43%</i>	<i>47.03%</i>	<i>51.53%</i>	<i>18.43%</i>	<i>48.45%</i>
EBIT	4,051	1,870	211	120	6,252*
<i>EBIT Margin</i>	<i>15.94%</i>	<i>17.87%</i>	<i>4.39%</i>	<i>2.85%</i>	<i>13.93%</i>

* Excludes Interest & other un-allocable expenditure of Rs. 2,808 lakh

Condensed Statement of Operations

(standalone)



AARTI INDUSTRIES LIMITED

In Rs. Lakh

Particulars	Q1FY13	% of Total Income	Q1FY12	% of Total Income	Y-o-Y Growth (%)
Income from Operations	43,773	97.51%	38,033	97.63%	15.09%
Other Operating Income	1,116	2.49%	923	2.37%	20.91%
Total Income	44,889	100.00%	38,956	100.00%	15.23%
Operating Expenditure	38,078	84.83%	33,561	86.15%	13.46%
EBITDA	6,811	15.17%	5,396	13.85%	26.22%
Depreciation	1,478	3.29%	1,289	3.31%	14.66%
Other Income	171	0.38%	156	0.40%	9.62%
EBIT	5,504	12.26%	4,263	10.94%	29.11%
Finance Cost	2,060	4.59%	1,746	4.48%	17.98%
Profit Before Tax	3,444	7.67%	2,517	6.46%	36.83%
Tax Expenses	940	2.09%	710	1.82%	32.39%
Profit After Tax	2,504	5.58%	1,807	4.64%	38.57%

Segmental Revenue Growth Trend (standalone)



AARTI INDUSTRIES LIMITED

In Rs. Lakh

Segments	Q1FY12	Q2FY12	Q3FY12	Q4FY12	Annual FY11-12	Q1FY13
Performance Chemicals	26,113	23,371	23,535	23,779	96,798	25,409
Agri-Intermediates & Fertilisers	6,047	8,441	10,072	13,670	38,230	10,466
Pharmaceuticals	3,565	3,834	4,128	4,935	16,462	4,803
Home & Personal Care	3,231	4,251	4,066	4,293	15,841	4,211
Total Income	38,956	39,897	41,801	46,677	167,331	44,889

Financial Highlights – over 5 quarters

(standalone)



AARTI INDUSTRIES LIMITED

In Rs. Lakh

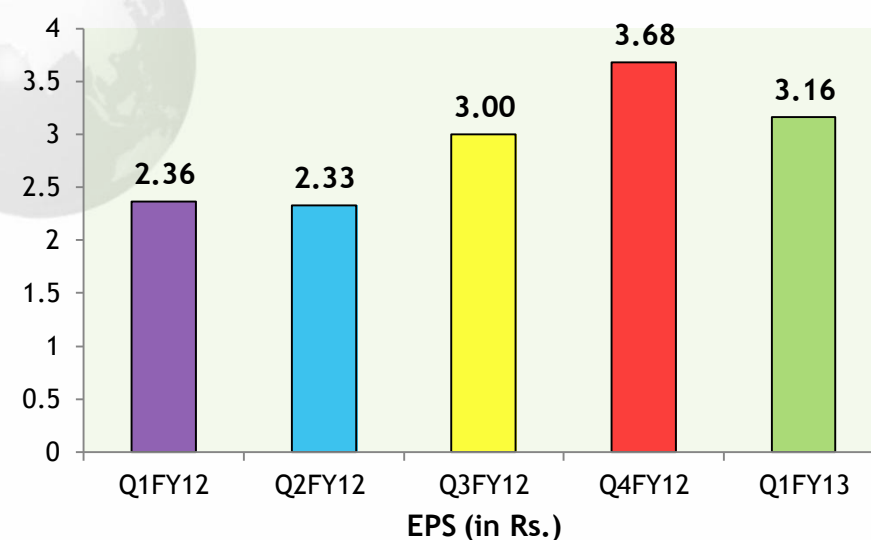
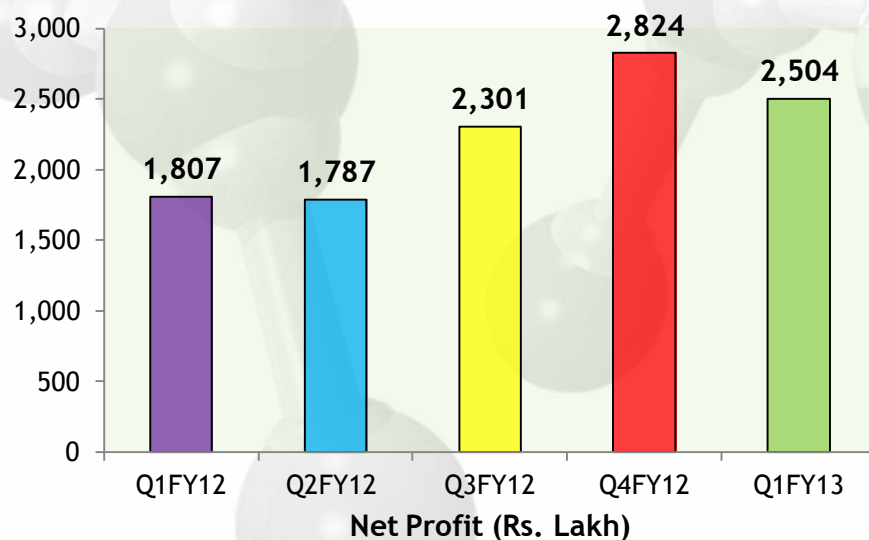
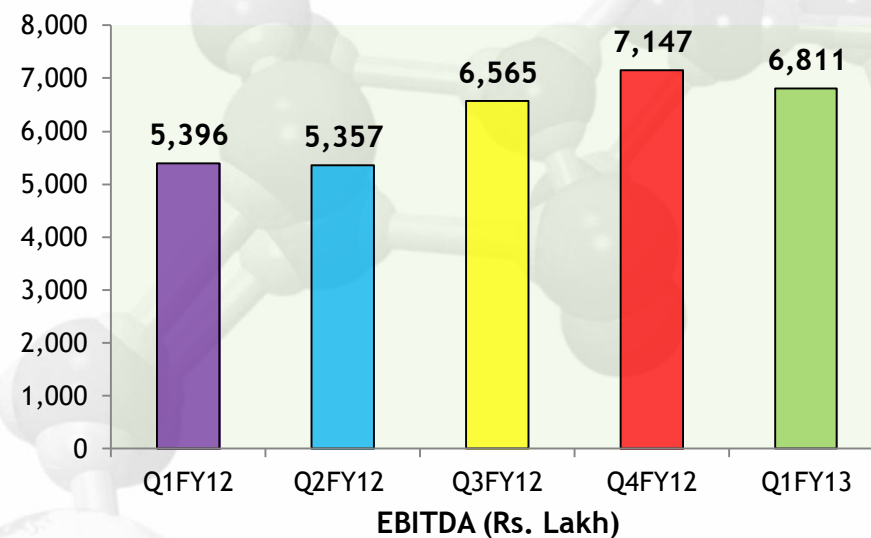
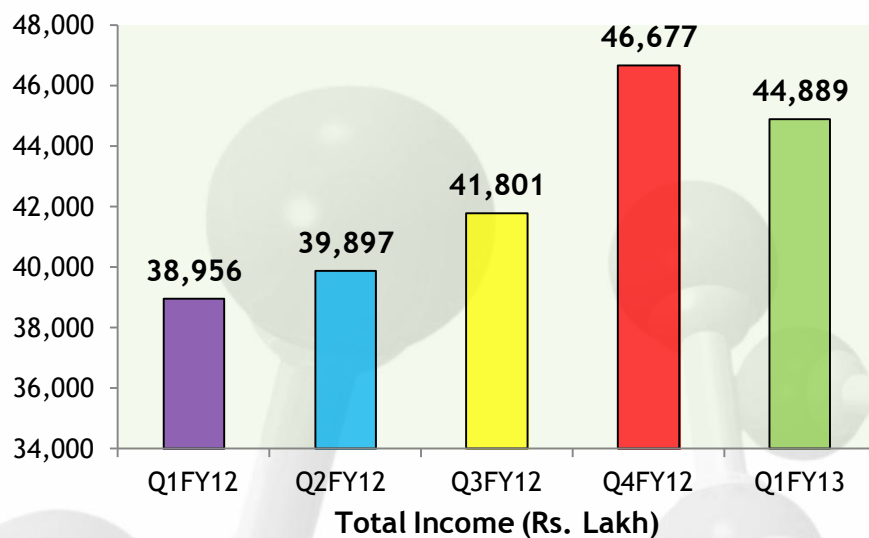
Particulars	Q1FY12	Q2FY12	Q3FY12	Q4FY12	Annual FY11-12	Q1FY13
Total Income	38,956	39,897	41,801	46,677	167,331	44,889
EBITDA	5,396	5,357	6,565	7,147	24,465	6,811
<i>EBITDA Margin</i>	<i>13.85%</i>	<i>13.43%</i>	<i>15.71%</i>	<i>15.31%</i>	<i>14.62%</i>	<i>15.17%</i>
EBIT	4,263	4,094	5,222	5,773	19,352	5,504
<i>EBIT Margin</i>	<i>10.94%</i>	<i>10.26%</i>	<i>12.49%</i>	<i>12.37%</i>	<i>11.57%</i>	<i>12.26%</i>
PAT	1,807	1,787	2,301	2,824	8,719	2,504
<i>PAT Margin</i>	<i>4.64%</i>	<i>4.48%</i>	<i>5.50%</i>	<i>6.05%</i>	<i>5.21%</i>	<i>5.58%</i>
EPS	2.36	2.33	3.00	3.68	11.36	3.16

Financial Highlights – Graphical Layout... 1

(standalone)



AARTI INDUSTRIES LIMITED

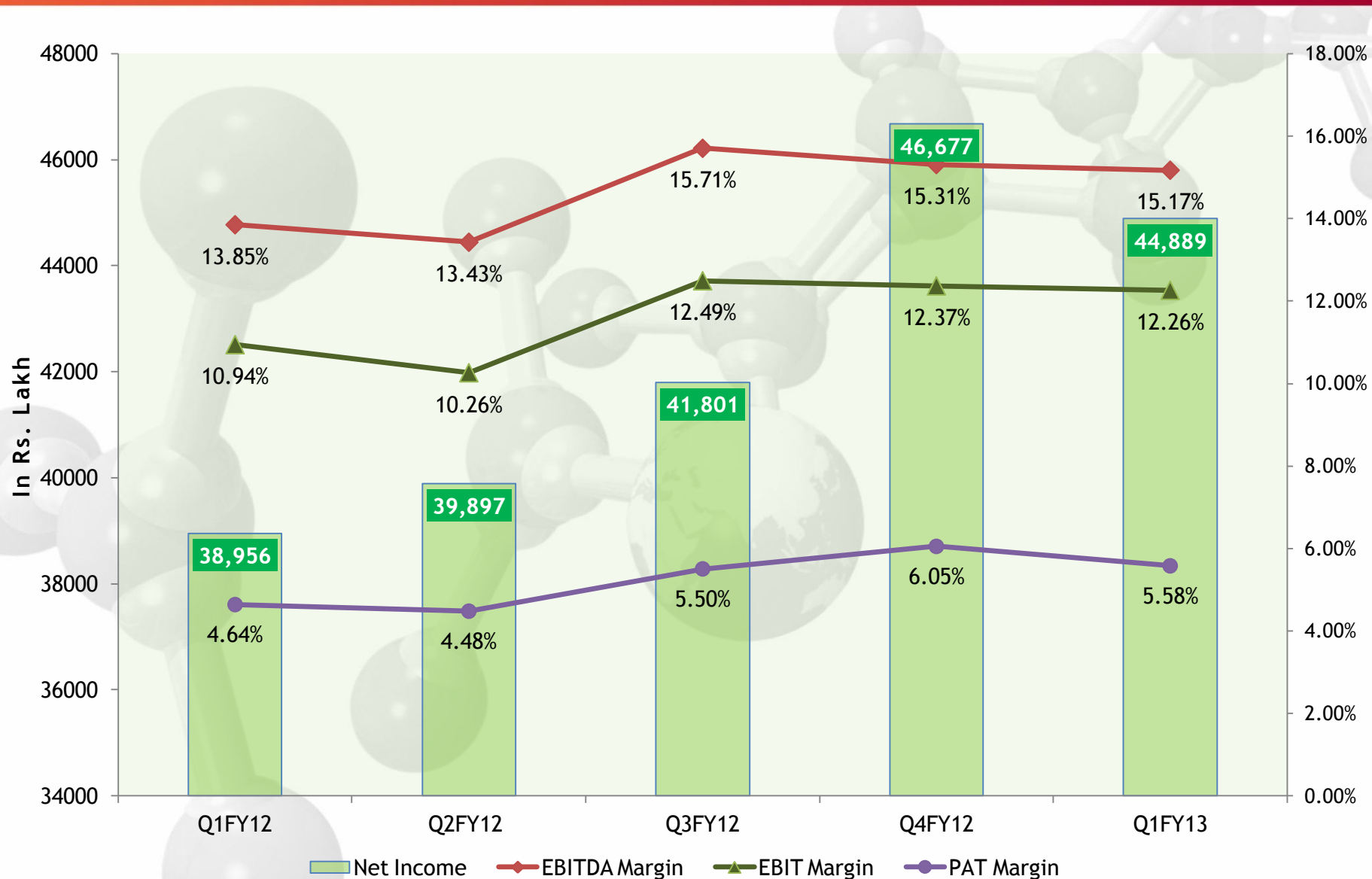


Financial Highlights – Graphical Layout... 2

(standalone)



AARTI INDUSTRIES LIMITED





Jhagadia Unit

- Upgraded to “Zero Discharge” of liquid effluents
- Production of hydrogenation compounds increased to 1,294 tpm in Q1FY13 (v/s 1,052 tpm in Q1FY12). Annual average production for FY12 was 1,165 tpm
- Expansion of present hydrogenation capabilities & backward integrated hydrogen gas generation plant on track. Expected to be commissioned in Q3FY13.
- With availability of captive hydrogen, the volumes for hydrogenated compounds are expected to increase from end of Q3FY13.



Vapi Unit

- A Japanese Company (for a key Pigment Intermediate) has officially closed down its production. In process of finalizing deals with new customers - an opportunity arising from the closure of the Japanese company.
- Manufacturing unit for this pigment intermediate being expanded to cater to the additional demand



Agri- Ingredients & Fertilizers

- Exports of Agri-Ingredients at Rs 49.22 crore in Q1FY13 v/s annual exports of Rs 142.89 crore for FY12 (Rs 24.13 crore for Q1FY12)
- Production for SSP (fertilizer) for Q1FY13 at 13,700 MT v/s annual production of about 63,000 for FY12
- Granulator for SSP commissioned recently
- Expansion of SSP Production capacities at final stages

Key Developments – Pharmaceutical (operating highlights)



AARTI INDUSTRIES LIMITED

Pharmaceut
ical

- An intermediate unit upgraded to “Zero Discharge” of liquid effluents.
- Exports of Pharma products at Rs 24.75 crore in Q1FY13 v/s annual exports of Rs 61.07 crore for FY12 (Rs 13.51 crore in Q1FY12).
- Share of exports in total segment revenue increased to over 51% in Q1FY13 vis-à-vis the annual average of 37% in FY12.
- EBIT from Pharma for Q1FY13 at Rs 2.11 crore v/s Annual EBIT of Rs 4.19 crore for FY12.



Thank You

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Annexure – Financial Statements

AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2012.

Sr. No.	Particulars	3 Months Ended			12 Months Ended
		30th June, 2012	31st March, 2012	30th June, 2011	31st March, 2012
		Audited	Audited	Audited	Audited
1	Income from Operations				
	a) Net Sales/Income from operation (Net of excise duty/VAT)	43,773	45,623	38,033	163,226
	b) Other Operating Income	1,116	1,054	923	4,105
	Total Income from Operations (Net)	44,889	46,677	38,956	167,331
2	Expenses				
	a) Cost of Material Consumed	24,756	25,961	19,778	97,876
	b) Purchases of Stock-in-trade	5,828	3,812	3,692	14,049
	c) Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade	(604)	434	(178)	(2,354)
	d) Employee Benefits Expenses	1,122	1,225	944	4,552
	e) Depreciation and Amortisation Expense	1,478	1,416	1,289	5,397
	f) Other Expenses	6,976	8,098	9,325	28,744
	Total Expenses	39,556	40,946	34,850	148,264
3	Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	5,333	5,731	4,107	19,067
4	Other Income	171	42	156	284
5	Profit/(Loss) from Ordinary Activities before Finance Costs and Exceptional Items (3+4)	5,504	5,773	4,263	19,351
6	Finance Costs	2,060	1,847	1,746	7,151
7	Profit/(Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	3,444	3,926	2,517	12,200
8	Exceptional Items	-	-	-	-
9	Profit/(Loss) from Ordinary Activities before Tax (7-8)	3,444	3,926	2,517	12,200
10	Tax Expenses				
	a) Provision for Taxation-Current	825	980	600	3,230
	b) Provision for Deferred Tax	115	122	110	251
	Total Tax Expenses	940	1,102	710	3,481
11	Net Profit/(Loss) from Ordinary Activities after Tax (9-10)	2,504	2,824	1,807	8,719
12	Extraordinary Items (Net of Tax Expense ₹)	-	-	-	-
13	Net Profit/(loss) for the period (11-12)	2,504	2,824	1,807	8,719
14	Share of Profit/(Loss) of Associates	-	-	-	-
15	Minority Interest	-	-	-	-
16	Net Profit/(Loss) after Taxes, Minority Interest and Share of Profit/(Loss) of Associates (13+14+15)	2,504	2,824	1,807	8,719
17	Paid-up Equity Share Capital (Face Value of ₹ 5/-each)	3,956	3,956	3,836	3,956
18	Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year	-	-	-	47,309
19.i	Earnings Per Share (before Extraordinary Items) (of ₹ 5/- each) (not annualised)				
	a) Basic	3.16	3.68	2.36	11.36
	b) Diluted	3.16	3.68	2.36	11.36
19.ii	Earnings Per Share (after Extraordinary Items) (of ₹ 5/- each) (not annualised)				
	a) Basic	3.16	3.68	2.36	11.36
	b) Diluted	3.16	3.68	2.36	11.36

SEGMENTWISE REVENUE AND RESULTS UNDER CLAUSE 41 OF LISTING AGREEMENT

Sr. No.	Particulars	3 Months Ended			12 Months Ended
		30th June, 2012	31st March, 2012	30th June, 2011	31st March, 2012
		Audited	Audited	Audited	Audited
1	Segment Revenue				
	a) Performance Chemicals	25,409	23,779	26,113	96,798
	b) Agri-Intermediates & Fertiliser	10,466	13,670	6,047	38,230
	c) Pharmaceuticals	4,803	4,935	3,565	16,462
	d) Home & Personal Care Chemicals	4,211	4,293	3,231	15,841
	Total	44,889	46,677	38,956	167,331
2	Segment Results Profit / (Loss)				
	Before Tax and Interest from each Segment				
	a) Performance Chemicals	4,051	4,226	3,324	14,180
	b) Agri-Intermediates & Fertiliser	1,870	2,222	1,538	7,541
	c) Pharmaceuticals	211	76	84	419
	d) Home & Personal Care Chemicals	120	136	118	492
	Total	6,252	6,660	5,064	22,632
	Less: Interest	2,060	1,848	1,746	7,151
	Other Unallocable Expenditure (Net)	748	886	801	3,281
	TOTAL PROFIT BEFORE TAX	3,444	3,926	2,517	12,200

Segmental Capital Employed :

Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Company believes that it is currently not practicable to provide segment disclosures relating to Capital Employed.



- AARTI INDUSTRIES LIMITED may, from time to time, make additional written and oral forward looking statements, including statements contained in the company's filings with Bombay Stock Exchange and National Stock Exchange, and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the AARTI INDUSTRIES LIMITED.
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