

Ref. No: AIL/B-40/2020/083

April 23, 2020

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

BSE CODE –524208

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

Sub: Press Release
Ref.: Regulation 30 of the SEBI (LODR)
Regulations, 2015.

Please find enclosed herewith copy of Press Release issued by the Company.

Please take note of the above.

Thanking you,

Yours faithfully,

FOR AARTI INDUSTRIES LIMITED


RAJ SARRAF
COMPANY SECRETARY

ICSI M. NO. A15526

Encl.: as above.

Aarti Industries Limited: Corporate Update

Mumbai, April 23, 2020:

Based on recent developments worldwide over last couple of months, we would like to share an update on our business as below.

During Q4FY20, we had commissioned and commercialised the initial phase of our upcoming unit/ project at Dahej SEZ and had also exported few shipments to our global customers. These, and other upcoming expansions, are expected to create significant benefits as India strengthens its position and market share in global supply chains that are increasingly looking to source from fully-integrated players with no dependency on China.

Also, our fourth R&D centre located at Navi Mumbai was also made operational in the month of March 2020. This centre will facilitate further enhancement of our product portfolio and also augment our reaction capabilities in other niche speciality chemical segments. Based on our R&D initiatives, we are looking to expand our portfolio into chloro-toluene products and additional downstream chemistries such as photo-chlorination, and the like. Now, with the enhancement of our R&D capabilities, we expect to enter additional new lines of chemistry and products. The focus will be on supply chains for value-added products requiring multiple levels of synthesis and completely independent of intermediate supplies from China.

The spread of COVID-19 worldwide brings about a sudden change across all the sectors and regions globally. It has forced various government to take harsh decisions in order to protect its people getting affected. Following the directives of the Central Government and also faced with logistics-related challenges for the movement of raw materials, finished goods, manpower etc, the chemical manufacturing facilities of the company had initially gone into temporary shutdown or safe mode in a phased manner; while the pharma business, being included in essential goods has continued manufacturing operations throughout this period. Subsequently, based on our wider product profile that includes key ingredients for various pharma/agrochemical intermediates, which are included in essential goods, we applied and were granted permissions to operate our chemical manufacturing facilities and to enable movement of critical workforce, materials, etc. After securing the supply chain, logistics and mandatory compliance requirements, we have resumed operations at all our manufacturing units since the first half of April. The units are currently operating at about 50-80% capacity utilization. While managing our production facilities, all key standard operating procedures (SOP's) for safety and health of employees and workers are being strictly followed to create a work ecosystem based on social distancing norms, sanitized facilities and restrictions on the movement of people as prescribed by the local authorities.

At present, in line with the Government advisory, the company's other establishments such as the offices at Mumbai and Vadodara as well as R&D units are temporarily closed and work-from-home has been facilitated for the convenience and safety of all our employees. Meanwhile, the management continues to closely monitor all key developments across its various products and end markets and is taking adequate steps to address any impending issues.

Overall, we believe India continues to emerge as a global sourcing destination with strong demand from customers both in India and globally. As a part of this emerging trend, leading intermediate players such as AIL are helping innovator companies and other buyers meet their business objectives by creating robust, steady supply chains independent of China. Over the longer term horizon, we continue to have positive visibility for our products across many usage segments, which we believe will allow us to ingrain deeper into global supply chains.

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About Us:

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

AIL has de-risked portfolio that is multi-product, multi-geography, multi-customer and multi-industry. AIL has 200+ products, 700+ domestic customers, 400+ export customers spread across the globe in 60 countries with major presence in USA, Europe, Japan. AIL serves leading consumers across the globe of Speciality Chemicals and Intermediate for Pharmaceuticals, Agro Chemicals, Polymers, Pigments, Printing Inks, Dyes, Fuel additives, Aromatics, FMCG and various other speciality chemicals. The diversified end-use mix with Agrochemicals, Pharmaceuticals and FMCG (which are generally agnostic to economic cycles) contributes about 50-60% of AIL’s revenue, while other end-user industry such as Polymers, Pigments, Printing Inks, Dyes, Fuel additives, Aromatics, etc (which are generally dependent on global and domestic economic cycle) accounts for the balance 40-50% of AIL’s revenue. This mix provides a steady growth opportunity and stability on AIL’s business.

AIL is committed to Safety Health & Equipment Quality with environment polices mapped to global benchmarks ensuring customer confidence and business sustainability. The Company has 12 Zero Discharge units and a strong focus on Reduce-Reuse-Recover across its 15 manufacturing sites.

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

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

For further information on the Company, please visit www.aarti-industries.com

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DISCLAIMER:

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