



Lower Topline due to Lower RM Prices, however volumes growth pushes profits up.

Mumbai, May 14, 2015: Aarti Industries Limited (AIL), a leading chemical company, yesterday declared its financial results for the fourth quarter and the full financial year ended March 31, 2015. The Company provides the Y-O-Y Comparison as below:

Total Income stood at Rs. 678 crore in Q4 FY 2015, compared to Rs. 744 crore in Q4 FY 2014, inspite of Y-o-Y volume growth of 13%. Lower Topline is a result of lower RM prices. The fall in crude prices which began in Q3 FY 2015 had extended in Q4 FY 2015 as well. As a result the prices of crude-linked products had also declined in similar manner. Benzene which is one of our major raw materials and had also followed the trend and had fallen from the price of Rs. 90 per kg for Q4 FY 2014 to about Rs. 70 per kg for Q3 FY 2015 and further below upto Rs 50 in Q4 FY 2015. Similar to Benzene, there had been fall in prices of other RMs viz Methanol, Aniline, Phthallic Anhydride etc, which had resulted the fall in topline of the company.

Since the company's product pricing is on Cost Plus basis, EBIDTA per KG is constant, hence increase in volumes results into higher absolute EBIDTA. **Thus, Operating profit for Q4 FY 2015 increased by 12.28% to Rs 118.54 crores as against Rs 105.57 crores for Q4 FY 2014. Operating Margins for Q4 FY 2015 increased to 17.50% as compared to 14.18% for Q4 FY 2014.**

Further Company's inventory of Benzene as a raw material is not more than 4 to 5 days due to significant volume of daily consumption and further due to limitation of Storage facility. Hence there would not be a major impact of price fall on the RM inventories. However, Benzene would also be present as a component of various final products in our overall value chain. As a result the inventory is subjected to mark down by about Rs 10-11 crore for Q4FY 2015. **Hence had these inventory markdown not been there, then the Operating profits for Q4 FY 2015 would be further more by 11 crores and might be somewhere about Rs 129 crores, as compared to the Operating profit of Q4 FY 2014 of Rs 106 crores where there was no such inventory markdowns.**

Net profit Before Tax stood at Rs. 69 crore in Q4 FY 2015, a rise in 25.45 % as compared to Rs. 55 crore in Q4 FY 2014. And the PAT grew by 12.64% at Rs. 52.76 crore for Q4FY 2015 as compared to Rs. 46.84 crore for Q4 FY 2014. During Q4 FY 2014, the provisions for Taxes were lower due to higher provision in previous periods. On account of this, eventhough the PBT had grew by over 25% in Q4 FY2015 over Q4 FY2014, growth in Y-o-Y growth in PAT was limited to 12.64%.

On a Consolidated basis, the Company's Annual Total Income for FY 2015 stood at Rs. 2907.96 crore, up by 10.46 % as compared to Rs. 2,632.49 crore in FY 2014. Operating Profit rose by 16 % to Rs. 465.69 crore for FY 2015 as compared to Rs. 401.48 crore in FY 2014, Net Profit rose by 26.74 % to Rs. 205.88 crore for FY 2015 as compared to Rs. 162.44 crore in FY 2014 and the EPS at Rs. 23.24 for FY 2015, up by 26.72 % as compared to Rs. 18.34 in FY 2014.

About Aarti Industries Ltd (NSE Symbol: AARTIIND; BSE Scrip Code: 524208)

Aarti Industries Ltd (<http://www.aartigroup.com>), incorporated in the year 1984 and listed on stock exchanges in 1992, is a well known name in the field of Chemical Industry and is a leading supplier to global manufacturers of Dyes, Pigments, Agrochemicals, Pharmaceuticals & rubber chemicals.

Aarti Industries Ltd (AIL) is also a leading domestic player in nitrochlorobenzene (NCB) based specialty chemical business with the largest domestic manufacturing capacity of 60,000 tonnes per annum. The company offers over 150 products and is the market leader in more than 75% of its top 50 products. AIL has 16 manufacturing units spread across Gujarat, Maharashtra, Madhya Pradesh and Silvassa.

AIL is among the largest producers of benzene based basic and intermediaries in India. It is also among the largest integrated manufacturers of dimethyl sulphate (DMS), an organic specialty chemical which uses methanol and sulphur as feedstock

AIL has a diversified end-user base for its products with application into end-user industries such as dyes, pigments, FMCG, agrochemicals, pharmaceuticals, polymers etc. It has wide customer base of over 1,000 customers spread over 60 countries across the globe with major presence in USA, Europe, Japan and India.

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