

Aarti Industries gets High Court's nod for Anushakti Chemicals demerger

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Aarti Industries, a leading manufacturer and exporter of chemicals and pharmaceuticals, said it has received the required approval from the High Courts for arrangement of the demerger of manufacturing business undertaking of Anushakti Chemicals and Drugs Ltd (Anushakti) into itself.

"We have received the required approval from the Gujarat High Court and Bombay High Court for the demerger scheme. With this the scheme becomes effective with effect from April 1, 2012. Merged financial of Aarti including Anushakti will be approved by the board at the upcoming board meeting to be held on 16th May, 2013," Aarti Industries chairman and managing director, Rajendra Gogri said.

The company, in its endeavour to consolidate operations and as a part of their overall corporate restructuring, had proposed to demerge the manufacturing operations of its associate company Anushakti into Aarti Industries w.e.f 1st April 2012. Shares of AIL are listed on the NSE and BSE.

Anushakti is mainly engaged into manufacturing of various speciality chemicals with applications into end-user segments of performance chemicals, agrochemicals and pharmaceuticals. The company has its manufacturing units at in the state of Gujarat and Maharashtra & a Pharma R&D Centre in the State of Maharashtra. This would help to increase the volumes of existing range of products and also facilitate addition of newer products with divergent end users into fuel, additives, polymers etc., having high growth possibilities. The consolidation will help reduce the intercompany transaction and improve the overall operating margin of the merged entity. Thus top line, EBIDTA and bottom line of merged entity will increase. Aarti's Board

shall approve consolidated figures for the year ended March, 2013 on 16th May, 2013.

For the financial year ended March 31, 2012, Anushakti's manufacturing division had posted a turnover of Rs 339.5 crore (of which exports were Rs 99.2 crore) and profit before tax for FY2011-12 has been Rs 37 crore. Gross block and net block as at March 31, 2012 were Rs 165 crore and Rs 96.3 crore, respectively.

Aarti Industries Ltd, incorporated in the year 1984 and listed on stock exchanges in 1992, and 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. It is a leading supplier to global manufacturers of Dyes, Pigments, Agrochemicals, Pharmaceuticals & rubber chemicals.