



**Aarti Drugs Limited**

Manufacturers of : Bulk Drugs & Chemicals

**Corporate Office :** Mahendra Industrial Estate,  
Ground Floor, Plot No. 109-D, Road No. 29,  
Sion (East), Mumbai - 400 022. (India)  
Tel.: 022-2407 2249 / 2401 9025 (30 Lines)  
Fax.: 022-2407 3462 / 2407 0144  
Email: admin@aartidrugs.com  
website: www.aartidrugs.com  
CIN No.:L37060MH1984PLC055433

**Ref: ADL/SE/2024-25/92**  
**October 24, 2024**

To,  
Listing/ Compliance Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
**BSE CODE: 524348**

To,  
Listing/ Compliance Department  
**National Stock Exchange of India Limited,**  
“Exchange Plaza”, Plot No. C/1,  
G Block Bandra - Kurla Complex,  
Bandra (East), Mumbai – 400051  
**NSE SYMBOL: AARTIDRUGS**

Dear Sir/Madam,

**Sub:** Investor Presentation

**Ref:** Regulation 30 of SEBI (LODR) Regulations, 2015

Please find attached herewith Q2 & H1 FY25 Investor presentation of the Company for your records.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**FOR AARTI DRUGS LIMITED**

**RUSHIKESH DEOLE**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
ICSI M. No.: F12932



# AARTI DRUGS LIMITED

Q2 & H1 FY25 Investor Presentation





This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Aarti Drugs Limited** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

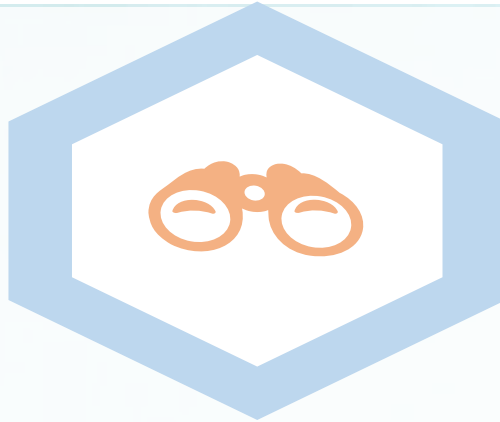


# Table of Contents

- [Company Overview](#) .....04-18
- [Industry Overview](#) .....19-22
- [Aarti 2.0: Sustainable Growth & Long-term Value Creation](#) .....23-32
- [Financial Highlights](#) .....33-36
- [Historical Performance at a Glance](#) .....37-43



# Company Overview



## Vision

**We shall become the first-choice vendor of Bulk Drugs and achieve a leadership position by:**

- Assuring consistent quality and timely delivery at competitive price
- Providing customized solutions and service to meet changing requirements of customers
- Aim at customer orientation through continuous technology upgrade, high business ethics and new product development
- Adopt processes supported by proven technologies, which are cost effective and safe
- Choose the best and the most flexible manufacturing practices and methods



## Mission

- Seek global market leadership
- Focus on growth and development of the product
- Continue to create winning culture, operating in highest standards of ethics and values with co-operation among competitors
- Strive for excellence in customer service, quality and R&D



## Shri Chandrakant V. Gogri - Chairman Emeritus

A founding member of the Aarti Group, Shri Chandrakant V. Gogri holds a Chemical Engineering degree from the Institute of Chemical Technology (ICT), [formerly known as the University Department of Chemical Technology]. His experience in areas encompassing Projects, Operations, Process Development, Local and International Marketing in the Chemical and Pharmaceutical industry is remarkable with experience of 50+ years. He is one of the Company's Founder Promoters. He retired as the Chairman on August 16, 2012, and has, on request of the Board, accepted the post of Chairman Emeritus for his valued guidance and expertise.

## Shri Prakash M. Patil - Chairman, MD & CEO

Shri Prakash M. Patil is Chairman, Managing Director and Chief Executive officer (CEO) of the Company and has been associated since inception of the Company's operations. He holds a degree of B.E. – Chemical from Institute of Chemical Technology (ICT) [formerly known as University Department of Chemical Technology]. He has more than 40 years of experience in the field of Chemical & Pharmaceutical Industry. He has expertise in Product Identification, Project Conceptualisation, Planning, Project Engineering & Implementation. His technical experience has helped the Company to emerge as one of the leading Pharmaceutical Company in the country.

## Shri Rashesh C. Gogri - Managing Director

Shri Rashesh C. Gogri has been the Managing Director of the Company since September 26, 2014. Prior to that, he held the position of Whole time Director of the Company since October 2012. He holds a Production Engineering degree from Mumbai University and has more than 21 years of experience in Production, Marketing and Project Implementation in the Chemical and Pharmaceutical industry. He also serves as the Vice-Chairman & Managing Director of Aarti Industries Limited and Chairman of Aarti Pharmed Labs Limited.

## Shri Harshit M. Savla - Joint Managing Director

Shri Harshit M. Savla is the Joint Managing Director of the Company. He is associated with the Company since 1987. He is a Commerce Graduate having more than 36 years of experience in Finance, Exports and Administration. He played a crucial role in expanding the API and Formulation business of the Company.

## Shri Harit P. Shah - Executive Director

Shri Harit P. Shah has been Executive Director of the Company since September 1995. He is a Commerce Graduate and has experience of more than 36 years in the handling commercial functions encompassing Sales, Purchases and Exports. He looks after local sales and exports as well. He has in-depth knowledge of the Pharmaceutical industry.

## Shri Uday M. Patil - Executive Director

Shri Uday M. Patil has been Executive Director of the Company since October 2000. He has more than 36 years of experience in factory administration work and liaisoning with various Government/Semi-Government Departments and agencies.

## Shri Narendra J. Salvi - Non-executive Director

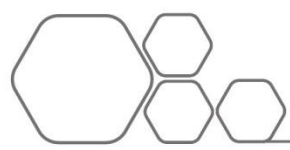
Shri Narendra J. Salvi is a Non-Executive Director of the Company since August 2020. He has over 36 years of expertise in the API industry. He also serves as the Managing Director of Aarti Pharmed Labs Limited, where he oversees the operation, projects, regulatory compliances and sustainability initiatives.

## Shri Adhish P. Patil - Chief Financial Officer & Chief Operating Officer

Shri Adhish P. Patil is a proven leader with 18 years of experience in Manufacturing Operations, Finance, Investor Relations, Regulatory Compliance, Consulting, Systems Engineering and Information Technology for the Pharmaceutical and Consulting industries. He has a Bachelor of Engineering (IT) degree from Mumbai University. He is a gold medalist from the University of Florida's Warrington College of Business Administration with an MBA in Finance and Marketing. He was named to the coveted 'Top 100 CFOs India 2014' list. Additionally, he was a part of the coveted list of 'Top 200 CFOs in India,' awarded by StartupLanes in 2023.

## Shri Vishwa H. Savla - Managing Director, Pinnacle Life Science Private Limited

Shri Vishwa H. Savla is the Managing Director of subsidiary Company, Pinnacle Life Science Private Limited. He is MBA from Indian School of Business (I.S.B.) and graduation from Aston University (U.K). He has experience of 10 years in Pharmaceutical Industry and involved in the operations of the Pinnacle and Aarti Drugs since inception of formulation business by the Companies. He has expertise in Strategy Management, Export Business, and Market Research in Formulation business.



# Independent Directors



## **Shri Ankit V. Paleja - Independent Director**

Shri Ankit V. Paleja is an Independent Director of the Company. He is a qualified lawyer. He holds double Bachelor's degrees in Legal Science and Law. With around 16 years of work experience, he is presently a partner in the law firm Crawford Bayley and Co. (advocates & solicitors). He is experienced in handling Equity Investments, Mergers and Acquisitions, Banking and Finance and general corporate transactions among others. He has been awarded the 'Under 40 Rising Star Award' by Legal Era. His previous engagement was with the law firm Little & Co.



## **Prof. Bhaskar N. Thorat - Independent Director**

Prof. Bhaskar N. Thorat is an Independent Director of the Company. He holds the degree of M. Chem. Engg. and Ph.D in Chemical Engineering from Institute of Chemical Technology (formerly known as UDCT). He is a Senior Professor of Chemical Engineering at Institute of Chemical Technology, Mumbai. He has been recognised with many awards and honours and has more than 100 research publications in reputed international journals.



## **Smt Neha R. Gada - Independent Director**

Smt Neha R. Gada is an Independent Director of the Company. She is a Chartered Accountant and an Insolvency Professional. She has an experience of over 21 years in compliance pertaining to Securities Law and Corporate Laws. She is a co-founder of Dhhanish Advisors Private Ltd.



## **Shri Hasmukh B. Dedhia - Independent Director**

Shri Hasmukh Bhavanji Dedhia is an Independent Director of the Company. He is a Chartered Accountant and also holds DISA(ICAI). He has an experience of over 40 years in handling Audits, Due diligence, Consultancy and Business Restructuring. He possesses rich experience in the fields of Internal Auditing and control enhancement aspects.



## **Shri Sandeep M. Joshi - Independent Director**

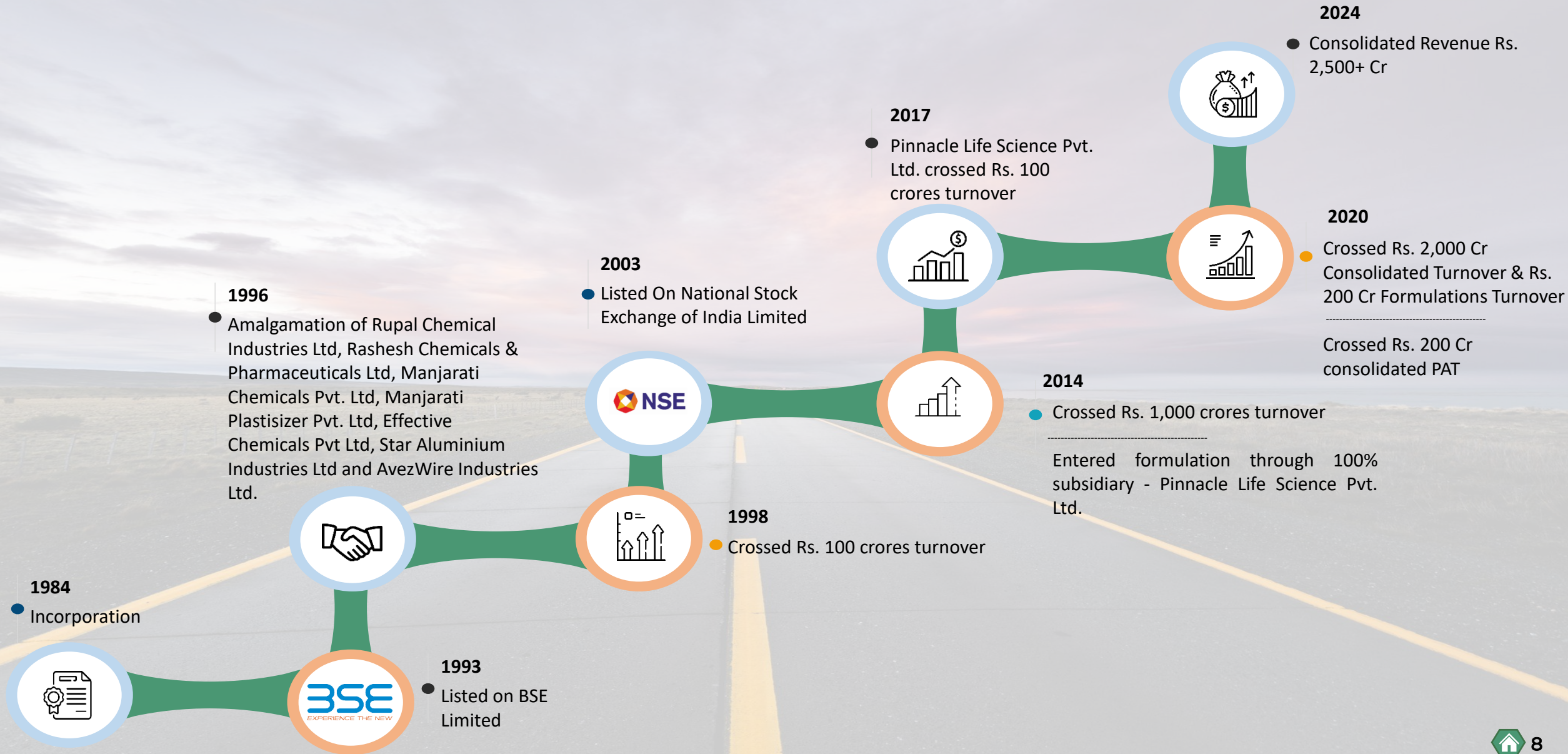
Shri Sandeep M. Joshi is an Independent Director of the Company. He is a graduate in Chemistry from Mumbai University and completed his M.B.A Degree from Pune, Symbiosis Institute of Business Management. He has 25 years of experience in export marketing and business development with companies in India and abroad.



## **Shri Ajit E. Venugopalan - Independent Director**

Shri Ajit Eledath Venugopalan is an Independent Director of the Company. He is a Chartered Accountant. He is a Banking professional with 30+ years of experience in Banking & Finance domain.







# Key Facts & Figures





## Presence Across API, Formulation, Specialty Chemicals, Intermediates Segments



### Active Pharmaceuticals Ingredients (API)

- Leading API producer of 50+ molecules for anti-biotics, antiprotozoal, anti-inflammatory, anti-diabetic & anti-fungal, etc.
- Largest manufacturer of 3 molecules in the world
- One of the largest manufacturer of 2 molecules in the world
- 9 manufacturing units
- Contributes ~92% revenues
- Installed capacity of 45,937 MTPA



### Formulation

- Diversified into formulation through a wholly owned subsidiary Pinnacle Life Science Pvt. Ltd. in 2014
- Adopted flexible manufacturing approach with combination of in-house manufacturing as well as outsourcing model supported by strong in-house R&D
- Manufacturing plant at Baddi, Himachal Pradesh is WHO – GMP approved
- Installed capacity of 3 billion units tablets and 300 million units capsules

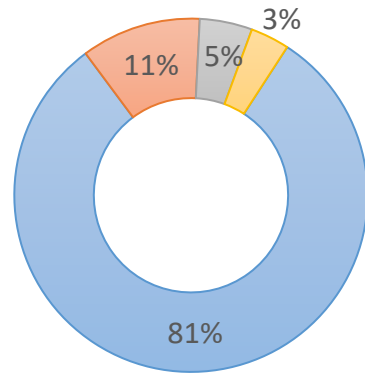


### Specialty Chemicals, Intermediates & Others

- 3 manufacturing units; 1 more facilities coming up (currently under greenfield capex )
- Being backward integrated, supply intermediates of anti-biotics, anti-fungal, anti-inflammatory and cardiovascular to the API manufacturers
- Manufacturer of specialty chemicals in Benzene & Chloro-sulphonic chemistry
- Installed capacity of 11,242 MTPA

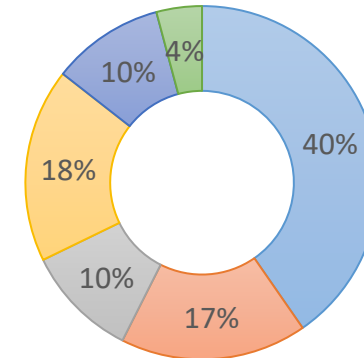


### Segmental Revenue



- API
- Formulation
- Speciality Chemicals
- Intermediates & Others

### Therapeutic-wise Revenue



- Anti-biotic
- Anti-protazol
- Anti-inflammatory
- Anti-diabetic
- Anti-fungal
- Others

***Focus on growing the contribution from lifestyle & chronic therapeutic areas, reducing share from acute therapies***

**Note:** As of Q2 FY25, Therapeutic revenue Includes sale to Pinnacle Life Science



# State-of-the-art Integrated manufacturing facilities

**Sarigam-1**  
WHO-GMP

**Sarigam-2**  
WHO-GMP/ COFEPRIS/CEP

**E-22**

- Australian Government – Department of Health and Ageing - Therapeutic Goods Administration
- EUGMP / WHO-GMP / Japanese Accreditation
- USFDA\*

**G-60**

- ANVISA-Brazil
- WHO-GMP
- COFEPRIS-MEXICO

**E-21**

- WHO-GMP
- K-FDA(Korean FDA)

**N-198**  
EUGMP, WHO-GMP & ISO Certification

**K-40**  
WHO-GMP / COFEPRIS

**W-61**  
EUGMP & WHO-GMP

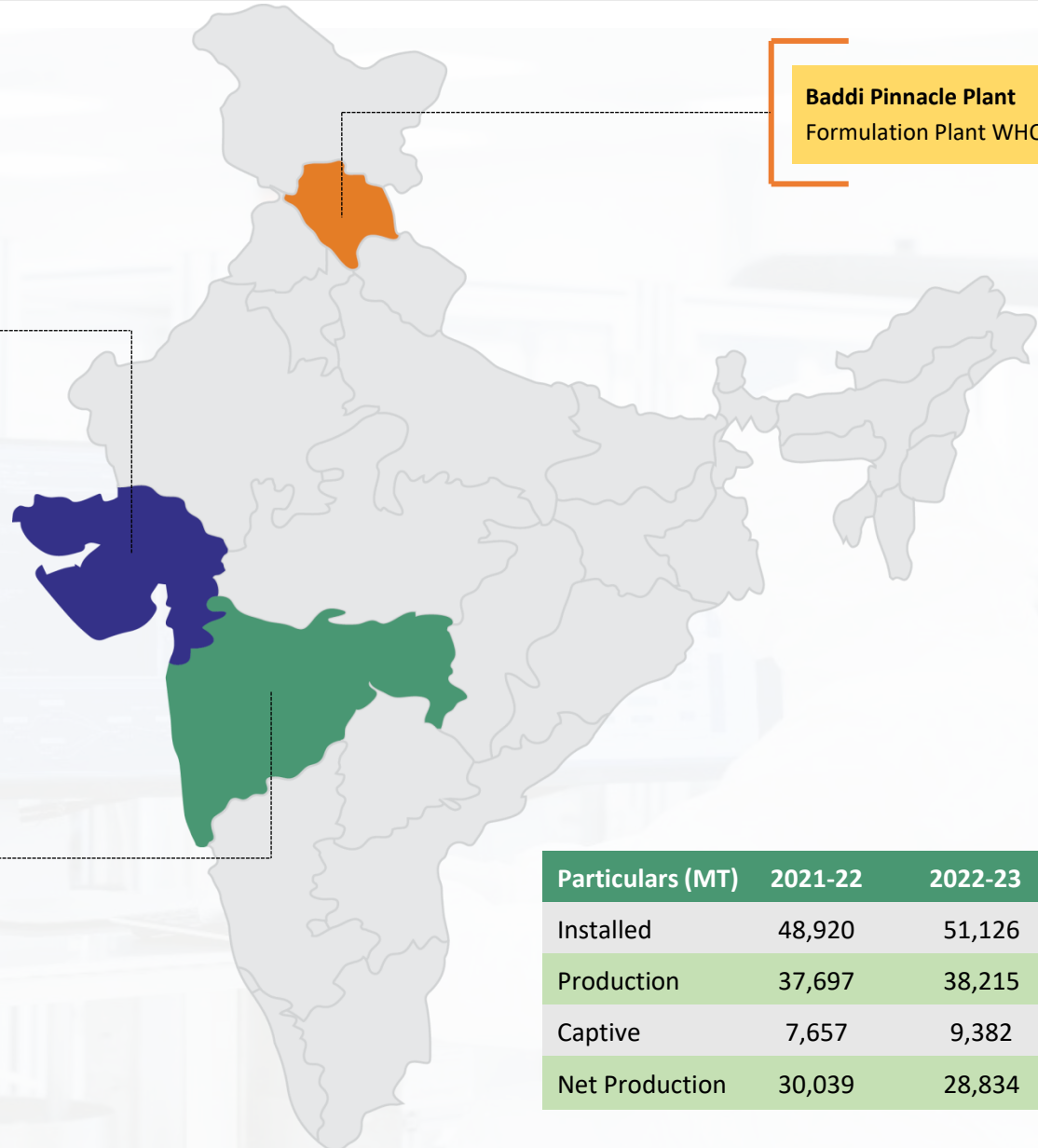
**E-120**  
WHO-GMP

**E-9/3**  
ISO-9001:2008

**T-150**  
Intermediate ISO Certification

**G61/62**  
ISO certification

**Baddi Pinnacle Plant**  
Formulation Plant WHO-GMP



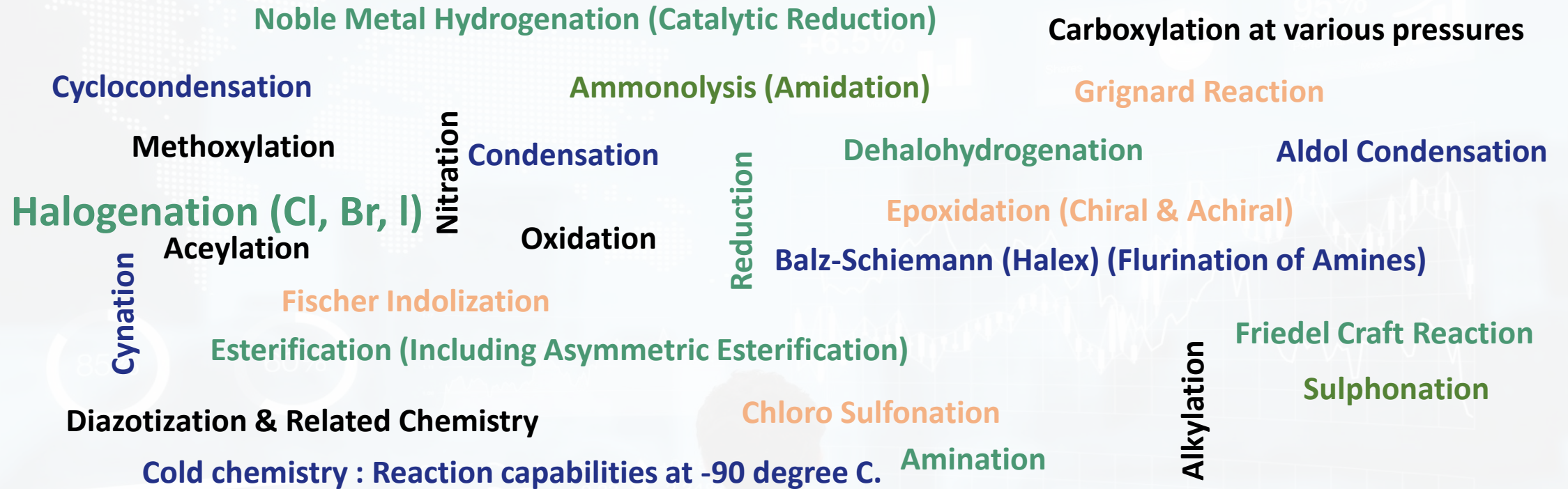
Particulars (MT)	2021-22	2022-23	2023-24
Installed	48,920	51,126	57,179
Production	37,697	38,215	41,091
Captive	7,657	9,382	9,864
Net Production	30,039	28,834	31,227

\*Import alert under resolution

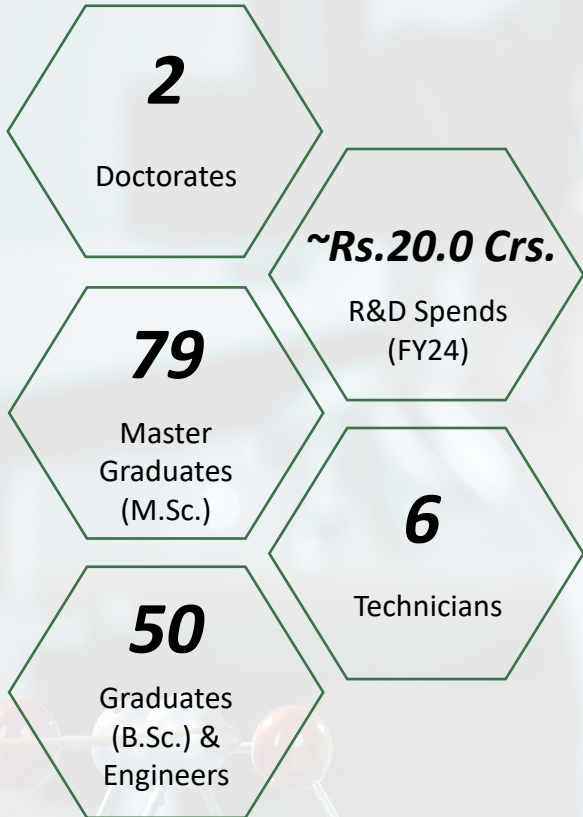
Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.



## Reaction Capabilities



- The capacity of **Multi-purpose plant ranges from kilograms to multi tons levels**
- Long term experience of **Multi-step synthesis and fractionations at high temperatures**
- **Total reaction capacity in excess of 1300 KL, consisting of SS and GL reactors across its units, varying from 0.5 KL – 18 KL**



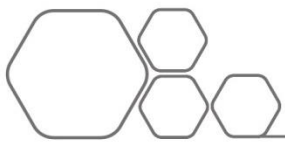
## R&D Center at Tarapur

- Supports manufacturing facilities at Tarapur and Sarigam on API process development
- Pilot plant used for kilo scale manufacturing
- Recognized by Department of Science and Industrial Research (DSIR) Government of India
- Frequent visits of Experts and Professors from ICT and Council of Scientific and Industrial Research (CSIR) for guidance for product development

## R&D Center at Turbhe, Mumbai

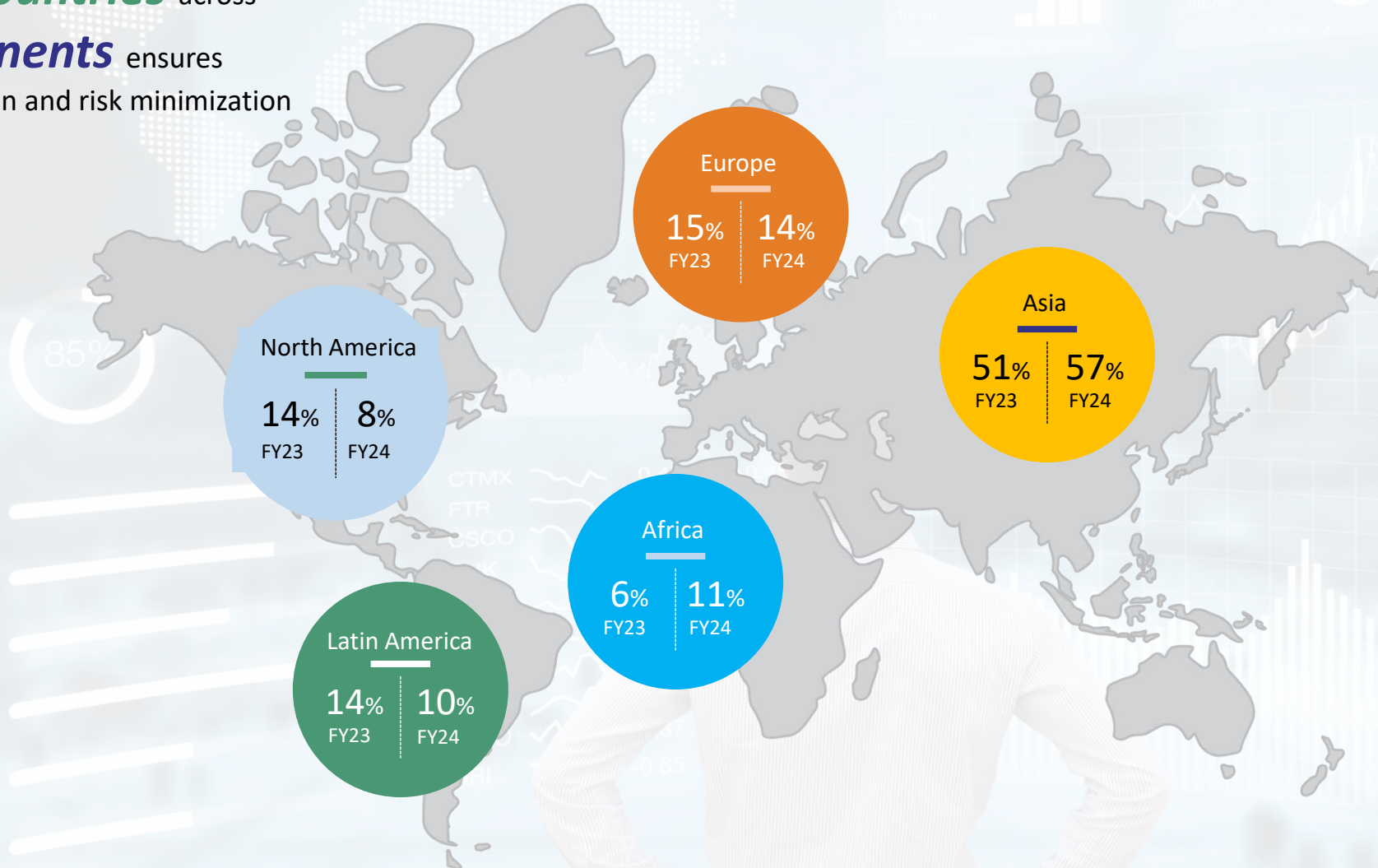
- Supports development of complex generics for in-house formulation business
- Developing complex oral solids for Regulated as well as Emerging markets

- Well supported by in-house project management team to ensure timely implementation of new products on commercial scale
- Developed 30+ APIs (new and existing) in last 5 years
- Developing new age Formulation products for Europe, USA, Australia, Brazil, Canada & Chile for Day 1 launches
- Plans to expand R&D capabilities to develop complex Semi solids (creams & ointments) as well as Oral liquids
- Majority of products developed with integrated API provides an end-to-end control



# Diversified geographic presence

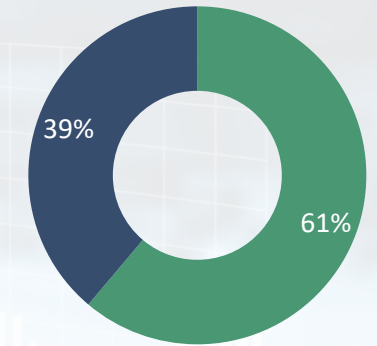
Presence in **100+ Countries** across **6 Continents** ensures diversification and risk minimization



## Top 10 Countries - Exports

Pakistan	Turkey
Brazil	Mexico
Switzerland	UAE
Indonesia	Egypt
Bangladesh	Nigeria

## Market



■ Regulated  
■ Semi-Regulated

As of FY24

Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness





## Environmental

- Converted multiple facilities into to Zero Liquid Discharge (ZLD)
- Dual Fired Boiler in Greenfield Facilities to reduce carbon footprint
- Periodic Forestation
- Waste heat recovery
- Packaging bulk API in paper bags, usage of fibre drums instead of HDPE drums, packing bulk intermediates in jumbo bags (1 MT packing) to reduce excess use of plastic bags
- For efficient utilization of utilities company is using equipment with high end technologies like Agitated Thin Film Dryer (ATFD), Agitated Thin Film Evaporator (ATFE), FBC boilers, membrane type filter press.
- Company is using MEE & MVR for evaporation and has much lesser energy consumption than conventional evaporators.



## Social

- **Woman Empowerment:** Free Government approved and certified vocational course training for women to generate employment.
- **Healthcare:** Primary Healthcare Infrastructure Development and Improvement around the manufacturing facilities.
- **Gender Diversity:** ~40% women staff at HO, contributing in various departments such as marketing, finance, procurement. At factory level, women are employed at QC QA, regulatory affairs, etc. departments.
- **Stakeholder Management:** No unfair trade practices events in the last 5 years. stringent product quality control, strict QA and QC dept to ensure that product is at the mark of the quality as per various pharma coepl standards



## Governance

- The Board has an optimum combination of Executive and Non-Executive directors and gender diversification
- Risk Management Governance
- Occupational Healthy Policy
- Policies governing related party transactions
- In compliance with all regulatory requirement of the Audit Committee
- Mechanism of periodic reporting to Stakeholders Relationship Committee and Board.
- Regular review and updation of policies in response to the changing requirements
- Vigil Mechanism, Whistleblower and POSH policies



# Our Esteemed Clientele across segments





## 1991-92

**CHEMEXCIL**

Outstanding Performance in Export



## 2005-06

**AVAYA GLOBAL CONNECT**

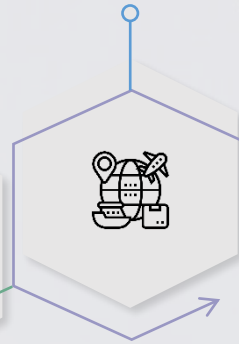
Customer Responsiveness



## 2012

**CHEMEXCIL**

Outstanding Performance in Latin American Export



## 2014

**CHEMEXCIL**

Government of India  
(Ministry of commerce and Industry)

Certificate of Recognition -  
Star Export House



## 2020-2023

**PHARMEXCIL**

Outstanding Performance in Exports



## 2001

**CHEMEXCIL**

Outstanding Performance in Export,  
Organization of Pharmaceutical Product,  
Best Vendor

## 2009

**CHEMEXCIL**

Outstanding Performance in Export

## 2013

**ABBOTT**

Best Vendor of the year

## 2015-2019

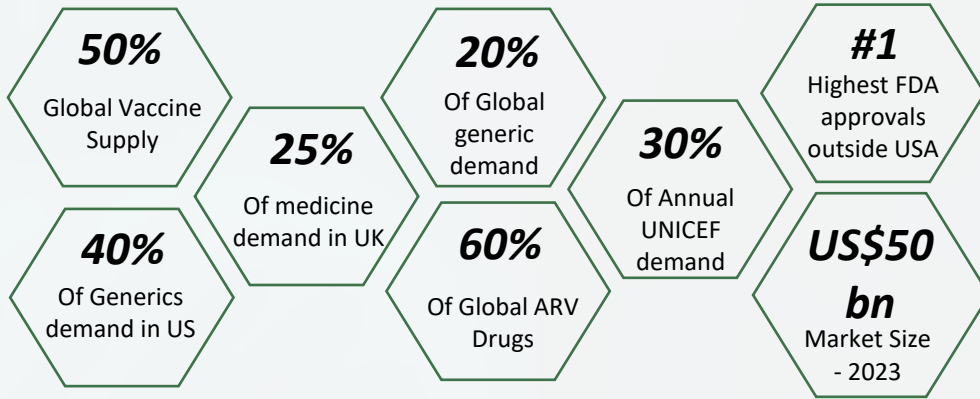
**ABBOTT**

Business partner of the year





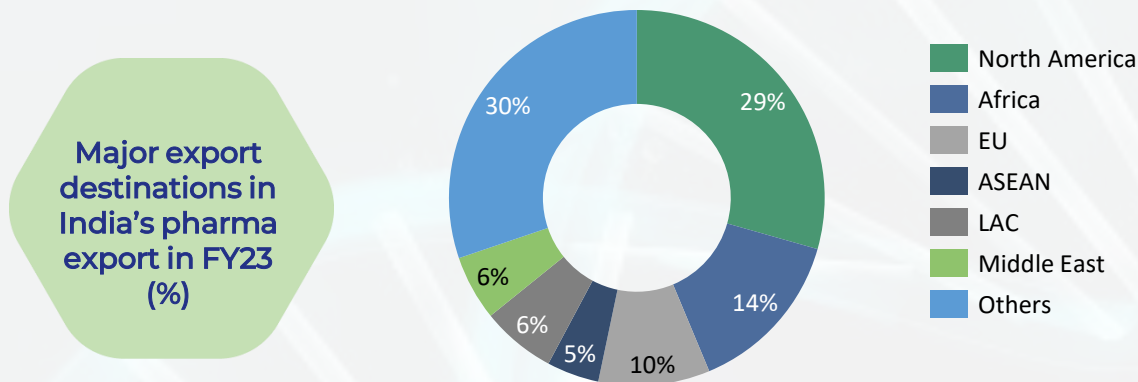
# Industry Overview



World's largest provider of generic medicines; the country's generic drugs account for **20% of global generic drug exports** (in terms of volumes). Indian drugs are exported to **more than 200 countries in the world, with the US as the key market.**

Exports, including bulk drugs, intermediates, drug formulations, biologicals, AYUSH & herbal products and surgical products, reached US \$25.4 Bn in FY23. **Indian pharmaceutical industry is worth ~US\$ 50 billion as of FY23.**

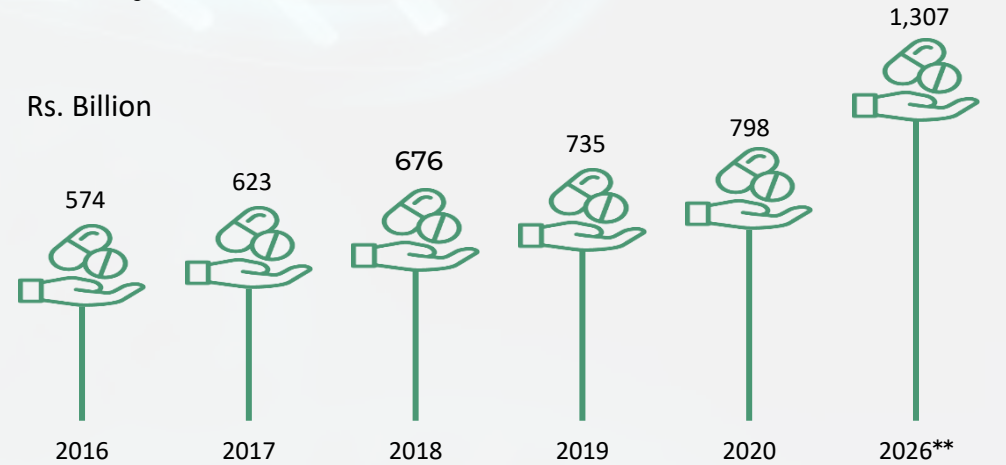
The biggest export destination for Indian pharma product is the US. In FY23, **29% of India's pharma exports were to the North America, followed by 14% to Africa and 10% to the European Union.**



### Active Pharmaceutical Ingredient (API) Market

- India is the third largest active pharmaceutical ingredient (API) market in the Asia-Pacific region
- The API industries in India include domestic and in-house consumption as well as exports
- The Indian active pharmaceutical ingredients manufacturing segment can be divided into two sectors such as innovative or branded and generic or unbranded

**Market size of Active Pharmaceutical Ingredient (API) industry in India from 2016 to 2020 with estimates until 2026**





## Experienced management with deep understanding of pharmaceutical sector

### Active Pharmaceutical Ingredients (APIs)

- Domestic API consumption is expected to reach US\$ 18.8 billion by FY22
- In Apr'19, Constituted a high-level task force to create a roadmap for increasing domestic production of APIs.
- Currently India imports over 60% of its APIs from other countries.

### CRAMS

- Fragmented market with more than 1,000 players
- CRAMS industry has posted 48% CAGR between FY15-18 and expected to witness a strong growth over 25% over 2018-21

### Formulations

- Largest exporter of formulations in terms of volume, with 14% market share and 12th in terms of export value.
- Double-digit growth is expected over the next five years.

### Biosimilars

- As on Aug'19, the moving annual turnover (MAT) for biosimilar molecules sold in the domestic market stood at Rs 1,498 crore (US\$ 214.31 million). The govt. plans to allocate US\$ 70 million for local players.
- The domestic market is expected to reach US\$ 40 billion by 2030.



# Multiple Triggers will lead to high Growth Momentum



## Robust Domestic Demand

- Rising domestic population
- Higher Insurance Coverage penetration



## Increased Investments

- 100% FDI in the pharmaceutical sector under automatic route



## Government Support

- Increased government spending on hospitals and healthcare
- Rs. 15,000 crores Production-Linked Incentive (PLI) Scheme for Enhancing India's Manufacturing Capabilities
- Atmanirbhar Bharat scheme for making India self reliant



## Technology

- Artificial intelligence will help the pharmaceutical industry to design new and automated algorithms which will help to achieve faster, precise, accurate, and repeatable results



## Innovation and R&D

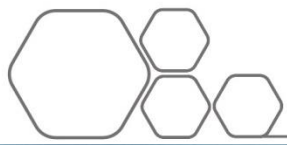
- Focus to develop new complex generic drugs, supplemented by the New Drugs and Clinical Trial Rules, 2019 and the Atal Innovation Mission.



## Cost Advantage

- Quality services at marginal costs compared to US, Europe, and South Asia
- Expertise in low-cost generic patented drugs and a movement towards end-to-end manufacturing





# Aarti 2.0: Sustainable Growth & Long-term Value Creation





Over a decade, API manufacturing has transitioned towards highly regulated, specialized business

## How API Manufacturing Has Evolved



### Regulations

- ❑ Stringent pharmacopoeia standards
- ❑ Addition of elemental
- ❑ Tightened impurity profiling
- ❑ Rigorous carcinogenicity checks



### Cost Structure

Higher capex requirements to adhere to ever rising quality, environmental & regulatory requirements

High R&D costs

## Impact

- ❑ **Lower Competitive Intensity:** Various small-scale manufacturers have exited due to unviability of cost structure
- ❑ **High Entry Barriers:** High entry barriers for new entrants due to cost structure and compliance requirements
- ❑ API manufacturing has **evolved from a commodity business into niche, specialized and highly regulated business**
- ❑ Manufacturers have carved a niche for themselves in specific products/ segments within API manufacturing space





# Unique Competitive Position



## Known brand in API space

Reliable in terms of quality and timely deliveries. Honouring commitments in changing market conditions.

## Process improvement R&D, cost leadership

Thus, fundamentals right from procurement, production till sales have a strong foundation and sound setup.

## Phase-Wise Capex to mitigate debt trap risks

Newer capacities established since last two years will help grow top-line.

## Green field projects

Sufficient land parcels in industrial zones in Maharashtra and Gujarat to take care of green field projects in next 3 to 4 years




## High entry barriers

- High regulatory standards
- Capex requirements
- Long gestation period
- R&D costs



## Specialised player in the highly challenging Pharmaceutical Industry

### Industry's Unique Challenges

-  High R&D costs
-  Long gestation period
-  Time consuming approval procedures
-  Demands large variety and small batch size orders
-  Highly complex manufacturing
-  Stringent quality & compliance requirements in developed markets
-  Highly competitive industry

### Our Core Competencies

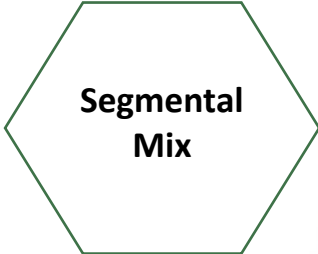
- Demonstrated manufacturing excellence for 3+ decades
- R&D focused, driven by continuous improvement and innovation
- Ability to consistently deliver high quality products on timely basis
- Meeting stringent regulatory & compliance requirements of domestic & international regulators
- Long standing relationships with leading pharmaceutical companies
- Fully integrated facilities – lower outside dependence for sourcing raw materials

***Well placed to capitalize on future growth opportunities***





## Presence across Segments, Geographies, API Therapies & Customers to ensure Growth and Risk Minimization



- API business contributes ~92% of sales in FY24
- Focus on increasing contribution from Speciality Chemicals, Intermediates & Others, going forward



- Domestic - Export mix at 67:33% for FY24
- Presence across 100+ countries
- None of the region contributes more than 2/3<sup>rd</sup> of the revenue with Asia contributing the highest at 57% of total sales



- Top 5 therapies contributes ~88% of sales in FY24
- Anti-biotic products contributes highest at 43% to sales in FY24
- Top 10 products contribute to ~77% to sales in FY24
- Leaders in Domestic market in most of top 10 products



- Domestic: Largest client contributes ~5% of domestic sales whereas top 10 clients contribute ~28%
- Exports: Largest client contributes ~4% of exports sales whereas top 10 clients contribute ~22%

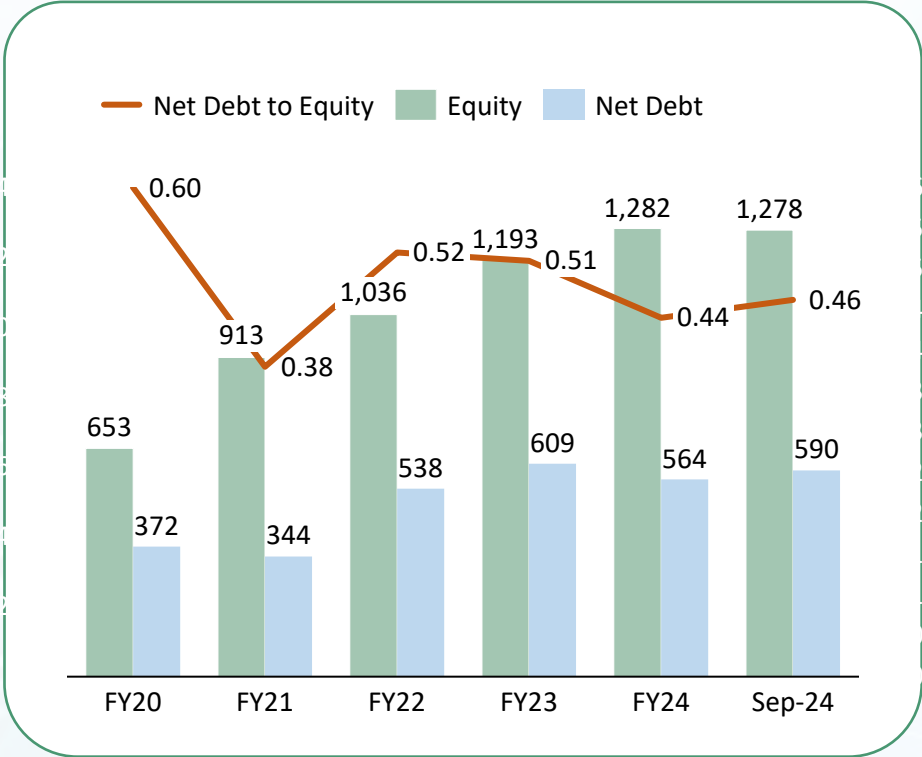
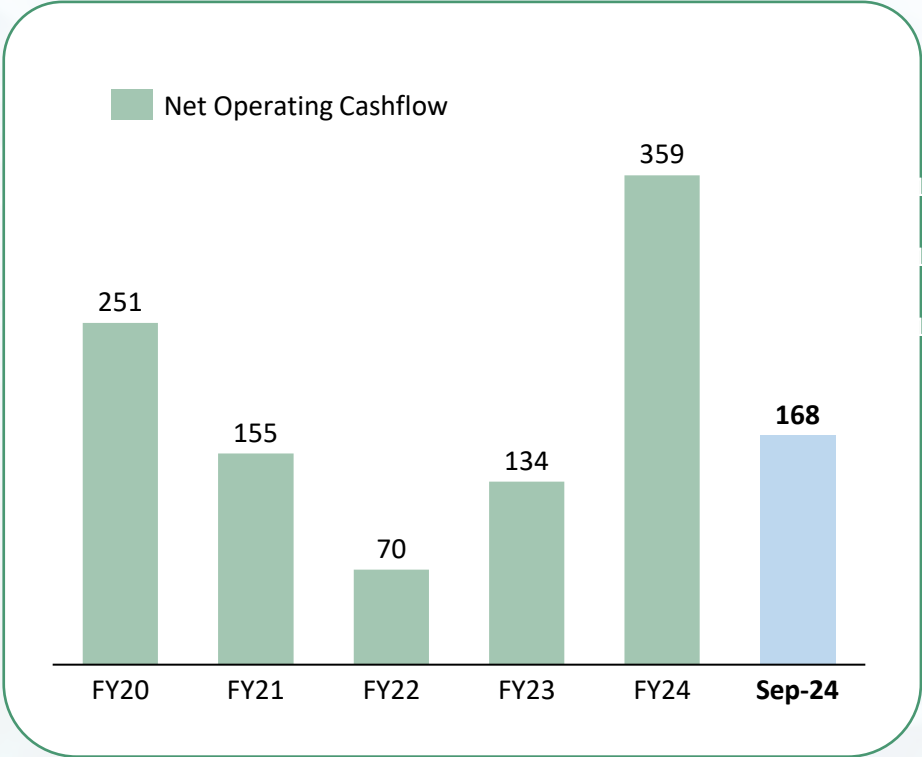




**Strong cashflows led to robust Balance Sheet giving financial flexibility for Growth**

Strong net operating cashflow generation

Low leverage provides Balance Sheet strength



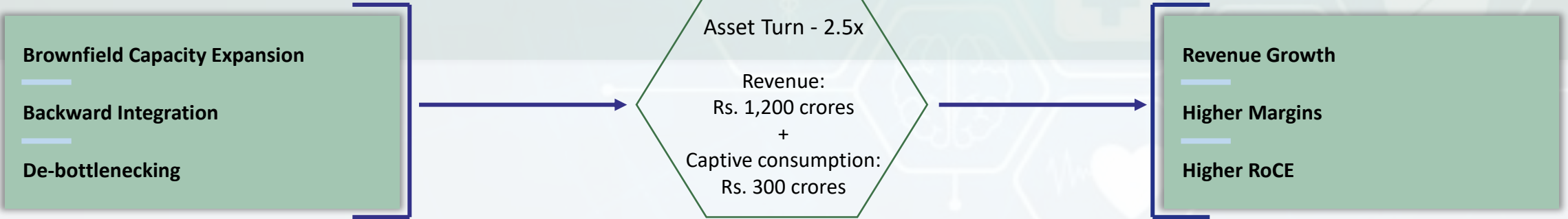
Rs. crores	Sep-24
<b>Net Debt</b>	<b>590</b>
<b>Equity</b>	<b>1,278</b>
<b>Total Assets</b>	<b>2,430</b>
<hr/>	
Key Ratios	Sep-24
<b>Net Debt/ Equity (x)</b>	<b>0.46</b>
<b>Net Debt/ Assets (x)</b>	<b>0.24</b>



**Capex of Rs. 600 crores underway [starting from FY22 for the next 4-5 years]**

## Capex plans

- Phase wise capex will lead to distributed investments
- Majority of the capex to be funded through internal accruals and minimal debt
- Brownfield expansion and debottlenecking of API facilities
- Brownfield expansion at Baddi plant will lead growth for Formulation business
- Backward integration to lead cost synergies





## Anti Diabetic

- CEP renewed by EDQM in 2022
- Manufacturing over 1,000 TPM making it one of the largest metformin player
- Coming up with 1450 TPM capacity via brown field expansion in Q1FY24
- Launch of Gliptins will further strengthen this therapeutic category.
- Exploring backward integration options.

## Antiprotozoal

- Further consolidating the position in Indian Market via brown field expansion by about 40% for couple of products
- Recently got approval to market the product in China
- Incremental expansions and downstream products improvement

## Vitamins / Anti- Inflammatory

- Multi-purpose facility under construction. Targeting highly regulated markets.
- Brown field expansion of its existing anti inflammatory products commissioned at the end of FY20 which will drive future growth in this therapeutic category
- Installed capacity will give revenues of around Rs. 50 crores / Rs. 35 crores per annum as per product selection – currently on HOLD.
- USFDA re-inspection to be triggered soon

## Anti - Fungal

- Further consolidation of its worldwide leading position.
- Recently expanded the capacity, further extending the lead.

## Speciality Chemicals

- Incremental expansion of our multipurpose chloro-sulphonation line in existing block
- Greenfield expansion in near future

## R&D Product Pipeline

- Strong pipeline of products under R&D for future growth
- Contract manufacturing of specialty chemicals and intermediates

## Formulations

- Started with commercial operations in Latin America, selective African markets. Doing new registrations in export markets and government tenders
- Toll manufacturing of formulations. About 330 filings across 16 geographies. Foreign subsidiary to tap opportunities

## Tie-ups

- Incremental expansion of our multipurpose chloro-sulphonation line in existing block
- Greenfield expansion in near future





## Growth Drivers

### Expansion

Increased product offering to existing customers

New customer acquisition in domestic and exports markets for API and Formulation Segment

Addition of skincare therapy for API segment

### Capex

Brownfield expansion for existing products at various facilities to scale-up the capacity

Brownfield expansion for the new product line in API segment

Sustainable Growth



Long Term Value

## Value Creation Drivers

### Backward Integration

Backward integration for the API and Formulation segments to drive cost synergies

Robust expansion in margins and return ratios is expected through backward integration over next 5 years

### Prudent Capital Allocation

Planned capex predominantly to be funded through internal accruals and minimal debt

Maintain Optimal leverage

Healthy Asset Turnover and Working Capital Cycle

**Full ramp-up of existing capacity and New Capacity post Rs. 600 crores capex  
Revenue potential: Rs. 4,200 – 4,500 crores with higher margin profile in next 5-6 years**



As of 31-Mar-24

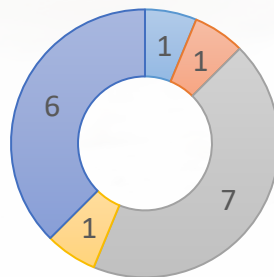
## API

Product Under Development



- Anti Fungal
- Anti Inflammatory
- Methyl Amine based products
- Pharma RM
- Anti Diabetic
- Carboxylation based products
- Specialty Chemicals

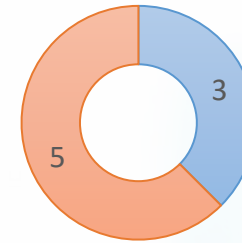
Product Under Pipeline



- Antioxident
- Cosmetic and Skin
- Methyl Amine Based Products
- Antifungal
- Intermediates

## Finished Dosages

Product Under Development : New Age Molecules For regulated Markets



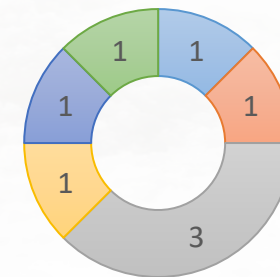
- Anti-Coagulant
- Anti Diabetic

Product Under Development: LATAM & Emerging Markets



- Anti-Diabetic
- Benzodiazepines
- Anti-Bacterial
- Gastro
- Anti-Protozol
- HMG-CoA reductase inhibitors
- Angiotensin Receptor blockers

Product Under Development



- Anti-Platelet
- Antiretroviral
- Leukotriene Receptor Antagonists
- Anticonvulsants
- Anti-Depressants
- Antipsychotics



# Financial Highlights

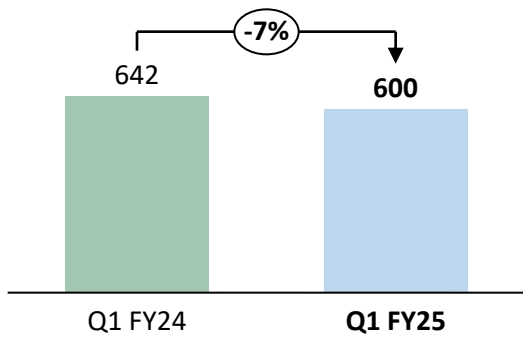


# Q2 & H1 FY25 Result Highlights

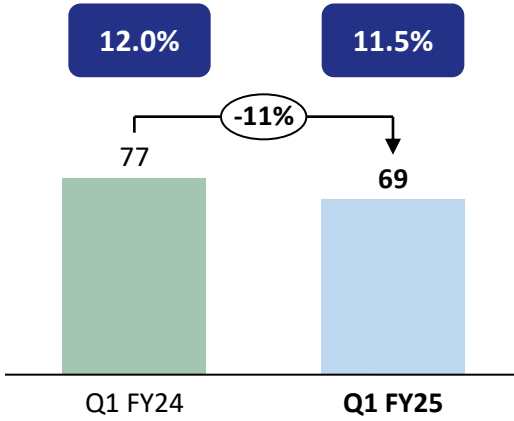
Rs. crores

Q2 FY25

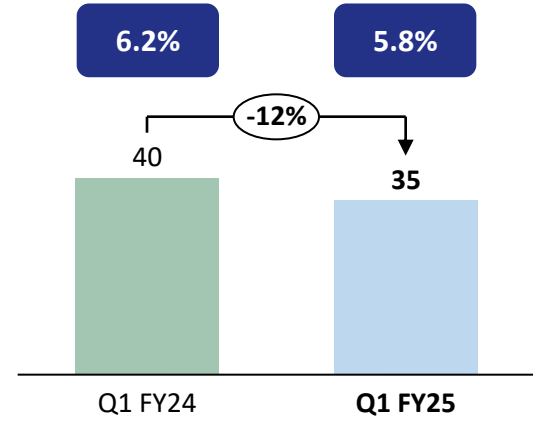
## Net Revenue from Operations



## EBITDA & EBITDA Margin (%)

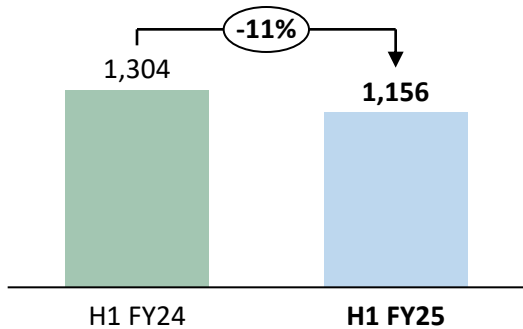


## PAT & PAT Margin (%)

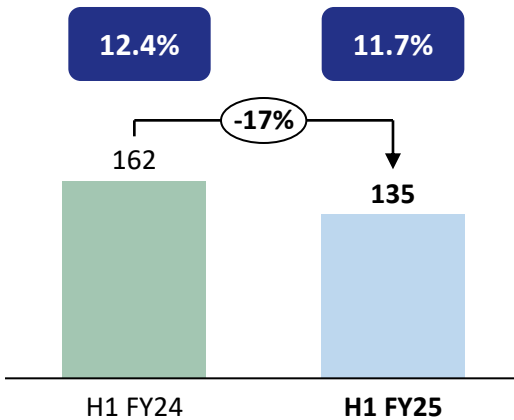


H1 FY25

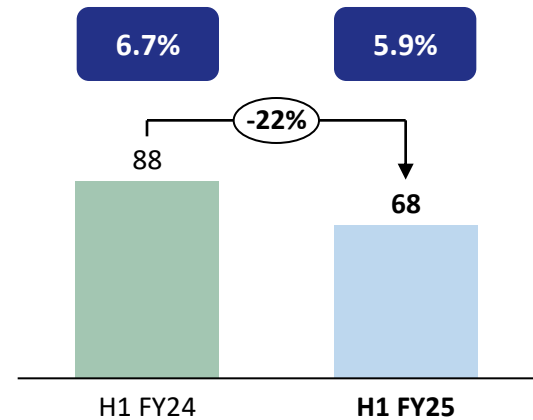
## Net Revenue from Operations



## EBITDA & EBITDA Margin (%)



## PAT & PAT Margin (%)

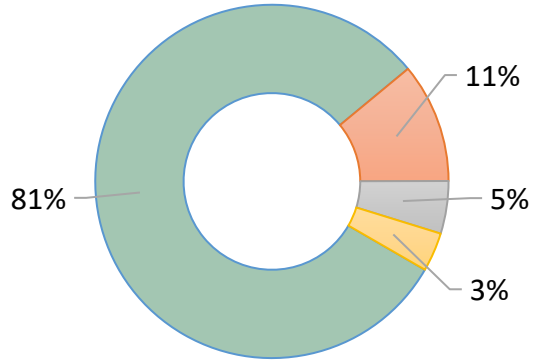


On Consolidated Basis

1. EBITDA includes other income & excludes exceptional items

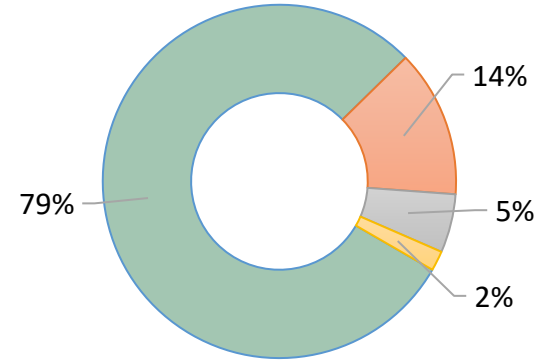


### Q2 FY25



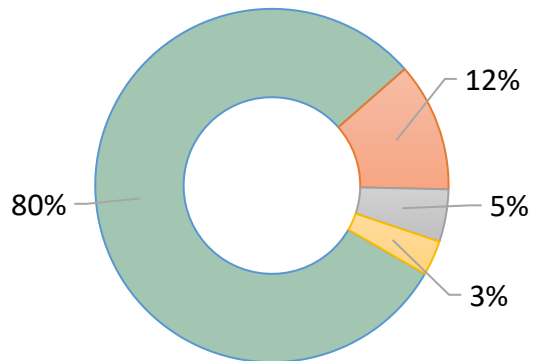
■ API                      ■ Formulation  
■ Speciality Chemicals    ■ Intermediates & Others

### Q2 FY24



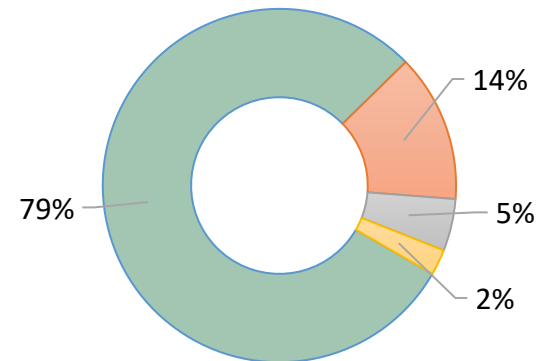
■ API                      ■ Formulation  
■ Speciality Chemicals    ■ Intermediates & Others

### H1 FY25



■ API                      ■ Formulation  
■ Speciality Chemicals    ■ Intermediates & Others

### H1 FY24



■ API                      ■ Formulation  
■ Speciality Chemicals    ■ Intermediates & Others

# Consolidated Profit & Loss Statement

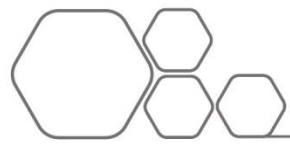
Particulars (Rs. Crores)	Q2 FY25	Q2 FY24	Y-o-Y	H1 FY25	H1 FY24	Y-o-Y
<b>Net Revenue from Operations</b>	<b>598.3</b>	<b>641.5</b>	<b>-7%</b>	<b>1,153.7</b>	<b>1,302.6</b>	<b>-11%</b>
Other Income	1.5	0.7		2.6	1.3	
<b>Total Revenue</b>	<b>599.8</b>	<b>642.2</b>	<b>-7%</b>	<b>1,156.3</b>	<b>1,303.9</b>	<b>-11%</b>
COGS	394.0	429.0		753.8	875.4	
<b>Gross Profit</b>	<b>205.8</b>	<b>213.2</b>	<b>-3%</b>	<b>402.4</b>	<b>428.5</b>	<b>-6%</b>
<b>Gross Margin (%)</b>	<b>34.4%</b>	<b>33.2%</b>		<b>34.9%</b>	<b>32.9%</b>	
Employee Expenses	26.6	25.4		53.0	50.9	
Other Expenses	110.7	110.6		214.9	215.8	
<b>EBITDA</b>	<b>68.5</b>	<b>77.1</b>	<b>-11%</b>	<b>134.6</b>	<b>161.8</b>	<b>-17%</b>
<b>EBITDA Margin (%)</b>	<b>11.5%</b>	<b>12.0%</b>		<b>11.7%</b>	<b>12.4%</b>	
Finance Costs	8.9	8.3		17.6	16.8	
Depreciation	13.7	12.6		27.1	25.2	
Exceptional Item	0.0	0.0		0.0	0.0	
<b>PBT</b>	<b>45.9</b>	<b>56.3</b>	<b>-18%</b>	<b>89.9</b>	<b>119.8</b>	<b>-25%</b>
Taxes	10.9	16.7		21.6	32.2	
<b>Reported PAT</b>	<b>35.0</b>	<b>39.6</b>	<b>-12%</b>	<b>68.2</b>	<b>87.6</b>	<b>-22%</b>
<b>PAT Margin<sup>1</sup> (%)</b>	<b>5.8%</b>	<b>6.2%</b>		<b>5.9%</b>	<b>6.7%</b>	
Cash PAT <sup>2</sup>	<b>48.7</b>	<b>52.2</b>		<b>95.3</b>	<b>112.8</b>	
Earnings Per Share (EPS)	3.83	4.29		7.48	9.47	



# Consolidated Balance Sheet

Equities & Liabilities (Rs. crores)	Sep-24	Mar-24
<b>Equity</b>		
Equity Share capital	91.3	91.9
Other Equity	1,186.1	1,189.6
Non Controlling Interest	0.4	0.4
<b>Total Equity</b>	<b>1,277.8</b>	<b>1,282.0</b>
Financial liabilities		
(i) Borrowings	288.1	275.3
(ii) Lease Liabilities	1.1	0.9
(iii) Other Financial liabilities	0.2	0.2
Other non current Liabilities		
Deferred tax liabilities (Net)	78.5	75.7
Provisions	2.7	2.7
<b>Total Non Current Liabilities</b>	<b>370.7</b>	<b>354.9</b>
Financial liabilities		
(i) Borrowings	300.0	287.1
(ii) Lease Liabilities	0.9	0.9
(iii) Trade Payables	397.6	425.5
(iv) Other financial liabilities	19.5	26.3
Provisions	5.6	3.0
Other current liabilities	57.5	51.6
Current tax liabilities (Net)	0.0	1.2
<b>Total Current Liabilities</b>	<b>781.1</b>	<b>795.5</b>
<b>Total Equity and Liabilities</b>	<b>2,429.6</b>	<b>2,432.4</b>


Assets (Rs. crores)	Sep-24	Mar-24
<b>Non Current assets</b>		
Property, Plant and Equipment	833.5	808.2
Capital work in progress	298.7	260.9
Intangible assets	2.2	1.2
Right to use assets	1.9	1.8
Financial Assets		
(i) Investments	20.0	20.0
(ii) Loans	0.0	
Deferred Tax Assets (net)	0.0	
Other non-current assets	17.4	19.7
<b>Total Non Current Assets</b>	<b>1,173.7</b>	<b>1,111.6</b>
Current Assets		
Inventories	470.0	485.9
Financial Assets		
Investments		
(i) Trade receivables	682.6	704.6
(ii) Cash and Bank Balances	14.1	9.4
(iii) Other Financial Assets	15.4	11.3
(iv) Loans	0.3	0.2
Current Tax Assets	2.0	0.0
Other current assets	71.6	109.3
<b>Total Current Assets</b>	<b>1,255.9</b>	<b>1,320.7</b>
Non current Asset held for sale		
<b>Total Assets</b>	<b>2,429.6</b>	<b>2,432.3</b>



# Consolidated Cash Flow Statement

Particulars (Rs. crores)	Sep-24	Sep-23
<b>Net Profit before Tax and Extraordinary items</b>	<b>89.9</b>	<b>119.8</b>
Adjustments for: Non Cash Items / Other Investment or Financial Items	46.7	41.9
<b>Operating profit before working capital changes</b>	<b>136.5</b>	<b>161.7</b>
Changes in working capital	53.0	86.3
<b>Cash generated from Operations</b>	<b>189.5</b>	<b>248.0</b>
Direct taxes paid (net of refund)	-21.4	-29.1
<b>Net Cash from Operating Activities</b>	<b>168.1</b>	<b>218.9</b>
<b>Net Cash from Investing Activities</b>	<b>-89.3</b>	<b>-108.3</b>
<b>Net Cash from Financing Activities</b>	<b>-74.2</b>	<b>-106.7</b>
Net Decrease in Cash and Cash equivalents	4.6	3.8
Add: Cash & Cash equivalents at the beginning of the period	6.7	8.4
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>11.3</b>	<b>12.2</b>



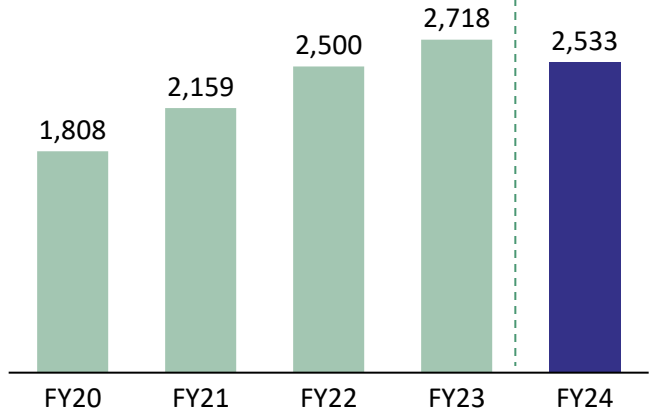


# Historical Performance At A Glance

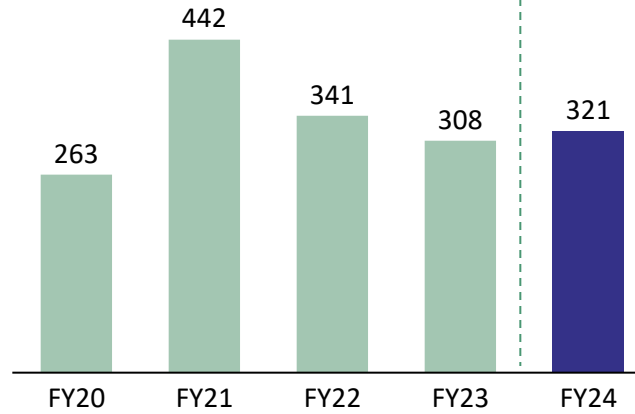


# Strong Financial Performance

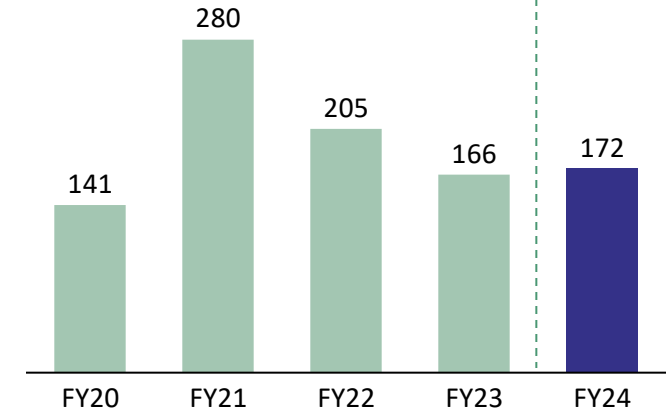
### Revenue (Rs. Crores)



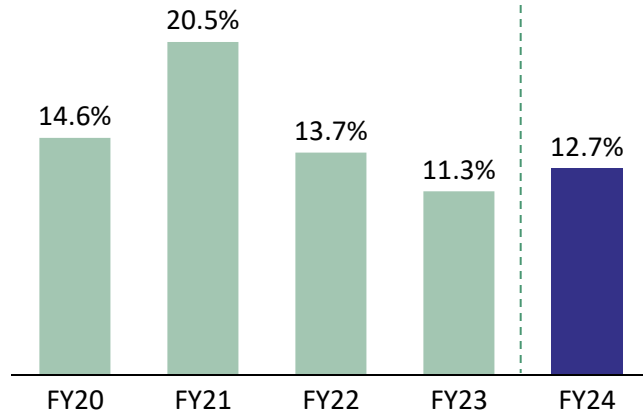
### EBITDA (Rs. Crores)



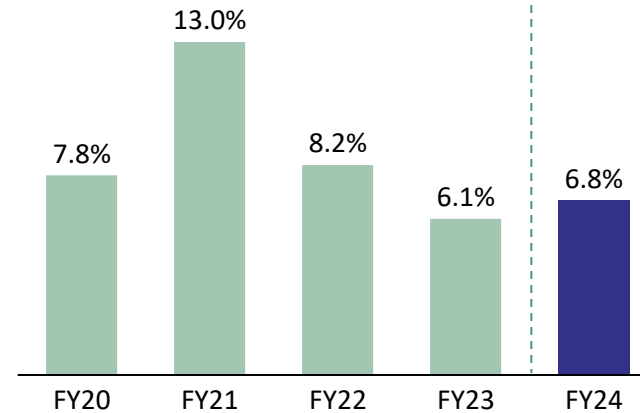
### PAT (Rs. Crores)



### EBITDA Margin (%)



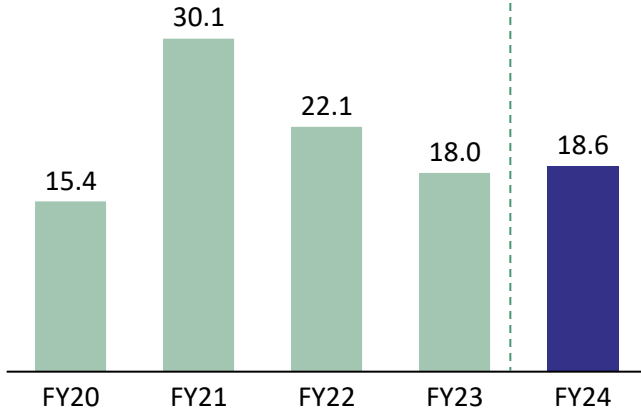
### PAT Margin (%)



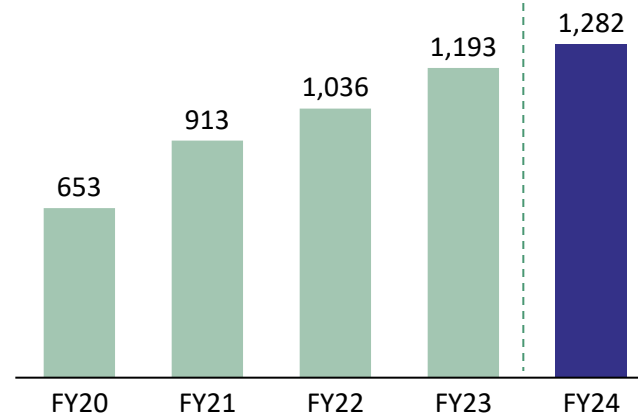


# Strong Financial Performance

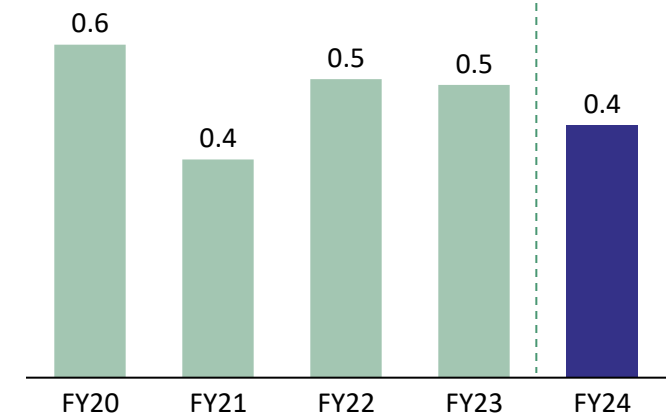
### EPS\* (in Rs.)



### Net Worth (in Rs. Crores)

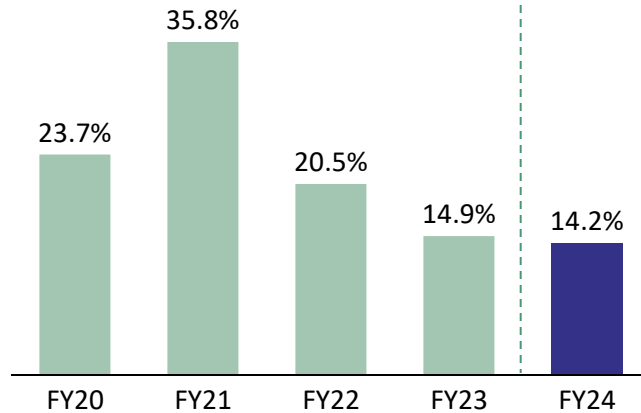


### Leverage (X)

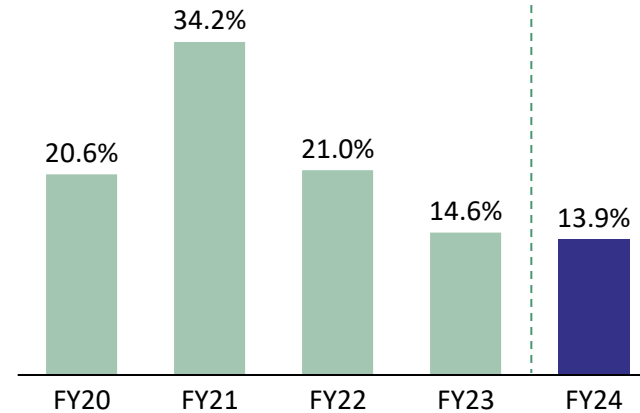


\* For EPS, adjusted includes previous year's figures in proportion to bonus issue year

### RoCE (%)



### RoE(%)





## Distribution Policy

Considering various financial parameters, the Company may elect to distribute about

**15% to 30%** of

Consolidated Net Profits

*Distributed ~Rs. 65.2 Crores as Dividend over last 7 years*



*Distributed ~ Rs. 257 crores through buyback of shares over last 8 years*

**Distribution: ~28%**

*Distributed ~ Rs. 322 crores in form of dividend & buyback of shares over last 8 years*

# Consolidated Profit & Loss Account Statement

Particulars (Rs. crores)	FY24	FY23	FY22	FY21	FY20
<b>Net Revenue from Operations</b>	<b>2528.6</b>	<b>2,716.1</b>	<b>2,488.6</b>	<b>2,154.8</b>	<b>1,806.1</b>
Other Income	4.0	2.2	11.3	4.5	1.5
COGS	1677.7	1,888.5	1,688.8	1,321.0	1,178.9
<b>Gross Profit</b>	<b>854.9</b>	<b>829.7</b>	<b>811.1</b>	<b>838.3</b>	<b>628.7</b>
<b>Gross Margin (%)</b>	<b>33.8%</b>	<b>30.5%</b>	<b>32.6%</b>	<b>38.9%</b>	<b>34.8%</b>
Employee Expenses	102.3	92.0	82.8	80.5	69.4
Other Expenses	432.1	429.9	387.5	316.1	296.0
<b>EBITDA</b>	<b>320.5</b>	<b>307.8</b>	<b>340.8</b>	<b>441.6</b>	<b>263.3</b>
<b>EBITDA Margin (%)</b>	<b>12.7%</b>	<b>11.3%</b>	<b>13.7%</b>	<b>20.5%</b>	<b>14.6%</b>
Finance Costs	33.5	33.3	20.7	23.0	33.7
Depreciation	51.4	50.3	50.0	49.9	48.8
<b>PBT before exceptional item</b>	<b>235.5</b>	<b>224.2</b>	<b>270.0</b>	<b>368.8</b>	<b>180.8</b>
Exceptional Expense/(Gain) <sup>1</sup>	0.0	0.0	0.0	-0.2	-4.5
<b>PBT</b>	<b>235.5</b>	<b>224.2</b>	<b>270.0</b>	<b>369.0</b>	<b>186.8</b>
Taxes	63.9	57.8	65.0	88.6	43.8
<b>Reported PAT</b>	<b>171.6</b>	<b>166.4</b>	<b>205.0</b>	<b>280.4</b>	<b>143.0</b>
<b>Cash PAT</b>	<b>223.0</b>	<b>216.7</b>	<b>255.0</b>	<b>330.3</b>	<b>191.8</b>
<b>PAT Margin<sup>1</sup> (%)</b>	<b>6.8%</b>	<b>6.1%</b>	<b>8.2%</b>	<b>13.0%</b>	<b>7.9%</b>
Earnings Per Share <sup>2</sup> (EPS)	18.56	17.97	22.12	30.09	15.14

1. Exceptional items includes profit on sale of assets of Rs. 8.38 crores in Q4FY20 & sale of assets of Rs. 4.47 crores in FY20

2. Since March 2020 quarter, company has switched to a new tax regime

# Consolidated Balance Sheet Statement

Equities & Liabilities (Rs. crores)	FY24	FY23	FY22	FY21	FY20
<b>Equity</b>					
Equity Share capital	91.9	92.6	92.6	93.2	23.3
Other Equity	1,189.6	1,099.8	943.8	820.2	629.2
Non Controlling Interest	0.4	0.2	-0.1	0.0	0.0
<b>Total Equity</b>	<b>1,282.0</b>	<b>1,192.7</b>	<b>1,036.3</b>	<b>913.4</b>	<b>652.5</b>
<b>Financial liabilities</b>					
(i) Borrowings	275.3	204.7	138.5	147.6	180.3
(ii) Lease Liabilities	0.9	0.4	1.9	0.0	0.0
(iii) Other Financial liabilities	0.2	12.4	9.6	10.9	14.7
Other non current Liability	0.0	0.0	0.0	0.0	0.0
Deferred tax liabilities (Net)	75.7	71.0	72.4	77.1	80.7
Provisions	2.7	3.0	9.2	21.7	23.6
<b>Total Non Current Liabilities</b>	<b>354.9</b>	<b>279.3</b>	<b>231.6</b>	<b>257.2</b>	<b>299.3</b>
<b>Financial liabilities</b>					
(i) Borrowings	287.1	401.8	399.8	157.2	157.7
(ii) Lease Liabilities	0.9	2.0	2.6	0.0	0.0
(iii) Trade Payables	425.5	480.3	468.7	330.0	329.5
(iv) Other financial liabilities	26.3	14.0	0.0	0.0	0.0
Provisions	3.0	4.4	3.7	2.8	4.6
Other current liabilities	51.6	42.8	65.2	105.4	132.8
Current tax liabilities (Net)	1.2	4.2	0.0	0.0	0.0
<b>Total Current Liabilities</b>	<b>795.5</b>	<b>949.5</b>	<b>940.1</b>	<b>595.4</b>	<b>624.7</b>
<b>Total Equity and Liabilities</b>	<b>2,432.4</b>	<b>2,421.4</b>	<b>2,208.0</b>	<b>1,766.0</b>	<b>1,576.5</b>

Assets (Rs. crores)	FY24	FY22	FY21	FY20	FY19
<b>Non Current assets</b>					
Property, Plant and Equipment	808.2	673.2	685.7	659.2	642.3
Capital work in progress	260.9	210.4	76.7	19.3	12.2
Intangible assets	1.2	0.8	0.2	0.3	1.5
Right to use assets	1.8	2.2	4.1	5.9	0.0
<b>Financial Assets</b>					
(i) Investments	20.0	18.8	19.5	17.3	13.4
(ii) Loans	0.0	0.0	0.0	0.0	0.0
Deferred Tax Assets (net)	0.0	0.0	0.0	0.0	0.0
Other non-current assets	19.7	23.7	28.4	7.3	3.1
<b>Total Non Current Assets</b>	<b>1,111.6</b>	<b>929.0</b>	<b>814.6</b>	<b>709.2</b>	<b>672.5</b>
<b>Current Assets</b>					
Inventories	485.9	516.3	525.9	415.0	325.4
Financial Assets	0.0	0.0	0.0	0.0	0.0
<b>Investments</b>					
(i) Trade receivables	704.6	864.8	749.9	555.2	488.6
(ii) Cash and Bank Balances	9.4	9.0	22.3	9.8	7.6
(iii) Other Financial Assets	11.3	12.0	12.6	12.7	12.0
(iv) Loans	0.2	0.3	0.0	0.0	0.0
Other current assets	109.3	89.4	82.6	64.1	65.8
<b>Total Current Assets</b>	<b>1,320.7</b>	<b>1,492.3</b>	<b>1,393.4</b>	<b>1,056.8</b>	<b>899.5</b>
Non current Asset held for sale		0.0	0.0	0.0	4.6
<b>Total Assets</b>	<b>2,432.4</b>	<b>2,421.4</b>	<b>2,208.0</b>	<b>1,766.0</b>	<b>1,576.5</b>

# Consolidated Cash Flow Statement

Particulars (Rs. crores)	FY24	FY23	FY22	FY21	FY20
<b>Net Profit before Tax and Extraordinary items</b>	<b>235.5</b>	<b>224.2</b>	<b>270.0</b>	<b>369.0</b>	<b>185.3</b>
Adjustments for: Non Cash Items / Other Investment or Financial Items	83.0	85.2	70.4	68.6	86.8
<b>Operating profit before working capital changes</b>	<b>318.5</b>	<b>309.3</b>	<b>340.4</b>	<b>437.6</b>	<b>272.1</b>
Changes in working capital	102.8	-116.3	-187.4	-186.1	19.5
<b>Cash generated from Operations</b>	<b>421.3</b>	<b>193.0</b>	<b>153.0</b>	<b>251.5</b>	<b>291.6</b>
Direct taxes paid (net of refund)	-62.4	-59.7	-83.4	-96.7	-40.9
<b>Net Cash from Operating Activities</b>	<b>358.9</b>	<b>133.3</b>	<b>69.6</b>	<b>154.8</b>	<b>250.7</b>
<b>Net Cash from Investing Activities</b>	<b>-223.7</b>	<b>-164.0</b>	<b>-148.9</b>	<b>-71.7</b>	<b>-33.2</b>
<b>Net Cash from Financing Activities</b>	<b>-136.0</b>	<b>16.5</b>	<b>92.0</b>	<b>-81.1</b>	<b>-215.4</b>
Net Decrease in Cash and Cash equivalents	-0.8	-14.1	12.8	2.0	2.1
Add: Cash & Cash equivalents at the beginning of the period	7.5	21.6	8.8	6.8	4.6
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>6.7</b>	<b>7.5</b>	<b>21.6</b>	<b>8.8</b>	<b>6.8</b>

**For further information, please contact**

Company:



CIN: L37060MH1984PLC055433

Mr. Rushikesh Deole

Email: [investorrelations@aartidrugs.com](mailto:investorrelations@aartidrugs.com)

Contact no.: +91 22 24048199

[www.aartidrugs.co.in](http://www.aartidrugs.co.in)

Investor Relations Advisor:



CIN: U74140MH2010PTC204285

Mr. Deven Dhruva

E: [deven.dhruva@sgapl.net](mailto:deven.dhruva@sgapl.net)

T: +91 98333 73300

[www.sgapl.net](http://www.sgapl.net)