



**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)  
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Email: admin@aartidrugs.com  
website: www.aartidrugs.com  
CIN No.:L37060MH1984PLC055433

**Ref: ADL/SE/2024-25/12**  
**May 3, 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,

**Ref:** Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Sub:** Press Release on Financial Results.

Please find attached herewith press release on Financial Results for the Quarter and Year ended March 31, 2024.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**FOR AARTI DRUGS LIMITED**

RUSHIKESH DEOLE

**COMPANY SECRETARY & COMPLIANCE OFFICER**

ICSI M. No.: F12932



## Q4 & FY24 Business & Financial Performance

Mumbai, 3<sup>rd</sup> May 2024

Aarti Drugs Limited (Aarti Drugs) (NSE: AARTIDRUGS; BSE:524348), a Mumbai based diversified and fully integrated pharmaceutical company, with interests in Active Pharmaceutical Ingredients (API), Formulation, Specialty Chemicals and Intermediates announced its audited Financial Results for the quarter and full year ending 31<sup>st</sup> March 2024.

### Consolidated Financial Highlights

Particulars (In Rs. Cr.)	Q4 FY24	Q4 FY23	YoY%	Q3 FY24	QoQ%	FY24	FY23	YoY%
<b>Revenue</b>	<b>621.1</b>	<b>743.3</b>	<b>-16.4%</b>	<b>607.6</b>	<b>2.2%</b>	<b>2,532.6</b>	<b>2,718.2</b>	<b>-6.8%</b>
Gross Profit <sup>#</sup>	224.0	227.8	-1.7%	202.4	10.7%	854.9	829.7	3.0%
<b>EBITDA*</b>	<b>86.9</b>	<b>94.4</b>	<b>-8.0%</b>	<b>71.8</b>	<b>21.0%</b>	<b>320.5</b>	<b>307.8</b>	<b>4.1%</b>
<b>EBITDA Margin %</b>	<b>14.0%</b>	<b>12.7%</b>	<b>130 bps</b>	<b>11.8%</b>	<b>220 bps</b>	<b>12.7%</b>	<b>11.3%</b>	<b>140 bps</b>
Profit Before Tax (PBT)*	64.2	73.3	-12.4%	51.6	24.5%	235.5	224.2	5.1%
<b>Profit After Tax (PAT)</b>	<b>47.3</b>	<b>56.2</b>	<b>-15.8%</b>	<b>36.7</b>	<b>28.9%</b>	<b>171.6</b>	<b>166.4</b>	<b>3.1%</b>
<b>PAT Margin %</b>	<b>7.6%</b>	<b>7.6%</b>	<b>0 bps</b>	<b>6.0%</b>	<b>160 bps</b>	<b>6.8%</b>	<b>6.1%</b>	<b>70 bps</b>
EPS (in Rs.)	5.15	6.07	-15.2%	3.99	28.9%	18.56	17.97	3.3%

# Gross Profit = Revenue- Raw Material Consumed; \* EBITDA & PBT excludes exceptional Items but includes other income

### Consolidated Financial Highlights – Q4 FY24

- **Revenue** stood at Rs. 621.1 crores as against Rs. 743.3 crores, a decline of 16.4% YoY
- **EBITDA** stood at Rs. 86.9 crores as against Rs. 94.4 crores YoY. **EBITDA Margin (%)** came in at 14.0%
- **PAT** stood at Rs. 47.3 crores as against Rs. 56.2 crores YoY. **PAT Margin (%)** stood at 7.6%

### Consolidated Financial Highlights – FY24

- **Revenue** stood at Rs. 2,532.6 crores as against Rs. 2,718.2 crores, a decline of 6.8% YoY
- **EBITDA** stood at Rs. 320.5 crores as against Rs. 307.8 crores YoY. **EBITDA Margin (%)** came in at 12.7%
- **PAT** stood at Rs. 171.6 crores as against Rs. 166.4 crores YoY. **PAT Margin (%)** stood at 6.8%

### Segmental Performance Update

Particulars (In Rs. Cr.)	Q4 FY24	Q4 FY23	YoY%	FY24	FY23	YoY%
API	501.3	631.2	<b>-20.6%</b>	2,018.3	2,223.1	<b>-9.2%</b>
Formulations	67.6	56.8	<b>19.0%</b>	324.6	273.9	<b>18.5%</b>
Specialty Chemicals	33.0	39.5	<b>-16.5%</b>	126.4	139.2	<b>-9.2%</b>
Intermediates & Others	18.2	14.9	<b>21.8%</b>	59.3	79.8	<b>-25.7%</b>



### Standalone Business Highlights – Q4 FY24

- Standalone Q4 FY24 revenue stood at Rs. 560.64 crores as against Rs. 697.34 crores, a decline of 19.6% YoY, where 13.6% decline was impacted due to negative rate variance
- The standalone business contributed ~89% to the consolidated revenue for the quarter
- ~65% of the revenues came from the domestic market and 35% from the exports market for Q4 FY24 for a standalone business
- Domestic revenue declined by ~16.3% while exports declined by ~25.10% YoY for Q4 FY24
- Within the API business, the antibiotic therapeutic category contributed ~45%, anti-diabetic ~15%, anti-protozoal ~17%, anti-inflammatory ~11%, antifungal ~9% and the rest contributed ~3% to total API sales for Q4 FY24

### Formulation Segment Highlights

- Q4 FY24 revenue from formulation stood at Rs. 67.6 crores as against Rs. 56.8 crores, registering growth of 19.0% YoY. ~62% of the revenue contribution is from exports during the quarter

### **Commenting on the same, Mr. Adhish Patil, CFO & COO, Aarti Drugs Limited said,**

*“We are pleased with our financial and operational performance in FY24 amid geopolitical uncertainties and macroeconomic factors and price volatilities. The company demonstrated resilient performance in FY24, where topline declined by 7% YoY during full year FY24, attributed to lower realizations stemming from negative rate variance and subdued export market demand in APIs business. However, there has been a notable improvement in gross margins, credited to the stabilization of input costs in latter half of FY24 and operational efficiencies across the majority of our product lines. Furthermore, we anticipate a further enhancement in gross margins in future, mostly driven by upturn in selling price levels and an anticipated growth in export sales. EBITDA Margin for FY24 improved by ~140 basis points and PAT margins improved by ~70 basis points due to improved gross contributions in standalone as well as formulation business along with efficient working capital management.*

*For Q4 FY24, the company’s performance improved considerably on a sequential basis due to ease in the input costs and better product mix. On a sequential basis, the EBITDA margins improved by ~220 bps due to operating leverage driven by improved capacity utilization.*

*Amidst heightened interest rates, dollar shortages, destocking, supply chain hurdles, and conservative ordering, export demand encountered challenges in select regions during Q4 and FY24. Nonetheless, we anticipate a positive shift in the export landscape in the near future, on back of interest rate reductions, low stock levels and an upswing in demand. Despite these hurdles, our outlook remains optimistic, on attaining our growth and margin targets.*

*Formulation segment’s revenue stood at Rs. 67.6 crores for the quarter, a growth of 19% YoY with exports contribution of ~62%. In FY24 revenues stood at Rs 324.6 crores, with growth of 18.5% YoY.*

*In the Specialty Chemical industry, although India's domestic chemicals demand is projected to remain robust in 2024, with low expectations in price increase. The market faces various challenges of finding equilibrium amidst the introduction of new production capacities within the country, shifting trade dynamics, subdued global demand, and fluctuating upstream prices.*



*The company's balance sheet continued to remain healthy with leverage remaining comfortably at 0.44x.*

*The capex for FY24 stood at ~Rs. 226 crores. Recently, Greenfield project at Tarapur Facility for dermatology products has been commenced and the ramp up is planned throughout H1 FY25. Greenfield Project at Gujarat Sayakha for Speciality Chemicals is on track which we plan to commence by end of Q1 FY25. With this, the operating leverage is expected to kick in from H2 FY25 with improved capacity utilization.*

*The company has incurred a capex of ~ Rs. 543 crores in the last 3 years, mainly towards capacity expansion, backward integration and new product launches across API & Formulation segment. The majority of the company's ₹ 600 crore capex has been completed and balance is expected to be completed soon. These initiatives are expected to reduce the costs along with expansion in the profit margins and the topline growth.*

*The Pharma API manufacturing industry is constantly evolving, and we are committed to staying ahead of the curve. In the upcoming year, we plan to continue expanding our capabilities and enhancing our offerings to meet the ever-changing needs of our customers. One of our key goals for the upcoming year is to improve our capacity utilisation, allowing us to better serve our growing customer base. We also plan to invest in new technologies and equipment that will help us streamline our processes, reduce carbon footprint and improve efficiency."*

### **About Aarti Drugs Limited**

Aarti Drugs Limited was established in the year 1984 and forms part of \$6 Billion Aarti Group of Industries with robust R&D Division at Tarapur, Maharashtra Industrial Development Corporation (MIDC) in close vicinity to manufacturing locations. The Company is engaged in the manufacturing of Active Pharmaceutical Ingredients (APIs), Pharma Intermediates, Speciality Chemicals and produces Formulations with its wholly-owned subsidiary-Pinnacle Life Science Private Limited. The Company have total 12 manufacturing facilities out of which 9 manufacturing facilities are in Maharashtra, 2 Manufacturing facilities in Gujarat and 1 Manufacturing facility of Pinnacle is located at Himachal Pradesh. Products under APIs include Ciprofloxacin Hydrochloride, Metronidazole, Metformin HCL, Ketoconazole, Ofloxacin etc. whereas Speciality Chemicals includes Benzene Sulphonyl Chloride, Methyl Nicotinate etc.

For more information, please visit [www.aartidrugs.co.in](http://www.aartidrugs.co.in)

### **Safe Harbor**

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project-related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.



For more information, please contact

Company:  
**Aarti Drugs Limited**



Investor Relations (IR)  
**Strategic Growth Advisors Pvt. Ltd.**



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