



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

Ref.: ADL/SE/2016-17

Date: 2<sup>nd</sup> June, 2016

To,  
Department of corporate service,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.  
SCRIP CODE - 524348  
SCRIP ID - AARTIDRUGS

To,  
National Stock Exchange of India Limited,  
"Exchange Plaza", Bandra - Kurla Complex,  
Bandra (E), Mumbai - 400051.  
NSE SYMBOL: AARTIDRUGS

Dear Sir/Madam,

**Subject: Regulation 30(6) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015.**

We wish to inform you that pursuant to Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Adhish P. Patil, Chief Financial Officer of the Company had a meeting yesterday i.e. 1<sup>st</sup> June, 2016 with following analysts:

Sr. No.	Name of the Person	Name of the Fund
1.	Mr. Aditya Khemka	DSP BLACKROCK MF
2.	Mr. Vinit Sambre	DSP BLACKROCK MF
3.	Mr. Deep Master	Deep Financial Consultants Pvt. Ltd.
4.	Mr. Ashish Rathi	Infina Capital
5.	Mr. Vishnu Gopalakrishnan	Steinberg Asset Mgmt
6.	Mr. Pradeep Gokhale	Tata MF

This is for your information and records. Kindly acknowledge the receipt.

Thanking You,  
Yours faithfully,  
For Aarti Drugs Limited

Harshit M. Savla  
Jt. Managing Director





***Aarti Drugs Ltd***

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**Corporate Presentation**  
**May, 2016 (update)**

## Disclaimer

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Except for historical information, all of the statements, expectations and assumptions, including expectations and assumptions, contained in this presentation may be forward looking statements that involve a number of risks and uncertainties. Although Aarti Drugs attempts to be accurate in making these forward-looking statements, it is possible that future circumstances might differ from the assumptions on which such statements are based. Other important factors which could cause these statements to differ materially including outsourcing trends, economic conditions, dependence on collaborative partnership programs, retention of key personnel, technological advances and continued success in growth of sales that may make our products/services offerings less competitive; Aarti Drugs may not undertake to update any forward-looking statements that may be made from time to time

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### OVERVIEW

- Part of the \$ 650 million Aarti Group of Industries, the company was established back in 1984
  - It is engaged in manufacturing of APIs, Pharma Intermediates and specialty chemicals with 10 multi-ton, multi-location GMP compliant facilities
  - 8 facilities located in Industrial MIDC Tarapur, Maharashtra - 120 kms away from Mumbai  
2 facilities located in Industrial GIDC Sarigam, Gujarat - 160 kms away from Mumbai
  - Markets products over 90 countries with strong presence in regulated markets including Brazil, Mexico, Netherland & Spain
  - Clientele includes MNCs viz. Abbott, Sanofi- Aventis, Merck, Teva, Searle, Pfizer, Bayer and Clariant
  - Comprehensive product portfolio with a strong presence in Anti-biotic, Anti-Protozoal, Anti-inflammatory, Anti-fungal, Anti-diabetic, Cardio-protectant, Vitamins, Anti-arthritis, Sedatives therapeutic groups
  - Successfully commissioned centralized state-of-the-art R&D centre at Tarapur MIDC in close vicinity to manufacturing locations
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## About Aarti Drugs (Cont.)

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- Various products are registered with various authorities like IDL, JAPAN ACCREDITATION, TGA, COFEPRIS, ANVISA, WHO-GMP, EUGMP
- It has developed 30 new molecules in the past six years

### AWARDS & RECOGNITION

Year	Authority	Awards
2015	ABBOTT	Best Vendor of the year
2014	ABBOTT	Best Vendor of the year
2013	ABBOTT	Best Vendor of the year
2012	PHARMEXCIL	Outstanding Performance in Latin American Export
2009	PHARMEXCIL	Outstanding Performance in Export
2005-06	AVAYA GLOBAL CONNECT	Customer Responsiveness
2001	ORGANIZATION OF PHARMACEUTICAL PRODUCT	Best Vendor
2001	CHEMEXCIL	Outstanding Performance in Export
1991-92	CHEMEXCIL	Outstanding Performance in Export

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### **Vision**

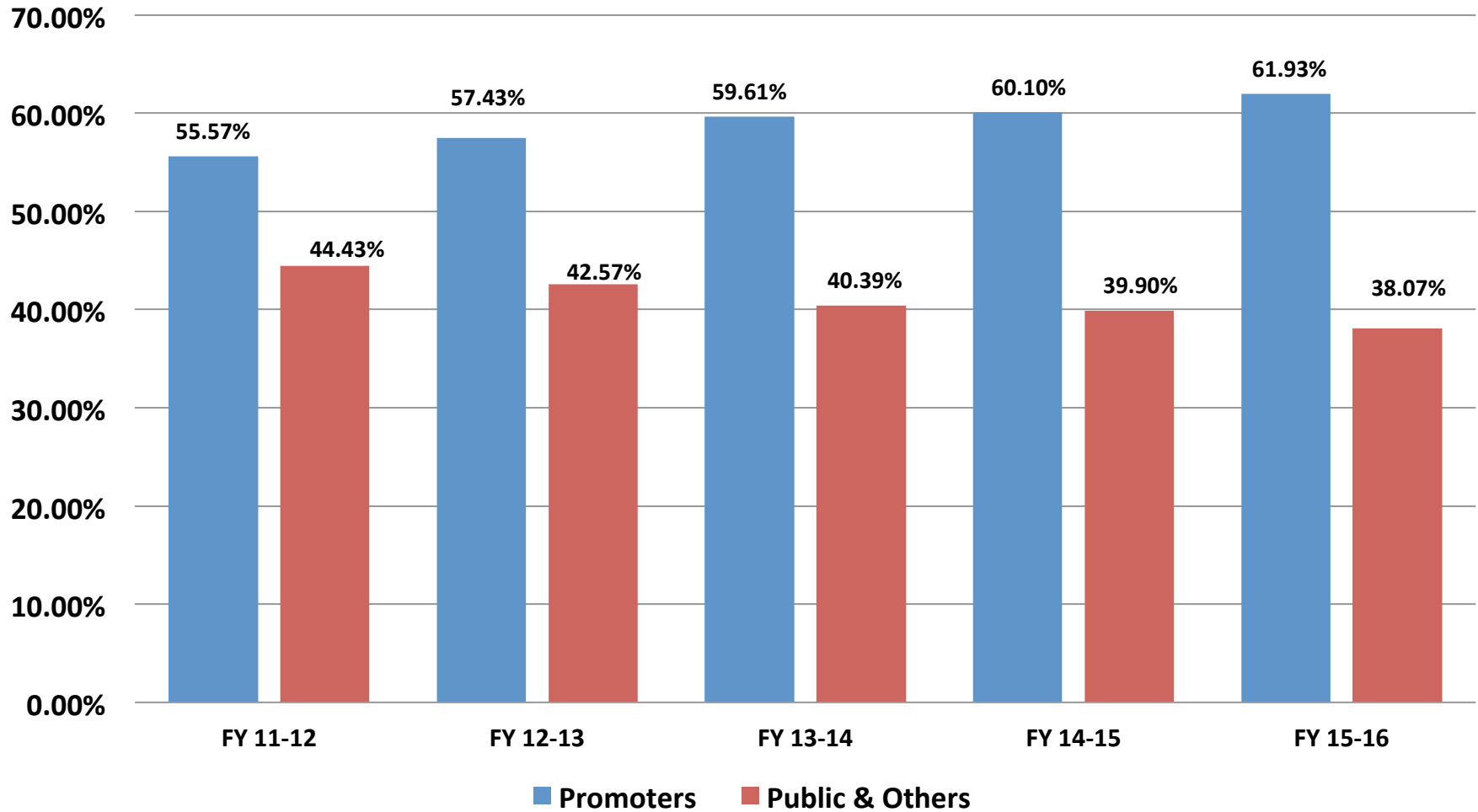
- To be the preferred vendor for products in India and World

### **Mission**

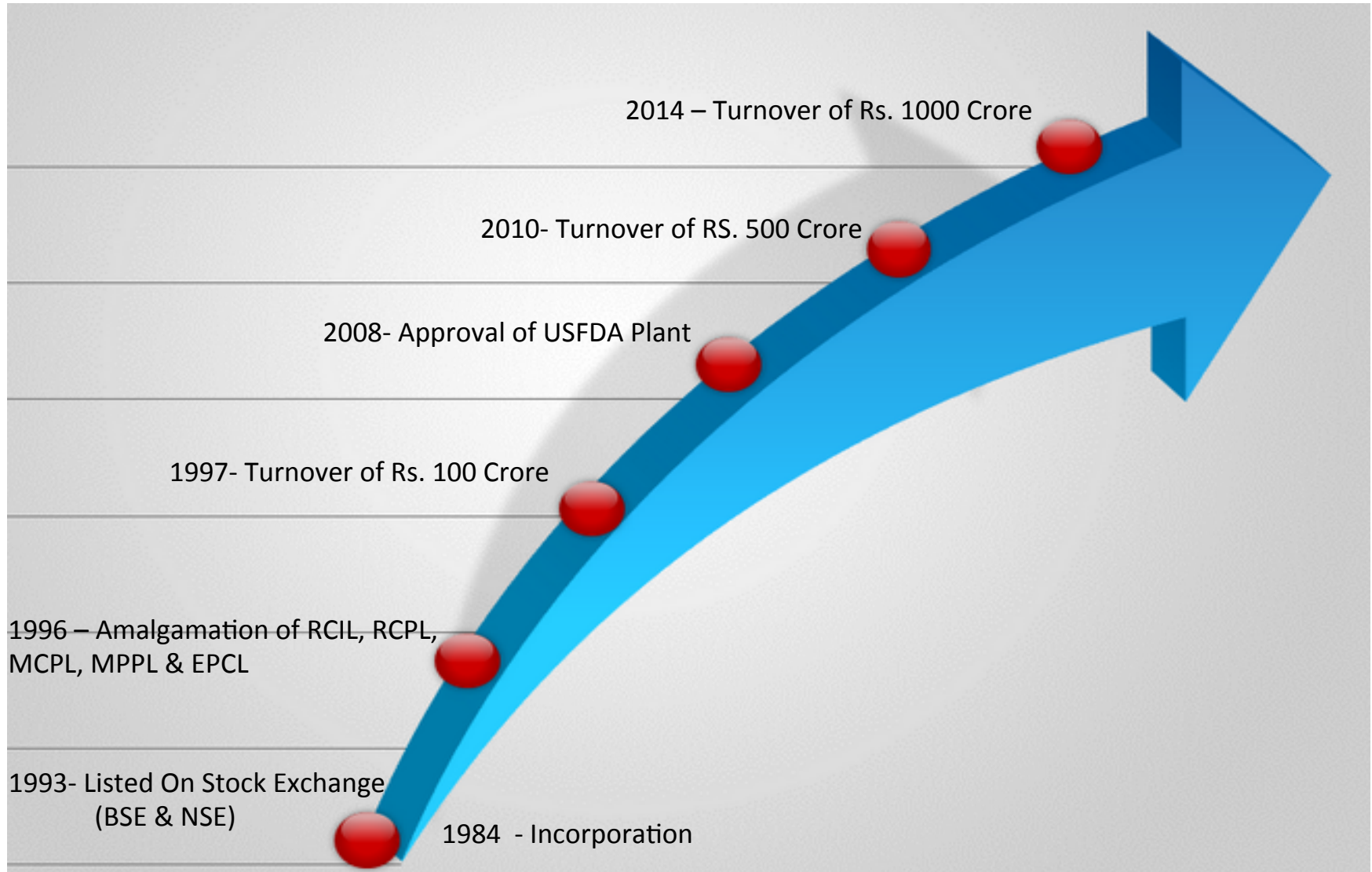
- Seek global market leadership
  - Focus on growth and development of the product
  - Continue to create winning culture, operating in highest standards of ethics and values with co-operation among competitors
  - Strive for excellence in customer service, quality and R&D
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##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



# Timelines





# Leadership Team

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- Mr. Prakash M. Patil**  
**Chairman, MD & CEO**
- Founder Director of Aarti Drugs Ltd
  - Excels in an array of promotional activities viz : product identification, project conceptualization, planning, project engineering & project implementation
  - Bachelor of Chemical Engineering From UDCT
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- Mr. Harshit M. Savla**  
**Joint Managing Director**
- Excels in all areas of finance, accounts, exports & internal control
  - Commerce graduate From Mumbai University
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- Mr. Harit P. Shah**  
**Whole Time Director**
- Experience of over 25 years in handling commercial functions encompassing sales, purchase & exports
  - Commerce graduate From Mumbai University
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- Mr. Rajendra V. Gogri**  
**Non Executive Director**
- Founder Director of Aarti Industries
  - Rich experience in handling portfolios of marketing, purchase, business development, accounts, finance, taxation and legal
  - Chemical Engineer from UDCT. Master of Science-Chemical Engineering from IOWA State University, USA
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- Mr. Rashesh C. Gogri**  
**Whole Time Director**
- Experience of over 16 years in the field of production, marketing & project implementation
  - Production Engineer from Mumbai University
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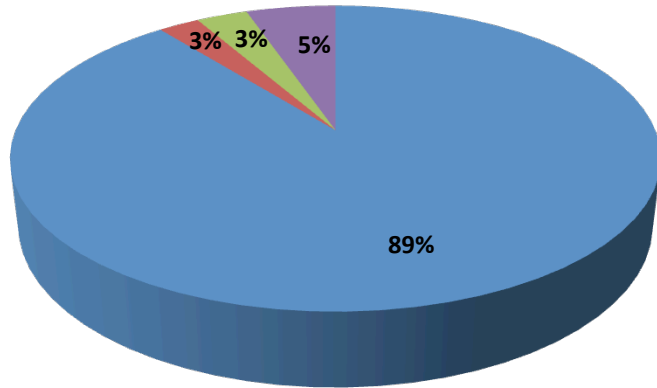
- Mr. Adhish P. Patil**  
**Chief Financial Officer**
- Experience of over 8 years in the field of finance, consulting, systems engineering and Information Technology
  - Bachelor of Engineering (IT) from Mumbai University. MBA - Finance & Marketing from University of Florida, Warrington College of Business Administration
  - Top 100 CFOs India 2014, award winner
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# Business overview

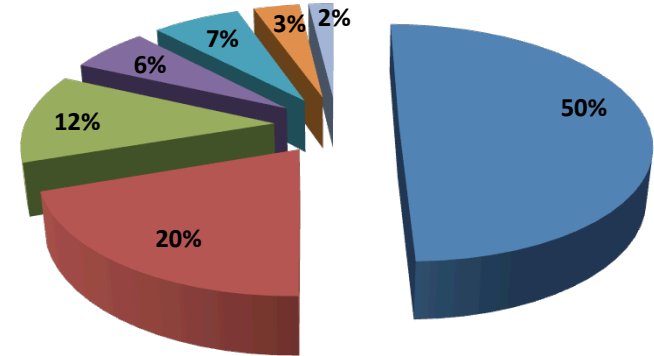
### Segmentwise Sales For FY 15-16

■ APIs ■ Formulation ■ Speciality Chemicals ■ Intermediates & Others



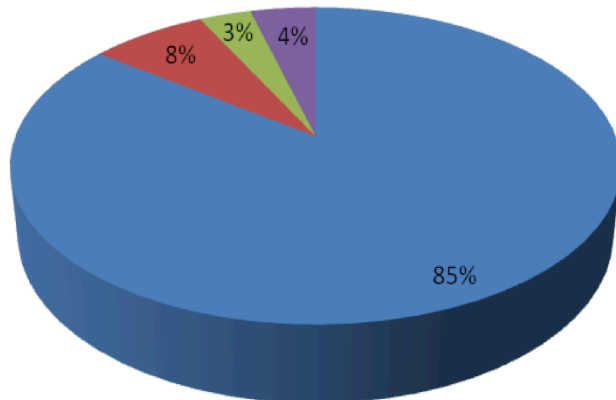
### Therapeuticwise Sales For FY 15-16

■ Antibiotic ■ Antiprotozoals ■ Antiinflammatory  
■ Antifungal ■ Antidiabetic ■ Cardioprotectant  
■ Others



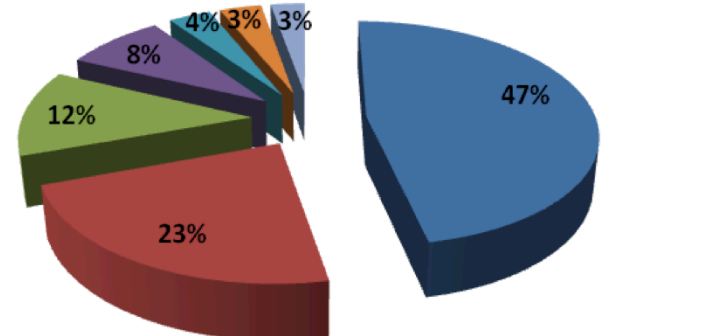
### Segmentwise Sales For FY 14-15

■ API's ■ Formulation ■ Speciality Chemicals ■ Intermediates & others



### Therapeuticwise Sales for FY 14-15

■ Antibiotic ■ Antiprotozoals ■ Antiinflammatory  
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■ Others



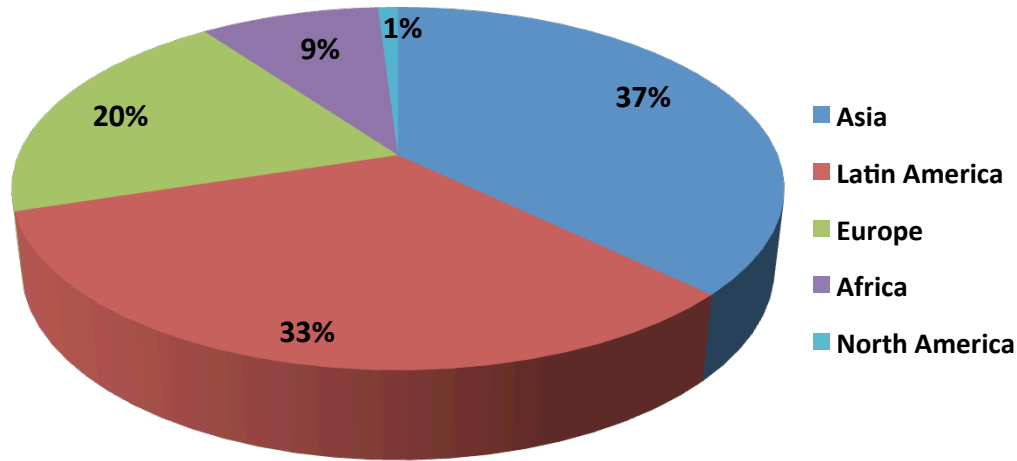


- ADL is domestic market share leader in most of its top 10 products
  - Local clientele is well diversified with the topmost client contributing to only 3.59% of local sales
  - Top 10 Local Clientele contributes to around 15.63% of total local sales
  - Export Clientele is well diversified with the topmost client contributing to only 3.32% of total export sales
  - Top 10 Export clients contributes to only 23.45% of total export sales
  - Top ten products contributes to around 74.14% of the total sales
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# Geographic presence



Regionwise Export Sales For FY 15-16



## TOP 10 EXPORT COUNTRIES :

Country	Country
BRAZIL	BANGLADESH
MEXICO	EGYPT
TURKEY	SPAIN
PAKISTAN	ALGERIA
NETHERLAND	CHINA

<b>Regulated</b>	<b>50%</b>
Semi-Regulated	11%
Non - Regulated	39%

# Key local clientele



## Overview of facilities As of Nov'15



Sr. No.	Name of Unit	Certification
1.	Aarti Drugs Ltd.E-22	Australian Government – Department of Health and Ageing - Therapeutic Goods Administration WHO-GMP / Japanese Accreditation USFDA * Import alert dated 23 <sup>rd</sup> Mar'15
2	Aarti Drugs Ltd.G-60	ANVISA-Brazil WHO-GMP COFEPRIS-MEXICO
3	Aarti Drugs Ltd.E-21	WHO-GMP K-FDA(Korean FDA)
4	Aarti Drugs Ltd.N-198	EUGMP, WHO-GMP & ISO Certification
5	Aarti Drugs Ltd.K-40	WHO-GMP
6	Aarti Drugs Ltd.W-61(Suyash)	EUGMP & WHO-GMP
7	Aarti Drugs Ltd.E-120	Local GMP Certificate
8	Aarti Drugs Ltd.E-9/3(Rashesh)	ISO-9001:2008
9	Aarti Drugs Ltd-Sarigam 2902-04	WHO-GMP
10	Aarti Drugs Ltd-Sarigam 211/213	WHO-GMP / COFEPRIS Inspected / CEP applied



## Overview of facilities

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### Reaction Capabilities

- Nitration
  - Cyclocondensation
  - Ammonolysis (Amidation )
  - Epoxidation (Chiral & Achiral)
  - Reduction
  - Dehalohydrogenation
  - Condensation
  - Noble Metal Hydrogenation (Catalytic Reduction)
  - Oxidation
  - Fischer Indolization
  - Balz - Schiemann (Halex) (Flurination of Amines)
  - Esterification (Including Asymmetri Esterification)
  - Sulphonation
  - Alkylation
  - Methoxylation
  - Halogenation (Cl, Br, I)
  - Acetylation
  - Diazotization & Related Chemistry
  - Grignard Reaction
  - Friedel Craft
  - Aldol Condensation
  - Cynation
  - Chloro Sulfonation
-



- Establish and maintain high standards of quality of its products manufactured at various locations including those at contract manufacturing sites, meeting cGMP & cGLP norms
  - Comply with current national and international regulations as applicable and continuously move towards meeting stringent global standards
  - Products shall be manufactured and marketed meeting all quality parameters related to identity, purity, safety and efficacy through well defined quality assurance and validation system
  - Major thrust shall be given on quality up gradation and product integrity on continuous basis to achieve higher level of customer satisfaction
  - Continuous training of the employees for skill enhancements
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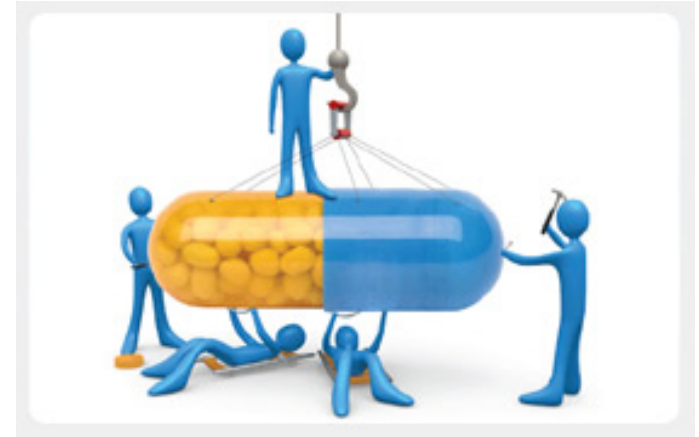
## R&D focus

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➤ Manufacturing facilities supported by R&D team which is located at Tarapur

➤ Strength at R&D

- Doctorates : 03
- Master Graduates [M. Sc] : 36
- Graduates [B. Sc] : 11
- Engineers : 25
- Technicians : 12



➤ Pilot plant facility at corporate R&D center in Tarapur, which is suitable to manufacture products on kilo scale

➤ R&D is well supported by in house project management team to ensure timely implementation of new products on commercial scale

➤ In last five years about 30 API's have been developed in lab

➤ R&D Center recognized by Department of Science and Industrial Research, Government of India

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- **Anti Diabetic:**
    - Started with the commercial operations, received WHOGMP, recently inspected by COFEPRIS
    - CEP and COFEPRIS queries are addressed and replied
    - Expected revenues of installed capacity would be ~150 cr per annum as per ROW market pricing. Designed for highly regulated markets. Layout has been designed for doubling the existing installed capacity
  
  - **Antibiotic (3 more Fluoro-quinolones):**
    - First in India to manufacture from basic intermediates. In-house technology. Already established market player in this category.
    - Expected revenues of installed capacity would be around 500 cr per annum as per ROW market pricing. Designed for regulated markets. Started with commercial operations, GMP approvals are in progress.
  
  - **Antiprotozoal:**
    - Doubled the capacity of existing product to curtail the imports. Existing technology and Chinese JV.
    - Established competitive edge worldwide and sole Indian player.
    - Expected revenues of installed capacity would be around 80 cr per annum as per ROW market pricing. Current operations at 1.6 times the existing capacity.
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## Future business strategy – contd.....

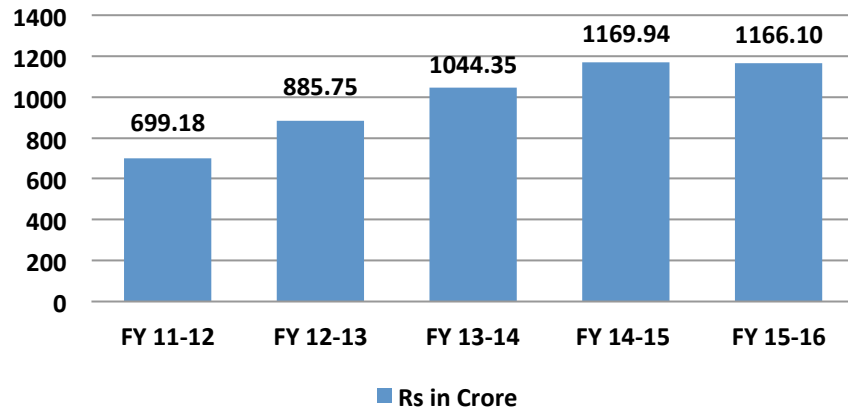
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- **Vitamins / Anti-Inflammatory:**
    - Multi-purpose facility under construction. Targeting highly regulated markets
    - Installed capacity will give revenues of around 50 Cr/ 35 Cr per annum as per product selection - Currently on HOLD
  
  - **R&D product pipeline:**
    - Strong pipeline of products under R&D for future growth
    - Identified some APIs with specialized applications but have volume markets
  
  - **Formulations:**
    - Small existing business wherein we extend the service than just being a mere API supplier
    - Provide toll manufacturing of formulations
    - Registering for export markets and government tenders
  
  - **Tie-ups:**
    - We have tied up with European distributor on profit sharing basis. Already 2 dossiers are filed with UK MHRA, couple more to follow. Strategy would be to engage in our own APIs
    - Partnered with USA company on formulation revenues wherein we would be supplying API at cost
  
  - **Consolidation of existing Anti-biotic:**
    - Growth story continues
    - 50 TPM -> 100 TPM (2013-14)-> 135 TPM (2014-15) -> 150 TPM (current) -> 300 TPM
    - Further backward integration
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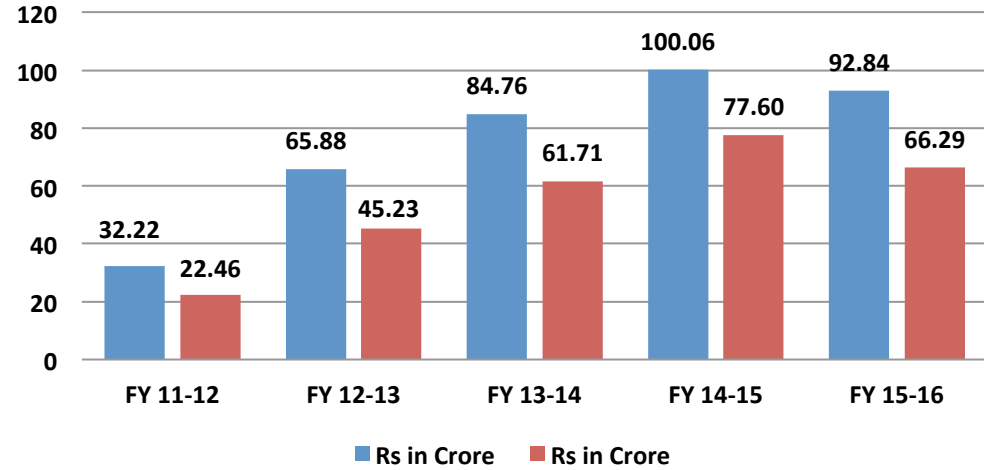
# Summary of financials - 1



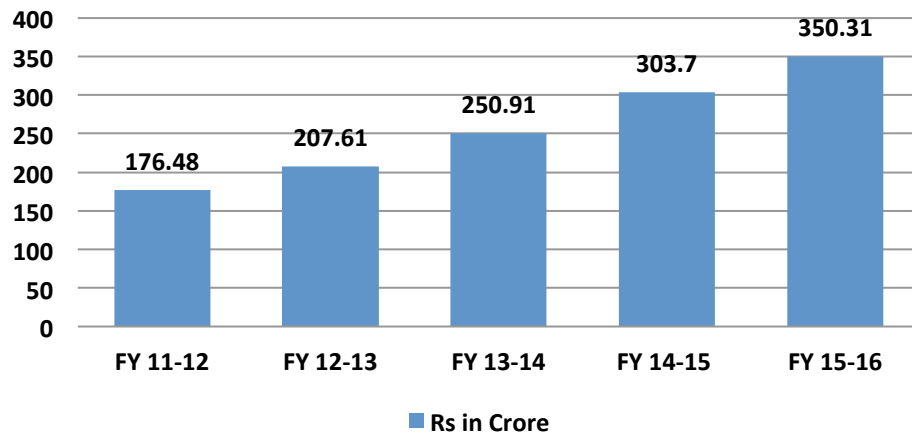
## Turnover



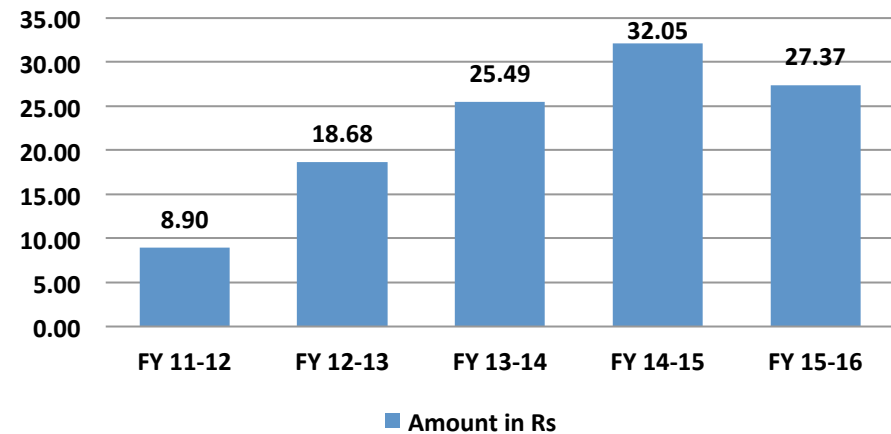
## Profit Before Tax & Profit After Tax



## Networth



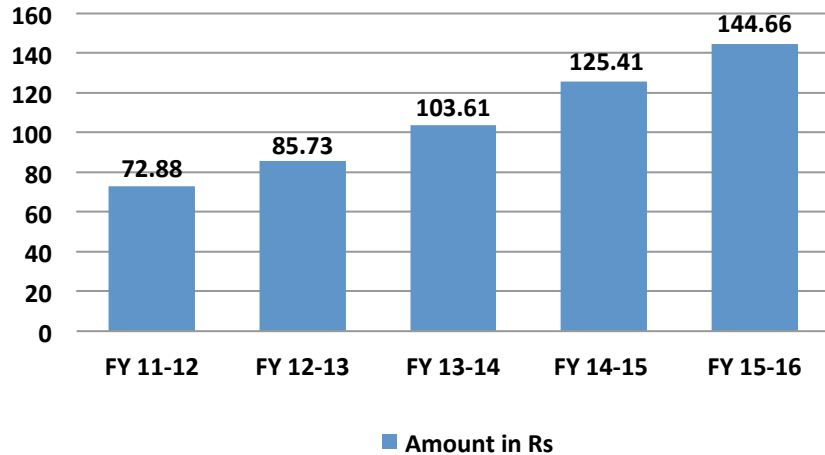
## Earning per share (Bonus issue 1:1 on 26-Mar-15)



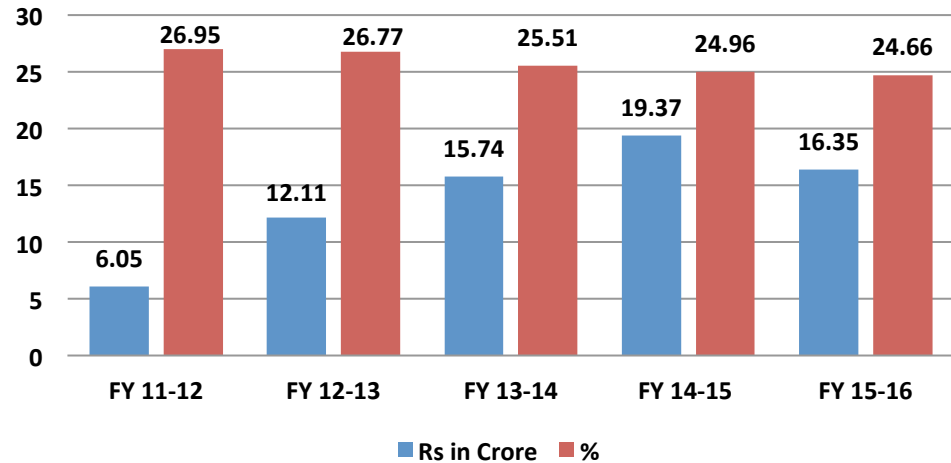
# Summary of financials - 2



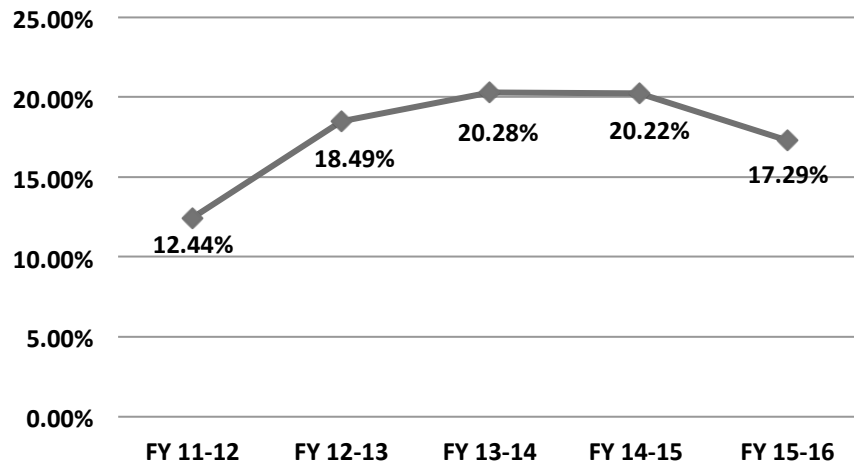
### Book Value (Bonus issue 1:1 on 26-Mar-15)



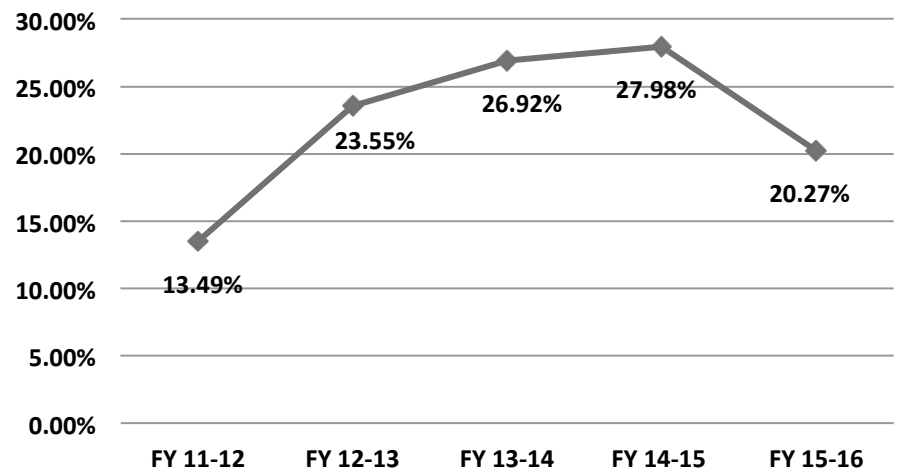
### Dividend Payout



### Return on Capital Employed



### Return on Equity



## Summary of financials - 3



### Financial Overview

(Rs in crores)

Audited	Mar '12	Mar '13	Mar '14	Mar '15	Mar '16
Equity Share Capital	12.11	12.11	12.11	24.22	24.22
Reserves	164.37	195.5	238.8	279.48	326.09
<b>Net Worth</b>	<b>176.48</b>	<b>207.61</b>	<b>250.91</b>	<b>303.7</b>	<b>350.31</b>
Secured Loans	209.72	240.22	284.96	331.92	342.95
Unsecured Loans	88.2	80.29	93.73	102.83	121.90
<b>Total Debt</b>	<b>297.72</b>	<b>320.51</b>	<b>378.69</b>	<b>434.75</b>	<b>464.85</b>
<b>Net Block</b>	<b>273.54</b>	<b>291.23</b>	<b>372.53</b>	<b>431.48</b>	<b>462.76</b>
Capital Work in Progress	2.99	12.59	8.32	13.35	34.04
<b>Net Sales</b>	<b>659.26</b>	<b>824.84</b>	<b>969.94</b>	<b>1084.48</b>	<b>1070.73</b>
PBDIT	80.27	120.33	146.37	168.96	171.70
Interest	22.67	28.03	33.49	38.88	43.28
Depreciation	24.22	25.98	28.12	30.66	35.58
<b>Net Profit</b>	<b>22.46</b>	<b>45.24</b>	<b>61.71</b>	<b>77.60</b>	<b>66.29</b>



# THANK YOU

Please visit our website for additional information like Annual Reports & addresses of registered offices:

Website: [www.aartidrugs.com](http://www.aartidrugs.com)

*For any further information please contact us at:*

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