

**Annual Report** 2018-19









## ENVIRONMENT SAFETY IS OUR PRIME MOTTO

## 99

#### Forward-looking statements:

In this annual report, we have disclosed certain forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make certain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks. uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



## **CONTENTS**



### **01** Corporate Overview

Corporate Information	05
Corporate Identity	06
Geographical Presence	12
Research & Development	15
Key Performance Indicators	16
Financial Highlights	18
Awards and Accolades	20
Corporate Social Responsibility	21
Board of Directors and Leadership Team	22
Chairman's Letter	24



## **02** Statutory Report

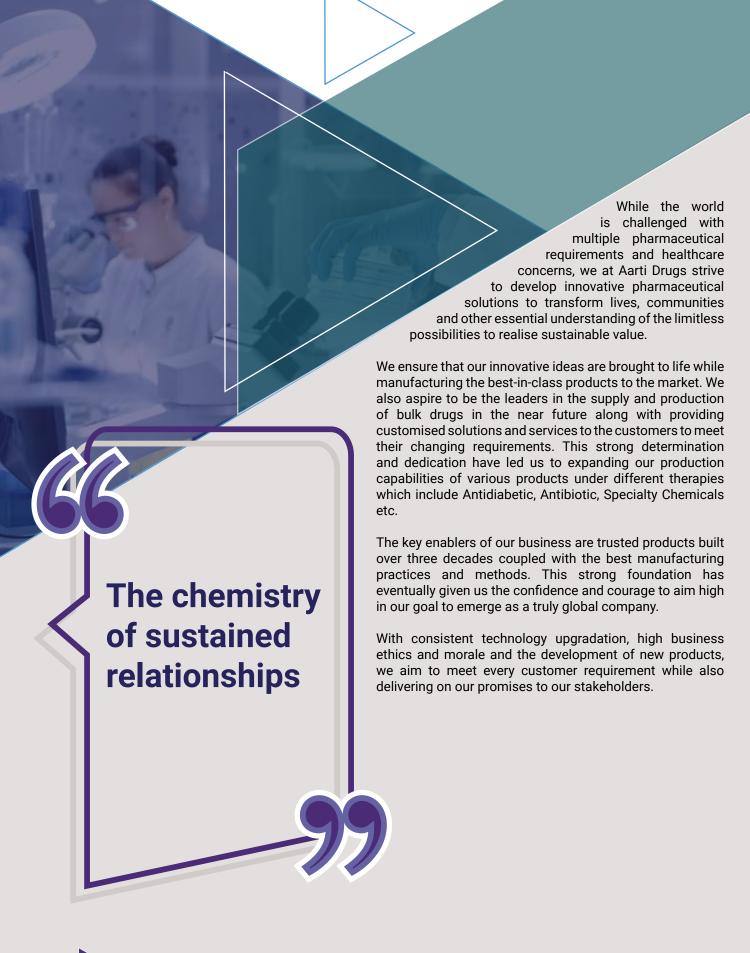
Management Discussion and Analysis	26
Notice	30
Board's Report  Report on Corporate Governance	38
	63

## **03** Financial Statements

#### **Standalone Financials**

Independent Auditor's Report	79
Balance Sheet	87
Profit and Loss Statement	88
Cash Flow Statement	90
Notes to Financial Statement	92
Consolidated Financials	
Independent Auditor's Report	117
Consolidated Balance Sheet	123
Consolidated Statement of Profit and Loss	124
Consolidated Cash Flow Statement	126
Notes to Consolidated Financial Statement	128

Annual Report 2018-19





## **Corporate Information**

#### **Chairman Emeritus**

Shri Chandrakant V. Gogri

## Board of Directors

Shri Prakash M. Patil Chairman, Managing Director & Chief Executive Officer Shri Rashesh C. Gogri **Managing Director** Shri Harshit M. Savla Jt. Managing Director

#### **Whole-time Directors**

Shri Harit P. Shah Shri Uday M. Patil

#### **Non-executive Director**

Shri Rajendra V. Gogri

#### **Independent Director**

Shri Ramdas M. Gandhi CA Bhavesh R. Vora CA Navin C. Shah Dr. Krishnacharya G. Akamanchi Dr. Vilas G. Gaikar CA Priti P. Savla

#### Chief Financial Officer

Shri Adhish P. Patil

#### **Registered Office**

Plot No. 198, M.I.D.C., Tarapur, Village-Pamtermbhi, Dist. Palghar- 401 506, Maharashtra

#### **Corporate Identification Number**

L37060MH1984PLC055433

#### **Company Secretary & Compliance Officer**

CS Vibhav S. Ranade (till 27th March 2019) CS Rushikesh Deole (w.e.f 23<sup>rd</sup> April 2019)

#### **Statutory Auditors**

#### Kirtane & Pandit LLP

Chartered Accountants, H/16, Saraswat Colony, Sitladevi Temple Road, Mahim, Mumbai - 400016. India. Phone: +91-022-24444119 / 5, 24469713 Fax: +91-022-24441147

Email: kpcamumbai@kirtanepandit.com

#### **Registrar & Share Transfer Agent**

Link Intime India Pvt. Ltd. C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra

Union Bank of India

Bank of Baroda

State Bank of India

Standard Chartered Bank

**DBS Bank India Limited** 

**IDBI Bank Limited** 

Citi Bank N.A.

The Hongkong and Shanghai Banking Corporation Limited

Kotak Mahindra Bank Limited

IndusInd Bank Limited

The Saraswat Co-Operative Bank Limited

The SVC Co-Operative Bank Limited

#### **Corporate Office**

Mahendra Industrial Estate, Ground Floor, Plot No. 109-D, Road No. 29, Sion (E), Mumbai- 400 022, Maharashtra Visit us at www.aartidrugs.co.in





# CORPORATE

Aarti Drugs Limited was established in the year 1984 and forms part of \$900 Million 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, Specialty Chemicals and also produces Formulations with its wholly-owned subsidiary -Pinnacle Life Science Private Limited. Products under APIs includes Ciprofloxacin Hydrochloride, Metronidazole, Metformin Ketoconazole, HCL, Ofloxacin etc. whereas Specialty Chemicals includes Benzene Sulphonyl Chloride, Methyl Nicotinate etc.

# THE CHEMISTRY OF SUSTAINED RELATIONSHIPS

77





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



## **Mission**



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.



Choose the best and the most flexible manufacturing practices and methods.



Adopt processes supported by proven technologies, which are cost effective and safe.



Aim at customer orientation through continuous technology upgrade, high business ethics and new product development.

## **KEY FACTS**



**\$ 100+** 

<sup>★</sup> 1,452

**Employees** 

× 50+
API Molecules

80+
Finished Products



© 2,480<sub>MT</sub>







One of the leading producers of Metformin in the world

One of the Largest producer in Fluoroquinolones in the world

Largest producer of Tinidazole in the world

Largest producer of Metronidazole Benzoate in the world

Largest producer of Metronidazole in India

Largest producer of Ketoconazole in the world

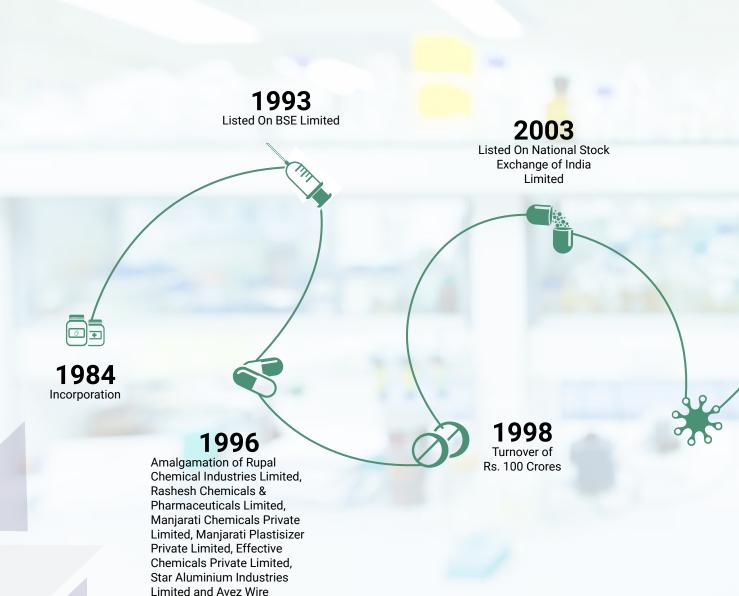
Largest producer of Nimesulide in the world

Disclaimer: Based on information available with the company





## **Milestones**



Industries Limited.