

## Aarti Drugs Limited

December 22, 2020

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Commercial Paper (Carved out of working capital limits)	0.00	--	Withdrawn

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of 'CARE A1+ (A One Plus) assigned to the Proposed Commercial Paper of Aarti Drugs Limited with immediate effect. The above action has been taken at the request of Aarti Drugs Limited.

**Analytical approach:** Not Applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company

Aarti Drugs Limited (ADL) is a manufacturer of bulk drugs in therapeutic groups and of specialty chemicals. ADL was founded in 1984 and later listed on Bombay and National Stock Exchanges. The company was promoted by four chemical engineering graduates from UDCT Mumbai (now Institute of Chemical Technology). ADL exports to 100 countries with a strong presence in antibiotic, antidiarrheal and anti-inflammatory segments. Its share in lifestyle based drugs like Anti-diabetic and cardioprotective is also increasing. The company has its manufacturing facilities located at Tarapur, Maharashtra and at Sarigam, Gujarat. The Company is engaged in the manufacturing of Active Pharmaceutical Ingredients (APIs), Pharma Intermediates and Specialty Chemicals with its wholly-owned subsidiary-Pinnacle Life Science Private Limited. Products under APIs include Ciprofloxacin Hydrochloride, Metronidazole, Metformin HCL, Ketoconazole, Ofloxacin etc. whereas Specialty Chemicals includes Benzene Sulphonyl Chloride, Methyl Nicotinate etc. Company has also got approval from WHO-GMP, EUGMP, ACCREDITATION from JAPAN, IDL, ANVISA, ISO, TGA Australia, COFEPRIS and COS.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)	H1FY21 (UA)
Total operating income	1562.10	1806.09	1124.33
PBILDT	212.08	261.81	251.96
PAT	89.75	141.39	160.72
Overall gearing (times)	1.06	0.52	0.42
Interest coverage (times)	4.87	7.76	18.50

A: Audited; UA : Un- Audited

### Status of non-cooperation with previous CRA:

*Not Applicable*

### Any other information:

*Not Applicable*

**Rating History for last three years:** Please refer Annexure-2

**Complexity level of various instruments rated for this company:** Annexure-3

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Commercial Paper- Commercial Paper (Carved out)	-	-	-	0.00	Withdrawn

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Commercial Paper- Commercial Paper (Carved out)	ST	-	-	-	1)CARE A1+ (25-Dec-19)	1)CARE A1+ (08-Jan-19)	1)CARE A1+ (09-Jan-18)
2.	Fund-based - LT-Term Loan	LT	203.12	CARE A+; Stable	-	1)CARE A+; Stable (25-Dec-19)	1)CARE A+; Stable (08-Jan-19)	1)CARE A+; Stable (09-Jan-18)
3.	Fund-based - LT-Cash Credit	-	-	-	-	-	-	-
4.	Fund-based - LT/ ST- Working Capital Limits	LT/ST	931.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (25-Dec-19)	1)CARE A+; Stable / CARE A1+ (08-Jan-19)	1)CARE A+; Stable / CARE A1+ (09-Jan-18)

**Annexure 3: Complexity level of various instruments rated for this company**

Sr No	Name of instrument	Complexity level
1.	Commercial Paper-Commercial Paper (Carved out)	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

### Disclaimer

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