

Aarti Pharmalabs Ltd

Scaling Complexity: Transforming into a CDMO Platform

03rd September, 2026

Aarti Pharmalabs Limited (APL) was formed in 2022 following the demerger of the pharmaceutical business from Aarti Industries Limited. The company is a global manufacturer of APIs, pharmaceutical intermediates, New Chemical Entities (NCEs), and xanthine derivatives, serving global innovators, generic pharma players, and beverage companies. APL operates seven manufacturing facilities across Gujarat and Maharashtra, including three USFDA approved units, supported by three R&D centres in Dombivli, Vapi, and Navi Mumbai. With regulatory accreditations from several agencies like USFDA, EU GMP, EDQM, KFDA, and COFEPRIS, and a strategic location in western India, the company is well positioned to serve regulated global markets. Revenue is diversified across xanthine derivatives (~57%), APIs & intermediates (~30%), CDMO/CMO (~7%), and other segments (~6%). With increasing focus on complex chemistries, oncology APIs, and CDMO capabilities, APL is evolving into a global pharmaceutical manufacturing partner.

Valuation Outlook & Recommendation

At the **current market price** of ₹866 and our estimated **FY29E PAT** of ₹369 Cr, Aarti Pharmalabs is trading at ~21.3x P/E on a forward basis. We initiate coverage on Aarti Pharmalabs with a 'BUY' rating and assign a **target multiple** of 26x, implying a **market capitalisation** of ₹9,594 Cr and a **fair value** of ₹1,057 per share, offering an upside potential of 22.06% from the current market price.

We expect **revenue** to grow by 20.1%/17.1%/16.0% in FY27E/FY28E/FY29E, driven by Xanthine capacity ramp-up, Atali expansion and higher CDMO contribution. **EBITDA margins** are expected to improve to 22.2%/22.7%/23.0% from 20.3% in FY26, supported by operating leverage, improving product mix and increasing contribution from higher-value CDMO and complex APIs.

Xanthine capacity utilisation, timely commercialisation of Atali facilities, CDMO scale-up and recovery in API pricing remain the key monitorables.

Current Market Price: ₹ 866

Target Price: ₹ 1,057

Upside Potential: 22.06%

Rating: BUY

Company Snapshot

Market Cap	₹ 7,849 Cr.
52 Week High/Low	₹ 946 / 584
Face Value	₹5
NSE/BSE	AARTIPHARM / 543748
Sector	Pharmaceuticals
P/E	36.6x
EV/EBITDA	19.1x
ROE	8.59%
RoCE	10.70%

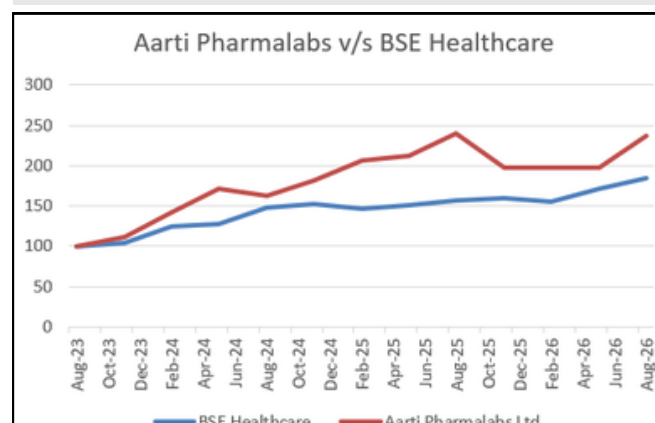
Financials (In Cr.)

Particulars	FY26	FY27E	FY28E	FY29E
Revenue	1,819	2,185	2,558	2,968
EBITDA	369	485	581	683
EBITDA %	20.30%	22.20%	22.70%	23.00%
PAT	175	240	298	369
EPS	19.27	26.47	32.89	40.65

Shareholding Pattern

Particulars	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	42.88%	43.10%	43.08%	42.86%
FIIIs	8.02%	7.69%	8.39%	8.17%
DIIIs	6.95%	7.66%	7.40%	7.22%
Public	42.12%	41.54%	41.10%	41.74%

Price Performance (Indexed to 100)



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Investment Rationale

- **CDMO/CMO driving the next phase of growth through higher-value partnerships:** Currently contributing ~7% of revenue, Aarti Pharmalabs aims to scale the CDMO/CMO business to 20–25% of revenue over the long term, making it a key growth driver with a targeted 40–50% growth trajectory and an ambition to achieve ~₹1,000 Cr of CDMO revenue by FY29/30. The company is actively expanding global sales presence across the US and Europe to deepen its CDMO footprint. APL currently works with 22 customers across 57 active projects, including 37 commercial stage projects and 20 projects under various development stages. The company has steadily moved up the CDMO value chain starting from ISO product supply and regulated starting materials to KSMs and GMP-grade supplies, and now towards more complex chemistry based projects with global innovators. The recent ₹150 Cr capex announcement for Atali Block 2, a dedicated CDMO block, further highlights the strategic focus on scaling this business. As CDMO becomes a larger part of the revenue mix, it is expected to improve overall asset quality, customer stickiness, and credibility, as innovator partnerships are built over years of execution capability, regulatory approvals, and complex chemistry know-how.
- **Xanthine Derivatives – Strengthening Leadership Position Through Capacity Expansion:** APL is world's third largest and India's largest manufacturer of xanthine derivatives, with a ~15–20% global market share and a leading position among Indian manufacturers. The company operates as a fully backward-integrated, non-China dependent supplier, positioning it well to benefit from the ongoing China+1 strategy. The company has successfully expanded xanthine capacity from ~6,000 MTPA to ~9,600 MTPA, with the incremental ~3,600 MTPA capacity commercialised (with trial production ongoing for final product). The expanded capacity is expected to ramp up gradually over the next few quarters, with management targeting ~80% capacity utilisation by FY28. This is expected to increase APL's global market share to ~20–25%. Earlier pricing support from China supply disruptions, export rebate changes, and anti-involution measures provided a favourable pricing environment, but management expects pricing to normalise going forward. While supply chain normalisation is expected to result in moderation of realisations/kg from elevated levels, incremental capacity and higher volumes are expected to drive revenue growth. The company witnessed ~25% growth in xanthine volumes, highlighting strong demand and capacity absorption potential.

Investment Rationale

- **APIs & Intermediates – Recovery Underway with Focus on High-Value Molecules:** APL is expanding its presence in complex, high-value API products, with increasing focus on HPAPIs and smaller molecules. The company's API and intermediate business witnessed pricing pressure due to geopolitical shocks, impacting the broader API industry. However, with supply chain conditions normalising and its established backward-integrated manufacturing capabilities, the segment is positioned for recovery. The recent steroid debottlenecking initiative increased capacity by ~33%, providing additional growth headroom without incremental capex, while the company is evaluating anticancer block debottlenecking to support newer launches over the next year. Further, recent regulatory filings, including Tert-butyl VP-004 (a key intermediate in the Palbociclib/CDK4/6 inhibitor oncology value chain), Apalutamide (prostate cancer) and Ibrutinib (blood cancer), highlight APL's expanding capabilities in complex chemistry and high-value oncology molecules.
- **Increasing R&D investments to support CDMO Expansion and explore new avenues of growth:** Aarti Pharmalabs is strengthening its R&D capabilities with increasing focus on CDMO and complex chemistry development. The company has built a CXO-led technical structure with a Chief Scientific Officer, CTO and COO overseeing R&D, manufacturing and CDMO operations. It also appointed Shashi Kant Tiwari as Head of R&D (API), bringing over two decades of API R&D and process chemistry experience. R&D spend increased to ₹65 Cr in FY26 (~7.4% of API, intermediates and CDMO revenue) from ~5% in FY25, supported by 250+ scientists across three R&D centres, with over half of the efforts now focused on CDMO activities. The Nerul R&D centre, inaugurated in 2024, focuses on process R&D for NCE development projects, enabling complex chemistry solutions for innovator pharma and biotech companies. The company is also expanding capabilities in peptides, oligonucleotides, green chemistry and flow chemistry to build future growth platforms.

Industry Analysis

The global pharmaceutical industry continues to witness structural growth, supported by increasing healthcare expenditure, ageing demographics, rising prevalence of chronic diseases and advancements in complex therapies. The global pharma market was valued at ~US\$1.74 trillion in 2025 and is projected to reach ~US\$2.78 trillion by 2033, growing at a ~6.1% CAGR. Growth is increasingly shifting towards specialty drugs, biologics, personalised medicines, gene therapies and complex formulations, while traditional small-molecule drugs continue to remain a significant base due to their cost advantages, scalability and established manufacturing ecosystem.

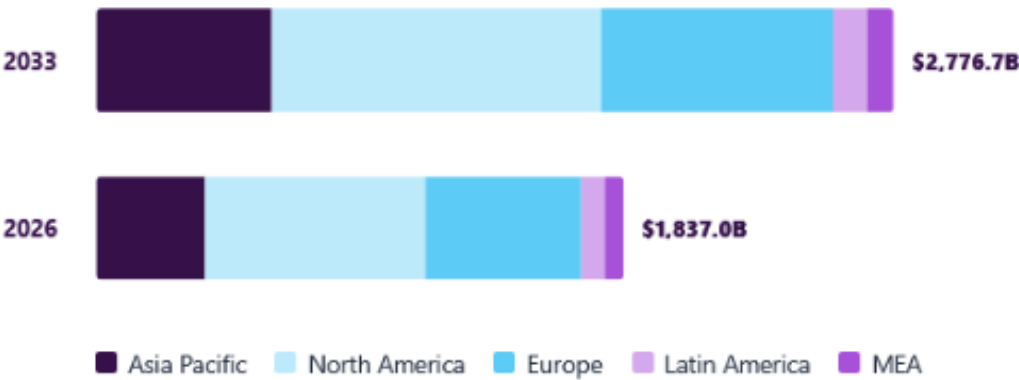
India remains a critical global pharmaceutical manufacturing hub, driven by its cost-efficient manufacturing capabilities, strong chemistry talent pool, large generic drug base and extensive regulatory-approved facilities. India contributes nearly 20% of global generic medicine supply by volume and remains one of the largest suppliers of affordable medicines globally. The Indian pharmaceutical market was valued at ~US\$57.6 billion in FY26 and is expected to reach ~US\$79.7 billion by 2031, driven by rising healthcare penetration, increasing insurance coverage, government initiatives and growing demand for specialty medicines.

The global supply-chain diversification trend away from China, coupled with increasing demand for reliable outsourcing partners, is creating significant opportunities for Indian API and CDMO players. The Indian API market was valued at ~US\$14.8 billion in 2025 and is expected to reach ~US\$22.2 billion by 2031, growing at a ~7.7% CAGR, driven by increasing outsourcing, regulatory compliance requirements and demand for complex molecules. Within CDMO, customers are increasingly preferring partners with capabilities across process development, scale-up, analytical validation, regulatory support and commercial manufacturing, creating higher entry barriers and stronger customer stickiness.

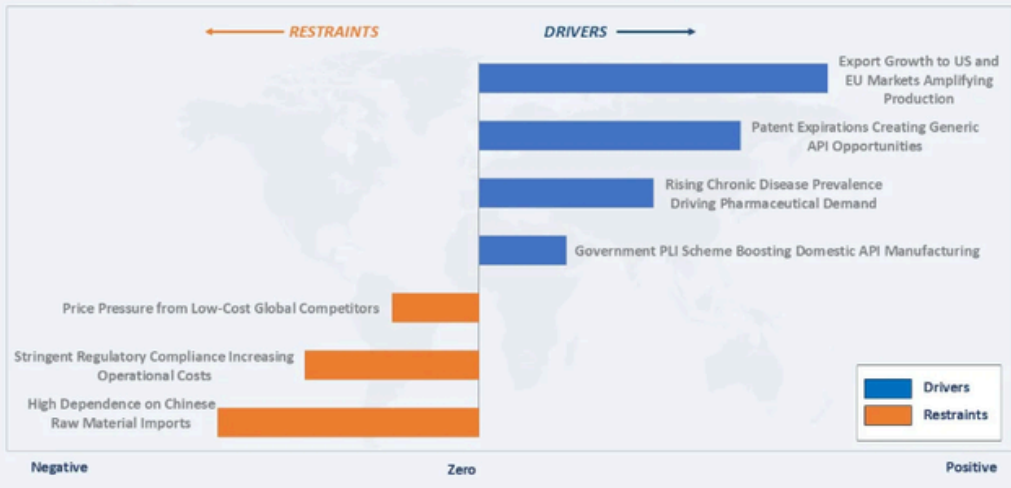
The pharmaceutical outsourcing industry is benefiting from structural drivers such as patent expiries of high-value drugs, increasing R&D outsourcing, China+1 supply-chain diversification and rising demand for complex APIs, HPAPIs and specialty molecules. India's CDMO industry is expected to reach ~US\$25.8 billion by 2035, growing at a ~14.4% CAGR, driven by increasing global outsourcing, capacity expansion and investments in advanced manufacturing capabilities. Indian companies are increasingly moving beyond commoditised generics towards complex chemistry, niche APIs and integrated CDMO capabilities, creating opportunities for higher-value growth.

Industry Analysis

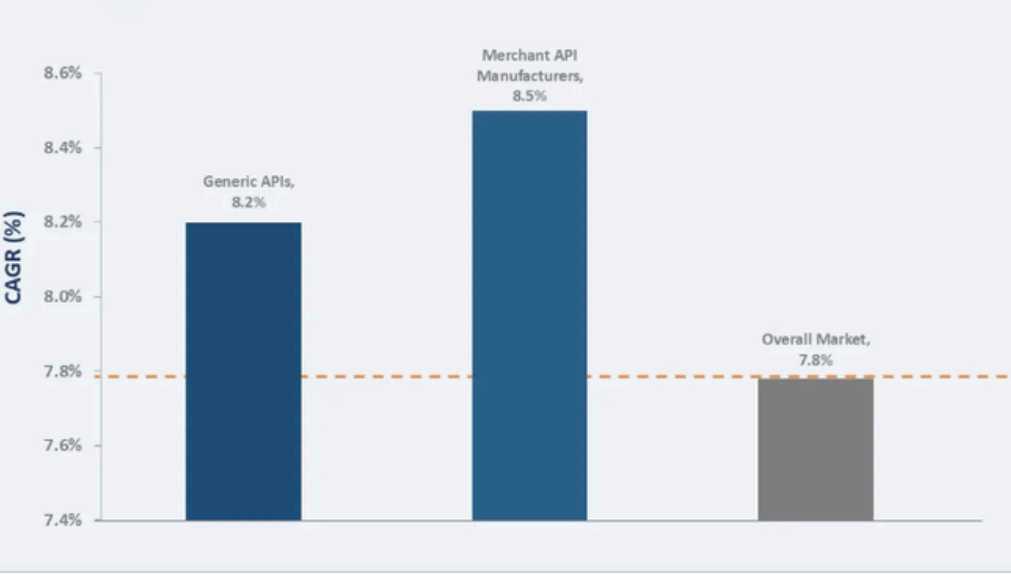
Global Pharmaceutical Market Size, By Region



India Active Pharmaceutical Ingredients Market – Drivers & Restraints Impact Analysis (2025)



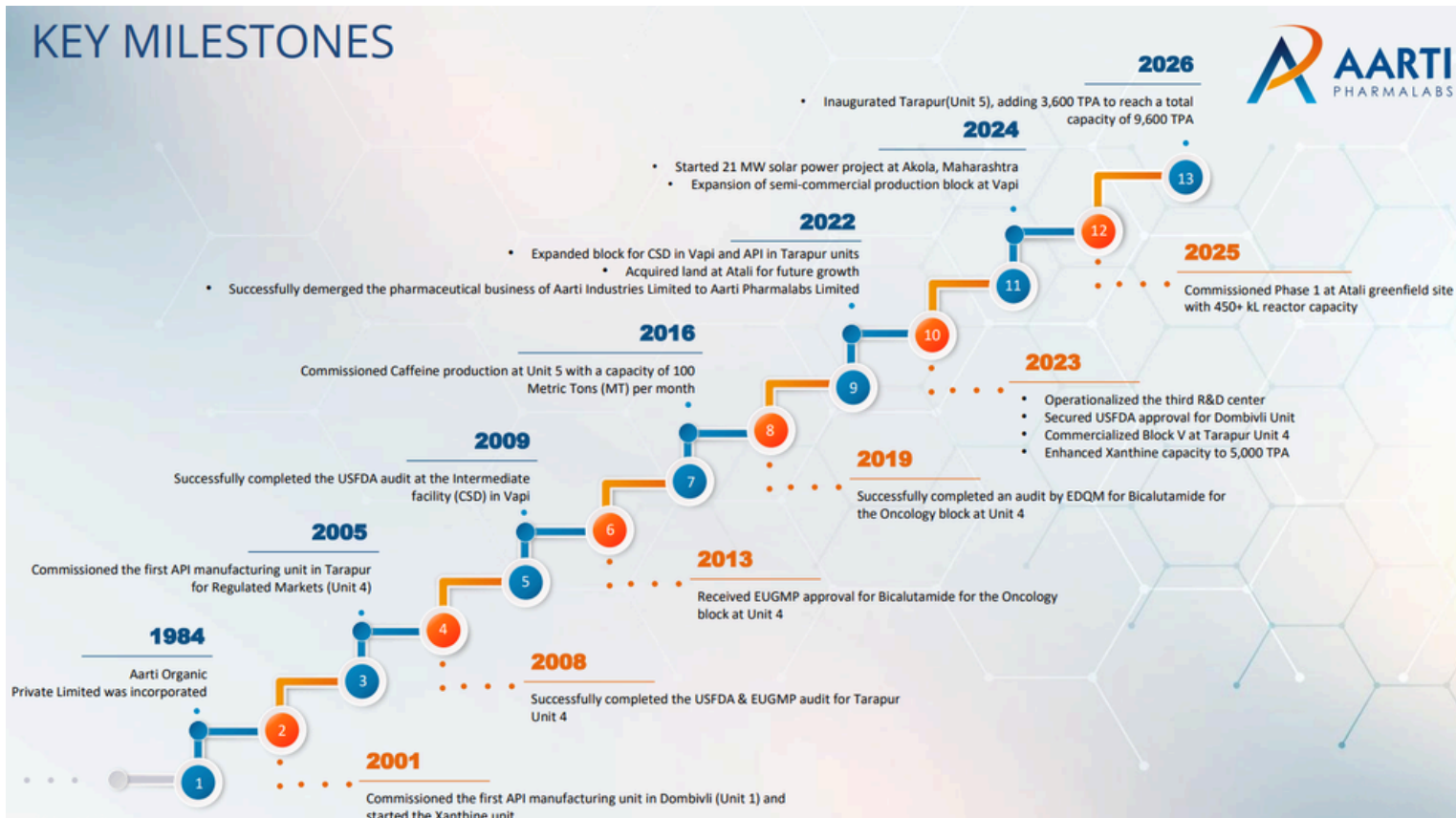
CAGR Comparison – Market Segments (2026-2034)



Source – Company

Company History

KEY MILESTONES



Formative years: 1984 – 2005

1984: Incorporated Aarti Organic Private Limited, marking the beginning of the company's pharmaceutical journey within Aarti Industries.

2002: Commissioned the first API manufacturing unit at Dombivli (Unit 1) and started the Xanthine derivatives business.

2005: Commissioned the first API manufacturing unit for regulated markets at Tarapur (Unit 4).

Build Up Years: 2008 – 2019

2008: Completed USFDA and EU GMP audits for Tarapur Unit 4, enabling supply to regulated markets.

2009: Completed USFDA audit at the Intermediate Facility (CSD) in Vapi.

2013: Received EU GMP approval for Bicalutamide manufacturing at the Oncology Block in Tarapur Unit 4.

2016: Commissioned Caffeine production at Tarapur Unit 5 with a monthly capacity of 100 MT.

2017: Completed COFEPRIS (Mexico) audits at Tarapur Unit 4.

2019: Completed EDQM audit for Bicalutamide at the Oncology Block in Tarapur Unit 4.

Company History

A New Phase of Growth: 2022 onwards

2022:

- Expanded blocks for CSD in Vapi and API manufacturing at Tarapur.
- Acquired land at Atali for future growth.
- Demerged the pharmaceutical business of Aarti Industries Limited into Aarti Pharmalabs Limited.

2023:

- Operationalised the third R&D centre.
- Secured USFDA approval for the Dombivli unit.
- Commercialised Block V at Tarapur Unit 4.
- Enhanced Xanthine capacity to 5,000 MTPA.

2024:

- Started the 21 MW solar power project at Akola, Maharashtra.
- Expanded the semi-commercial production block at Vapi.

2025

- Commissioned Phase 1 of the Atali greenfield site with 450+ KL reactor capacity.
- Received EcoVadis Gold rating, ranking among the top 5% globally in sustainability.

2026

- Progressing the Xanthine expansion at Tarapur, with capacity targeted to increase from 5,000 MTPA to 9,000 MTPA and commissioning completed in June 2026.

Business Verticals

- Xanthine Derivatives:** Xanthine derivatives include Caffeine, Theophylline Anhydrous, Aminophylline, and Etophylline which are used for asthma-related medicines. It also finds applications in beverages (~74% of sales volume), while pharmaceutical and other applications contribute the balance. Aarti Pharmalabs is among the largest global manufacturers of Xanthine derivatives, with ~15–20% global market share and ~80% domestic market share. The business has a strong export orientation, with ~79% of sales volume coming from international markets and ~21% from domestic markets. The segment benefits from backward integration, manufacturing scale and established customer relationships; but it operates at lower margins compared to API & Intermediates and CDMO/CMO business verticals.

Xanthine pricing environment: Xanthine realisations remain elevated compared to pre-war levels, although they have moderated from the peak levels witnessed earlier. Management highlighted that pricing continues to remain above historical levels as raw material costs are yet to normalise fully compared to the pre-war period. Going forward, supply-chain normalisation is expected to result in gradual moderation of realisations, while volume growth from expanded capacity is expected to remain the key driver for revenue growth.

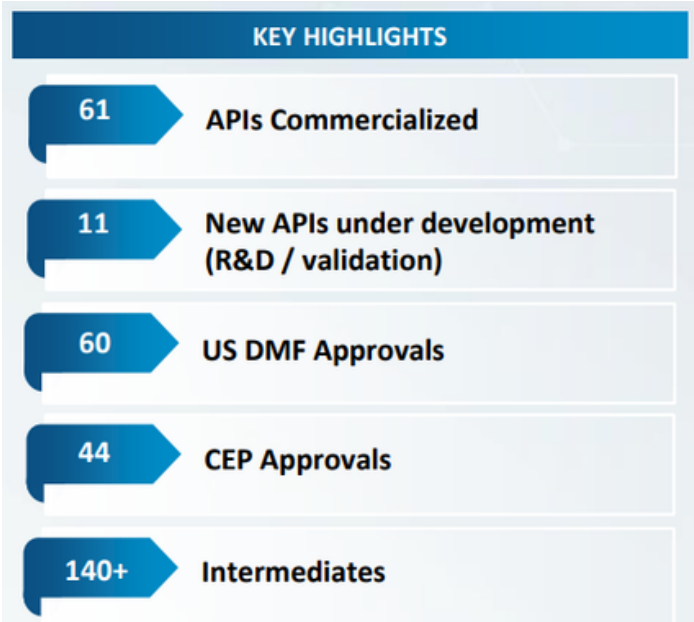


Source - Company

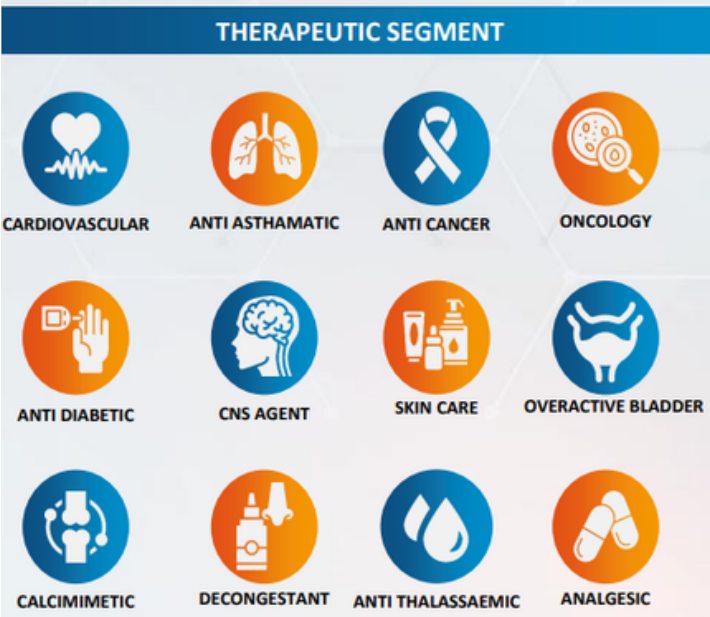
Business Verticals

- APIs & Intermediates:** APL manufactures APIs and pharmaceutical intermediates across therapeutic areas including oncology, corticosteroids and cytotoxic medicines, serving regulated markets through its integrated manufacturing capabilities. The company has strong backward integration across key products, supported by USFDA-approved facilities and regulatory capabilities. APL is increasingly focusing on higher-value, specialised APIs and complex molecules, while expanding its presence in oncology and niche therapeutic segments. The segment delivers ~45–50% gross margins, which is higher than Xanthine derivatives, but remains below CDMO/CMO due to lower customisation and development intensity. The segment is supported by ~1,500+ KL of multipurpose reactor capacity (fungible in nature) and 14 API finished lines, providing manufacturing flexibility across diverse molecules and enabling the company to efficiently cater to regulated market requirements.

The API segment witnessed a weak FY26 impacted by industry-wide inventory destocking and pricing pressure. However, management expects the business to recover and surpass FY25 revenue levels in FY27, targeting revenue of ~₹700 Cr. The recovery is expected to be supported by improved pricing in new contracts/orders, gradual normalisation of market conditions and additional brownfield expansions across anti-cancer and other API blocks (lifestyle products in the anti-diabetic therapeutic segment). The company's top 10 API products contribute ~70% of segment sales, with APL maintaining a strong position across key molecules with ~10–50% market share.



Source - Company



Business Verticals

- **CDMO/CMO:** Offering end to end services including process development and manufacturing of KSMs, RSMs, Intermediates & GMP APIs for small molecule NCEs from early clinical phase (Phase 1,2,3), launch to commercial supplies, along with analytical development and regulatory documentation support. APL’s CDMO business operates at the higher end of the margin spectrum, with gross margins of ~60–65%, driven by specialised manufacturing capabilities and customer-specific requirements. Unlike large global CDMOs that generate higher margins from early-stage development activities (~85% gross margins) and retain significant value when molecules move to commercial scale (~70–75% gross margins), APL primarily focuses on late-stage development and commercial manufacturing projects, resulting in a comparatively lower but sustainable margin profile.

APL commenced its CDMO journey ~5.5 years ago and has scaled the business by ~10x since inception, reflecting strong customer traction and execution capabilities. The company’s commercial CDMO projects have increased from 21 to 37 over the last three years, indicating improving project maturity and customer engagement. The CDMO business is expected to remain H2-heavy, with significant revenue contribution expected in Q4FY27, and management remains optimistic of achieving 40–50% YoY growth in the segment. The upcoming dedicated Atali Block 2 CDMO facility is expected to enhance scalability, with each block estimated to have ₹250–300 Cr topline potential and higher asset turns of ~1.5–2.0x compared to multipurpose facilities, supporting growth in the CDMO vertical. The Vapi site currently has 600 kL capacity, with potential expansion of an additional 200 kL, supporting the company’s target of ₹1,000 Cr CDMO/CMO revenue over the next 3–4 years.

SERVICES OFFERED



End-to-end solutions from synthetic route design to commercial manufacturing, specializing in HPAPIs, cryogenic reaction & corticosteroids development



Comprehensive services like
1) Robust process development (DoE & QbD studies)
2) Process validation and
3) Analytical method development & validation

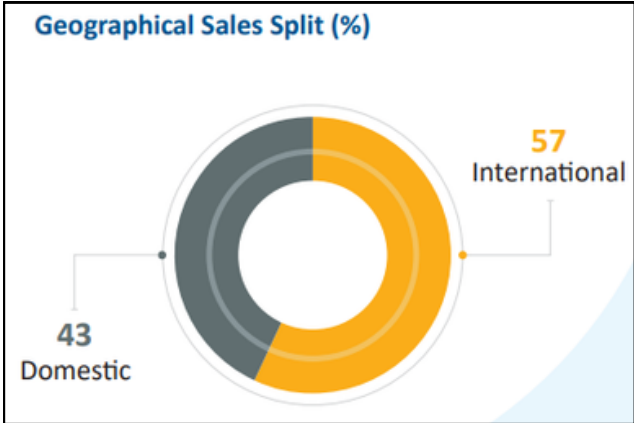
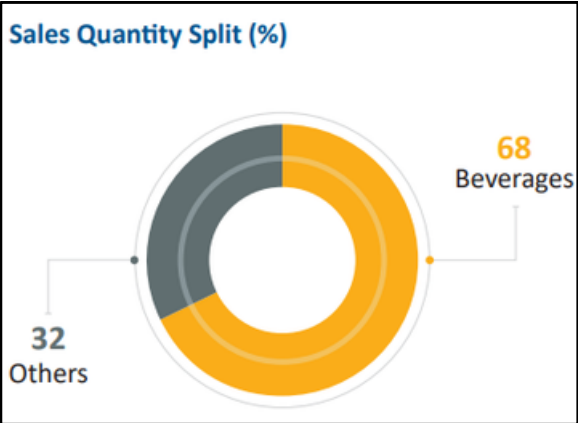


Strong CMC documentation expertise to ensure smooth regulatory approvals.

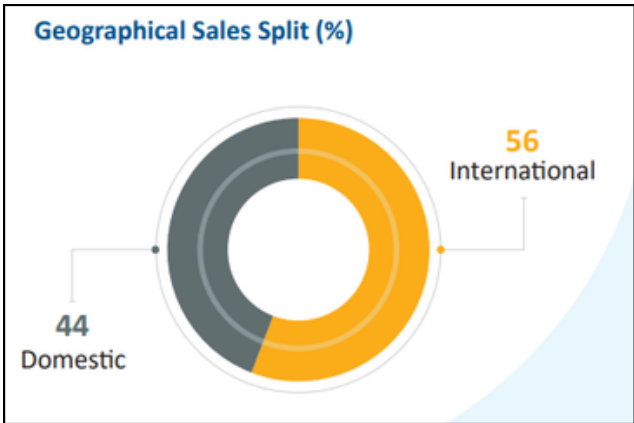
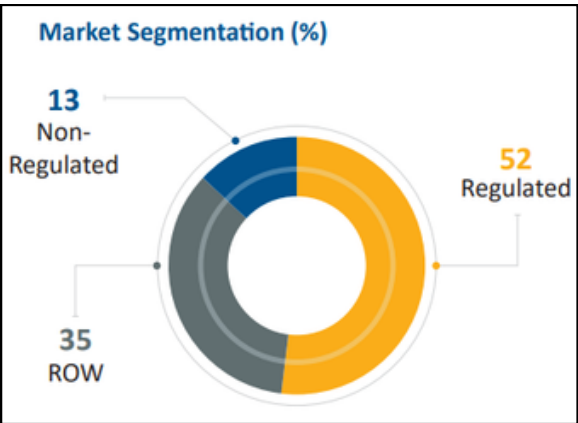
Source – Company

Business Segments Review

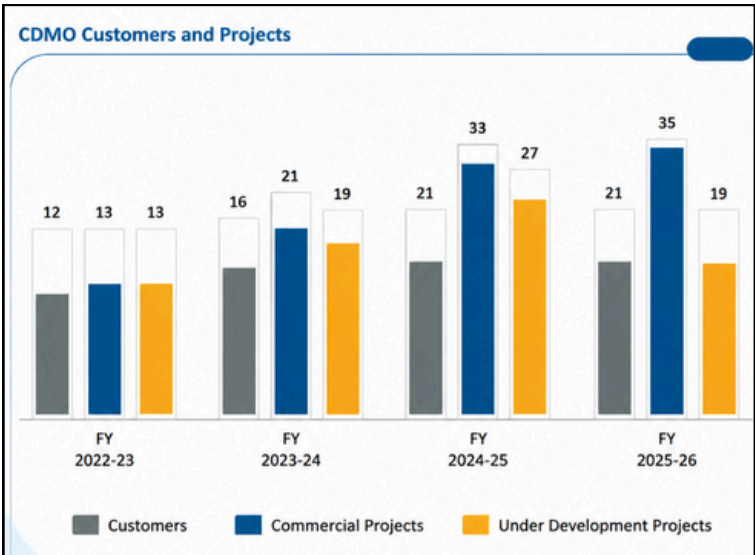
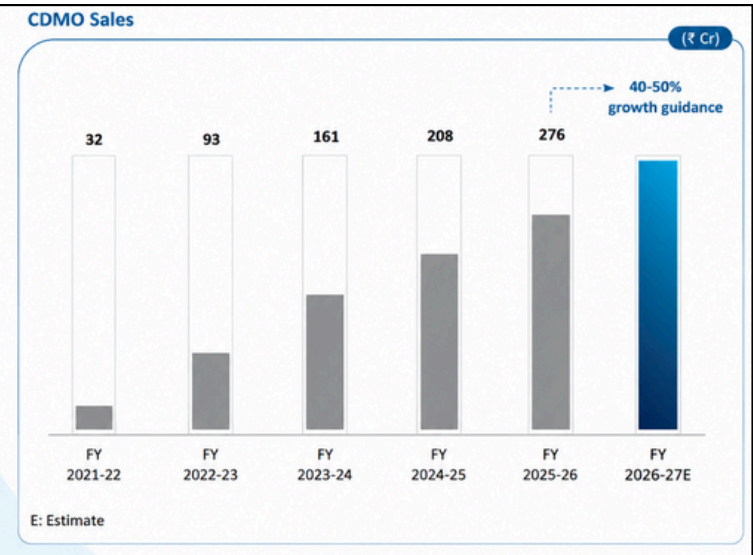
Xanthine Derivatives



API & Intermediates



CDMO/CMO



Source - Company

Key Clientele

International: Liconsa Laboratories, Caribbean Refrescos, New Amsterdam, Bayer, BASF

Domestic: Dr. Reddy's Laboratories, Zydus Healthcare, Glenmark Pharmaceuticals

Notably, two recent filings by Aarti Pharmalabs, Apalutamide and Ibrutinib are associated with Janssen as the innovator company and are marketed under the brand names Erleada and Imbruvica, respectively.

Recent Leadership Hires

- **Shri Shrihari Mane – Chief Technology Officer (API):** Shrihari Mane brings over 30 years of experience in API and bulk drug manufacturing, process excellence, technology transfer and pharmaceutical operations. He currently serves as Chief Technology Officer at Aarti Pharmalabs, overseeing manufacturing excellence and process optimisation initiatives. Prior to joining Aarti Pharmalabs, he held leadership roles including Head of Process Excellence API at Alembic Pharmaceuticals and Unit Head at Mylan Laboratories. He has extensive experience in API facility setup, technology transfer, process validation and scaling up manufacturing operations. He holds a Master's degree in Chemistry from Shivaji University.
- **Rakeshwar Bandichhor – Chief Scientific Officer (CSO):** Dr. Rakeshwar has ~25 years of experience in API process chemistry and pharmaceutical R&D, with extensive expertise in process development and scale-up. Prior to joining Aarti Pharmalabs, he held senior leadership roles at Dr. Reddy's Laboratories, including Vice President & Head – Chemistry (API Process R&D). He holds a Master's degree in Pharmaceutical Chemistry from the University of Lucknow.
- **Shashi Kant Tiwari – Head of R&D (API):** He brings over two decades of experience in API research & development, process chemistry and pharmaceutical innovation. He currently leads API R&D initiatives at Aarti Pharmalabs as Head of R&D (API), strengthening the company's process development and complex chemistry capabilities. Prior to joining Aarti Pharmalabs, he held senior leadership roles across the pharmaceutical industry, including Assistant Vice President (Head CRD-API) at Symed Labs, Head CRD (API) at Ind-Swift Laboratories, and Principal Scientist-1/GM-1 at Aurobindo Pharma. He has also held research leadership positions at Piramal Group, Sai Life Sciences, Acoris Research, Jubilant Chemsys, Chembiotek Laboratories and Syngene International. He holds expertise in API process development and pharmaceutical R&D, supported by his research experience as a Postdoctoral Fellow at RWTH Aachen University, Germany, and Ph.D. research fellowship at the National Chemical Laboratory.

Recent Leadership Hires

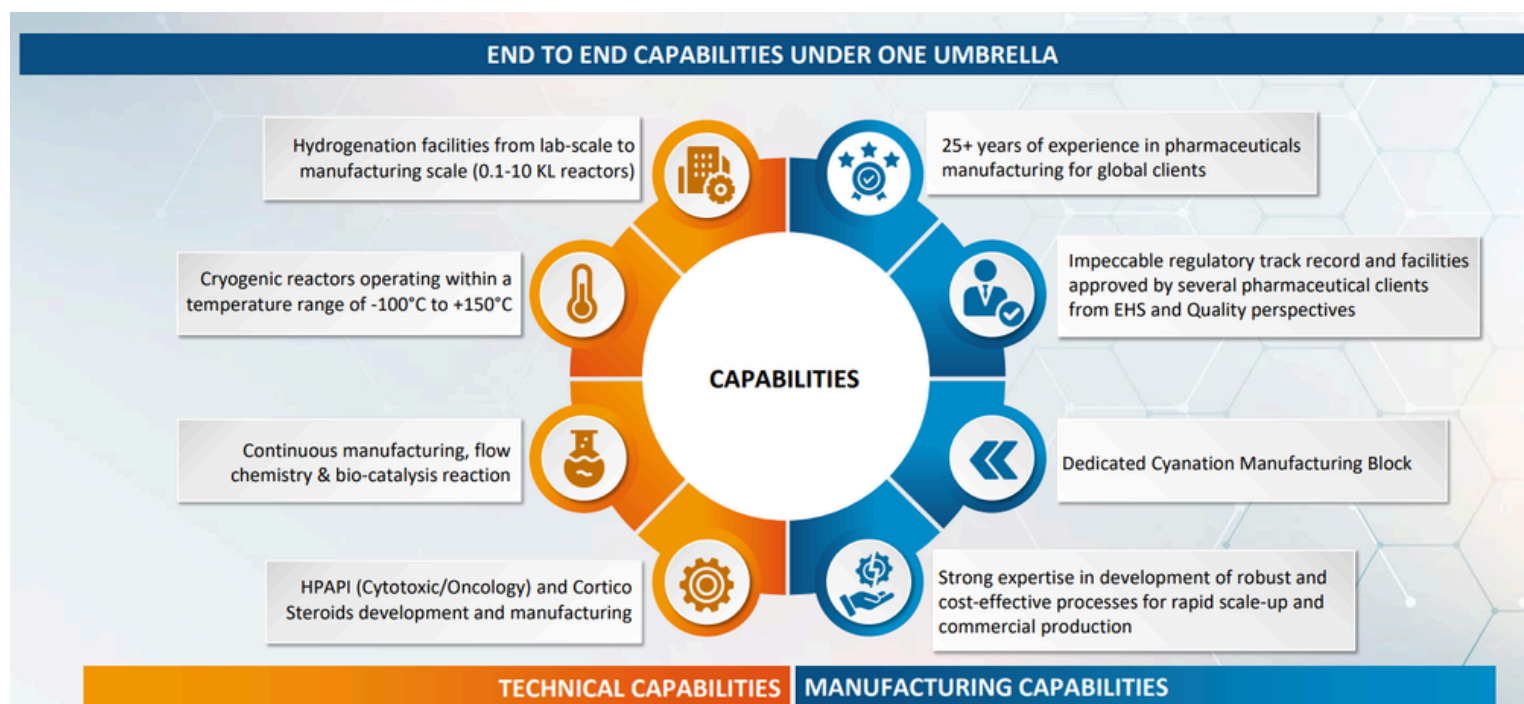
The recent leadership additions highlight APL’s strategic focus on strengthening its R&D, technology and manufacturing capabilities. The appointment of experienced professionals across API R&D, process excellence and technology functions reflects the company’s efforts to build domain-specific expertise and create a more structured organisational framework. The creation of dedicated CXO-level roles, including CSO, CTO and COO, indicates a positive step towards sharper accountability and execution across key growth areas.



Source - Company

Manufacturing Footprint

Location	Manufacturing Unit	Certifications & Audit Dates
Dombivli	Unit – I (API, Intermediates, CDMO)	USFDA – Jun 2022
Vapi	Unit – II (API, Intermediates, CDMO) Custom Synthesis Division	USFDA – Sep 2009, Aug 2017
Tarapur	Unit – III (Xanthine Unit)	cGMP
Tarapur	Unit – IV (API, CDMO-API)	USFDA – Mar 2008, Sep 2011, Mar 2015, Dec 2016, Feb 2020 EUGMP – Apr 2008, May 2012, Aug 2013, Jan 2015 EDQM – Sep 2019, KFDA – Nov 2017, COFEPRIS – Apr 2017, May 2017
Tarapur	Unit – V (Xanthine Unit)	cGMP, FSSC 22000, Halal, Kosher
Tarapur	Unit – VI (Intermediate unit of Xanthine, specialty & allied products)	ISO 9001, 14001, 45001
Atali	Atali Unit (Intermediates, CDMO)	ISO 9001, 14001, 45001



Source - Company

Capex Timeline

Atali Plant

Period	Description	Capex Amount
FY22	Land acquired at Atali for future expansion.	–
Q2FY26	Atali Block 1 – Multipurpose plant: ~440 kL reactor capacity. Commissioned Phase 1 at Atali greenfield site.	~₹450 Cr
Q1FY27	Atali Block 1 – Phase 2: Remaining smaller reactor block to get completed in Q1FY27.	–
Q1FY27	Atali Block 2 – Dedicated CDMO block (brownfield expansion): ~405 kL approved capacity, expandable by another ~200 kL. Designed for identified repetitive CDMO projects.	₹149 Cr
Q2FY27	Both Phase 1 & Phase 2 of Block 1 to be fully operational in Q2FY27.	–
Q3FY27	Block 2: Groundbreaking planned. Construction timeline estimated at 12–15 months.	–
Q2FY28	Block 2: Targeted commercialisation based on the ~12-month construction timeline.	–

Note 1: Management stated that Block 2 is more capex-efficient than a multipurpose block as the reactors can be specifically configured for identified CDMO projects.

Note 2: The total capex of 600cr is expected to deliver asset turnover in excess of around ~1x, with meaningful capacity utilisation expected within 12–18 months of commissioning.

Xanthine Derivatives

Year	Description
2016	Initial Caffeine production at Unit 5 at ~100 MT/month capacity.
FY23	Xanthine capacity expanded by ~5,000 MTPA, taking total capacity to ~6,000 MTPA.
FY26	Inaugurated Tarapur Unit 5, adding ~3,600 MTPA of Xanthine derivatives capacity and taking total capacity to ~9,600 MTPA. Trial production for final products is underway, with ramp-up planned over the next few quarters.

Note 3: Company expects overall utilization of 50–60% on expanded capacity during FY26 and ramp up the utilization to ~80% by FY28.

Renewable Energy Initiatives

Akola Solar Plant (Maharashtra): Aarti Pharmalabs commissioned its first 21 MW DC (15 MW AC) captive solar plant in Akola, Maharashtra, during Q2 FY25 with a capex of ~₹85–90 Cr. The plant currently meets ~33% of the company's total electricity requirements, supporting the Dombivli and Tarapur manufacturing clusters. The plant generates annual cost savings of ~₹25–30 Cr through lower renewable power costs compared to grid electricity.

Atali Solar Plant (Gujarat Cluster): The company is setting up a second 9 MW DC captive solar project for its Gujarat cluster/Atali facility, with commissioning targeted in FY27. The project is being implemented through a PPA-based JV structure, with an estimated capex of ~₹45–50 Cr.

Combined Impact: Post commissioning of both solar projects, Aarti Pharmalabs expects renewable energy to meet ~50% of its total electricity requirements, strengthening cost competitiveness and supporting its sustainability objectives.

Key Risks

- **Delay in Xanthine Capacity Ramp-up:** The incremental Xanthine capacity addition is expected to be a key volume growth driver. Any delay in commissioning, product approvals, or slower-than-expected utilisation ramp-up could impact revenue growth and market share expansion targets.
- **Delay in Atali API/CDMO Expansion:** Atali Block 1 and Block 2 expansions are critical for scaling the API and CDMO business verticals. Delays in project execution, commissioning or commercialisation could defer revenue contribution and impact asset turnover expectations.
- **Volatility in CDMO Business:** The CDMO business is project-driven and dependent on customer timelines, molecule progression and commercialisation schedules. Any delay in customer approvals, development milestones or order conversion could lead to quarterly revenue volatility.
- **Pricing Pressure & Competitive Intensity:** The Xanthine and API segments remain exposed to pricing volatility due to global supply-demand dynamics. Increased competition or potential dumping by Chinese players could impact realisations and margins.
- **Regulatory Risk:** Pharmaceutical manufacturing requires strict regulatory and environmental compliance. The company has previously faced operational disruption due to boiler-related issues at one of its facilities, which resulted in a notice from the Pollution Control Board and temporary plant closure. Although operations resumed within a month, any future inability to maintain environmental compliance standards could lead to regulatory action, including potential facility shutdowns and operational disruptions.

Management Overview



Rashesh C. Gogri

Chairman (Non-Executive Director)

Rashesh Gogri is a Production Engineering graduate from Mumbai University with over 21 years of experience across Production, Marketing and Project Implementation in the Chemical and Pharmaceutical sectors. He currently serves as Chairman of Aarti Pharmalabs and Vice Chairman & Managing Director of Aarti Industries, driving business strategy and growth initiatives.



Hetal Gogri Gala

Vice Chairperson and Managing Director

Hetal Gogri Gala is an Electrical and Electronics Engineering graduate from KJ Somaiya College of Engineering and holds a Management Education Programme (MEP) from IIM Ahmedabad. She brings over 24 years of experience and currently serves as Vice Chairperson & Managing Director of Aarti Pharmalabs, driving business strategy through a pragmatic and consensus-driven leadership approach.



Narendra J. Salvi

Managing Director

Narendra J. Salvi brings over 36 years of experience in the API industry, with deep expertise in operations, project execution, regulatory compliance and sustainability initiatives. As Managing Director of Aarti Pharmalabs, he plays a key role in driving operational excellence, execution capabilities and sustainable growth across the organisation.



Piyush Lakhani

Chief Financial Officer

Piyush Lakhani is a Chartered Accountant and holds a Bachelor's degree in Chemical Engineering from Mumbai University. He brings experience across finance and business operations, and currently serves as Chief Financial Officer of Aarti Pharmalabs, overseeing financial strategy, reporting and business performance management.



Rajendra Gogri

Non-Executive Director

Rajendra V. Gogri holds a Bachelor's degree in Chemical Engineering from the Institute of Chemical Technology and a Master's degree in Chemical Engineering from Iowa State University. With over four decades of experience in the chemical industry, he serves as Chairman & Managing Director of Aarti Industries, driving strategic growth and business development.

Profit & Loss Statement

(In Cr.)

Particulars	FY26	FY27E	FY28E	FY29E
Revenue	1,819	2,185	2,558	2,968
YoY Growth %	–	20.12%	17.09%	16%
Operating Expenses	1,450	1,700	1,978	2,285
EBITDA	369	485	581	683
EBITDA %	20.30%	22.20%	22.70%	23.00%
YoY Growth %	–	31.45%	19.73%	17.53%
Other Income	15	21	17	18
Depreciation	104	130	142	150
Interest	47	56	58	59
Profit Before Tax (PBT)	233	320	398	492
Tax Rate %	25%	25%	25%	25%
Tax Provision	58	80	99	123
Profit After Tax (PAT)	175	240	298	369
PAT Margin %	9.60%	11.00%	11.70%	12.40%
YoY Growth %	–	37.37%	24.27%	23.59%
Earnings Per Share (₹)	19.27	26.47	32.89	40.65

Balance Sheet

(In Cr.)

Particulars	FY26	FY27E	FY28E	FY29E
Fixed Assets	1,525	1,806	1,903	1,956
CWIP	305	313	145	47
Investments	194	203	211	226
Sundry Debtors	583	659	753	864
Inventories	640	724	827	948
Cash & Cash Equivalents	10	12	16	19
Loans and Advances	44	48	73	93
Other Current Assets	180	69	221	305
Total Assets	3,481	3,834	4,149	4,458
Equity Share Capital	45	45	45	45
Reserves	2,079	2,279	2,516	2,745
Shareholder's Funds	2,124	2,324	2,561	2,790
Borrowings	754	812	812	812
Trade Payables	335	387	440	501
Other Liability Items	268	311	336	355
Total Liabilities	3,481	3,834	4,149	4,458

Cash Flow Statement

(In Cr.)

Particulars	FY26E	FY27E	FY28E	FY29E
Cash from Operating Activity	262	344	378	430
Profit from operations	416	535	748	789
Receivables	(99)	(76)	(94)	(111)
Inventory	(81)	(84)	(103)	(121)
Payables	70	52	53	61
Other WC items	3	(18)	(127)	(65)
Working capital changes	(107)	(126)	(271)	(236)
Direct taxes	(47)	(65)	(99)	(123)
Cash from Investing Activity	(431)	(403)	(261)	(211)
Fixed assets purchased	(448)	(400)	(250)	(200)
Investments purchased	0	(9)	(8)	(15)
Investments sold	13	-	-	-
Interest received	2	3	4	5
Dividend received	0	0	0	0
Other investing items	3	3	(7)	(1)
Cash from Financing Activity	171	(43)	(83)	(91)
Proceeds from shares	0	0	0	0
Proceeds from borrowings	264	58	0	0
Repayment of borrowings	0	0	0	0
Interest paid	(39)	(48)	(50)	(51)
Dividends paid	(36)	(43)	(52)	(63)
Financial liabilities	(19)	(10)	19	23
Net Cash Flow	2	(102)	34	128

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