

The Chemistry of Sustained Relationships



Annual Report 2012-13



AARTI DRUGS

AND ITS GLOBAL PRESENCE

Country

- | | | | | |
|---------------|----------------|-----------------|---------------|---------------|
| 1. Albania | 9. Bosnia | 17. Croatia | 25. Georgia | 33. India |
| 2. Algeria | 10. Brazil | 18. Cuba | 26. Germany | 34. Indonesia |
| 3. Argentina | 11. Bulgaria | 19. Cyprus | 27. Ghana | 35. Iran |
| 4. Australia | 12. Canada | 20. Denmark | 28. Greece | 36. Iraq |
| 5. Bangladesh | 13. Chile | 21. Ecuador | 29. Guatemala | 37. Ireland |
| 6. Belgium | 14. China | 22. Egypt | 30. Honduras | 38. Israel |
| 7. Belarus | 15. Colombia | 23. El Salvador | 31. Hongkong | 39. Italy |
| 8. Bolivia | 16. Costa Rica | 24. France | 32. Hungary | 40. Japan |

Mission

- Aarti Drugs Limited will seek global market leadership.
- Development and growth in the products will be our focus.
- We will continue to create a winning culture, operating in highest standards of ethics and values with co-operation among competitors.
- We will strive for excellence in customer service, quality and R&D.

Vision

- To be the preferred vendor for the Products in India and World.





"Accidents hurt - Safety doesn't."

Corporate Information

Chairman Emeritus

Chandrakant V. Gogri

Board of Directors

Rajendra V. Gogri

Chairman (w.e.f. 16th August, 2012)

Prakash M. Patil

Managing Director & CEO

Harshit M. Savla

Jt. Managing Director

Whole-time Directors

Harit P. Shah

Rashesh C. Gogri (w.e.f. 16th August, 2012)

Uday M. Patil

Independent Directors

Ramdas M. Gandhi

Bhavesh R. Vora

Prof. Krishnacharya G. Akamanchi

Dr. Vilas G. Gaikar

Sunil M. Dedhia

Navin C. Shah

Chief Financial Officer

Adhish P. Patil

Company Secretary

Sunny Pagare

Auditors

M/s. Parikh Joshi & Kothare,
49/2341, M.H.B. Colony, Gandhi Nagar,
Bandra (East), Mumbai-400 051.

Solicitors

M/s. M. P. Savla & Co.
Bharat House, 2nd floor,
104 Mumbai Samachar Marg,
Mumbai-400 001.

Registrar & Transfer Agent

M/s. Sharepro Services (India) Pvt. Ltd.

Bankers

Bank of Baroda

Union Bank of India

State Bank of India

The Bank of Nova Scotia

Standard Chartered Bank

DBS Bank Ltd.

IDBI Bank Ltd.

Citi Bank N.A.

HSBC

ICICI Bank Ltd.

Kotak Mahindra Bank Ltd.

Company's Locations

Registered Office

Plot No. N - 198, M.I.D.C.,
Tarapur, Village-Pantembhi,
Taluka – Palghar,
Dist. Thane- 401 506.

Corporate Office

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

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FINANCIAL HIGHLIGHTS

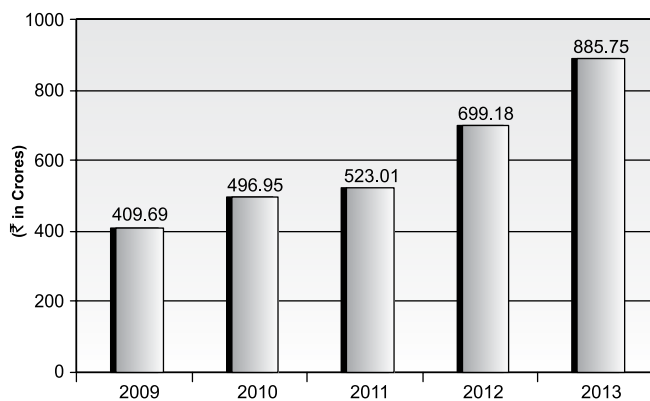
(₹ in Lakhs)

Particulars	Financial Year Ended on						
	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11*	31-Mar-12* 31-Mar-13*
Sales	27,900.01	31,330.26	33,584.79	40,968.87	49,694.87	52,301.38	69,917.64 88,574.83
Profit Before Interest, Depreciation and Amortization	3,144.38	3,449.75	3,930.01	5,690.35	7,207.99	6,269.13	8,027.03 12,033.43
Interest	841.68	986.30	1,183.81	2,271.69	1,474.45	1,347.80	2,267.19 2,803.55
Depreciation and Amortization	791.80	861.72	962.93	1,103.92	1,351.75	1,774.06	2,421.59 2,598.40
Profit Before Tax	1,510.90	1,601.73	1,783.27	2,314.75	4,381.79	3,147.27	3,221.98 6,587.84
Profit After Tax	1,272.86	1,276.98	1,307.32	1,504.75	2,609.79	2,247.29	2,246.10 4,523.84
Dividend (%)	15	12	18	30	50	50	50 100
Payout	175.62	140.50	210.75	351.26	605.43	605.43	605.43 1,210.86
Equity Capital	1,170.86	1,170.86	1,170.86	1,170.86	1,210.86	1,210.86	1,210.86 1,210.86
Reserves & Surplus	7,556.89	8,673.66	9,734.41	10,827.49	12,898.30	14,440.78	16,437.13 19,549.93
Less : Miscellaneous Expenditure	226.92	114.93	3.72	—	—	—	— —
Networth	8,500.83	9,729.59	10,901.54	11,998.35	14,109.16	15,651.63	17,647.99 20,760.78
Borrowings							
Long Term	3,094.12	4,263.63	4,795.06	7,204.25	7,818.18	7,434.15	6,692.38 8,070.45
Short-Term-Bank	6,701.47	7,493.42	7,070.50	8,070.95	6,047.94	16,866.01	21,723.88 23,980.90
Short-Term-Others	8,413.26	7,499.31	8,651.20	2,572.65	3,898.38	85.01	1,374.94 —
Total Borrowings	18,208.85	19,256.36	20,516.76	17,847.85	17,764.50	24,385.18	29,791.20 32,051.35
Gross Block	20,059.68	21,253.39	23,359.01	26,725.92	28,748.23	34,579.98	43,938.29 47,904.89
Less : Depreciation	5,095.16	6,236.45	7,446.69	8,788.25	10,394.66	12,159.02	16,584.66 18,781.79
Net Block	14,964.52	15,016.94	15,912.33	17,937.66	18,353.57	22,420.96	27,353.63 29,123.10
Capital work-in-progress	Nil	1,375.20	1,466.90	64.42	340.35	1,037.47	299.09 1,258.89
Investments	2,040.49	2,134.85	33,52.82	2,137.85	2,137.85	2,461.29	691.84 513.19
Current Assets, Loans and Advances	17,098.48	17,231.02	18,767.55	18,513.71	20,020.43	25,669.13	32,917.38 41,076.71
Less: Current Liabilities	6,298.15	5,547.41	6,626.63	7,076.76	6,998.89	9,322.39	11,375.56 15,119.49
Net Working Capital	10,800.32	11,683.60	12,140.92	11,436.96	13,021.54	16,346.74	21,541.83 25,957.22
Book Value (₹)	72.60	83.10	93.11	102.47	116.52	129.26	145.75 171.46
EPS (Basic & Diluted) (₹)	10.85	10.90	11.17	12.85	22.08	18.56	17.84 37.36

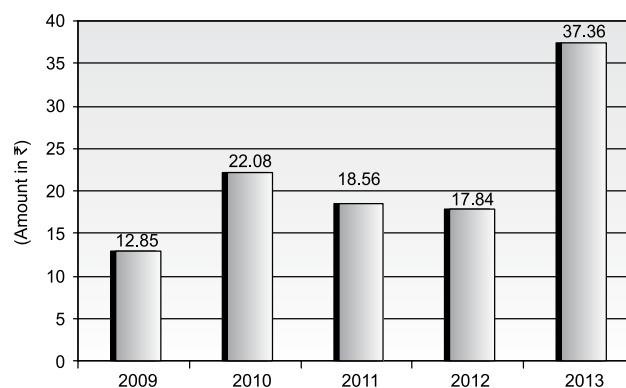
* Note:- Regrouped as per Revised Schedule VI of the Companies Act, 1956.

FINANCIAL HIGHLIGHTS

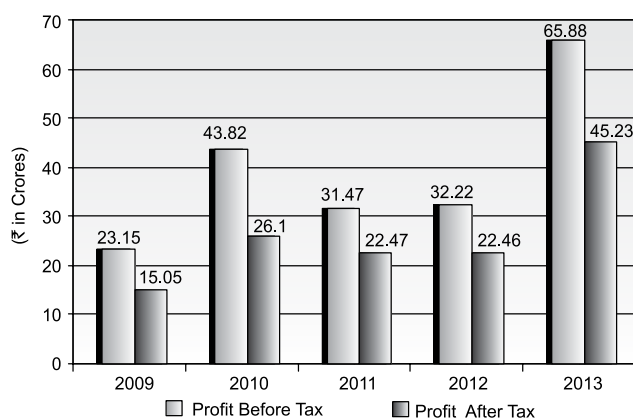
Turnover



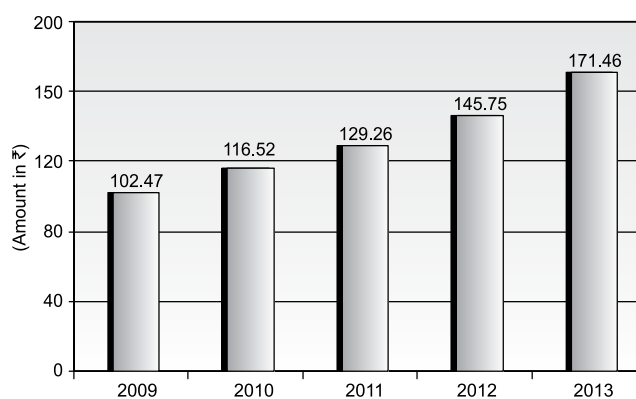
Earning Per Shares



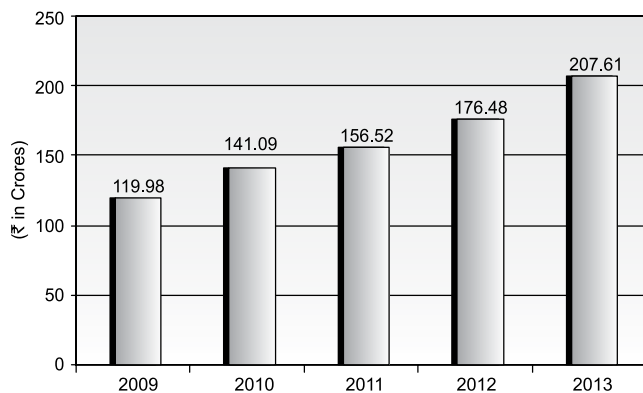
Profit Before Tax & Profit After Tax



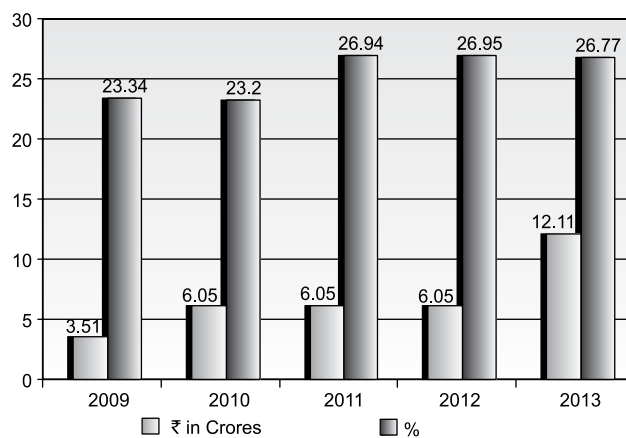
Book Value



Networth



Dividend Payout





NOTICE

Notice is hereby given that the Twenty-Eighth Annual General Meeting of the Members of Aarti Drugs Limited will be held on Friday, the 2nd day of August, 2013, at 11.00 a.m. at TIMA Hall, MIDC Tarapur, Taluka Palghar, Dist.: Thane - 401 506, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors' and Auditors' thereon.
2. To declare a final dividend for the financial year ended 31st March, 2013.
3. To appoint a Director in place of Shri Rashesh C. Gogri, who is liable to retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Harshit M. Savla, who is liable to retire by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Navin C. Shah, who is liable to retire by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Rajendra V. Gogri, who is liable to retire by rotation and being eligible, offers himself for re-appointment.
7. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Parikh Joshi & Kothare, Chartered Accountants (Registration No. 107547W), be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 ("the Act"), the Company hereby approves the re-appointment and terms of remuneration of Shri Rashesh C. Gogri, Whole-time Director of the Company for a period of five years with effect from 31st October, 2012 upon the terms and conditions set out in the draft Agreement to be entered into by the Company with him and submitted to this meeting, duly initialled by the Chairman for the purpose of the identification, which agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement so as not to exceed the limits specified in Schedule XIII of the Act and as may be agreed between the Board of Directors and Shri Rashesh C. Gogri.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Act and subject to the approval of the Central Government, if and when necessary, consent of the Company be and is hereby accorded to Shri Vishwa H. Savla, to hold and continue to hold an Office of Profit as Vice-president, Formulation of the Company, with effect from 1st September, 2012 on the terms and conditions including remuneration as set out

in the letter of appointment issued by the Company to him and submitted to this meeting duly initialled by the Chairman for the purpose of identification, which is hereby specifically sanctioned, with power to the Chairman of the Company to alter and vary the terms of appointment subject to limit prescribed under the relevant rules prescribed under Section 314 of the Act and/or approval of the Central Government, as the case may be."

Registered Office:
Plot No. N-198, MIDC,
Tarapur, Village-Pantembhi,
Taluka-Palghar,
Dist. Thane 401 506.

Place: Mumbai
Date: 16th May, 2013

By order of the Board

Sd/-
Sunny Pagare
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON POLL) INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
The instrument appointing a proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business at Item No. 8 & 9 above is annexed hereto and forms part of the Notice.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26th July, 2013 to 2nd August, 2013 (both days inclusive)
5. All documents referred to in the accompanying notice and the explanatory statement are open for inspection at the registered office of the Company on all working days except Saturdays, between 11.00 a.m. and 1.00 p.m., up to the date of the AGM.
6. The Members are requested to note:
 - (i) **Change of Address/Bank details:** Members holding shares in physical form are requested to inform the Company's Registrars and Transfer Agents, M/s. Sharepro Services (India) Private Limited, immediately of any change in their address and bank details. Members holding shares in dematerialized form are requested to intimate all changes with respect to their address, bank details, mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. This will help the Company to provide efficient and better service to the Members.
 - (ii) Members holding shares in dematerialized form are requested to register their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) and Permanent Account Number (PAN) with their Depository Participants with whom they are maintaining their demat accounts.
 - (iii) Members holding shares in physical form are requested to provide their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) along with their Folio Number and PAN to the Company's Registrars and Transfer Agents (RTA), M/s. Sharepro Services (India) Private Limited.
 - (iv) Section 109A of the Companies Act, 1956 provides for **Nomination by the shareholders** of the Company in the prescribed Form No. 2B for shares held in physical form. Blank forms will be supplied by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
 - (v) Queries on accounts may please be sent to the Company at Corporate Office 10 day in advance of the Annual General Meeting so that the answers may be made available at the meeting.
 - (vi) The Company has transferred unclaimed amounts of final dividend declared for the year 2004-05 to the Investor Education and Protection Fund as required under Sections 205A and 205C of the Companies Act, 1956.



Brief resume of Directors seeking re-election/re-appointment are as under:

Particulars	Shri Rashesh C. Gogri	Shri Harshit M. Savla
Date of birth and age	03.06.1974 (39 years)	19.11.1962 (50 years)
Date of Appointment	16.08.2012	02.01.1987
Qualifications	Industrial Engineer and holds Diploma in Business Management	B.Com.
Experience and expertise in specific functional areas	He has been President-Marketing with the Company and has more than 16 years of experience in field of production, marketing and project implementation in chemical industry.	He has more than 26 years of experience in finance, export and administration. He played crucial role in expanding the export market for the product of the Company.
Directorships held in other (excluding foreign) Companies	Aarti Industries Ltd. Alchemie Leasing and Financing Pvt. Ltd. Gogri and Sons Investments Pvt. Ltd. Ganesh Polychem Ltd. Crystal Millennium Realtors Pvt. Ltd. Alchemie Dye Chem Pvt. Ltd. Anushakti Chemicals and Drugs Ltd. Aakansha Pharmachem Pvt. Ltd. Jhagadia Enterprises Pvt. Ltd. Dhaval Realtors (India) Pvt. Ltd. Anushakti Holdings Ltd. Spark Academy Pvt. Ltd. Aarti Specialties Ltd. Gogri Finserv Pvt. Ltd.	Dhaval Realtors (India) Pvt. Ltd. Crystal Millennium Realtors Pvt. Ltd.
Memberships/Chairmanships of committees across public companies	Audit Committee Aarti Drugs Ltd. – Member Anushakti Holdings Ltd. – Member Shareholder Transfer Committee Aarti Drugs Ltd. – Chairman Aarti Industries Ltd. – Member Finance Committee Aarti Industries Ltd. – Member Remuneration Committee Aarti Industries Ltd. – Member	Shareholder Grievance Committee Aarti Drugs Ltd. – Member Shareholder Transfer Committee Aarti Drugs Ltd. – Member
Number of shares held in the Company	403355	415755

Particulars	Shri Navin C. Shah	Shri Rajendra V. Gogri
Date of birth and age	22.02.1961 (52 years)	15.12.1959 (53 years)
Date of Appointment	04.11.2010	28.09.1984
Qualifications	B.Com, FCA	B.E.-Chemical, UDCT Mumbai / M.S., USA