The Chemistry of Sustained Relationships

Annual Report 2013-14

Aarti Drugs Ltd.

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AARTI DRUGS

AND ITS GLOBAL PRESENCE

Country

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

Corporate Information

Chairman Emeritus
Chandrakant V. Gogri

Board of Directors

Prakash M. Patil
Chairman, Managing Director & CEO
(Chairman w.e.f. 04/04/2014)

Harshit M. Savla
Jt. Managing Director

Whole-time Directors
Harit P. Shah
Rashesh C. Gogri
Uday M. Patil

Rajendra V. Gogri
Non-Executive Director
(Chairman upto 03/04/2014)

Independent Directors

Ramdas M. Gandhi
CA Bhavesh R. Vora
Prof. Krishnacharya G. Akamanchi
Dr. Vilas G. Gaikar
CS Sunil M. Dedhia *(upto 31/03/2014)*
CA Navin C. Shah

Chief Financial Officer
Adhish P. Patil

Company Secretary
CS 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
Union Bank of India
Bank of Baroda
State Bank of India
The Bank of Nova Scotia
Standard Chartered Bank
DBS Bank Ltd.
IDBI Bank Ltd.
Citi Bank N.A.
The Hongkong and Shanghai Banking Corporation Limited
ICICI Bank Ltd.
Kotak Mahindra Bank Ltd.
Indusind Bank

Company's Locations

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

Corporate Identity Number
L37060MH1984PLC055433

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

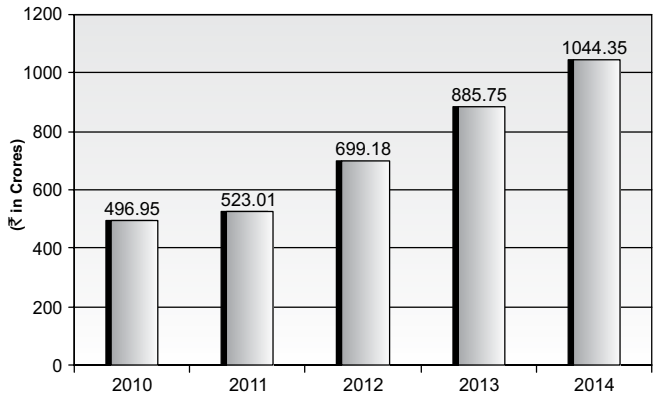
(₹ in Lakhs)

Particulars	Financial Year Ended on							
	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11*	31-Mar-12*	31-Mar-13*	31-Mar-14*
Sales (Gross)	**31,330.26**	**33,584.79**	**40,968.87**	**49,694.87**	**52,301.38**	**69,917.64**	**88,574.83**	**104,434.57**
Profit Before Interest, Depreciation and Amortization	3,449.75	3,930.01	5,690.35	7,207.99	6,269.13	8,027.03	12,033.43	**14,636.95**
Interest	986.30	1,183.81	2,271.69	1,474.45	1,347.80	2,267.19	2,803.55	**3,348.97**
Depreciation and Amortization	861.72	962.93	1,103.92	1,351.75	1,774.06	2,421.59	2,598.40	**2,811.94**
Profit Before Tax	**1,601.73**	**1,783.27**	**2,314.75**	**4,381.79**	**3,147.27**	**3,221.98**	**6,587.84**	**8,476.04**
Profit After Tax	**1,276.98**	**1,307.32**	**1,504.75**	**2,609.79**	**2,247.29**	**2,246.10**	**4,523.84**	**6,171.23**
Dividend (%)	**12**	**18**	**30**	**50**	**50**	**50**	**100**	**130.00**
Payout	140.50	210.75	351.26	605.43	605.43	605.43	1,210.86	**1,574.11**
Equity Capital	1,170.86	1,170.86	1,170.86	1,210.86	1,210.86	1,210.86	1,210.86	**1,210.86**
Reserves & Surplus	8,673.66	9,734.41	10,827.49	12,898.30	14,440.78	16,437.13	19,549.93	**23,879.53**
Less : Miscellaneous Expenditure	114.93	3.72	–	–	–	–	–	–
Networth	**9,729.59**	**10,901.54**	**11,998.35**	**14,109.16**	**15,651.63**	**17,647.99**	**20,760.78**	**25,091.39**
Borrowings								
Long Term	4,263.63	4,795.06	7,204.25	7,818.18	7,434.15	6,692.38	8,070.45	**7,664.20**
Short-Term-Bank	7,493.42	7,070.50	8,070.95	6,047.94	16,866.01	21,723.88	23,980.90	**21,723.88**
Short-Term-Others	7,499.31	8,651.20	2,572.65	3,898.38	85.01	1,374.94	–	–
Total Borrowings	**19,256.36**	**20,516.76**	**17,847.85**	**17,764.50**	**24,385.18**	**29,791.20**	**32,051.35**	**29,388.08**
Gross Block	21,253.39	23,359.01	26,725.92	28,748.23	34,579.98	43,938.29	47,904.89	**58,113.01**
Less : Depreciation	6,236.45	7,446.69	8,788.25	10,394.66	12,159.02	16,584.66	18,781.79	**20,860.39**
Net Block	**15,016.94**	**15,912.33**	**17,937.66**	**18,353.57**	**22,420.96**	**27,353.63**	**29,123.10**	**37,252.62**
Capital work-in-progress	1,375.20	1,466.90	64.42	340.35	1,037.47	299.09	1,258.89	**831.55**
Investments	2,134.85	3,352.82	2,137.85	2,137.85	2,461.29	691.84	513.19	**461.90**
Current Assets, Loans and Advances	17,231.02	18,767.55	18,513.71	20,020.43	25,669.13	32,917.38	41,076.71	**46,428.05**
Less: Current Liabilities	5,547.41	6,626.63	7,076.76	6,998.89	9,322.39	11,375.56	15,119.49	**17,762.83**
Net Working Capital	**11,683.60**	**12,140.92**	**11,436.96**	**13,021.54**	**16,346.74**	**21,541.83**	**25,957.22**	**28,665.22**
Book Value (₹)	83.10	93.11	102.47	116.52	129.26	145.75	171.46	**207.21**
EPS (Basic & Diluted) (₹)	10.90	11.17	12.85	22.08	18.56	17.84	37.36	**50.97**

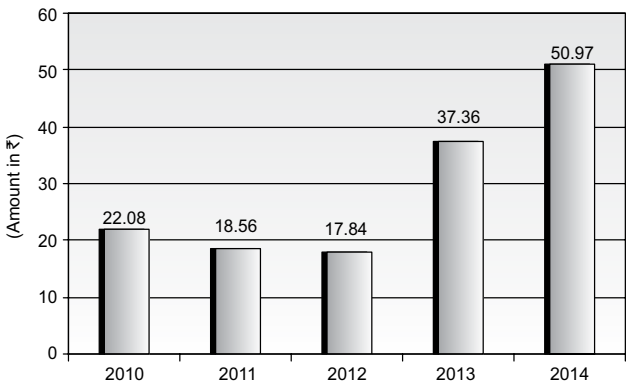
* Note:- Regrouped as per Revised Schedule (vi) of the Companies Act, 1956.

FINANCIAL HIGHLIGHTS

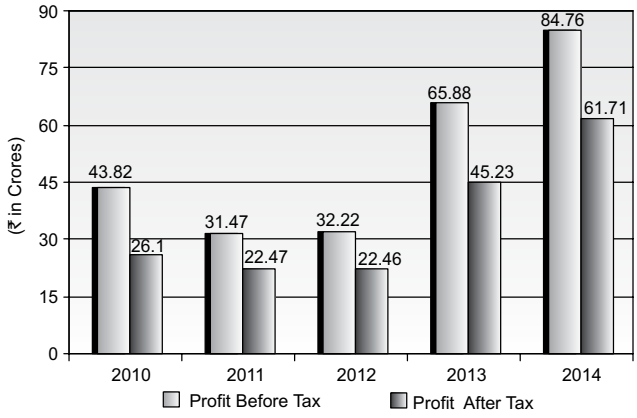
Turnover



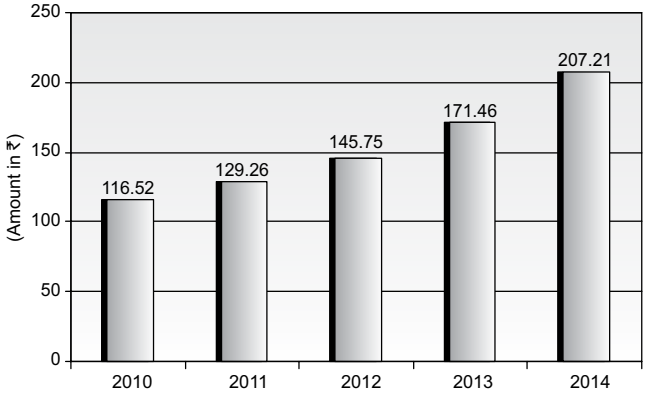
Earning Per Shares



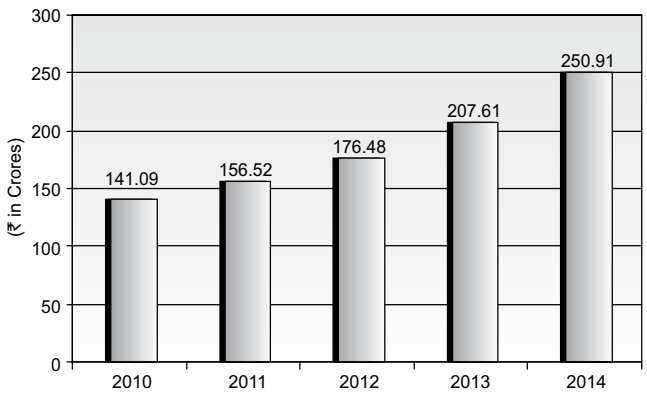
Profit Before Tax & Profit After Tax



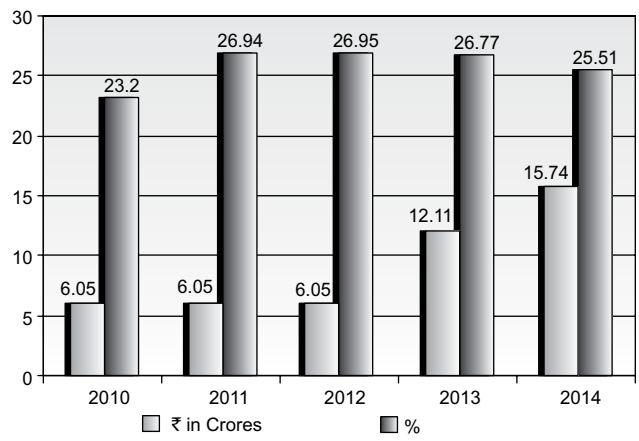
Book Value



Networth



Dividend Payout



NOTICE

NOTICE is hereby given that the Twenty-Ninth Annual General Meeting of the members of Aarti Drugs Limited will be held on Friday, the 11th day of July, 2014, 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 Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014, 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, 2014.

3. To appoint a Director in place of Shri Harit P. Shah (DIN: 00005501), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Shri Uday M. Patil (DIN: 01186406), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

5. 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 pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act 2013 and the Rules made thereunder, and pursuant to recommendation of the Audit Committee of the Board of Directors, M/s. Gokhale & Sathe, Chartered Accountants (Firm Regn. No. 103264W) be and are hereby appointed as statutory auditors of the Company for the period of 3 (three) years, subject to ratification by the members at every AGM and eligibility of the firm, to hold office from the conclusion of this Annual General Meeting(AGM) until the conclusion of the thirty second AGM of the Company, on such remuneration and reimbursement of out of pocket expenses, as shall be decided/approved by the Board of Directors."

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereof and the Rules made thereunder, Shri Ramdas M. Gandhi (DIN: 00029437), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the said Act, signifying his intention to propose Shri Ramdas M. Gandhi as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period up to 31st March, 2019, not liable to retire by rotation."

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereof and the Rules made thereunder, Prof. Krishnacharya G. Akamanchi (DIN: 02354032), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the said Act, signifying his intention to propose Prof. Krishnacharya G. Akamanchi as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period up to 31st March, 2019, not liable to retire by rotation."

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 the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereof and the Rules made thereunder, Dr. Vilas G. Gaikar (DIN: 00033383), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the said Act, signifying his intention to propose Dr. Vilas G. Gaikar as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period up to 31st March, 2019, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereof and the Rules made thereunder, CA Bhavesh R. Vora (DIN: 00267604), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the said Act, signifying his intention to propose CA Bhavesh R. Vora as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a period up to 31st March, 2019, not liable to retire by rotation."

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

"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 25th Annual General Meeting held on 27th August, 2010 and pursuant to Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board") to borrow any sum or sums of money/ies, from time to time, notwithstanding that money so borrowed together with the money/ies already borrowed by the Company (apart from temporary loans obtained /to be obtained from the Company's bankers in the ordinary course of business), and outstanding at any point of time, may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose, provided that the total amount so borrowed by the Board shall not exceed ₹ 500 crore (Rupees Five hundred crores).

RESOLVED FURTHER that the Board of the Company be and is hereby authorized to arrange and finalise the terms and conditions of all such monies to be borrowed from time to time and to do all such acts, matter, deeds and things as may be necessary or expedient for implementing and for giving effect to the above resolution in the best interest of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 3,00,000/- recommended by the Audit Committee and approved by the Board of Directors of the Company to be paid to Mr. Girikrishna S. Maniar as the Cost Auditor of the Company for the financial year ending March 31, 2015, be and is hereby ratified."

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

Place: Mumbai
Date: 30th April, 2014

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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

   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 102 of the Companies Act, 2013 in respect of the Special Business at Item No. 6 to 11 above is annexed.

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 4th July, 2014 to 11th July, 2014 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended 31st March, 2014 and the AGM.

   Dividend on Equity shares as recommended by the Board of Directors for the year ended 31st March, 2014, if approved at the Meeting, will be payable to those eligible Members whose names stand on the Register of Members on 4th July, 2014.

5. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days between 11.00 a.m. and 1.00 p.m., up to the date of the AGM.

6. Members holding shares in physical form are requested to inform the Company's Registrars and Transfer Agents (RTA), 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.

7. 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. Members holding shares in physical form can submit their PAN details to the Company's RTA as the same is mandated by the Securities and Exchange Board of India.

8. Queries on accounts may please be sent to the Company 10 day in advance of the Annual General Meeting so that the answers may be made available at the meeting.

9. The Company has transferred unclaimed amounts of final and Interim dividend declared for the year 2005-06 and 2006-07 respectively to the Investor Education and Protection Fund as required under Sections 205A and 205C of the Companies Act, 1956.

10. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of the 28th Annual General Meeting (AGM) held on 2nd August, 2013, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.aartidrugs.com