

The Chemistry of Sustained Relationships



Annual Report 2014-15



Aarti Drugs Ltd.



AARTI DRUGS AND ITS GLOBAL PRESENCE

Country

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

Rashesh C. Gogri

Managing Director (w.e.f. 26/09/2014)

Harshit M. Savla

Jt. Managing Director

Whole-time Directors

Harit P. Shah

Uday M. Patil

Rajendra V. Gogri

Non-Executive Director

Independent Directors

Ramdas M. Gandhi

CA Bhavesh R. Vora

Prof. Krishnacharya G. Akamanchi

Dr. Vilas G. Gaikar

CA Navin C. Shah

CA Priti P. Savla (w.e.f. 26/09/2014)

Chief Financial Officer

Adhish P. Patil

Registered Office

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

Corporate Identity Number

L37060MH1984PLC055433

Company Secretary

CS Sunny Pagare

Auditors

M/s. Gokhale & Sathe,
308/309, Udyog Mandir No. 1,
7-C Bhagoji Keer Marg,
Mahim, Mumbai-400 016.

Registrar & Transfer Agent

M/s. Sharepro Services (India) Pvt. Ltd.
Samhita Warehousing Complex,
Gala No. 52 to 56, Bldg. No.13 A-B,
Near Sakinaka Telephone Exchange,
Andheri-Kurla Road, Sakinaka,
Mumbai - 400 072.
Telephone - 022-67720300/67720400

Bankers

Union Bank of India
Bank of Baroda
State Bank of India
Standard Chartered Bank
DBS Bank 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

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

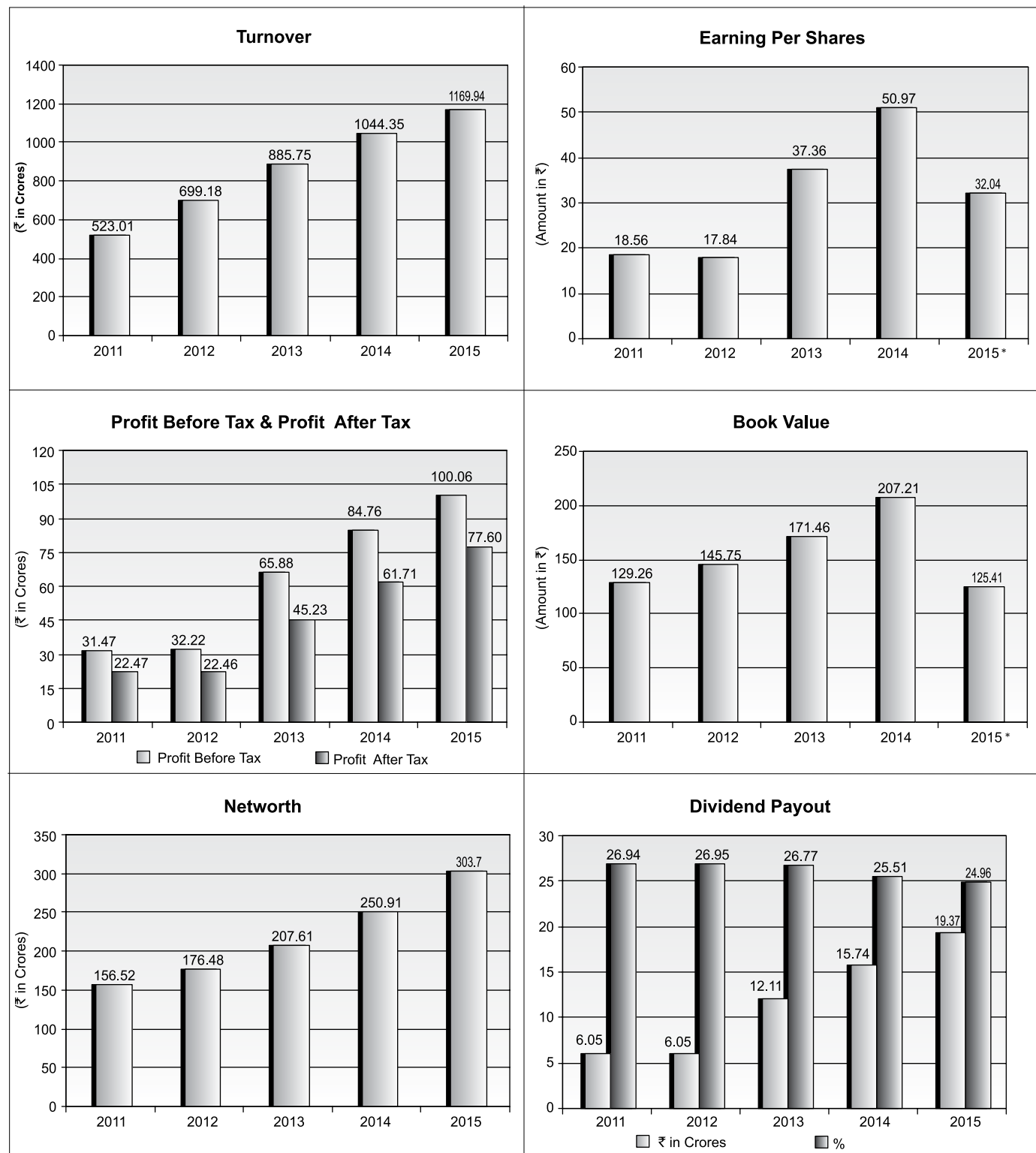
(₹ in Lacs)

Particulars	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15*
Sales (Gross)	33,584.79	40,968.87	49,694.87	52,301.38	69,917.64	88,574.83	104,434.57	116,993.80
Profit Before Interest, Depreciation and Amortization	3,930.01	5,690.35	7,207.99	6,269.13	8,027.03	12,033.43	14,635.01	16,895.56
Interest	1,183.81	2,271.69	1,474.45	1,347.80	2,267.19	2,803.55	3,348.97	3,887.70
Depreciation and Amortization	962.93	1,103.92	1,351.75	1,774.06	2,421.59	2,598.40	2,811.94	3,066.35
Profit Before Tax	1,783.27	2,314.75	4,381.79	3,147.27	3,221.98	6,587.84	8,476.04	10,006.49
Profit After Tax	1,307.32	1,504.75	2,609.79	2,247.29	2,246.10	4,523.84	6,171.23	7,759.95
Dividend (%)	18	30	50	50	50	100	130.00	80.00
Payout	210.75	351.26	605.43	605.43	605.43	1,210.86	1,574.11	193,737.60
Equity Capital	1,170.86	1,170.86	1,210.86	1,210.86	1,210.86	1,210.86	1,210.86	2,421.72
Reserves & Surplus	9,734.41	10,827.49	12,898.30	14,440.78	16,437.13	19,549.93	23,879.53	27,948.53
Less : Miscellaneous Expenditure	3.72	-	-	-	-	-	-	-
Networth	10,901.54	11,998.35	14,109.16	15,651.63	17,647.99	20,760.78	25,090.39	30,370.25
Borrowings								
Long Term	4,795.06	7,204.25	7,818.18	7,434.15	6,692.38	8,070.45	7,664.20	15,147.46
Short-Term-Bank	7,070.50	8,070.95	6,047.94	16,866.01	21,723.88	21,498.34	24,758.92	24,838.59
Short-Term-Others	8,651.20	2,572.65	3,898.38	85.01	1,374.94	-	1,800.83	288.00
Total Borrowings	20,516.76	17,847.85	17,764.50	24,385.18	29,791.20	29,568.79	34,223.95	40,274.05
Gross Block	23,359.01	26,725.92	28,748.23	34,579.98	43,938.29	47,904.89	58,113.01	66,509.39
Less : Depreciation	7,446.69	8,788.25	10,394.66	12,159.02	16,584.66	18,781.79	20,860.39	23,361.02
Net Block	15,912.33	17,937.66	18,353.57	22,420.96	27,353.63	29,123.10	37,252.62	43,148.38
Capital work-in-progress	1,466.90	64.42	340.35	1,037.47	299.09	1,258.89	831.55	1,334.63
Investments	3,352.82	2,137.85	2,137.85	2,461.29	691.84	513.19	461.90	1,111.49
Current Assets, Loans and Advances	18,767.55	18,513.71	20,020.43	25,669.13	32,917.38	41,076.71	46,428.05	51,098.67
Less: Current Liabilities	6,626.63	7,076.76	6,998.89	9,322.39	11,375.56	17,602.05	21,407.73	21,313.77
Net Working Capital	12,140.92	11,436.96	13,021.54	16,346.74	21,541.83	23,474.66	25,020.32	29,784.90
Book Value (₹)	93.11	102.47	116.52	129.26	145.75	171.46	207.21	**125.41
EPS (Basic & Diluted) (₹)	11.17	12.85	22.08	18.56	17.84	37.36	50.97	**32.04

Notes: * As per Schedule (III) of the Companies Act, 2013.

** Post bonus issue of 1:1 equity share for the year 2015.

FINANCIAL HIGHLIGHTS



* Post Bonus issue of 1:1 equity shares for the year 2015



NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of Aarti Drugs Limited will be held on Friday, the 14th day of August, 2015, at 11.00 a.m. at TIMA Hall, MIDC Tarapur, Taluka Palghar, Dist. Palghar - 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 March 31, 2015 including audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors' and Auditors' thereon; and the audited consolidated financial statement of the Company for the financial year ended March 31, 2015.
2. To declare a final dividend for the financial year ended March 31, 2015.
3. To appoint a Director in place of Shri Rajendra V. Gogri (DIN: 00061003), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of auditors of the Company, 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in terms of the resolution passed by the members at the Annual General Meeting (AGM) held on July 11, 2014, the appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Regn. No. 103264W), as the auditors of the Company be and is hereby ratified to hold office till the conclusion of the thirty second AGM and, on such remuneration and reimbursement of out of pocket expenses, as shall be decided/approved by the Board of Directors."

SPECIAL BUSINESS

5. 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 196 and 197 and all other applicable provisions, if any, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to all such sanctions, if any, as may be necessary, the Company hereby approves, variation in the terms of remuneration payable to Shri Prakash Moreshwar Patil (DIN: 00005618), Chairman & Managing Director of the Company with effect from April 1, 2015 as set out in the Statement annexed to the Notice convening this Meeting."
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 Section 148 and all other applicable provisions of the Companies Act, 2013 read with 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, 2016, be and is hereby ratified."

Registered Office:
Plot No.N-198, MIDC,
Tarapur, Village-Pamtembhi,
Taluka-Palghar,
Dist. Palghar 401 506.
Place: Mumbai
Date: May 20, 2015

By order of the Board

Sd/-
CS 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 IN THE MEETING INSTEAD OF HIMSELF/HERSELF, 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 Nos. 5 to 6 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 authorizing 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 August 7, 2015 to August 14, 2015 (both days inclusive) for the purpose of payment of final dividend for the financial year ended March 31, 2015 and the AGM.

Dividend on Equity shares as recommended by the Board of Directors for the year ended March 31, 2015, if approved at the Meeting, will be payable to those eligible Members whose names stand on the Register of Members on August 7, 2015.

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 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
9. The Ministry of Corporate Affairs (MCA) on May 10, 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 29th Annual General Meeting (AGM) held on July 11, 2014, 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
10. The Company is concerned about the environment. We request you to update your email address with your Depository Participants to enable us to send you communications via email. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their e-mail addresses to the Sharepro Services (India) Private Limited (RTA) sending an e-mail at sharepro@shareproservices.com or to the Company at investorrelations@aartidrugs.com.





11. Copies of the Annual Report 2014-15 are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for 2014-15 are being sent by the permitted mode.
12. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

13. Voting Options

(1) Voting through Electronic Means

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means.

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)]:

- (i) Open email and open PDF file viz; "Aarti Drugs Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder - Login.
- (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of Aarti Drugs Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to investorrelations@aartidrugs.com with a copy marked to e-voting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM and Attendance Slip [for members whose email IDs are not registered with the Company / Depository Participants(s)] or requesting physical copy:

- (i) Initial password is provided at the bottom of the Attendance Slip for the AGM:
EVEN (E-voting Event Number) USER ID PASSWORD/PIN.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) Above, to cast vote.