

The Chemistry of Sustained Relationships



Annual Report
2015-16



Aarti Drugs Ltd.



AARTI DRUGS

AND ITS GLOBAL PRESENCE

Country

1	Albania	11	Brazil	21	Cyprus	31	Guatemala	41	Ivory Coast
2	Algeria	12	Bulgaria	22	Czech Republic	32	Hongkong	42	Jamaica
3	Argentina	13	Burundi	23	Ecuador	33	Hungary	43	Japan
4	Australia	14	Canada	24	Egypt	34	India	44	Jordan
5	Bangladesh	15	Chile	25	El Salvador	35	Indonesia	45	Kenya
6	Belarus	16	China	26	Ethiopia	36	Iran	46	Korea
7	Belgium	17	Colombia	27	France	37	Iraq	47	Kuwait
8	Benin	18	Costa Rica	28	Georgia	38	Ireland	48	Latvia
9	Bolivia	19	Croatia	29	Germany	39	Israel	49	Lebanon
10	Bosnia	20	Cuba	30	Greece	40	Italy	50	Lithuania

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

Shri Chandrakant V. Gogri

Board of Directors

Shri Prakash M. Patil

Chairman, Managing Director & Chief Executive Officer

Shri Rashesh C. Gogri

Managing Director

Shri Harshit M. Savla

Jt. Managing Director

Whole-time Directors

Shri Harit P. Shah

Shri Uday M. Patil

Shri Rajendra V. Gogri

Non-Executive Director

Independent Directors

Shri Ramdas M. Gandhi

CA Bhavesh R. Vora

Prof. Krishnacharya G. Akamanchi

Dr. Vilas G. Gaikar

CA Navin C. Shah

CA Priti P. Savla

Chief Financial Officer

Shri Adhish P. Patil

Registered Office

Plot No. N - 198, M.I.D.C.,

Tarapur, Village-Pamtermbhi,

Dist. Palghar - 401 506, Maharashtra

Corporate Identification Number

L37060MH1984PLC055433

Company Secretary & Compliance Officer

CS Vibhav S. Ranade

(Appointed w.e.f. 22nd February, 2016)

Statutory Auditors

M/s. Gokhale & Sathe,

308/309, Udyog Mandir No. 1,

7-C Bhagoji Keer Marg,

Mahim, Mumbai-400 016, Maharashtra

Registrar & Transfer Agent

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (West),

Mumbai - 400 078, Maharashtra

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, Maharashtra

Visit us at www.aartidrugs.com

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FINANCIAL HIGHLIGHTS

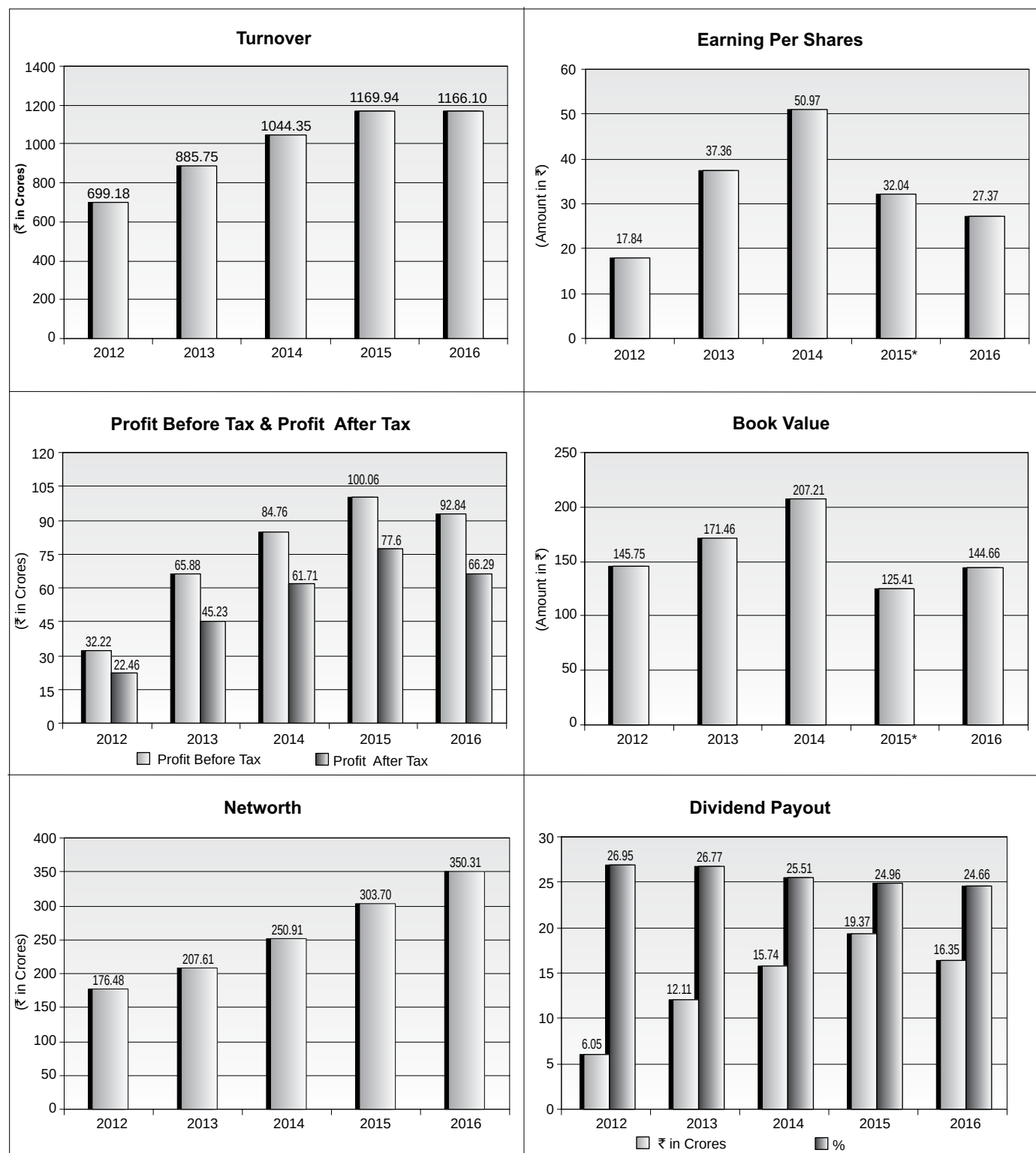
(₹ in Lakhs)

Particulars	31-Mar-09	31-Mar-10	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16*
Sales (Gross)	40,968.87	49,694.87	52,301.38	69,917.64	88,574.83	104,434.57	116,993.80	116,609.60
Profit Before Interest and Depreciation	5,690.35	7,207.99	6,269.13	8,027.03	12,033.43	14,635.01	16,895.56	17,170.30
Interest	2,271.69	1,474.45	1,347.80	2,267.19	2,803.55	3,348.97	3,887.70	4,328.35
Depreciation	1,103.92	1,351.75	1,774.06	2,421.59	2,598.40	2,811.94	3,066.35	3,558.41
Profit Before Tax	2,314.75	4,381.79	3,147.27	3,221.98	6,587.84	8,476.04	10,006.49	9,283.54
Profit After Tax	1,504.75	2,609.79	2,247.29	2,246.10	4,523.84	6,171.23	7,759.95	6,628.54
Dividend (%)	30	50	50	50	100	130.00	80.00	67.50
Payout	351.26	605.43	605.43	605.43	1,210.86	1,574.11	1,937.35	1,634.65
Equity Capital	1,170.86	1,210.86	1,210.86	1,210.86	1,210.86	1,210.86	2,421.72	2,421.72
Reserves & Surplus	10,827.49	12,898.30	14,440.78	16,437.13	19,549.93	23,879.53	27,948.53	32,609.65
Networth	11,998.35	14,109.16	15,651.63	17,647.99	20,760.78	25,090.39	30,370.25	35,031.36
Borrowings								
Long Term	7,204.25	7,818.18	7,434.15	6,692.38	8,070.45	7,664.20	15,147.46	17,521.36
Short-Term-Bank	8,070.95	6,047.94	16,866.01	21,723.88	21,498.34	24,758.92	24,838.59	25,736.98
Short-Term-Others	2,572.65	3,898.38	85.01	1,374.94	—	1,800.83	288.00	—
Total Borrowings	17,847.85	17,764.50	24,385.18	29,791.20	29,568.79	34,223.95	40,274.05	43,258.34
Gross Block	26,725.92	28,748.23	34,579.98	43,938.29	47,904.89	58,113.01	66,509.39	69,073.67
Less : Depreciation	8,788.25	10,394.66	12,159.02	16,584.66	18,781.79	20,860.39	23,361.02	22,796.97
Net Block	17,937.66	18,353.57	22,420.96	27,353.63	29,123.10	37,252.62	43,148.38	46,276.70
Capital work-in-progress	64.42	340.35	1,037.47	299.09	1,258.89	831.55	1,334.63	3,404.47
Investments	2,137.85	2,137.85	2,461.29	691.84	513.19	461.90	1,111.49	1,111.51
Current Assets, Loans and Advances	18,513.71	20,020.43	25,669.13	32,917.38	41,076.71	46,428.05	51,098.67	54,677.46
Less: Current Liabilities	7,076.76	6,998.89	9,322.39	11,375.56	17,602.05	21,407.73	21,313.77	21,970.69
Net Working Capital	11,436.96	13,021.54	16,346.74	21,541.83	23,474.66	25,020.32	29,784.90	32,706.77
Book Value (₹)	102.47	116.52	129.26	145.75	171.46	207.21	**125.41	144.66
EPS (Basic & Diluted) (₹)	12.85	22.08	18.56	17.84	37.36	50.97	**32.04	27.37

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

** Post bonus issue of 1:1 equity share for the year 2016.

FINANCIAL HIGHLIGHTS



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



NOTICE

NOTICE is hereby given that the **THIRTY FIRST ANNUAL GENERAL MEETING** of the members of **AARTI DRUGS LIMITED** will be held on **Friday, 22nd July, 2016 at 11.00 a.m.** at TIMA Hall, MIDC Tarapur, Dist. Palghar - 401 506, Maharashtra, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rashesh C. Gogri (DIN: 00066291), who retires by rotation and being eligible, offers himself for reappointment.
3. 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force and pursuant to the recommendation of the Audit Committee of the Board of Directors and in terms of resolution passed by the members at the Annual General Meeting held on 11th July, 2014, the appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Regn. No. 103264W), as the Statutory Auditors of the Company be and is hereby ratified to hold office till the conclusion of the Thirty Second Annual General Meeting and on such remuneration and reimbursement of out of pocket expenses, as shall be decided/approved by the Board of Directors of the Company."

SPECIAL BUSINESS

4. 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 other applicable provisions, if any, 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 ₹ 3,00,000/- (Rupees Three Lakhs only) plus service tax as applicable as approved by the Board of Directors based on the recommendations of Audit Committee of the Company, to be paid to Shri Girikrishna S. Maniyar, Cost Accountant, for the conduct of the Audit of the cost accounting records of the Company, for the financial year ending 31st March, 2017, be and is hereby ratified and confirmed."

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

"RESOLVED THAT pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Article 86(1) of the existing Articles of Association of the Company be and is hereby altered by deleting and substituting in its place the following new Article 86(1):

86(1) Shri Prakash M. Patil as the Managing Director of the Company shall not be liable to retire by rotation. The Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by rotation.

Directors not liable to retire by rotation.

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

**By Order of the Board of Directors
For Aarti Drugs Limited**

**Sd/-
Vibhav S. Ranade
Company Secretary**

Place: Mumbai

Date: 5th May, 2016

Registered Office:

Plot No. 198, MIDC Tarapur,
Village - Pamtermbhi,
Taluka-Palghar,
Dist. Thane - 401 506,
Maharashtra

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY/ PROXIES 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 (10%) of the total share capital of the Company. Further, a Member holding more than ten percent (10%), 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.
2. The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorizing their representatives to attend and to vote on their behalf at the Meeting.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item No. 4 and 5 above is annexed hereto and forms part of the Notice.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members/Proxies are requested to bring the attendance slip duly filled in for attending the meeting.
7. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting to facilitate identification of membership at the meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 15th July, 2016 to Friday, 22nd July, 2016 (both days inclusive).
9. All documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days during 11.00 a.m. to 1.00 p.m. up to the date of the AGM.





10. The matters set out in the Notice will be transacted inter-alia through remote electronic voting system and the Company is providing facility inter-alia for remote e-voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 19.
11. Members holding shares in physical form are requested to inform the Company's Registrars and Transfer Agents (RTA), M/s. Link Intime India Private Limited (appointed w.e.f. 26th April, 2016) 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 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.
12. 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.
13. 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 rnt.helpdesk@linkintime.co.in or to the Company at investorrelations@aartidrugs.com.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Link Intime India Pvt. Ltd., Registrar and Share Transfer Agents, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078, Maharashtra.
15. Queries on accounts may please be sent to the Company 10 (Ten) day in advance of the Annual General Meeting so that the answers may be made available at the meeting.
16. 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 30th Annual General Meeting (AGM) held on 14th August, 2015, 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
17. Additional Information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Director seeking appointment/re-appointment at the AGM, is furnished as an annexure to this Notice.
18. Copies of the Annual Report 2015-16 are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participant(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 2015-16 are being sent by the permitted mode. Members may also note that the Notice of the 31st AGM and the Annual Report 2015-16 will be available on the Company's website viz. www.aartidrugs.com.
19. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 31st Annual General Meeting (AGM) by electronic