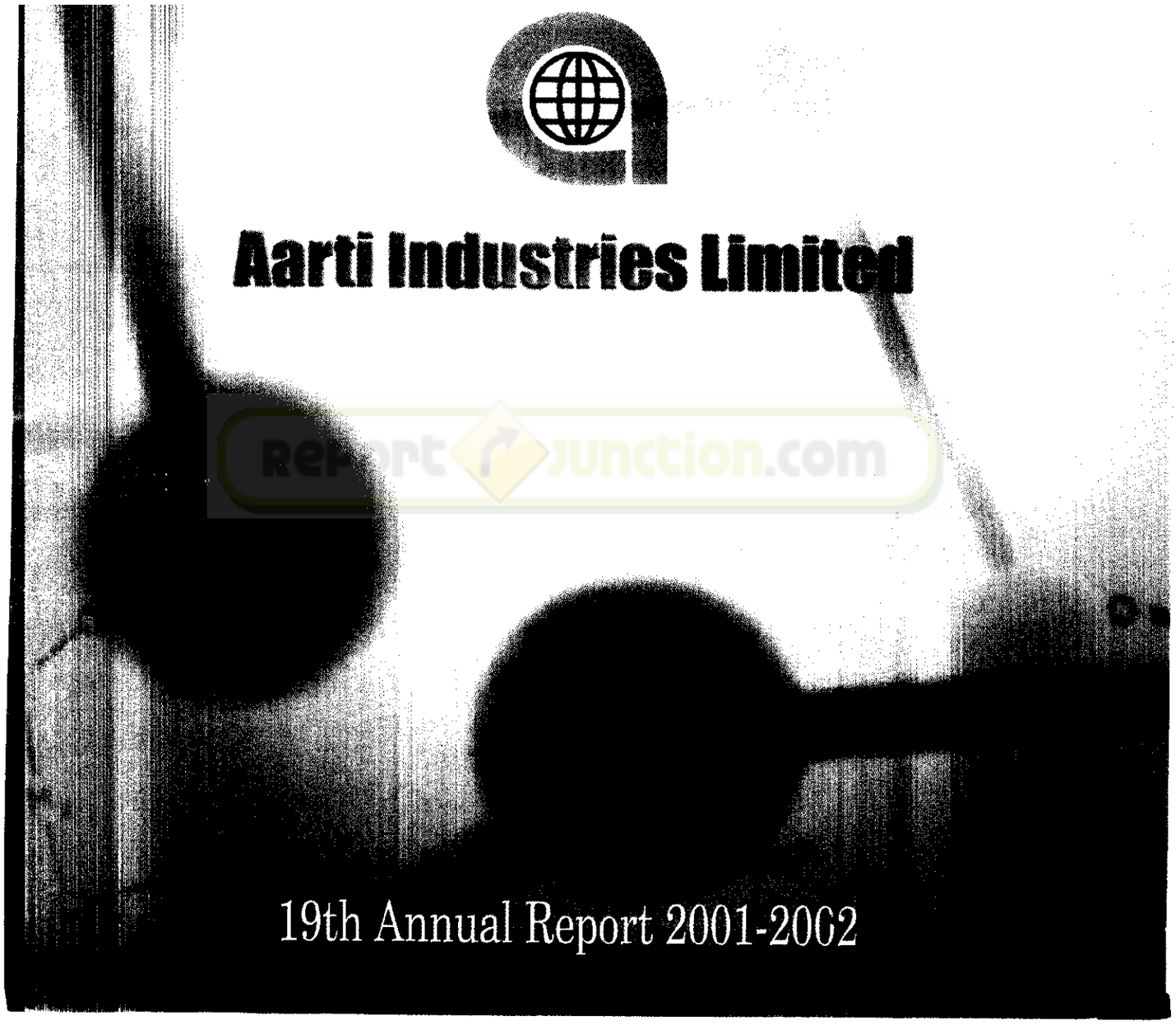
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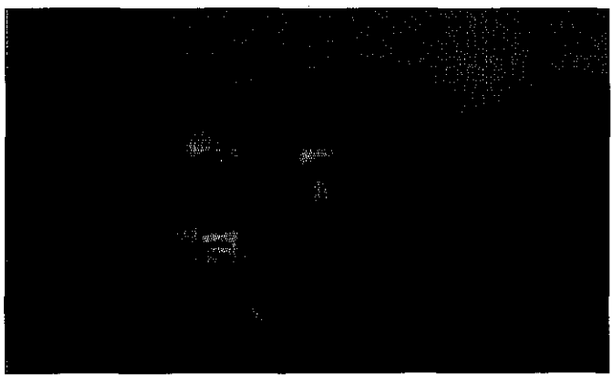


Aarti Industries Limited

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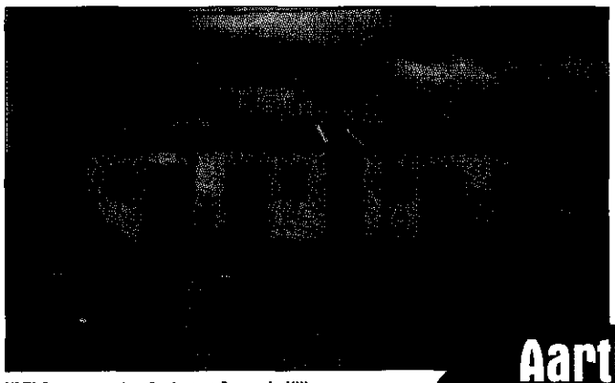
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Disasterous earthquake of 26-01-2001 at Kutch, Gujarat

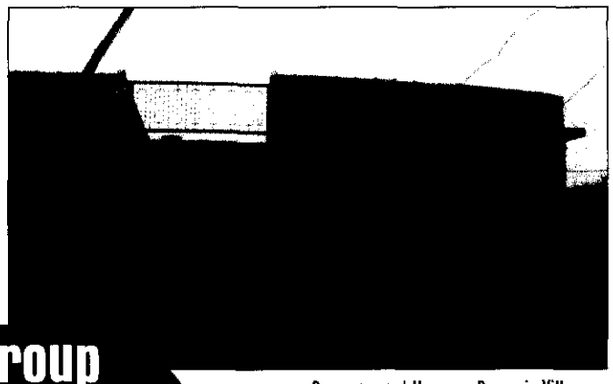


Reconstructed House at Ramania Village under Project supported by Aarti Group.



VRTI Reconstruction Project at Ramania Village, Kutch supported by Aarti Group.

Aarti Group Rebuilding Lives



Reconstructed House at Ramania Village under Project supported by Aarti Group.



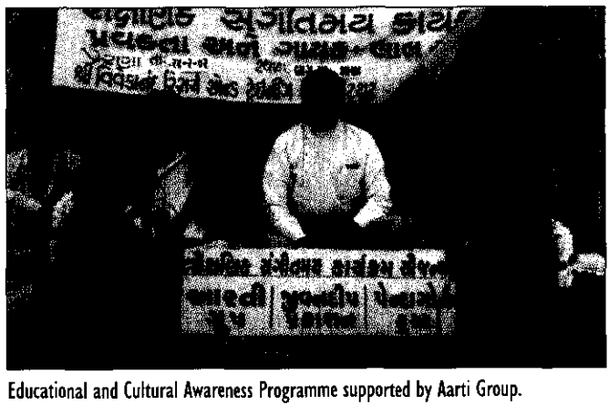
VRTI Reconstruction Project at Bhada Village, Kutch supported by Aarti Group.



Ceremonial address by Aarti Group Directors at Bhada Village. (L to R): C.V. Gogri (Chairman), R.V. Gogri (Managing Director) (3rd), R.M. Gandhi (Solicitor) (4th).



Handing over of Reconstructed House at Bhada Village by Aarti Group Directors. (L to R): R.V. Gogri (2nd), L.K. Jain (centre) (R to L): K.R. Mehta (1st), S.T. Shah (2nd).



Educational and Cultural Awareness Programme supported by Aarti Group.

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Attention:

Notice convening Extra-ordinary General Meeting on the AGM date together with Notice of Postal Ballot, Postal Ballot Form and Proxy Form are enclosed separately with this Annual Report.

DIRECTORS

CHANDRAKANT V. GOGRI, Chairman
RAJENDRA V. GOGRI, Managing Director
SHANTILAL T. SHAH, Joint Managing Director
PARIMAL H. DESAI, Wholetime Director
RAMDAS M. GANDHI
VIJAY H. PATIL
LAXMICHAND K. JAIN
MANOJ M. CHHEDA, Wholetime Director
RASHESH C. GOGRI, Wholetime Director
HETAL GALA, Wholetime Director
KIRIT R. MEHTA, Wholetime Director
RAVINDRA P. GOKHALE, Nominee Director – ICICI Ltd. (withdrawn w.e.f. 01.07.2002)

COMPANY SECRETARY

MOHAN P. SONAR

AUDITORS

MESSRS. PARIKH JOSHI & KOTHARE
49/2341, SHRI SAI KRIPA CO-OP. HSG. SOC.
M.H.B. COLONY, GANDHI NAGAR,
BANDRA (EAST), MUMBAI-400 051.

BANKERS

BANK OF BARODA
UNION BANK OF INDIA
STATE BANK OF INDIA
BANK OF INDIA

REGISTERED OFFICE

PLOT NOS. 801, 801/23,
GIDC ESTATE, PHASE III,
VAPI-396 195, DIST. VALSAD
GUJARAT

ADMINISTRATIVE / SECRETARIAL OFFICE

UDYOG KSHETRA
IIND FLOOR, L.B.S. MARG,
MULUND-GOREGAON LINK ROAD
MULUND (W), MUMBAI 400 080

NOTE:

Shareholders are requested to bring their copy of the Annual Report along with them as the same will not be distributed at the Meeting.

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"REBUILDING LIVES"

by Aarti Group

Serving a Social Cause, more particularly, **call of humanity and attending issues of National importance** has been continuous endeavour of the promoters of *Aarti group.* With the growth of the *Aarti Group*, more particularly over a period of more than one decade, the allocation of time, efforts and resources to meet social cause has also been increasing keeping in mind the social duties of a responsible Corporate Citizens. *The philosophy guiding this social drive has been - "REBUILDING LIVES".*

During the year ended 31.03.2002, *Aarti Group* has made a contribution of nearly Rs.3 crores towards meeting its social duties.

Massive Earthquake (7.9 on the Richter scale) caused in the State of Gujarat on 26th January, 2001 has been one of the worst tragedies in the Indian history. Worst affected was Kutch Region in North Gujarat with epicenter near city of Bhuj, casualties in Kutch-Bhuj region alone were running into thousands coupled with tremendous damages to the properties turned into complete debris. *Aarti Group* has extended whole hearted support and *helping hand to the people of Kutch Region by funding the Schemes of Reconstruction and Rehabilitation taken up by various Non-Governmental Organisations (NGOs)* to the extent of Rs.2.79 crores in aggregate. The glimpses of this National calamity and subsequent reconstruction is evident from some of the photographs. Brief account of the efforts made by the *Aarti Group* is as follows :

Project(s)	NGOs	No. of Houses/School rooms for reconstruction	Contribution by Aarti Group
Reconstruction project at Bhada and Ramania Villages (Damage: nearly 70%)	Shree Vivekanand Research & Training Institute, Nagalpur Road, Mandvi, Kutch (VRTI)	484 Houses 5 Schoolrooms	Rs. 1,35,01,227/- Rs. 8,56,375/-
Reconstruction project at Gundala and Sadau Villages (Damage: nearly 70% to 100%)	Shree Bidada Sarvodaya Trust	95 Houses 1 Wateroverhead Tank	Rs. 30,00,000/- Rs. 2,50,000/-
Monetary contribution and Loans to Traders/ Families including Widows at Bhuj	Shree Kutchi Visa Oswal Jain Mahajan, Bhuj through Shree Kutchi Visa Oswal Seva Samaj	13 families (Rs. 5 to 50,000/-) 28 families (Rs. 50 to 1,00,000/-) Repayable in monthly instalments after regular business	Rs. 30,00,000/-
Reconstruction project at Kotdi, Godhara, Vinjan, Manzal, Bambhadai, Bhodesar Villages in Mandvi & Abdasa Talukas	Shree Bhojay Sarvodaya Trust	367 Houses	Rs. 41,00,000/-
Support to buy plot for residence	Shree Bhojay Sarvodaya Trust	30 families	Rs. 3,00,000/-
Contribution to Earthquake Relief Fund for relief and rescue operations	Shree Kutch Yuvak Sangh	General purposes	Rs. 5,00,000/-
Reconstruction and Rehabilitation work in Nana Bhadia Village	Direct	General purposes	Rs. 20,00,000/-
Reconstruction and Rehabilitation work at Kutch	Shree Mulund K.V.O. Seva Samaj	General purposes	Rs. 4,00,000/-

Shri Chandrakant Vallabhaji Gogri, Chairman Aarti Group and team of other Directors have been personally visiting and supervising the progress and completion of some of the above projects.

Aarti Group has funded Rs.25 lakhs for reconstruction of *50 Houses in the Cyclone hit State of Orissa* to help people adversely *affected by recent Cyclone.*

Aarti Group has been actively associated with Shree Vivekanand Research & Training Institute, Nagalpur Road, Mandvi, Kutch(VRTI) in various *rural development activities and Public awareness Programmes* which inter alia include technical and financial support in Water Harvesting and Ecology issues and concerns, education and cultural awareness programmes. For Public Awareness Programmes in Kutch, Aarti Group has also funded purchase of one Mobile Vehicle.

Aarti Group has been liberally *contributing to various Educational Assistance Schemes* through NGOs including Shree K. V. O. Seva Samaj, Mumbai.

Aarti Group has promised contribution of Rs.11,00,000/- to Veerayatan Orphanage, near village Koday, Mandvi, Kutch for building *boarding house for children affected by earthquake.*

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DIRECTORS' REPORT

TO THE MEMBERS OF AARTI INDUSTRIES LIMITED

The Directors are pleased to present this Nineteenth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2002.

1. FINANCIAL RESULTS

(Rupees in lakhs)

	2001-02	2000-01
Gross Profit before Depreciation, Interest and Tax	6482	4292
Less : Depreciation	1611	1170
Interest	1584	1279
Profit before Tax	3287	1843
Provision for taxation	375	250
Provision for deffered Tax	237	—
Profit after tax	2675	1593
Appropriations :		
Transfer to General Reserve	280	150
Interim Dividend	243	174
Proposed Final Dividend	NIL	244
Tax on Dividend	25	63
Profit & Loss A/c balance carried to Balance Sheet	8392	5754

2. DIVIDEND

Your Company had declared an interim dividend of 20% (Previous Year : Interim 15% and Final 21%). Keeping in view the Dividend already declared by the Company and other factors, the Board has not recommended any further dividend for the year under review.

3. OPERATIONS

During the year under review the Company has successfully implemented requirements for ISO 9002 certification at its Sarigam and Vapi units and the said Certification is expected soon.

Organic Chemicals

Your Company manufactured 38432 MT of PNCB/ONCB as compared to 32285 MT during the previous year. The Company has also increased its production of downstream products to 26646 MT from 19433 MT during the previous year.

Acid and allied products

Your Company manufactured 123135 MT of Sulphuric Acid & Allied products (Previous Year 1,29,205 MT).

Agrochemical and Pharmaceutical Products

Your Company manufactured 1852 MT of Agrochemical and Pharmaceutical products (Previous Year 1155 MT). This pertains to Alchemie Organics Limited merged with the Company with effect from 1st April, 2001.

4. EXPORTS

During the year your Company achieved export sales of Rs.100.80 crores (Previous Year Rs. 96.67 crores).

5. AMALGAMTION

Amalgamation of Alchemie Organics Limited with the Company has become effective from 1st April, 2001 upon filling of the orders of the High Courts of Bombay and Gujarat at Ahmedabad with the Registrar of Companies on 28th Febuary, 2002.

6. SHARE CAPITAL

The Company has allotted on 15th March, 2002, 5,12,525 Equity Shares of Rs.10/- each credited as fully paid up at par pursuant to the Scheme of Amalgamation of Alchemie Organics Limited with the Company. The paid capital, as a result, has increased by 4.22% to Rs.12,13,49,040/-.

7. FUTURE SCENARIO

The Company's expansion project at GIDC Jhagadia for manufacturing various Nitro Chlro Benzenes as also reduction products, is nearing stabilization. The Company is also exploring options of further expansion of its organic and inorganic chemical range at its other existing locations.

Plans to set up a captive power generation plant at Vapi are being finalised. The Company proposes to enter the field of manufacturing Single Super Phosphate (SSP), a widely used fertilizer. The total project outlay during the next year is expected to be about 25 crores in addition to normal capital expenditure.

8. RESEARCH AND DEVELOPMENT

The Company's R & D Centers at Turbhe and Vapi are showing satisfactory progress in their, activities of development of new products and improvements in existing products efficiencies.

9. SUBSIDIARY COMPANIES

As required under Section 212 of the Companies Act, 1956, the audited statements of accounts alongwith the reports of the Board of Directors of Aarti Healthcare Limited, Aarti Corporate Services Limited and Avinash Drugs Limited and the respective Auditors' Reports thereon for the year ended 31st March, 2002 and that of Alchemie (Europe) Limited for the year ended 30th November, 2001 are attached.

10. DISCLOSURE OF PARTICULARS

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, research & development, technology absorption, foreign exchange earnings and outgo are given in Annexure 'I' forming part of this report.

11. PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be given under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended up to date.

12. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Parimal H. Desai, Mr. Rashesh C. Gogri and Mr. Shantilal T. Shah retire by rotation and being eligible, offer themselves for re-appointment.

Mrs. Hetal Gala has been appointed as the Additional Director on 31st October, 2001. She holds office as such up to the date of ensuing Annual General Meeting. The Company has received a notice from a member proposing her candidature for appointment as Director under Section 257 of the said Act together with requisite cash deposit thereof. She has also been appointed as the Wholetime Director w.e.f. 1st November, 2001 subject to approval of the Company in the General Meeting.

Mr.Chandrakant V. Gogri resigned as the Wholetime Director of the Company w.e.f. 31st October, 2001. However he continues as the Chairman of the Company.

The Board of Directors have reappointed Mr.Rashesh C. Gogri as the Wholetime Director upon expiry of his present term as such on 8th June, 2002 subject to approval of the Company in the General Meeting.

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13. DIRECTORS' RESPONSIBILITY STATEMENT

The statement as required under Section 217 (2AA) of the Companies Act ,1956 is given in Annexure 'II' forming part of this Report.

14. VOLUNTARY DELISTING FROM STOCK EXCHANGES AT AHMEDABAD AND DELHI

The volume of the Shares of the Company being traded on the Stock Exchange at Ahmedabad and Delhi is meagre. It is therefore proposed to go for voluntary delisting of shares on these Exchanges after complying with necessary regulations/norms stipulated by appropriate authorities in that regards at a appropriate time. The Company will, however, continue to be listed on the Stock Exchange, Mumbai, the National Stock Exchange of India Limited and the Vadodara Stock Exchange Limited (being Regional Stock Exchange).

15. AUDITORS

Messrs. Parikh Joshi & Kothare, Auditors of the Company retire at the Annual General Meeting and are eligible for reappointment. Members are requested to appoint Auditors and to fix their remuneration.

16. CORPORATE GOVERNANCE

Your Company has complied with the Corporate Governance requirements stipulated under Clause 49 of the Listing Agreement. Report on Corporate Governance is annexed as Annexure 'III' forming part of this Report.

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the Listing Agreement with the stock Exchanges is annexed as Annexure "IV" forming part of this report.

18. INDUSTRIAL RELATIONS

Your Company continued to ensure the safety and health of its employees.

Cordial Industrial relations continued to prevail throughout the financial year under review.

19. ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation of the valuable co-operation extended to the Company by the employees of the Company, Government Departments, Lending Institutions, Bankers, Suppliers and Customers for the smooth operation of the Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-
CHANDRAKANT V. GOGRI
CHAIRMAN

Place : Mumbai
Dated: April 26, 2002.

Disclosure as per Clause 31 of the Listing Agreement

The equity shares of the Company are listed on The Stock Exchange Mumbai, National Stock Exchange of India Ltd., The Vadodara Stock Exchange Ltd., The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Ltd. The Company has paid the annual listing fees to each of the said Exchanges.

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / REAPPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING AS PRESCRIBED UNDER THE LISTING AGREEMENT

Mr. Shantilal T Shah, aged 63, is one of the main promoters of the Aarti Group. He has about 41 years of experience in marketing, finance and administrative functions in the chemical industry.

Mr. Parimal H. Desai, aged 53, is a B.Chem. Eng. with more than 30 years experience in development and project implementation in the Chemical Industry. He is also Director of various Aarti group Companies. His association with the Company would be of immense help and benefit to the Company.

Mr. Rashesh C. Gogri, aged 28, is Graduate in Indstrial Engineering from Mumbai and holds diploma in Business Management and having more than five years experience in various commercial and technical fields in Chemical Industry. He is also Director of various Aarti group Companies. His association with the Company would be of immense help and benefit to the Company.

Mrs. Hetal Gala, aged 26, is B.E. (Electronics) and holds a MEP degree from IIMS, Ahmedabad and having good experience in the business administration and financial management. She was appointed as an Additional Director by the Board of Directors on 31st October, 2001.

ANNEXURE 'I' TO DIRECTORS' REPORT

ADDITIONAL INFORMATION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES,1988.

1. CONSERVATION OF ENERGY

a. ENERGY CONSERVATION MEASURES TAKEN
- Utility heat from condensate water.
- Reducing the HP of motors wherever possible.
- Improvements in low temperature insulation.
- Periodic deaeration of Boiler.

b. Additional Investments & Proposals, if any, being implemented for Reduction of Consumption of Energy: Installation of coal fired boiler.

c. The adoption of energy conservation measures indicated above result in savings in the cost of production.

d. Total energy consumption and energy consumption per unit of Production.

I. POWER AND FUEL CONSUMPTION

		Current Year	Previous Year
1.	Electricity		
	a) Purchased Units (KWH)	**2,83,41,759**	2,20,11,582
	Total Amount (Rs.)	**14,27,09,608**	11,16,68,008
	Rate/Unit(Rs.)	**5.04**	5.07
	b) Own Generation Through		
	Diesel Generator Units	**4,63,579**	3,48,792
	Total Amount (Rs.)	**36,05,150**	22,40,268
	Rate/Unit(Rs.)	**7.78**	6.42
	OR		
	Through Steam Turbine		
	Generator Units		Nil

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2. Coal		
Qty.	**95,60,545**	Nil
Total Amount (Rs.)	**1,55,80,075**	Nil
Rate/Kg.	**1.63**	Nil
3. Furnace Oil/L.D.O.		
Qty.(Ltrs.)	**1,45,17,551**	1,13,17,298
Total Amount(Rs.)	**15,22,53,315**	15,88,81,329
Avg.Rate(Rs.) (per..Ltr.)	**10.49**	14.03

II. CONSUMPTION PER UNIT OF PRODUCTION

Since the company manufacturers different types of products and its intermediates, it is not practicable to give consumption per unit of production.

2. *RESEARCH AND DEVELOPMENT (R&D)*

A. Areas in which R&D carried out by the Company:
The R& D activities are carried out by the Company in the areas of bulk drugs and pharmaceuticals formulations, speciality chemicals and intermediate chemicals.

B. Benefits derived as result of the above R&D.
The Company's R & D Centers at Turbhe and Vapi are showing satisfactory progress in their activities of development of new products and improvements in existing products efficiencies.

C. Future Plans of action.
The Company will continue with its activities in the field of R&D of development of new products and improvements in existing products efficiencies.

D. The Company has incurred the following expenditure in Research and Development in the areas of new products and improvement in exiting products efficiencies.

Expenditure on R & D:	(Rs. In Lakhs)
(a) Capital	92.96
(b) Recurring	107.49
(c) Total	200.45

(d) Total R& D Expenditure as a percentage of total turnover–0.58%

3. *TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION*

(A) Efforts in brief made towards technology absorption, adaptation and innovation.
(I) Completion of PNCB/ONCB expansion project with Company's inhouse indigenous technology.
Forward Integration for downstream products expansion also with inhouse technology.
Continuous endeavour to improve product quality and process yields.

(B) Benefits derived as a result of above efforts.
Lower project costs for expansion.
Value addition
Exports of higher value added products resulting in increased foreign exchange earning.

(C) Information regarding technology imported during the last 5 years : Nil.

4. TOTAL FOREIGN EXCHANGE EARNINGS AND OUTGO

	Current Year	(Rs. In Lakhs) PreviousYear
Total Foreign Exchange Earned	8925.24	8027.62
Total Foreign Exchange used	987.33	1386.28
CIF value of Imports:		
Raw Material	592.98	895.79
Consumables Stores & Spares	Nil	Nil
Capital Goods	25.96	128.74
Commission on Export Sales	107.50	115.44
Import of goods for resale	85.25	36.11
Expenses in foreign Currency	175.64	210.20

FOR AND ON BEHALF OF THE BOARD

Sd/-
CHANDRAKANT V. GOGRI
CHAIRMAN

PLACE : MUMBAI
DATED : APRIL 26, 2002.

ANNEXURE 'II' TO DIRECTORS' REPORT

Directors' Responsibility Statement as required under section 217(2AA) of the Companies Act, 1956 (The Act) :

(i) That in the preparation of the annual accounts for the Year ended 31st March, 2002, the applicable accounting standards had been followed along with proper explanation. There are no material departures from the applicable accounting standards;

(ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;

(iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That Directors had prepared the annual accounts on a going concern basis.

FOR AND ON BEHALF OF THE BOARD
Sd/-
CHANDRAKANT V. GOGRI
CHAIRMAN

PLACE : MUMBAI
DATED : APRIL 26, 2002.

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ANNEXURE 'III' TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance Code

Your Company has complied with the Corporate Governance requirements stipulated under Clause 49 of the Listing Agreement applicable to the Company from the year 2001-2002. The Company is committed to the consistent adherence to the said corporate governance code to maintain a greater degree of responsibility and accountability.

2. Board of Directors

Composition of the Board of Directors (as on 31st March, 2002)

Name of Director(s)	Category of Directorship	Number of other Director-ship	Number of Committee member-ship in all Companies	No. of Board Meetings Attended	Attendance at last AGM
Mr. Chandrakant V. Gogri, Chairman	Non-Executive	3	None	5	Yes
Mr. Rajendra V. Gogri, Managing Director	Executive	6	2	4	Yes
Mr. Shantilal T. Shah, Jt. Managing Director	Executive	4	3	5	Yes
Mr. Parimal H. Desai, Wholetime Director	Executive	2	None	4	Yes
Mr. Manoj M. Chheda, Wholetime Director	Executive	None	None	4	Yes
Mr.Rashesh C. Gogri, Wholetime Director	Executive	2	None	4	No
Mrs.Hetal Gala, Wholetime Director*	Executive	None	None	None	N.A.*
Mr. Kirit R. Mehta, Wholetime Director	Executive	4	2	3	Yes
Shri. Ramdas M. Gandhi, Director	Non-Executive, Independent	4	4	5	Yes
Mr.Laxmichand K. Jain, Director	Non-Executive Independent	1	1	5	Yes
Mr. Vijay H. Patil, Director	Non-Executive Independent	3	None	2	No
Mr. Ravindra P. Gokhale, Nominee Director, I.C.I.C.I. LTD.	Non-Executive Independent	2	1	3	No

*Appointed on 31.10.2001.

There were five Board meetings held during the year ended 31.03.2002. These were on 26.04.2001, 28.06.2001, 21.07.2001, 31.10.2001 and 25.01.2002. The last Annual General Meeting (AGM) was held on 21.06.2001.

Except the Managing Director and Nominee Director, the other Directors retire by rotation.

3. Audit Committee

The Audit Committee comprising of four Directors was set up by the Board of Directors on 25.01.2001 out of which three Directors are independent. Terms of Reference of the Audit Committee are as per the guidelines set out in the listing agreements that inter alia, include overseeing financial reporting processes, reviewing with the management the financial statements, accounting policies and practices, adequacy of internal control systems, adequacy of internal audit function and discussion with internal auditors on any significant findings, financial and risk management policies. During the year ended 31.03.2002, five Audit Committee meetings were held. These were held on 26.4.2001, 21.7.2001, 27.10.2001, 29.12.2001 and 16th March,2002.

Name of Director	Category*	Profession	No. of meetings attended
Mr. Ramdas M. Gandhi, Chairman	N.Ex. & I.	Solicitor	5
Mr. Rajendra V. Gogri	Executive	Industrialist	5
Mr. Laxmichand K. Jain	N.Ex. & I.	Company Executive	4
Mr. Ravindra P. Gokhale	N.Ex. & I.	Service	3

Note: Mr. Chandrakant V. Gogri has been appointed as a member of the Audit Committee on 26.04.2002.

* N.Ex.– Non Executive, I-Independent

4. Shareholders Grievance Committee

The Board has constituted a "Shareholders Grievance Committee" on 26.4.2001 which looks into shareholders and investors grievances. Composition and attendance at this Committee meetings are as under :

Name of Director	No. of meetings attended
Mr. Shantilal T. Shah, Chairman	4
Mr. Manoj M. Chheda	4
Mr. Kirit R. Mehta	4

Note: Mr. Chandrakant V. Gogri has been appointed as a member of the Committee on 26.04.2002.

Number of shareholders complaints received so far was 14. Number of complaints not solved to the satisfaction of shareholders was Nil. Number of pending share transfers as on 31.3.2002 were NIL. Mr. Mohan P. Sonar, Company Secretary is the Compliance Officer of the Company.

5. General Body Meetings

The last three Annual General Meetings were held at Plot Nos. 801,801/23, G.I.D.C. Estate, Phase – III, Vapi – 396 195, Dist. Valsad, Gujarat as per details given below :

Year	Day	Date	Time
1999	Thursday	21.06.2001	9.30 a.m.
2000	Friday	16.06.2000	9.30 a.m.
2001	Thursday	30.09.1999	9.30 a.m.

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No Resolution was put through postal ballot last year. It is proposed to put Special Resolution for alteration of Objects Clause in the Memorandum of Association of the Company to vote through postal ballot, results of which will be announced at the Extra-ordinary General Meeting for the purpose.

6. Disclosures

Disclosure of transactions with any related parties i.e. Promoters, Directors, Relatives, Subsidiary or Management have been made in the Balance Sheet in Schedule 'O" Notes to Accounts at Note No.19.
The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures have been have been imposed on the Company by the said authorities.

7. Means of Communication

The quarterly results are usually published in Indian Express (English Newspaper) and Jansatta Loksatta (Gujarati Newspaper). These results, official news releases are available on the website of the Stock Exchange, Mumbai at www.bseindia.com and the National Stock Exchange of India Ltd. at www.nseindia.com. The Management Discussion & Analysis Report forms part of the Annual Report as an annexure to the Directors' Report.

8. General Shareholder Information

(a) 19th Annual General Meeting – Day, Date. Time and Venue

Day	Date	Time	Venue
Wednesday	28.08.2002	9.30 a.m.	Plot Nos. 801,801/23, GIDC Estate, Phase III, Vapi – 396 195, Dist. Valsad, Gujarat.

(b) Financial Calendar

Financial Year	1st April to 31st March
Adoption of Quarterly Results for the quarter ending :	
June, 2002	3rd/4th week of July, 2002
September, 2002	3rd/4th week of October, 2002
December, 2002	3rd/4th week of January,2003
March, 2003	3rd/4th week of April, 2003
Dates of Book Closure (Both days inclusive)	25th June, 2002 to 29th June, 2002
Dividend Payment	Not Applicable as no dividend is recommended.

(c) Registered Office : Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi-396 195, Dist. Valsad, Gujarat.

4. Listing on Stock Exchanges : The Stock Exchange, Mumbai
Stock Code : 524208

National Stock Exchange of India Ltd.
Stock Code : AARTIIND

The Vadodara Stock Exchange Ltd
Stock Code : AARTI INDUSTRIES LTD

The Stock Exchange, Ahmedabad
Stock Code : 1020

The Delhi Stock Exchange Assocn. Ltd.
Stock Code : 7710

(d) Market Price Data/Performance :

	Bombay Stock Exchange		Bombay Stock Exchange Sensex	
	High	Low	High	Low
April 2001	32.00	27.10	3,676.82	3,096.51
May 2001	32.90	29.25	3,759.96	3,420.14
June 2001	31.50	26.70	3,651.32	3,287.94
July 2001	31.00	29.00	3,513.79	3,241.66
August 2001	32.25	28.25	3,359.07	3,241.12
September 2001	34.50	27.50	3,267.93	2,594.87
October 2001	38.00	30.10	3,083.65	2,718.41
November 2001	38.00	34.50	3,377.81	3,003.95
December 2001	38.00	33.10	3,500.20	3,100.57
January 2002	36.00	31.00	3,466.73	3,236.76
February 2002	43.00	33.05	3,758.11	3,290.00
March 2002	44.00	38.50	3,758.27	3,454.27

	National Stock Exchange		National Stock Exchange Sensex	
	High	Low	High	Low
April 2001	34.00	27.20	1171.85	1000.10
May 2001	35.00	29.70	1226.50	1096.25
June 2001	33.50	27.65	1175.80	1060.05
July 2001	32.35	28.50	1127.15	1046.90
August 2001	33.00	28.50	1084.00	1051.75
September 2001	33.25	28.65	1059.90	849.95
October 2001	40.00	31.00	1000.95	884.65
November 2001	38.00	33.00	1097.60	973.55
December 2001	37.00	35.00	1132.65	1010.45
January 2002	36.00	29.50	1121.75	1052.05
February 2002	43.00	35.05	1205.95	1069.40
March 2002	44.00	39.00	1201.10	1117.85

(e) Registrar & Transfer Agents :

The Company has In-house Share Transfer Department at Udyog Kshetra, 222, Mulund Goregaon Link Road, Mulund(w), Mumbai-400 080.

(f) Share transfer System :

With a view to expedite the process of share transfers, the Board of Directors has delegated the power of share transfer to Share Transfer Committee of the Board which meets at least once in every fortnight. The shares for transfer received in physical mode by the Company, are transferred expeditiously and thereafter, option letter is sent to the transferee(s) for dematerialisation, Confirmation in respect of the request for dematerialisation of shares is sent to the respective depositories, i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 7 days.

(g) Dematerialisation of Shares :

The shares of the Company are permitted for trading in dematerialisation form only. The Company's shares are available for trading in the depository systems of both NSDL and CDSL. As on 31st March, 2002, 21,69,137 Equity Shares forming 17.87% of the Share Capital of the Company stands dematerialized. Security Code No. with NSDL and CDSL is - ISIN INE-769A01012..

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(h) Shareholding Pattern as on 31.03.2002 :

Category	No. of Shares	%
Promoters	62,44,815	51.46
Bodies Corporate	43,158	0.36
NRIs/OCBs	3,333	0.03
Banks, Financial Institutions	1,425	0.01
Mutual Funds	2,475	0.02
Public	58,39,698	48.12
Total	1,21,34,904	100.00

(i) Distribution of Shareholding as on 31.03.2002

No. of Shares			No. of Shareholders		No. of Shares	
From		To	Number	%	Number	%
1	–	250	14627	87.85	1665020	13.72
250	–	500	991	5.95	375238	3.09
501	–	1000	475	2.85	372699	3.07
1001	–	2000	185	1.11	283648	2.34
2001	–	3000	78	0.47	200255	1.65
3001	–	4000	60	0.36	211643	1.74
4001	–	5000	28	0.17	129860	1.07
5001	–	10000	65	0.39	472970	3.90
10001		Above	142	0.85	8423571	69.42
Total			16651	100.00	12134904	100.00

Liquidity of Shares : The Shares of the Company are included under B1 category at The Stock Exchange, Mumbai. The Shares are also traded at The National Stock Exchange of India Ltd.

(j) Plant locations :

1. Plot Nos. 801, 801/23, 802, 803/1-2-3, GIDC Estate, Phase III, Vapi–396 195 Dist. Valsad, Gujarat,
2. Plot No. 902, GIDC Estate, Phase II, Vapi – 396 195, Dist. Valsad, Gujarat,
3. Plot Nos.752-753-754 Sarigam Industrial Area, Sarigam, Tal. Umargaon, Dist. Valsad, Gujarat.
4. Plot Nos.758/1, 758/2, Jhagadia Mega Estate, Village Kapalsadi, Tal. Jhagadia, Dist. Bharuch - Gujarat.
5. Plot No. K-18, MIDC, Tarapur, Dist. Thane

(k) Address for Correspondence :

The Shareholders may address their communications / suggestions / grievances/ queries to :

The Company Secretary
Secretarial Department
222, Udyog Kshetra, 2nd Floor, Mulund - Goregaon Link Road,
L. B. S. Marg, Mulund (West),
Mumbai – 400 080

Non-Mandatory Requirements

Remuneration Committee

The Board has constituted a "Remuneration Committee on 26.4.2002 with mandate to review and recommend / approve remuneration payable to the Managerial Personnel. Composition of the Committee is as under:

1. Shri.Chandrakant V. Gogri — Chairman
2. Shri. Rajendra V. Gogri.
3. Shri. Ramdas M. Gandhi — (Independent Director)
4. Shri. Laxmichand K. Jain — (Independent Director)
5. Shri.V. H. Patil — (Independent Director)

Auditors' Certificate on Corporate Governance

To the Members of
Aarti Industries Ltd.
Mumbai

We have examined the compliance of conditions of corporate governance by Aarti Industries Ltd., for the year ended on 31st March, 2002, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PARIKH JOSHI & KOTHARE
CHARTERED ACCOUNTANTS

Sd/
(BHALCHANDRA R. RANADE)
PARTNER
M. No.10791

Mumbai, dated April 26, 2002.

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