



AARTI INDUSTRIES LIMITED



Growth with sustainability
for sustainable growth



Vision

To emerge as key source to leading Global consumers of Speciality Chemicals and Intermediates for Dye stuff, Agro, Polymers, Pharma & Surfactants.

Mission

- To constantly strive to set up and maintain global size plant facilities.
- To become customer-driven Company by providing customized solutions and service to meet changing customer requirements.
- To maintain consistent quality and timely delivery at competitive prices.
- To use best cost effective manufacturing methods supported by proven, eco-friendly and safe technologies.
- Commitment to growth by Research & new product development and progressive increase in Exports.
- Continuous focus on people to encourage and nurture winning organizational culture.
- To meet the challenges of competition by dynamic management drive.





Corporate Information

Chairman Emeritus

Chandrakant V. Gogri

Board of Directors

Rajendra V. Gogri

Chairman & Managing Director

Rashesh C. Gogri

Vice Chairman & Managing Director

Shantilal T. Shah

Vice Chairman

Independent Directors

Ramdas M. Gandhi

Laxmichand K. Jain

Vijay H. Patil

K.V.S. Shyam Sunder

P. A. Sethi

Bhavesh R. Vora

Ganapati D. Yadav *(Additional Director w.e.f. 25th September, 2014)*

Priti Paras Savla *(Additional Director w.e.f. 25th September, 2014)*

Whole-time Directors

Parimal H. Desai

Manoj M. Chheda

Hetal Gogri Gala

Kirit R. Mehta

Renil R. Gogri

Chief Financial Officer

CA Chetan Gandhi

Company Secretary

CS Mona Patel

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
Fax No. - 022-28591568

Bankers

Axis Bank Ltd.

Bank of Baroda

Citi Bank N.A.

DBS Bank Ltd.

Export-Import Bank of India

First Rand Bank

HDFC Bank Ltd.

IDBI Bank Ltd.

IndusInd Bank Ltd.

Kotak Mahindra Bank Ltd.

Societe Generale

Standard Chartered Bank

State Bank of India

Registered Office

Plot Nos. 801, 801/23, GIDC Estate,
Phase III, Vapi-396 195, Dist. Valsad, Gujarat.

Corporate Identity Number:

L24110GJ1984PLC007301

Corporate Office

Udyog Kshetra, 2nd Floor,
Mulund – Goregaon Link Road, L.B.S. Marg,
Mulund (West), Mumbai - 400 080
Visit us at www.aartigroup.com

Contents

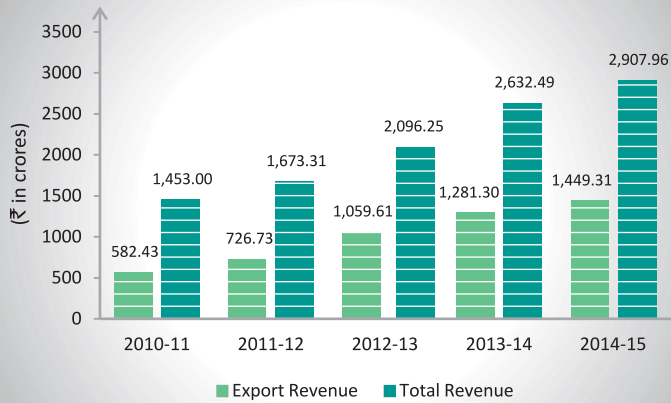
Corporate Information.....	1
Consolidated Financial Highlights	2
Notice	4
Directors' Report & Management Discussion & Analysis.....	18
Report on Corporate Governance	51
Auditors' Report	64
Balance Sheet	68
Statement of Profit & Loss	69
Significant Accounting Policies	70
Notes Forming Part of Financial Statements	72
Cash Flow Statement	89
Auditors' Report on Consolidated Accounts	90
Consolidated Financial Statements	94
Proxy Form and Attendance Slip	



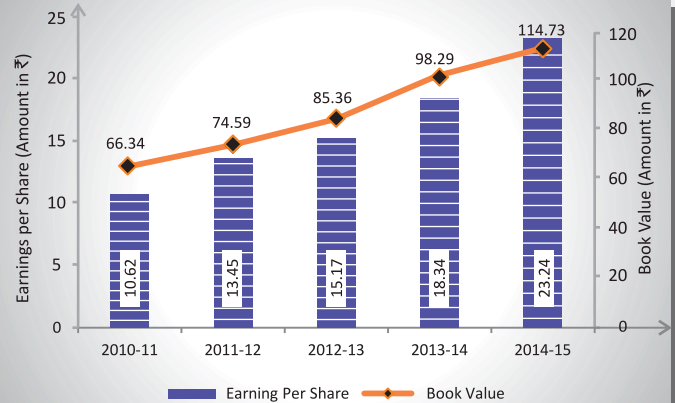
Consolidated Financial Highlights



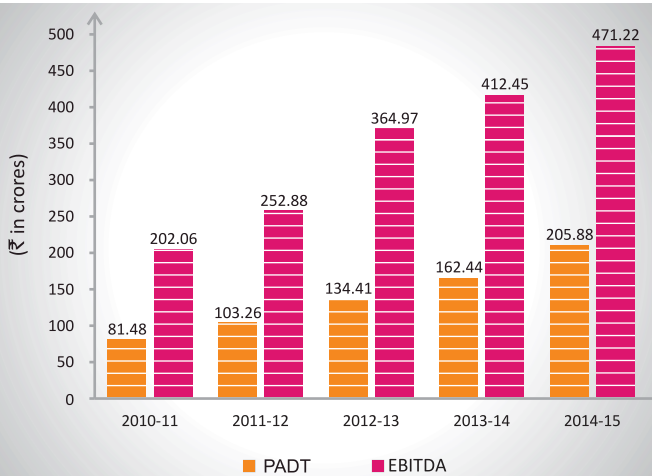
Export Revenue & Total Revenue



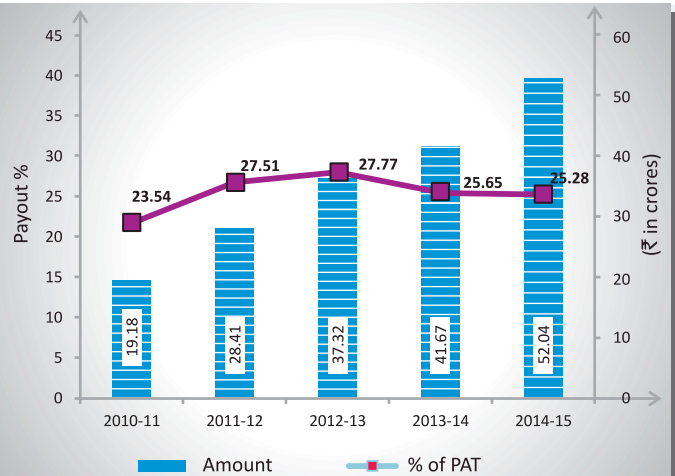
Earnings per Share & Book Value



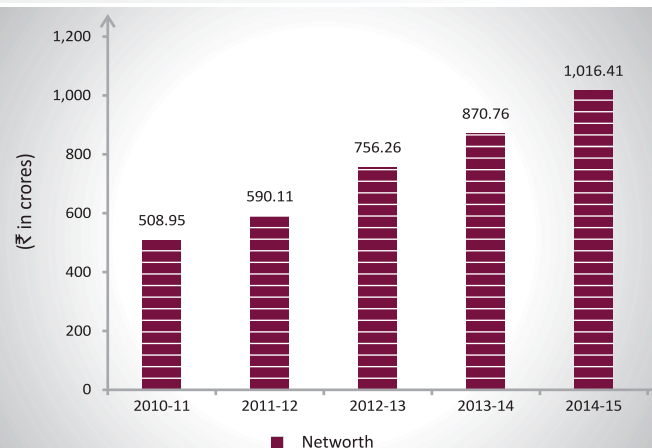
Profit After Deferred Tax And EBITDA



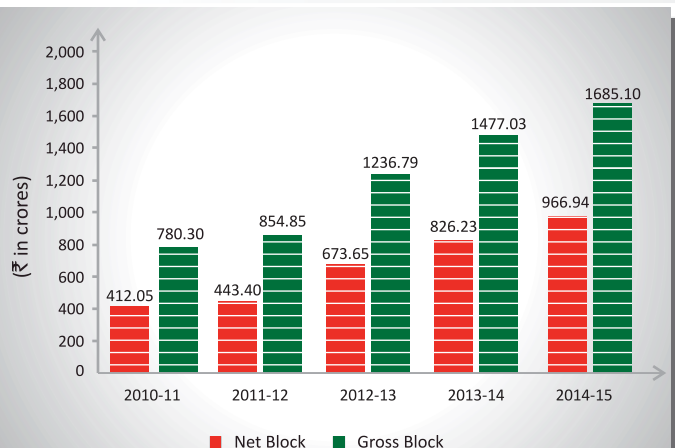
Dividend Payout



Network



Net Block & Gross Block



**CONSOLIDATED FINANCIAL HIGHLIGHTS**

(₹ in Lakhs)

Particulars	Financial Year Ended on							
	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Income from Operations	290,796	263,249	209,625	167,331	145,300	127,670	143,195	87,972
EBIDTA	47,122	41,245	36,497	25,288	20,206	20,582	24,829	12,546
Interest	13,797	11,784	9,537	7,184	5,621	5,199	8,949	3,891
Depreciation	8,198	8,852	8,284	5,485	4,981	4,707	4,013	2,860
Profit before tax	25,475	20,609	18,676	12,619	9,604	10,676	11,867	5,796
Share of Profit from Associates	1,390	1,088	241	1,431	1,544	1,397	1,309	670
Consolidated Profit after tax (& Deferred tax)	20,588	16,244	13,441	10,326	8,148	8,235	9,461	4,654
Dividend %	110	90	80	70	50	50	60	30
Payout	5,204	4,167	3,732	2,841	1,918	1,918	2,195	1,092
Per Share Dividend (in ₹)	5.50	4.50	4.00	3.50	2.50	2.50	3.00	1.50
Equity Capital	4,430	4,430	**4,430	*3,956	3,836	*3,836	3,685	3,640
Reserve & Surplus	97,211	82,646	71,196	55,055	46,711	41,608	33,682	26,782
Networth	101,641	87,076	75,626	59,011	50,895	45,423	37,428	30,326
Borrowings (Long term & Short term)	106,757	94,941	80,474	58,824	49,462	39,418	44,044	38,774
Gross Block	168,510	147,703	123,679	85,485	78,030	72,742	66,259	52,677
Less: Depreciation	71,817	65,080	56,314	41,145	36,825	32,007	27,063	21,872
Net Block (Fixed Assets)	96,694	82,623	67,365	44,340	41,205	40,735	39,196	30,805
Capital work-in-progress	19,297	11,744	6,869	5,442	1,845	915	883	3,331
Investments	13,920	11,724	9,542	9,357	7,642	5,436	4,055	3,147
Working Capital Assets	163,872	160,922	133,822	106,843	88,794	74,351	64,204	56,296
Less: Working Capital Liabilities	74,533	76,104	53,984	42,260	33,193	31,054	22,836	21,185
Net Working Capital	89,339	84,818	79,838	64,583	55,601	43,297	41,368	35,111
Face Value per share (₹)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Book Value per share (₹)	114.73	98.29	85.36	74.59	66.34	59.21	50.79	41.65
EPS (Basic & Diluted) (₹)	23.24	18.34	**15.17	*13.45	10.62	*10.73	11.81	5.61

Figures have been regrouped and restated in compliance with the revised reporting requirements.

* Based on increased equity post conversion of Preferential warrants.

** Based on increased equity pursuant to Scheme of Arrangement between Aarti Industries Limited with Anushakti Chemicals and Drugs Limited.



NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of AARTI INDUSTRIES LIMITED will be held at the Registered Office of the Company at Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi - 396195, Dist. Valsad, Gujarat, on Thursday, the 24th day of September, 2015, at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To declare a final dividend for the financial year ended 31st March, 2015.
3. To appoint a Director in place of Shri Renil R. Gogri (DIN: 01582147), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Shantilal T. Shah (DIN: 00004850), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of Statutory Auditors of the Company.

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 Section 149, 152 and other applicable provisions of Companies Act 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force), Prof. Ganapati D. Yadav (DIN: 02235661) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 25th September, 2014 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for the period of 3 (three) years with effect from date of this Annual General Meeting i.e. 24th September, 2015."

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 Section 149, 152 and other applicable provisions of Companies Act 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force), Smt. Priti Paras Savla (DIN: 00662996) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 25th September, 2014 and who holds office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for the period of 3 (Three) years with effect from date of this Annual General Meeting i.e. 24th September, 2015."

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 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), approval of the Company be and is hereby accorded to the re-appointment of Shri Kirit R. Mehta (DIN: 00051703) as



a Whole-time Director, designated as Executive Director of the Company, for a period of 5 (Five) years with effect from 18th September, 2015 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Kirit R. Mehta, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board 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."

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 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), approval of the Company be and is hereby accorded to the re-appointment of Shri Parimal H. Desai (DIN: 00009272) as a Whole-time Director, designated as Executive Director of the Company, for a period of 5 (Five) years with effect from 10th February, 2016 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Parimal H. Desai, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board 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."

10. To ratify the appointment of Cost Auditor for the year 2015-16 by passing the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT subject to such rules, guidelines and approval as may be necessary the re-appointment of Ms. Ketki D. Visariya, Cost Accountant, as Cost Auditor to audit the cost accounts and related books maintained by the Company in respect of Organic and Inorganic Chemicals, Bulk Drugs and Fertilizers for Financial Year 2015-16 on a remuneration of ` 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus Service Tax as applicable, be and is hereby ratified."

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

"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 31st Annual General Meeting held on 24th September, 2014 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, including and not limited to working Capital Loans, 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 ` 2,500 Crores (Rupees Two Thousand Five Hundred Crores only).

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."



12. To consider and approve issue of Non-Convertible Debentures by passing the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company, approval of the members be and is hereby accorded to authorize the Board of Directors of the Company to offer or invite subscriptions for Secured/Unsecured Redeemable Non-convertible Debentures, in one or more series/tranches, on private placement basis, aggregating up to ` 300 Crores (Rupees Three Hundred Crores only), within the overall borrowing limits of the Company, as approved by the members, on such terms and conditions as the Board of Directors of the Company (including Committees thereof) may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to do all such acts, deeds and things and give such directions and further to execute such documents, deeds, instruments and writings as may be deemed necessary, proper, desirable or expedient to give effect to this resolution."

Registered Office:
Plot Nos. 801, 801/23,
GIDC Estate, Phase III,
Vapi-396195,
Dist. Valsad, Gujarat

Place: Mumbai
Date: 13th May, 2015

By order of the Board

Sd/-
CS MONA PATEL
Company Secretary

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 ON POLL INSTEAD OF HIMSELF/HERSELF. SUCH A 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 10% (ten percent) of the total share capital of the Company. Further, a Member holding more than 10% (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. 6 to 12 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 17th September, 2015 to 24th September, 2015 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended 31st March, 2015 and the AGM.

Final Dividend on Equity shares as recommended by the Board of Directors for the year ended 31st March, 2015, if approved at the Meeting, will be payable to those eligible Members whose names appear on the Register of Members as on 17th September, 2015.



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 between 11.00 a.m. to 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, M/s. Sharepro Services (India) Private Limited, immediately of any change in their address and bank details. Members holding shares in dematerialised 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 Company has transferred unclaimed amounts of 2nd Interim dividend, for the year 2006-07 and Interim dividend for the year 2007-08 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 31st Annual General Meeting (AGM) held on 24th September, 2014, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.aartigroup.com.
11. 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@aartigroup.com.
12. 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.
13. Members/Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

14. 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 Industries 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>



AARTI INDUSTRIES LIMITED

- (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 Industries 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@aartigroup.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.

(2) Voting at AGM:

The members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM. The Company will make arrangement of poll in this regards at the AGM Venue.

OTHER INSTRUCTIONS

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- II. If you are already registered with NSDL for e-voting then you can use your existing USER ID and PASSWORD /PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 17th September, 2015 are entitled to vote on the Resolutions set forth in this Notice.
- V. The remote e-voting period will commence at 9.00 a.m. on 21st September, 2015 and will end at 5.00 p.m. on 23rd September, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.