



Aarti Drugs Limited

Manufacturers of : Bulk Drugs & Chemicals

Plot No.2902-04, 2601-02-03, 2509, 2604-05,
G.I.D.C Sarigam Chemical Zone, Taluka Umargam,
Dist. Valsad, Gujarat, India-396155
Tel.: (0260) 2780269, 2781069, 2991069
Fax : (0260) 2780268
Website : www.aartidrugs.com
CIN NO : L37060MH1984PLC055433

Date: 14.08.2015

To The BSE Limited The Dy.General Manager, Corporate Relationship Dept., Phiroze Jeejabhoy Towers, 27 th Floor, Dalal Street, Mumbai – 400 001.	To National Stock Exchange of India Ltd. Corporate Relationship Dept. Exchange Plaza, 5 th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.
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Dear Sirs,

Sub: Correction in Annual Report 2014-15.

With reference to the above subject, we would like to inform to stock exchanges that there is typographical error in Annual Report 2014-15 due to oversight in the 'Financial Highlights' appearing on page 3 against **Dividend Pay out** figure for the FY ended 31st March, 2015 which should be read as Rs.1937.37 (lacs) instead of Rs. 193737.60 (lacs).

You are requested to take note of the above

Yours faithfully,
For **AARTI DRUGS LIMITED**

SUNNY D. PAGARE
COMPANY SECRETARY

FORM A

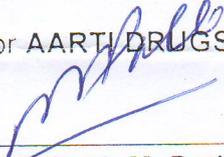
Sr. No.	Particulars	
1	Name of the Company:	Aarti Drugs Limited
2	Annual financial statements for the year ended	31 st March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable

For Gokhale & Sathé
CHARTERED ACCOUNTANTS
Firm Regn. No. 103264W


(TEJAS J. PARIKH)
PARTNER
M. No.123215



For AARTI DRUGS LIMITED


Prakash M. Patil
Chairman & Managing Director


Adhish P. Patil
Chief Financial Officer


Ramdas M. Gandhi
Audit Committee, Chairman

Date: 20th May, 2015
Place: Mumbai

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

Ramdass 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

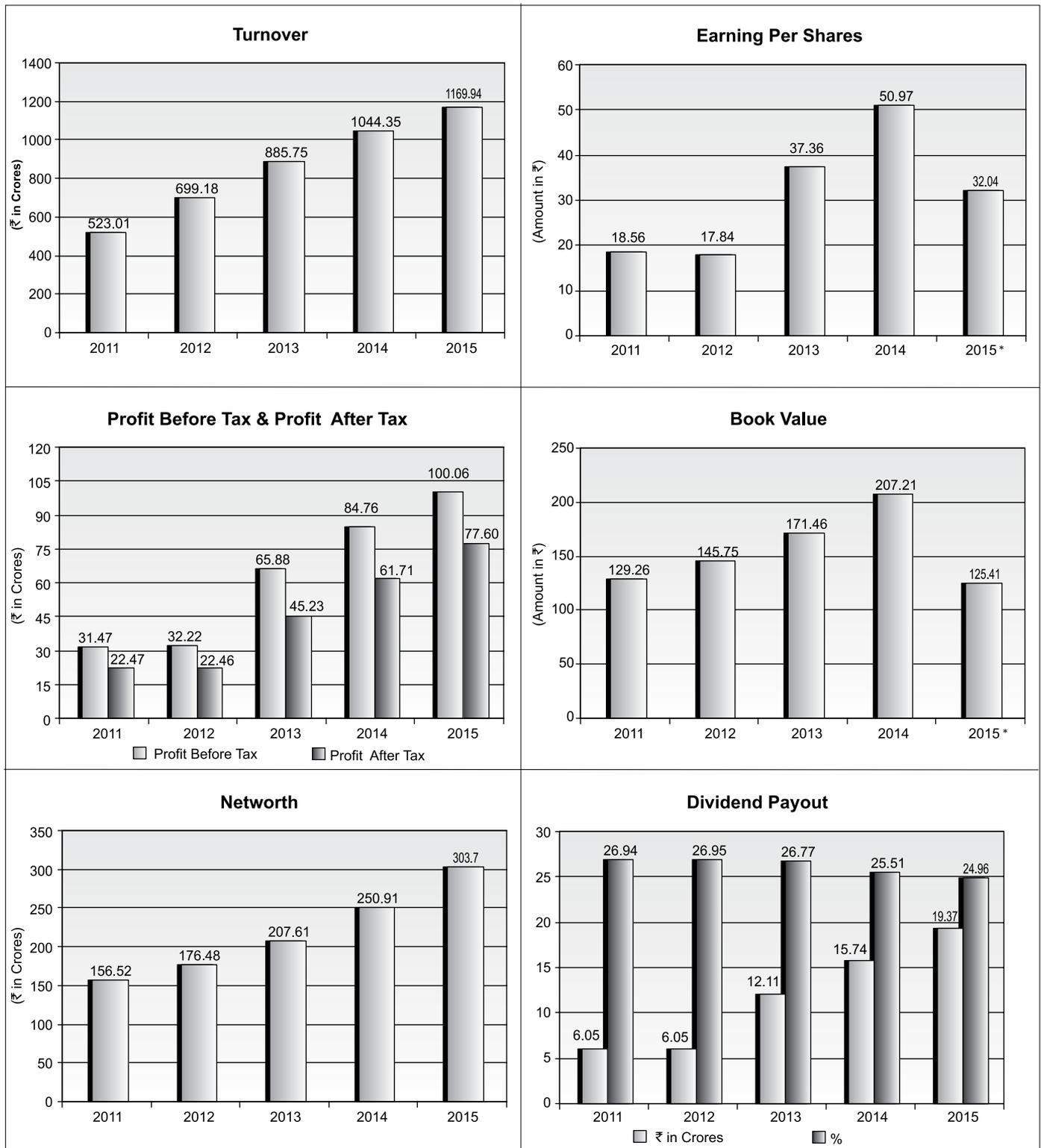
(₹ in Lacs)

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.

(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 August 7, 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 August 11, 2015 and will end at 5.00 p.m. on August 13, 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 August 7, 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.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 7, 2015.
- VII. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 7, 2015 may obtain the login ID and password by sending an email to investorrelations@artidrugs.com or evoting@nsdl.co.in by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on www.evoting.nsdl.com.
- VIII. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
- X. CS Sunil M. Dedhia, Practicing Company Secretary of Sunil M. Dedhia and Co. has been appointed as the Scrutinizer to scrutinise the e-voting process in a fair and transparent manner.
- XI. The Scrutinizer shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutinizer shall within 3 days of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
- XII. The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited and National Stock Exchange of India Limited.





BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT ARE AS UNDER:

Particulars	Shri Rajendra V. Gogri
Date of birth and age	15.12.1959 (56 years)
Date of Appointment	28.09.1984
Qualifications	B.E.-Chemical, Institute of Chemical Technology (formerly the University Department of Chemical Technology)/M.S., USA
Experience and expertise in specific functional areas	He has rich experience in handling the portfolios of marketing, purchase and other commercial matters and is also a key reason for export development of the Company. Apart from having technical knowledge, he also has equally good expertise in areas of Accounts, Finance, Taxation, Legal & other Commercial matters.
Directorships held in other (excluding foreign) Companies	Aarti Industries Ltd. Alchemie Dye Chem Pvt. Ltd. Gogri & Sons Investment Pvt. Ltd. Aarti Biotech Ltd. Anushakti Chemicals & Drugs Ltd. Crystal Millennium Realtors Pvt. Ltd. Anushakti Holdings Ltd. Kutchi Angel Network Pvt. Ltd. Alchemie Finserv Pvt. Ltd.
Memberships/Chairmanships of committees across public companies	Audit Committee Aarti Industries Ltd. – Member Anushakti Holdings Ltd. – Member Nomination and Remuneration Committee Aarti Industries Ltd. – Member Aarti Drugs Ltd. – Member Share Transfer Committee Aarti Industries Ltd. – Chairman Finance Committee Aarti Industries Ltd. – Chairman Stakeholders Relationship Committee Aarti Drugs Ltd. - Chairman Aarti Industries Ltd. – Chairman
Number of shares held in the Company	826048

ANNEXURE TO THE NOTICE

Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013

Item No. 5

Shri Prakash Moreshwar Patil, Chairman & Managing Director of the Company is holding his office for a period of five years in terms of his Principal Agreement dated September 1, 2012 entered into by the Company and amended from time by way of Supplemental Agreement, if any, thereto.

Based on the recommendation of the Remuneration Committee of the Board of Directors duly approved by a resolution passed at its meeting, the Board of Directors at its meeting held on May 20, 2015, subject to approval of the Company in the General Meeting has revised the terms of remuneration in respect of Basic Salary payable to him by increasing threshold limit for increment which may be approved by the Board from present ₹ 3,50,000 per month to ₹ 5,00,000 per month to align the same with similar power delegated to the Board in respect of other MDs/WTDs with effect from April 1, 2015 as under:

The Board of Directors will have power to make increment in the basic salary payable to Shri Prakash Moreshwar Patil as the Managing Director subject to maximum basic salary of ₹ 5,00,000/- per month. All other terms and conditions remain unchanged.

Your Directors thus commend the said resolution for your approval.

Shri Prakash Moreshwar Patil is interested in the said resolution pertaining to variation of terms of remuneration payable to him. Shri Uday M. Patil, Whole-time Director and Shri Adhish P. Patil, CFO are deemed to be interested in the said resolution as they are related to him. None of the other Directors and Key Managerial Personal of the Company or their relatives is, in anyway, concerned or interested, financially or otherwise, in the said resolution.

Item No. 6

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

Your Board thus commend the said resolution for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution.

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

**DIRECTORS' REPORT**

TO THE MEMBERS OF AARTI DRUGS LIMITED

Your Directors have pleasure in presenting the Thirtieth Annual Report together with the Audited Financial Statements along with the Report of the Auditors for the year ended March 31, 2015.

COMPANY'S FINANCIAL RESULTS [STANDALONE]

	(₹ in Lakhs)	
	2014-2015	2013-2014
Net Sales/Income from Operations	108448	96994
Other Operating Income	274	181
Total Income from Operations	108722	97175
Less: (Increase)/Decrease in Stock-in-Trade	(2358)	569
Consumption of Raw Materials	76543	65684
Staff Cost	3730	3241
Other Expenditure	13911	13045
Total Expenditure	91827	82539
Profit Before Depreciation, Amortization, Finance Cost and Tax Expenses	16895	14636
Less: Interest	3888	3349
Depreciation & Amortization	3066	2812
Profit/(Loss) before other income	9941	8475
Other Income	65	2
Profit/(Loss) Before Tax	10006	8477
Less: Provision for taxation – Current	2000	2300
– Earlier Year	(154)	(253)
– Deferred	400	350
Extraordinary item	—	92
Profit After Tax	7760	6172
Add: Surplus brought forward	19626	15916
Profit available for appropriation	27386	22088
Appropriations:		
Transfer to General Reserve	780	620
Proposed Dividend 30%	727	666
1 st Interim Dividend 50%	605	363
2 nd Interim Dividend 50%	605	545
Tax on Dividend	390	268
Bonus share issued	*1211	—
Balance carried to Balance Sheet	23068	19626

* The Company has allotted 1,21,08,550 fully paid-up equity shares pursuant to a bonus issue in the ratio of 1:1.

SHARE CAPITAL

Your Company has issued and allotted 1,21,08,550 Bonus Shares during the FY 2014-15 in the ratio of 1 (One) Bonus Equity Share for every 1 (One) existing Equity Share held by the shareholders, after capitalising a sum of ₹ 12,10,85,500/- (Rupees Twelve Crore Ten Lakhs Eighty Five Thousand and Five Hundred) from the Reserves/Surplus including Securities Premium Account. The Total paid up share capital of the Company after the Bonus issue stands at ₹ 24,21,71,000/- (Rupees Twenty Four Crore, Twenty One Lakhs and Seventy One Thousand) divided into 2,42,17,100 Equity Shares of ₹ 10/- each.

The Company had, vide resolution passed through Postal Ballot, increased Authorised Share Capital from 21,50,00,000 (Rupees Twenty One Crore and Fifty Lakhs Only) to 25,00,00,000 (Rupees Twenty Five Crore Only) divided into 2,50,00,000 Equity Shares of ₹ 10/- each to facilitate the said bonus shares issue.

DIVIDEND

During the year under review, your Company had declared and paid two interim dividends aggregating to ₹ 10/- per equity share of ₹ 10/- each (Previous Year: ₹ 7.50/- per share) prior to bonus issue.

Your Directors have now recommended a final Dividend of ₹ 3.00 ps. per equity share for the financial year 2014-15 on increased Paid up Capital post bonus shares issue in the ratio of 1:1 (Previous Year: ₹ 5.50 ps. per share).

Total cash outflow on account of dividend payments including dividend distribution tax would be ₹ 2327 Lakhs for the financial year 2014-15 (Previous Year: ₹ 1842 Lakhs).

OPERATIONS REVIEW

During the year under review, Gross Sales of the Company is ₹ 1169.94 crores (Previous Year: ₹ 1044.35 crores) registering a growth of 12.02%.

The Company has achieved Export Sales of ₹ 411.71 crores as against ₹ 395.69 crores for the last year, registering a growth of 4.05%.

EBITA, has been ₹ 168.96 crores (Previous Year: ₹ 146.37 crores), registering a growth of 15.43%. PAT has been ₹ 77.60 crores (Previous Year: ₹ 61.71 crores), registering a growth of 25.75%.

DIRECTORS' RESPONSIBILITY STATEMENT

As required u/s. 134(3)(c) of the Companies Act, 2013, your Directors hereby state that –

- a) in the preparation of the Annual Accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
- b) the Directors have 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 period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared Annual Accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has maintained a proper and adequate system of internal controls. This ensures that all Assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorised, recorded and reported diligently.

The Audit Committee and M/s. Raman S. Shah & Associates, Chartered Accountants, independent internal auditors, regularly review internal controls and operating systems and procedures for efficiency and effectiveness. The internal Auditors' Reports are regularly reviewed by the Audit Committee of the Board.

Your Company's internal control systems commensurate with the nature and size of its business operations.





DIRECTORS

Pursuant to Section 149 of the Companies Act, 2013, Shri Rajendra V. Gogri will retire at the ensuing Annual General Meeting and being eligible, seek re-appointment.

In terms of provisions of the Companies Act, 2013, the existing Independent Directors, namely, Shri Ramdas M. Gandhi, Prof. Krishnacharya G. Akamanchi, Dr. Vilas G. Gaikar and CA Bhavesh R. Vora were appointed as the Independent Directors for a term up to March 31, 2019 at the Annual General Meeting held on July 11, 2014. CA Navin C. Shah and CA Priti P. Savla were appointed as the Independent Directors through Postal Ballot on March 13, 2015.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

BOARD EVALUATION

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. Separate exercise was carried out to evaluate the performance of Non-Independent Directors including the Board chairman who were evaluated on parameters such as Key achievements, Short term and Long term targets, Challenges faced, Implementation of Strategic decisions, organisational success, participation and attendance in Board and Committee meetings etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

Independent Directors were evaluated on the following parameters such as Attendance and participations in the Meetings and timely inputs on the minutes of the meetings, adherence to ethical standards & code of conduct of Company and disclosure of non-independence, as and when it exists and disclosure of interest, Interpersonal relations with other directors and management, Understanding of the Company and the external environment in which it operates and contribution to strategic direction, Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

NOMINATION & REMUNERATION COMMITTEE

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

KEY MANAGERIAL PERSONNEL

During the year under review, the Company has appointed Shri Rashesh C. Gogri as the Managing Director of the Company w.e.f. September 26, 2014.

NUMBER OF BOARD MEETINGS

The Board of Directors met 9 (Nine) times in the year 2014-15. The details of Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

RELATED PARTY TRANSACTIONS

All related party transactions made during the financial year 2014-15 were on arm's length basis and were in the ordinary course of business.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which cannot be foreseen and are of repetitive nature.

A statement of all related party transactions is presented before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions of transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the web-link given below:

http://www.aartidrugs.co.in/index.php?option=com_content&view=article&id=114&Itemid=117.

The details of Related party transactions are provided in the accompanying financial statements.

Since all related party transactions entered into by the Company were in ordinary course of business and were on an arms length's basis, Form AOC-2 is not applicable to Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of the loans, guarantees or investments given or made by the Company as covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

POLICIES OF THE COMPANY

Your Company has posted the following documents on its website www.aartidrugs.com:

1. Code of Conduct and Ethics
2. Whistle Blower Policy
3. Related Party Transaction Policy
4. Corporate Social Responsibility
5. Familiarisation Programme for the benefit of the Independent Directors.
6. Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by insiders.

CORPORATE GOVERNANCE

Your Company has complied with the mandatory Corporate Governance requirements stipulated under Clause 49 of the Listing Agreement. Report on Corporate Governance together with a certificate from Company's Auditors are annexed hereto forming part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report as required under the Listing Agreement is annexed hereto forming part of this Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, are annexed herewith as "Annexure-A".

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Chairman and Managing Director have one to one discussion with all directors to familiarize them with the Company's operations. Further the Company has put in place a system to familiarize the independent directors about the company, its products, business and on-going events relating to the company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company (weblink - http://www.aartidrugs.co.in/index.php?option=com_content&view=article&id=114&Itemid=117)

PERSONNEL

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in an annexure and forms part of this Annual Report. In terms of Section 136(1) of the Companies Act, 2013, the Report and the Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company.





CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required u/s. 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, relating to conservation of energy, research & development, technology absorption, foreign exchange earnings and outgo are given in the "Annexure-B" to this Report.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this Report.

BUSINESS RISK MANAGEMENT

During the year under review, the Company has identified and evaluates elements of business risk. Business risk, inter-alia, further includes Fluctuations in Foreign Exchange, Raw Material Procurement Risk, Environmental & Safety Risk, Working Capital Risk, Market Risk and Business Operations Risk. The risk management framework defines the risk management approach of the Company and includes periodic review of such risk and also documentation, mitigating controls and reporting mechanism of such risks. The Board of Directors and senior management team currently assess the operations and operating environment to identify potential risks and take necessary mitigation actions.

CORPORATE SOCIAL RESPONSIBILITY

From the time of the inception of the Company, the Company's Founder Visionary and Chairman Emeritus Shri Chandrakant Gogri has upheld the philosophy of '**giving back to the society**' with utmost fidelity.

Your Company actively contributes to the following segments-

1. Education & Skill Development
2. Health
3. Environment
4. Rehabilitation in Disaster Affected areas
5. Eradication of Hunger & Poverty

1. Education & Skill Development:

Kutch Jain Mahajan Scheme: Education, in particularly in English Medium in Mumbai region, have become very expensive and beyond the reach of a lot of Urban Poor families. Your Company contributes and participates into distributing Education Aid, an activity promoted by KJM. On an average over 2700 students from Jr. KG to XII Std. are provided with an individual grant ranging from ₹ 6600 to 9000/-. Additional grant and sponsorship are also given for higher education on case to case basis.

In addition to this, your Company provides direct help to schools located nearby all its manufacturing facilities by way of constructing schools, sponsoring text books/note books, grant/aid for fees, etc.

To promote the technical educations, your Company gives donation to Institute of Chemical Technology to enable them to provide interest free bridge loan to Post Graduation students. Your Company also assisted in renovating the K.V. Auditorium of Institute of Chemical Technology, Matunga.

Your Company regularly contributes to United Way of Mumbai (UWM), a non-profit organization that endeavours to leverage corporate, employee and leadership talent for community development.

2. Health:

Fateh Chand Charitable Trust: (Estd. 2006)

Fateh Chand Charitable Trust is running a Medical College and Hospital called 'Muzaffarnagar Medical College' (MMC) in Muzaffarnagar, U.P. affiliated to Chaudhary Charan Singh University, Meerut. Trust is preliminarily taking initiative for the benefit of the society with the objective to provide and promote education in the field of Medical and Health Care services. MMC is offering courses in Medical Health i.e. MBBS from its campus developed in 42 acres of land at Muzaffarnagar. College has Pre-clinical, Para-clinical & Clinical departments. College has central photography and audio-visual units, and teaching hospital of 500 beds.

In addition to above, your company continuously supports various Health Camps and Blood Donation camps around and beyond its manufacturing units.

3. Environment:

Your Company has entered into an agreement with The Governor, Government of Maharashtra through Deputy Conservator of Forest, Dahanu Forest Division, Dahanu through local NGO M/s. Sudha Pratishtan, Masvan, Palghar to participate and assist Government in implementing Afforestation Programme in the degraded forest land of Dahanu Forest Division spread over 100 Hectares Government Land over a period of 7 years.

4. Rehabilitation in Disaster Affected areas:

Aarti Drugs which holds an expertise of working in collaboration with the government and local NGOs has carried out rehabilitation in almost all the disaster affected areas in Kutch, Orissa, Maharashtra.

5. Eradication of Hunger & Poverty:

With an initiative to provide the basic amenities to the Urban Slum, under the Urban Slum Rehabilitation programme was being adopted by Kutch Jain Foundation (KJF). Your Company had not only financially supported KJF but also actively involved in functioning of the KJF. The KJF is engaged into building Community Townships with livelihood opportunities and provide the needy Urban Slum families subsidised accommodation at these Townships.

In addition to above, your Company participates into a spectrum of CSR activities evolving around the general up-liftmen of the economically backward class of people. Your Company also makes active contribution to various local NGOs to assist in the relief measures in the affected areas.

In terms of the provisions of Section 135 of the Companies Act, 2013 your Company has constituted a "Corporate Social Responsibility" (CSR) Committee. The Company has also adopted CSR policy.

The Annual Report on CSR activities is annexed as "Annexure-C" and forms an integral part of the Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the said Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

SUBSIDIARY COMPANY

During the year under review the Company has acquired 100% equity shares in Pinnacle Life Science Pvt. Ltd., situated at Baddi, Himachal Pradesh and engaged in the business of toll manufacturing of formulation and packaging thereof. The said subsidiary is not a material subsidiary. Accordingly, a policy on material subsidiaries has not been formulated.

The Company has attached along with its financial statement, a separate statement containing the salient features of the financial statement of the said subsidiary in Form AOC -1 is included in the Report as "Annexure-D"

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges, the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited Consolidated Financial Statements together with Auditors' Report thereon form part of the Annual Report.

COMMENTS ON AUDITORS REPORT

There are no qualification, reservation or adverse remark or disclaimer made

- (i) by the auditor in his report; and
- (ii) by the company secretary in practice in his secretarial audit report.

STATUTORY AUDITORS

At the Annual General Meeting held on July 11, 2014, M/s. Gokhale & Sathe, Chartered Accountants, (Firm Regn. No. 103264W) were appointed as statutory auditors of the Company to hold office till the conclusion of the thirty second Annual General Meeting.





In terms of the provisions of the Companies Act, 2013, it is necessary to get the appointment ratified by the shareholders in every Annual General Meeting until the expiry of the period of original appointment.

In this regard, the Company has received a certificate from the Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

In view of the above, the Board of Directors recommends your ratification of the appointment of M/s. Gokhale & Sathe, Chartered Accountants (Firm Regn. No. 103264W) as the Statutory Auditors as mentioned at Item No. 4 of the Notice.

COST AUDITOR

The Cost Auditor Mr. Girikrishna S. Maniar re-appointed by the Company under Section 148 of the Companies Act, 2013 attended the Audit Committee Meeting, where Cost Audit Reports was discussed.

The due date for filing the Cost Audit Reports in XBRL mode for the financial year ended March 31, 2014 was September 30, 2014 and the Cost Audit Reports were filed by the Cost Auditor on February 6, 2015. The due date for filing the Cost Audit Reports for the financial year ended March 31, 2015 is September 30, 2015.

The Company is seeking the ratification of the Shareholders for the appointment of Mr. Girikrishna S. Maniar, Cost Auditor of the Company for the financial year ending March 31, 2016 vide resolution no. 6 of the Notice of AGM.

SECRETARIAL AUDITOR

The Board had appointed CS Sunil M. Dedhia of Sunil M. Dedhia & Co., Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as Annexure E to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

HUMAN RESOURCES ENVIRONMENT AND SAFETY

Your Company recognizes its human resources as one of its prime & critical resources. The relations between the Management and the Staff Members remained very cordial throughout the year under review. As on March 31, 2015 the Company had 1005 permanent employees at its manufacturing plants and administrative office.

The Company has constituted an Internal Complaint Committee in pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for prevention, prohibition and redressal of complaints/grievances on the sexual harassment of women at work places.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

GREEN INITIATIVE

Your Company has taken the initiative of going green and minimising the impact on the environment. The Company has been circulating the copy of the Annual Report in electronic format to all those Members whose email addresses are available with the Company. Your Company appeals other Members also to register themselves for receiving Annual Report in electronic form.

ACKNOWLEDGEMENT

We place on record our sincere Green appreciation to the employees of the Company at all levels for their co-operation and dedicated services. We also thank all our customers and suppliers who are always co-operative.

We also express our sincere thanks to Bankers, Financial Institutions and the Shareholders for their continued support.

By Order of the Board

Sd/-

Prakash M. Patil

Chairman & Managing Director

Place: Mumbai

Date: May 20, 2015

ANNEXURE - A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- (i) CIN : L37060MH1984PLC055433
- (ii) Registration Date : September 28, 1984
- (iii) Name of the Company : AARTI DRUGS LIMITED
- (iv) Category/Sub-Category of the Company : Public Company Limited by Shares
- (v) Address of the Registered office and contact details : Plot No 198, M.I.D.C., Tarapur, Taluka - Palghar, Village Pamtermbhi, Boisar, Dist. Palghar - 401 506, Maharashtra
Tel: 022-24072249 / 24019025
E-mail: investorrelations@aartidrugs.com
- (vi) Whether listed company (Yes/No) : Yes
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s. Sharepro Services (India) Pvt. Ltd.
13 AB Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072.
Telephone: 022-67720300/400
e-mail: sharepro@shareproservices.com
Website: www.shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
Pharmaceuticals	21001 and 21002	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Pinnacle Life Science Pvt. Ltd.	U24232HP2003PTC030912	Subsidiary	100%	2(87)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sr No	Category of Shareholder	No. of shares held at the beginning of the year (As on April 1, 2014)				No. of shares held at the beginning of the year (As on March 31, 2015)				% change during the year
		Physical	Demat	Total	% of Total shares	Physical	Demat	Total	% of Total shares	
(A)	Promoter									
	(1) Indian									
	(a) Individuals/H.U.F	0	6335256	6335256	52.32	0	12788632	12788632	52.81	0
	(b) Cental/State Government(s)	0	0	0	0.00	0	0	0	0.00	0
	(c) Bodies Corporate	0	882866	882866	7.29	0	1765732	1765732	7.29	0
	(d) Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0
	(e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0
	Sub-Total (A)(1)	0	7218122	7218122	59.61	0	14554364	14554364	60.10	0
	(2) Foreign									
	(a) Non Resident Individuals/ Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0
	(b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
	(c) Institutions	0	0	0	0.00	0	0	0	0.00	0
	(d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0
	(e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	0	7218122	7218122	59.61	0	14554364	14554364	60.10	0
(B)	Public Shareholding									
	(1) Institutions									
	(a) Mutual Funds/UTI/LIC	0	0	0	0.00	0	433534	433534	1.79	2
	(b) Financial Institutions/Banks	0	1732	1732	0.01	0	8853	8853	0.04	0
	(c) Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0
	(d) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0
	(e) Foreign Institutional Investors	0	0	0	0.00	0	75486	75486	0.31	0
	(f) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0
	(g) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0
	(h) Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0
	Sub-Total (B)(1)	0	1732	1732	0.01	0	517873	517873	2.14	2

i) **Category-wise Share Holding (Contd.)**

Sr No	Category of Shareholder	No. of shares held at the beginning of the year (As on April 1, 2014)				No. of shares held at the beginning of the year (As on March 31, 2015)				% change during the year
		Physical	Demat	Total	% of Total shares	Physical	Demat	Total	% of Total shares	
	(2) Non Institutions									
	(a) Bodies Corporate	3401	310762	314163	2.59	5802	350484	356286	1.47	-1
	(b) Individuals	0	0	0	0					
	(i) Holding nominal share capital upto ₹ 1 lakh	378499	1759969	2138468	17.66	583460	3126432	3709892	15.32	-2
	(ii) Holding nominal share capital in excess of ₹ 1 lakh	41500	2358062	2399562	19.82	22000	4922274	4944274	20.42	1
	(c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0
	(d) Any other (Specify)	0	0	0	0					
	i Non-Residence (Non-Rep)	1600	8584	10184	0.08	0	26344	26344	0.11	0
	ii Non-Residence (Rep)	0	13844	13844	0.11	0	83117	83117	0.34	0
	iii Foreign Bodies/OCB	0	0	0	0.00	0	0	0	0.00	0
	iv Trust	0	0	0	0.00	0	0	0	0.00	0
	v Unclaimed suspense Account	0	12475	12475	0.10	0	24950	24950	0.10	0
	Sub-Total (B)(2)	425000	4463696	4888696	40.37	611262	8533601	9144863	37.76	-3
	Total Public shareholding (B)=(B)(1)+(B)(2)	425000	4465428	4890428	40.39	611262	9051474	9662736	39.90	0
	TOTAL (A)+(B)	425000	11683550	12108550	100.00	611262	23605838	24217100	100.00	0
	(C) Shares held by Custodians and against which Depository Receipts have been issued									
	1 Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0
	2 Public	0	0	0	0.00	0	0	0	0.00	0
	GRAND TOTAL (A)+(B)+(C)	425000	11683550	12108550	100.00	611262	23605838	24217100	100.00	0

Note: The total number of shares has increased due to the issuance of bonus shares in March 2015 in the ratio 1:1



ii) SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
1	Aarti Industries Ltd	250059	2.07	0.00	500118	2.07	0.00	0
2	Aarti Rajendra Gogri	208257	1.72	0.00	362514	1.5	0.00	-0.22
3	Aashay Rashesh Gogri	91883	0.76	0.00	183766	0.76	0.00	0
4	Adhish P. Patil	141722	1.17	0.00	283444	1.17	0.00	0
5	Alchemie Financial Services Ltd.	3250	0.03	0.00	*9858	0.04	0.00	0.01
6	Alchemie Finserv Pvt. Ltd.	233117	1.93	0.00	466234	1.93	0.00	0
7	Arun Moreshwar Patil	8118	0.07	0.00	16236	0.07	0.00	0
8	Bhoomi Harshit Savla	127656	1.05	0.00	255312	1.05	0.00	0
9	Chandrakant Vallabhaji Gogri	347990	2.88	0.00	695980	2.88	0.00	0
10	Dhanvanti Vallabhaji Gogri	3490	0.03	0.00	5946	0.02	0.00	-0.01
11	Gogri Finserv Pvt. Ltd.	392986	3.25	0.00	785972	3.25	0.00	0
12	Harshit Manilal Savla	455852	3.76	0.00	1019184	4.21	0.00	0.45
13	Hetal Gogri Gala	443083	3.66	0.00	812166	3.35	0.00	-0.31
14	Indira Madan Dedhia	23531	0.19	0.00	47062	0.19	0.00	0
15	Jay Manilal Savla	58720	0.48	0.00	117440	0.48	0.00	0
16	Jaya Chandrakant Gogri	348520	2.88	0.00	778838	3.22	0.00	0.34
17	Jigna Hiren Shah	71856	0.59	0.00	112662	0.47	0.00	-0.12
18	Manilal Popatlal Savla	26537	0.22	0.00	8000	0.03	0.00	-0.19
19	Manisha Rashesh Gogri	25025	0.21	0.00	50050	0.21	0.00	0
20	Mirik Rajendra Gogri	325957	2.69	0.00	651914	2.69	0.00	0
21	Prakash M. Patil (HUF)	21598	0.18	0.00	43196	0.18	0.00	0
22	Prakash Moreshwar Patil	985251	8.14	0.00	2046632	8.45	0.00	0.31
23	Priti Prakash Patil	537721	4.44	0.00	1075442	4.44	0.00	0
24	Rajendra Vallabhaji Gogri	413024	3.41	0.00	826048	3.41	0.00	0
25	Rashesh Chandrakant Gogri	561766	4.64	0.00	1123532	4.64	0.00	0
26	Renil Rajendra Gogri	439130	3.63	0.00	878260	3.63	0.00	0
27	Rupal Drugs LLP	1775	0.01	0.00	3550	0.01	0.00	0
28	Seema Harshit Savla	430860	3.56	0.00	883166	3.65	0.00	0.09
29	Sushila Manilal Savla	101904	0.84	0.00	237282	0.98	0.00	0.14
30	Uday Moreshwar Patil	6300	0.05	0.00	12600	0.05	0.00	0
31	Vishwa Harshit Savla	129505	1.07	0.00	259210	1.07	0.00	0
32	Alchemie Pharma Chem Ltd.	1679	0.01	0.00	*0	0.00	0.00	0.01
	Total	7218122	59.62	0.00	14551614	60.1	0.00	0.48

Note: The total number of shares has increased due to the issuance of bonus shares in March 2015 in the ratio 1:1

*On account of amalgamation of Alchemie Pharma Chem Ltd. with Alchemie Financial Services Ltd.

iii) CHANGE IN PROMOTERS' SHAREHOLDING (please specify, if there is no change)

Sr. No.	Name of the Promoter	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
1	Aarti Industries Ltd.	250059	2.07	01.04.2014				
				26.03.2015	250059	Bonus	500118	2.07
		500118	2.07	31.03.2015				
2	Aarti Rajendra Gogri	208257	1.72	01.04.2014				
				13.03.2015	-1000	Sale	207257	1.71
				16.03.2015	-2500	Sale	204757	1.69
				16.03.2015	-20000	Sale	184757	1.53
				17.03.2015	-3500	Sale	181257	1.50
		362514	1.50	26.03.2015	181257	Bonus	362514	1.50
3	Aashay Rashesh Gogri	91883	0.76	01.04.2014				
				26.03.2015	91883	Bonus	183766	0.76
		183766	0.76	31.03.2015				
4	Adhish P. Patil	141722	1.17	01.04.2014				
				26.03.2015	141722	Bonus	283444	1.17
		283444	1.17	31.03.2015				
5	Alchemie Financial Services Ltd.	3250	0.03	01.04.2014				
				30.01.2015	1679	On account of amalgamation of Alchemie Pharma Chem Ltd. with Alchemie Financial Services Ltd.	4929	0.04
				26.03.2015	4929	Bonus	9858	0.04
		9858	0.04	31.03.2015				
6	Alchemie Finserv Pvt. Ltd.	233117	1.93	01.04.2014				
				26.03.2015	233117	Bonus	466234	1.93
		466234	1.93	31.03.2015				
7	Arun Moreshwar Patil	8118	0.07	01.04.2014				
				26.03.2015	8118	Bonus	16236	0.07
		16236	0.07	31.03.2015				
8	Bhoomi Harshit Savla	127656	1.05	01.04.2014				
				26.03.2015	127656	Bonus	255312	1.05
		255312	1.05	31.03.2015				
9	Chandrakant Vallabhaji Gogri	347990	2.87	01.04.2014				
				26.03.2015	347990	Bonus	695980	2.87
		695980	2.87	31.03.2015				



iii) CHANGE IN PROMOTERS' SHAREHOLDING (please specify, if there is no change) (Contd.)

Sr. No.	Name of the Promoter	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
10	Dhanvanti Vallabhji Gogri	3490	0.03	01.04.2014				
				18.03.2015	-517	Sale	2973	0.02
				26.03.2015	2973	Bonus	5946	0.02
		5946	0.02	31.03.2015				
11	Gogri Finserv Pvt. Ltd.	392986	3.25	01.04.2014				
				26.03.2015	392986	Bonus	785972	3.25
		785972	3.25	31.03.2015				
12	Harshit Manilal Savla	455852	3.76	01.04.2014				
				21.04.2014	2000	Purchase	457852	3.78
				15.05.2014	940	Purchase	458792	3.79
				09.12.2014	50000	Gift	508792	4.20
				09.12.2014	800	Gift	509592	4.21
				26.03.2015	50952	Bonus	1019184	4.21
		1019184	4.21	31.03.2015				
13	Hetal Gogri Gala	443083	3.66	01.04.2014				
				13.03.2015	-1000	Sale	442083	3.65
				16.03.2015	-2500	Sale	439583	3.63
				16.03.2015	-30000	Sale	409583	3.38
				17.03.2015	-3500	Sale	406083	3.35
				26.03.2015	406083	Bonus	812166	3.35
		812166		31.03.2015				
14	Indira Madan Dedhia	23531	0.19	01.04.2014				
				26.03.2015	23531	Bonus	47062	0.19
		47062	0.19	31.03.2015				
15	Jay Manilal Savla	58720	0.48	01.04.2014				
				26.03.2015	58720	Bonus	117440	0.48
		117440	0.48	31.03.2015				
16	Jaya Chandrakant Gogri	348520	2.88	01.04.2014				
				12.05.2014	2000	Purchase	350520	2.89
				16.05.2014	2000	Purchase	352520	2.91
				19.05.2014	3000	Purchase	355520	2.94
				22.05.2014	1000	Purchase	356520	2.94
				23.05.2014	1000	Purchase	357520	2.95
				26.05.2014	704	Purchase	358224	2.96
				27.05.2014	1000	Purchase	359224	2.97
				28.05.2014	700	Purchase	359924	2.97
				29.05.2014	2000	Purchase	361924	2.99
				03.06.2014	1000	Purchase	362924	3.00
				04.06.2014	549	Purchase	363473	3.00
				05.06.2014	2000	Purchase	365473	3.02
				06.06.2014	1400	Purchase	366873	3.03
		11.06.2014	4553	Purchase	371426	3.07		

iii) CHANGE IN PROMOTERS' SHAREHOLDING (please specify, if there is no change) (Contd.)

Sr. No.	Name of the Promoter	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
				11.06.2014	2091	Purchase	373517	3.08
				26.08.2014	1000	Purchase	374517	3.09
				27.08.2014	500	Purchase	375017	3.10
				03.09.2014	1240	Purchase	376257	3.11
				05.09.2014	974	Purchase	377231	3.12
				08.09.2014	500	Purchase	377731	3.12
				11.09.2014	500	Purchase	378231	3.12
				12.09.2014	1000	Purchase	379231	3.13
				15.09.2014	500	Purchase	379731	3.14
				16.09.2014	2018	Purchase	381749	3.15
				17.09.2014	500	Purchase	382249	3.16
				18.09.2014	500	Purchase	382749	3.16
				22.09.2014	500	Purchase	383249	3.17
				23.09.2014	500	Purchase	383749	3.17
				24.09.2014	100	Purchase	383849	3.17
				03.11.2014	854	Purchase	384703	3.18
				10.12.2014	500	Purchase	385203	3.18
				11.12.2014	500	Purchase	385703	3.19
				12.12.2014	500	Purchase	386203	3.19
				15.12.2014	166	Purchase	386369	3.19
				16.12.2014	1050	Purchase	387419	3.20
				17.12.2014	2000	Purchase	389419	3.22
				26.03.2015	389419	Bonus	778838	3.22
		778838	3.22	31.03.2015				
17	Jigna Hiren Shah	71856	0.59	01.04.2014				
				12.03.2015	-1867	Sale	69989	0.58
				13.03.2015	-3000	Sale	66989	0.55
				17.03.2015	-2000	Sale	64989	0.54
				18.03.2015	-5257	Sale	59732	0.49
				19.03.2015	-3401	Sale	56331	0.47
				26.03.2015	56331	Bonus	112662	0.47
		112662	0.47	31.03.2015				
18	Manilal Popatlal Savla	26537	0.22	01.04.2014				
				16.07.2014	-22537	Transmission upon death	4000	0.03
				26.03.2015	4000	Bonus	8000	0.03
		8000	0.03	31.03.2015				



iii) CHANGE IN PROMOTERS' SHAREHOLDING (please specify, if there is no change) (Contd.)

Sr. No.	Name of the Promoter	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
19	Manisha Rashesh Gogri	25025	0.21	01.04.2014	25025	Bonus	50050	0.21
				26.03.2015				
		50050	0.21	31.03.2015				
20	Mirik Rajendra Gogri	325957	2.69	01.04.2014	325957	Bonus	651914	2.69
				26.03.2015				
		651914	2.69	31.03.2015				
21	Prakash M. Patil (HUF)	21598	0.18	01.04.2014	21598	Bonus	43196	0.18
				26.03.2015				
		43196	0.18	31.03.2015				
22	Prakash Moreshwar Patil	985251	8.14	01.04.2014				
				17.10.2014	730	Purchase	985981	8.14
				17.10.2014	190	Purchase	986171	8.14
				28.10.2014	1064	Purchase	987235	8.15
				29.10.2014	536	Purchase	987771	8.16
				31.10.2014	2000	Purchase	989771	8.17
				25.11.2014	266	Purchase	990037	8.18
				25.11.2014	734	Purchase	990771	8.18
				01.12.2014	1162	Purchase	991933	8.19
				01.12.2014	75	Purchase	992008	8.19
				11.12.2014	105	Purchase	992113	8.19
				11.12.2014	371	Purchase	992484	8.20
				12.12.2014	679	Purchase	993163	8.20
				16.12.2014	2489	Purchase	995652	8.22
				17.12.2014	600	Purchase	996252	8.23
				17.12.2014	873	Purchase	997125	8.23
				17.12.2014	1352	Purchase	998477	8.25
				18.12.2014	938	Purchase	999415	8.25
				18.12.2014	341	Purchase	999756	8.26
				23.12.2014	250	Purchase	1000006	8.26
				24.12.2014	500	Purchase	1000506	8.26
				26.12.2014	810	Purchase	1001316	8.27
		16.02.2014	22000	Gift	1023316	8.45		
		26.03.2015	1023316	Bonus	2046632	8.45		
		2046632	8.45	31.03.2015				
23	Priti Prakash Patil	537721	4.44	01.04.2014	537721	Bonus	1075442	4.44
				26.03.2015				
		1075442	4.44	31.03.2015				

iii) CHANGE IN PROMOTERS' SHAREHOLDING (please specify, if there is no change) (Contd.)

Sr. No.	Name of the Promoter	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
24	Rajendra Vallabhaji Gogri	413024	3.41	01.04.2014	413024	Bonus	826048	3.41
				26.03.2015				
		826048	3.41	31.03.2015				
25	Rashesh Chandrakant Gogri	561766	4.64	01.04.2014	561766	Bonus	1123532	4.64
				26.03.2015				
		1123532	4.64	31.03.2015				
26	Renil Rajendra Gogri	439130	3.63	01.04.2014	439130	Bonus	878260	3.63
				26.03.2015				
		878260	3.63	31.03.2015				
27	Rupal Drugs LLP	1775	0.01	01.04.2014	1775	Bonus	3550	0.01
				26.03.2015				
		3550	0.01	31.03.2015				
28	Seema Harshit Savla	430860	3.56	01.04.2014	2000 3000 4723 1000 441583	Purchase Purchase Purchase Purchase Bonus	432860 435860 440583 441583 883166	3.57 3.60 3.64 3.65 3.65
				16.05.2014				
				19.05.2014				
				23.05.2014				
				16.09.2014				
				26.03.2015				
		883166	3.65	31.03.2015				
29	Sushila Manilal Savla	101904	0.84	01.04.2014	22537 -800 -5000 118641	Purchase Sale Sale Bonus	124441 123641 118641 237282	1.03 1.02 0.98 0.98
				16.07.2014				
				22.07.2014				
				16.03.2015				
				26.03.2015				
		237282	0.98	31.03.2015				
30	Uday Moreshwar Patil	6300	0.05	01.04.2014	6300	Bonus	12600	0.05
				26.03.2015				
		12600	0.05	31.03.2015				
31	Vishwa Harshit Savla	129505	1.07	01.04.2014	100 129605	Purchase Bonus	129605 259210	1.07
				15.08.2014				
				26.03.2015				
		259210	1.07	31.03.2015				

Note: The total number of shares has increased due to the issuance of bonus shares in March 2015 in the ratio 1:1



**iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS
(other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Top 10 Shareholding	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-14)/end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
1	Pallavi Savla	368423	3.04	01.04.2014				
				25.04.2014	-9797	Sale	358626	2.96
				02.05.2014	-20203	Sale	338423	2.79
				09.05.2014	-8478	Sale	329945	2.72
				16.05.2014	-10654	Sale	319291	2.64
				23.05.2014	-4868	Sale	314423	2.60
				06.06.2014	-10155	Sale	304268	2.51
				13.06.2014	-8712	Sale	295556	2.44
				20.06.2014	-5000	Sale	290556	2.40
				30.06.2014	-2000	Sale	288556	2.38
				18.07.2014	-2000	Sale	286556	2.37
				08.08.2014	-2000	Sale	284556	2.35
				22.08.2014	-500	Sale	284056	2.35
				12.09.2014	-500	Sale	283556	2.34
				30.09.2014	-500	Sale	283056	2.34
				12.12.2014	-50000	Sale	233056	1.92
				09.01.2015	-2500	Sale	230556	1.90
				30.01.2015	-2500	Sale	228056	1.88
				13.03.2015	-1500	Sale	226556	1.87
				20.03.2015	-500	Sale	226056	1.87
		26.03.2015	226056	Bonus	452112	1.87		
		452112	1.87	31.03.2015				
2	Jayshree Harit Shah	148178	1.22	01.04.2014			148178	1.22
				26.03.2015	148178	Bonus	296356	1.22
		296356	1.22	31.03.2015				
3	Samir Pragji Shah	129573	1.07	01.04.2014				
				25.04.2014	-6512	Sale	123061	1.02
				02.05.2014	-1591	Sale	121470	1.00
				09.05.2014	-1000	Sale	120470	0.99
				13.06.2014	-1000	Sale	119470	0.99
				20.06.2014	-500	Sale	118970	0.98
				07.11.2014	-2000	Sale	116970	0.97
				14.11.2014	-2000	Sale	114970	0.95
				21.11.2014	-500	Sale	114470	0.95
				31.12.2014	-2000	Sale	112470	0.93
				02.01.2015	-1000	Sale	111470	0.92
				13.02.2015	-1000	Sale	110470	0.91
				20.02.2015	-500	Sale	109970	0.91
				20.03.2015	-500	Sale	109470	0.90
				26.03.2015	109470	Bonus	218940	0.90
				218940	0.90	31.03.2015	218940	
4	Anand Rathi Share and Stock Brokers Ltd.*	125647	1.04	01.04.2014				
				16.05.2014	-700	Sale	124947	1.03
				06.06.2014	-124947	Sale	0	0.00
		0	0.00	31.03.2015				

iv. **SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS**
(other than Directors, Promoters and Holders of GDRs and ADRs): (Contd.)

Sr. No.	Top 10 Shareholding	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-14)/end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
5	Bhavna Shah Lalka*	105482	0.87	01.04.2014				
		0	0.00	16.01.2015	-105482	Sale	0	0.00
				31.03.2015				
6	Radhakishan Damani*	93000	0.77	01.04.2014				
				29.08.2014	-68000	Sale	25000	0.21
		0	0.00	05.12.2014	25000	Sale	0	0.00
7	Rinku Parimal Desai	79766	0.66	01.04.2014				
				26.03.2015	79766	Bonus	159532	0.66
		159532	0.66	31.03.2015				
8	Liza Nemjee Savla	73473	0.61	01.04.2014				
				18.04.2014	-400	Sale	73073	0.60
				25.04.2014	-1223	Sale	71850	0.59
				02.05.2014	-250	Sale	71600	0.59
				09.05.2014	-1475	Sale	70125	0.58
				16.05.2014	-763	Sale	69362	0.57
				23.05.2014	-362	Sale	69000	0.57
				30.05.2014	-1254	Sale	67746	0.56
				06.06.2014	-1806	Sale	65940	0.54
				13.06.2014	-440	Sale	65500	0.54
				19.12.2014	-15	Sale	65485	0.54
				31.12.2014	-10	Sale	65475	0.54
				02.01.2015	-100	Sale	65375	0.54
				09.01.2015	-500	Sale	64875	0.54
				16.01.2015	-300	Sale	64575	0.53
				23.01.2015	-654	Sale	63921	0.53
				30.01.2015	-10	Sale	63911	0.53
		06.02.2015	-10	Sale	63901	0.53		
		26.03.2015	63901	Bonus	127802	0.53		
		127802	0.53	31.03.2015				
9	Nikhil Parimal Desai	73458	0.61	01.04.2014				
				26.03.2015	73458	Bonus	146916	0.61
		146916	0.61	31.03.2015				
10	Liza Nemjee Savla	70000	0.58	01.04.2014				
				26.03.2015	70000	Bonus	140000	0.58
		140000	0.58	31.03.2015				

Note: The total number of shares has increased due to the issuance of bonus shares in March 2015 in the ratio 1:1

* Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2014.



v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	Name of the Directors and KMP	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-14)/end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
1	Prakash Moreshwar Patil	985251	8.14	01.04.2014				
				17.10.2014	730	Purchase	985981	8.14
				17.10.2014	190	Purchase	986171	8.14
				28.10.2014	1064	Purchase	987235	8.15
				29.10.2014	536	Purchase	987771	8.16
				31.10.2014	2000	Purchase	989771	8.17
				25.11.2014	266	Purchase	990037	8.18
				25.11.2014	734	Purchase	990771	8.18
				01.12.2014	1162	Purchase	991933	8.19
				01.12.2014	75	Purchase	992008	8.19
				11.12.2014	105	Purchase	992113	8.19
				11.12.2014	371	Purchase	992484	8.20
				12.12.2014	679	Purchase	993163	8.20
				16.12.2014	2489	Purchase	995652	8.22
				17.12.2014	600	Purchase	996252	8.23
				17.12.2014	873	Purchase	997125	8.23
				17.12.2014	1352	Purchase	998477	8.25
				18.12.2014	938	Purchase	999415	8.25
				18.12.2014	341	Purchase	999756	8.26
				23.12.2014	250	Purchase	1000006	8.26
		24.12.2014	500	Purchase	1000506	8.26		
		26.12.2014	810	Purchase	1001316	8.27		
		16.02.2014	22000	Gift	1023316	8.45		
		26.03.2015	1023316	Bonus	2046632	8.45		
		2046632	8.45	31.03.2015				
2	Rashesh Chandrakant Gogri	561766	4.64	01.04.2014				
				26.03.2015	561766	Bonus	1123532	4.64
		1123532	4.64	31.03.2015				
3	Harshit Manilal Savla	455852	3.76	01.04.2014				
				21.04.2014	2000	Purchase	457852	3.78
				15.05.2014	940	Purchase	458792	3.79
				09.12.2014	50000	Gift	508792	4.20
				09.12.2014	800	Gift	509592	4.21
				26.03.2015	509592	Bonus	1019184	4.21
		1019184	4.21	31.03.2015				
4	Harit Pragji Shah	378786	3.13	01.04.2014				
				27.11.2014	1500	Purchase	380286	3.14
				26.03.2015	380286	Bonus	760572	3.14
		760572	3.13	31.03.2015				
5	Rajendra Vallabhaji Gogri	413024	3.41	01.04.2014				
				26.03.2015	413024	Bonus	826048	3.41
		826048	3.41	31.03.2015				
6	Uday Moreshwar Patil	6300	0.05	01.04.2014				
				26.03.2015	6300	Bonus	12600	0.05
		12600	0.05	31.03.2015				

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: (Contd.)

Sr. No.	Name of the Directors and KMP	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-14)/end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
7	Ramdas Maneklal Gandhi	7500	0.0619	01.04.2014				
				01.05.2015	-1000	Sale	6500	0.05
				07.05.2014	-200	Sale	6300	0.05
				03.09.2014	-1350	Sale	4950	0.04
				09.09.2014	-950	Sale	4000	0.03
				26.03.2015	4000	Bonus	8000	0.03
		8000	0.03	31.03.2015				
8	CA Navin Chapshi Shah	—	—	01.04.2014				
				02.05.2014	280	Purchase	280	0.00
				01.08.2014	175	Purchase	455	0.00
				08.08.2014	177	Purchase	626	0.01
				11.08.2014	1000	Purchase	1626	0.01
				13.08.2014	1000	Purchase	2626	0.02
				14.08.2014	250	Purchase	2876	0.02
				24.03.2015	-2876	Sale	0	0.00
				26.03.2015	2876	Bonus	2876	0.01
		2876	0.01	31.03.2015				
9	Dr. Vilas G. Gaikar	—	—	—				
10	Prof. Krishnacharya G. Akamanchi	—	—	—				
11	CA Bhavesh R. Vora	—	—	—				
12	CA Priti P. Savla	—	—	—				
13	Adhish Prakash Patil	141722	1.17	01.04.2014				
				26.03.2015	141722	Bonus	283444	1.17
		283444	1.17	31.03.2015				
14	CS Sunny Pagare	—	—	—	—	—	—	—

Note: The total number of shares has increased due to the issuance of bonus shares in March 2015 in the ratio 1:1

V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

(₹ in Lacs)

Sr. No.	Particulars	Secured Loan	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
1	Principal Amount	28,495.90	9,372.95	—	37,868.85
2	Interest due but not paid	—	—	—	—
3	Interest accrued but not due	170.57	192.74	—	363.31
	Total (1+2+3)	28,666.47	9,565.69	—	38,232.16
Change in Indebtedness during the financial year					
1	Addition	9,681.00	544.34	—	10,225.34
2	Reduction	3,717.45	982.17	—	4,699.62
3	Net Change	5,963.55	(437.83)	—	5,525.72
Indebtedness at the end of the financial year (for long term loan)					
1	Principal Amount	33,191.72	10,282.52	—	43,474.24
2	Interest due but not paid	—	—	—	—
3	Interest accrued but not due	126.74	168.61	—	295.35
	Total (1+2+3)	33,318.46	10,451.13	—	43,769.59



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lacs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		Shri Prakash Patil CMD	Shri Rashesh Gogri MD	Shri Harshit Savla JT. MD	Shri Harit Shah WTD	Shri Uday Patil WTD	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	65.81	60.74	60.21	60.29	6.32	253.37
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—	—	—	—	—
2.	Stock Option	—	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—	—
4.	Commission – as % of profit – others	52.35	52.35	52.35	52.35	—	209.38
5.	Others, please specify	—	—	—	—	—	—
	TOTAL (A)	118.16	113.09	112.56	112.64	6.32	462.75

B. REMUNERATION OF OTHER DIRECTOR

(₹ in Lacs)

Sr. No	Particulars of Remuneration	Name of Directors						Total Amount
		Shri Ramdas Gandhi	CA Bhavesh Vora	Prof. Krishnacharya G. Akamanchi	Dr. Vilas Gaikar	CA Navin Shah	CA Priti Savla	
1.	Independent Directors							
	• Fee for attending board committee meetings	1.53	1.35	0.61	0.88	1.39	0.40	6.16
	• Commission	—	—	—	—	—	—	—
	• Others, please specify	—	—	—	—	—	—	—
	Total (1)	1.53	1.35	0.61	0.88	1.39	0.30	6.16
2.	Other Non-Executive Directors							
	• Fee for attending board committee meetings	0.74	—	—	—	—	—	0.74
	• Commission	—	—	—	—	—	—	—
	• Others, please specify	—	—	—	—	—	—	—
	Total (2)	0.74	—	—	—	—	—	0.74
	Total Managerial Remuneration Total (B)=(1+2)	2.27	1.35	0.61	0.88	1.39	0.40	6.90

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(₹ in Lacs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		Shri Prakash Patil CEO	Shri Adhish Patil CFO	CS Sunny Pagare CS	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	65.81	31.33	5.59	102.73
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission – as % of profit – others, specify	52.35	—	—	52.35
5.	Others, please specify	—	—	—	—
	Total	118.16	31.33	5.59	155.08

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. DIRECTORS					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—



ANNEXURE - B

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:

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation, consumption and control on utilization thereof. The various measures taken during the year include:

- Switch over from single effect evaporation to multiple effect evaporation in Ammonium sulfate recovery at Metronidazole plant at Sarigam leads to huge saving of steam.
- Started the recovery of Methyl formate & reduced the effluent generation.
- Efficiently implemented the multiple washing systems to intermediate & finished products, reduced water consumption, solvent consumption for washing & hence saving in effluent treatment cost & solvent recovery cost.
- Recycling of water in almost all products reduced the water consumption & hence reduction in effluent & treatment cost.
- Periodic internal energy audits of boiler, chilling plants, compressors etc. & give suggestions for further improvements.
- Installation of energy efficient aerodynamically designed FRP fans replacing regular Aluminium fans for cooling towers.
- Installation capacitor banks for improvement of power saving.
- Installation of auto star-delta switches for centrifuges.
- Continuous overhauling of all thermal insulation to reduce loss of heat due to radiation.
- Tuning of boilers / thermopacs for optimum Air – Fuel ratio to increase efficiency.
- Condensate recovery improved to reduce fuel consumption.
- Reduced furnace oil percentage that was use as a supplementary fuel along with liquid effluent in waste heat recovery boiler.
- Tried to run refrigeration plants at optimum capacity & efficiency.
- Replaced furnace oil fired boiler with Briquette as a solid fuel boiler.
- Installation of Thermostat to control cooling tower temperature to reduce electricity consumption.
- Implemented PINCH technology successfully.
- Use of variable frequency drives for power saving in centrifuges.

b. Additional Investment & Proposals If any being implemented for reduction of conservation of energy:

Measures for reduction in energy consumption include:

- Use of Coaliser mesh for extraction will reduce the water consumption as well as reduction in effluent generation / treatment cost.
- Use of mother liquor from process as a cooling water for process
- Use of variable frequency drives for power saving in pumps.
- Use of charcoal / carbon briquettes as a solid fuel in boilers
- Installation of Psychrometric evaporator for reduction in effluent

c. The adoption of energy conservation measures indicated above has resulted in optimum efficiency in operation and saving & controlling in the cost of production.

d. **Total energy consumption and energy consumption per unit of production:**

I **Power & Fuel Consumption**

	<u>Current Year</u>	<u>Previous Year</u>
1. Electricity		
Purchased Units (KWH)	41615737	36956609
Total Amount (₹ in Lacs)	3235.65	2890.32
Per Unit (₹)	7.78	7.82
2. Furnace Oil		
Purchased Units (MT)	776.75	673.40
Total Amount (₹ in Lacs)	279.23	277.12
Per Unit (₹) (Per Kg)	35.95	41.15
3.(a) Coal		
Consumption (Unit) (Kg.)	31530291	31472779
Total Amount (₹ in Lacs)	785.29	1192.22
Rate Per Unit	2.49	3.79
3.(b) Briquettes		
Consumption (Unit) (Kg.)	6175823	3711419
Total Amount (₹ in Lacs)	411.42	214.82
Rate Per Unit	6.66	5.79
4. Others (₹ in Lacs)		
Diesel (₹ in Lacs)	78.29	63.00
L.D.O. (₹ in Lacs)	0.00	2.54

II. **Consumption per unit of production:**

Since the Company manufactures difference types of bulk drugs and its intermediates, it is not practicable to give consumption per unit of production.

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

During the year, the Company's two State-of-the Art R&D Centres at Plot No. N-198 and G-60, MIDC industrial Area, Tarapur, recognized by Ministry of Science, Department of Scientific and Industrial Research, Government of India have been shifted to separate premises located at Plot No. E-1, MIDC, Tarapur. The new R&D centre at Plot No. E-1, MIDC Tarapur is also recognised by Ministry of Science, Department of Scientific and Industrial Research, Government of India. The R&D centre carry R&D activities for developing technology, scale up and its transfer to manufacturing location for commercialization of APIs and intermediates as well.

(A) **Specific areas in which R&D carried out by the company during the year 2014-15**

The focus areas of the companies R&D effort during 2014-15 include:

- Improvement of existing process of products by enhancing yields and reducing costs by optimization of reaction parameters, reaction re-engineering and implementing cost effective routes of synthesis on continuous basis. This efforts have resulted in improving quality of the products and reducing their manufacturing cost.
- Development of Processes for new APIs. The Company's R&D is also focused on developing API's which are blockbusters molecules in their respective therapeutic segments and expected to go off patent within next 5 years.



(B) Benefits derived as a result of the above R&D:

- (i) R&D efforts have helped for improvement in process and operating efficiency.
- (ii) Development/commercialization of various APIs and intermediates.
- (iii) Development of new markets, penetration in to regulatory markets through quality up gradation and cost reduction.
- (iv) Improve quality of products to fulfill existing demands of customers.

(C) Future plans of Action:

- 1. Further improve process efficiencies of existing products.
- 2. The Company expects to file 8 DMFs (Drug Master Files) during the year 2014-15 with Global regulatory authorities within next 2 years. This would help increase exports to regulated markets with better margins by supply of generic APIs too.
- 3. Development of Cost Effective Processes/Technologies for APIs of the semi-regulated & Non-Regulated Markets.
- 4. Creating Intellectual Property Bank: The Company has filed 6 process patents so far and expects to file around 10 process patents for its pipeline APIs at the National & International Level in next 2 years.

(D) Expenditure on R&D:

	(₹ in lakhs)	
	<u>Current Year</u>	<u>Previous Year</u>
Capital	682.39	521.37
Recurring	693.04	590.90
Total	<u>1375.43</u>	<u>1112.27</u>

3. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

- The Company has successfully commercialized manufacturing process for Telmisartan for non-regulatory market. It is an Anti-hypertensive agent, one of the most promising in this category. The Company has also developed cost-effective route of synthesis of Bi-Benzimidazole (BBI), key intermediate of Telmisartan and is starting commercial production of the same.
- Process improvement work is carried out continuously which leads to improvement in quality as well as cost-reduction. We have developed manufacturing process for Clopidogrel bisulphate – USP-37. Diclofenac sodium, & Enrofloxacin, are the examples in which we improved the process of these products.
- Clopidogrel Stage-III recovery process is developed, it will be demonstrated at Pilot scale shortly. Going to start commercial production of Moxifloxacin, an anti-bacterial agent. Shortly starting manufacturing of Nonane, key intermediate in manufacture of Moxifloxacin.
- Pilot plant validation for the manufacturing Polyallylamine, a key raw material for the API — Sevelamer/ Cosevelamer, a phosphate binding drug used to treat hyperphosphatemia in patients with chronic kidney disease, has been completed.
- Developing manufacturing process for Key raw material of Atorvastatin, a member of the drug class known as statins, which are used primarily for lowering blood cholesterol and for prevention of events associated with cardiovascular disease.
- Dabigatran manufacturing process is ready for Pilot scale - up. We already have provided this for Formulation development to one of the customer. Manufacturing process for the three key raw materials require to manufacture Dabigatran is already commercialized.

- Manufacturing process of Dronedarone is ready for Lab – Validation & key raw material, N-butyl nitro benzofuran manufacturing process is also ready for Pilot – scale.
- Developed manufacturing process for key raw material of Ofloxacin, Levofloxacin and Norfloxacin API.
- Developed Manufacturing process of Norfloxacin API.
- Successfully scale up of Levofloxacin API on plant scale.
- Development work of continuous process of Ofloxacin and levofloxacin acid going on pilot scale.

4. TOTAL FOREIGN EXCHANGE EARNINGS AND OUTGO

	(₹ in Lacs)	
	Current Year	Previous Year
Total Foreign Exchange Earned (FOB)	38036.53	35021.38
Total Foreign Exchange Earned (CIF)	39008.62	36070.72
Total Foreign Exchange Used		
CIF Value of Imports :		
– Raw Material	41397.24	34213.37
– Capital Goods	52.90	295.37
Expenditure in Foreign Currency :		
– Commission	518.44	605.07
– Travelling Expenses	25.50	56.53
– Sales Promotion	109.32	47.64
– Foreign Bank charges	48.25	60.18
– Interest on F.C. loan	245.63	468.66
– Others	216.48	86.39
TOTAL	42613.76	35833.22

For and on behalf of the Board

Sd/-

Prakash M. Patil
Chairman & Managing Director

Place : Mumbai
Date : May 20, 2015



ANNEXURE - C

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Refer Directors Report
The Composition of the CSR Committee.	Shri Navin C. Shah (Independent Director) Shri Prakash M. Patil (Executive Director) Shri Rashesh C. Gogri (Executive Director)
Average net profit of the company for last three financial years	₹ 6031.92 Lacs
Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 120.64 Lacs
Details of CSR spent during the financial year (1) Total amount to be spent for the F.Y. (2) Amount unspent (3) Manner in which the amount spent during the financial year	₹ 120.64 Lacs ₹ 15.64 Lacs Details given in below table

The amount spent was ₹ 105 Lacs, marginally lower than 2% of average net profits of the last three financial years. The lower spend vis-à-vis the budget was due to lower requirement from implementing agencies than allocated fund.

CSR project or activity identified	Locations where project is undertaken (Local area/district)	Sector in which the project is covered	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
a) Education & skill development b) Health c) Environment d) Rehabilitation in disaster affected areas e) Eradication of hunger & Poverty	1) Palghar, Maharashtra 2) Muzaffarnagar, U.P. 3) Mumbai, Maharashtra 4) Kutch, Gujarat	Rural Development	₹120.64 Lacs	₹105.00 Lacs	₹105.00 Lacs	₹105.00 Lacs

The CSR Committee hereby confirms that the implementation and monitoring of CSR Activities is in compliance with CSR objectives and the CSR Policy of the Company.

Annexure - D

FORM AOC - 1

(Pursuant to first provision to Sub-Section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY/ASSOCIATES

PART "A" : SUBSIDIARIES

Sr. No.	Name of Subsidiary Company	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiary	Share capital	Reserve and surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Proposed Dividend	% of Shareholding
1.	Pinacle life Science Pvt. Ltd.	INR	778.28	360.78	4435.76	4435.76	—	1328.96	(324.83)	—	—	100.00%

(₹ in Lacs)

For and on behalf of the Board

Sd/-

Prakash M. Patil
(Chairman & Managing Director)

Sd/-

Adhish P. Patil
(Chief Financial Officer)

Sd/-

Harshit M. Savla
(Jt. Managing Director)

Sd/-

CS Sunny D. Pagare
(Company Secretary)

Place : Mumbai

Date : May 20, 2015



Annexure-E

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

*(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)*

To,
The Members,
Aarti Drugs Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aarti Drugs Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2015 (**'Audit Period'**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during Audit Period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not applicable to the Company during Audit Period**)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during Audit Period**); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during Audit Period**).

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Not notified hence not applicable to the Company during the Audit Period)**;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with Drugs & Cosmetics Act, 1940 and rules made thereunder, applicable specifically to the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on Agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

All decisions at the Board Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period, the Company has issued bonus equity shares in the ratio of 1:1 on March 26, 2015.

For **Sunil M. Dedhia & Co.**

Sd/-

CS Sunil M. Dedhia

Proprietor

FCS No: 3483 C.P. No. 2031

Place : Mumbai

Date : May 20, 2015



MANAGEMENT DISCUSSION AND ANALYSIS

PHARMACEUTICAL INDUSTRY – GLOBAL & INDIAN

The global pharmaceutical market is expected to reach \$ 1.3 trillion by 2018, due to increased global spending driven by population growth, an aging population, and improved access in pharmerging markets. CAGR of pharmerging market will be 8 to 11% by 2018. Due to globalization, pharmerging countries increased from 5 to 21 and healthcare improvement will continue to be their priority. Many of these countries are implementing healthcare reforms to ensure universal coverage. The developed market – led by the United States, the major five European markets and Japan had been the primary drivers of increased growth, while the 21 pharmerging countries will increase their contribution to growth over next five years and account for nearly 50% of absolute growth in 2018.

The Indian pharmaceutical industry accounts for about 1.4% of the global pharmaceutical industry in value terms and 10% in volume terms. It's revenue is expected to expand at a CAGR of 14.5% from the year 2009 to year 2020, by nearly \$ 55 billion. The generic market is expected to grow to \$ 26.1 billion by 2016 and has immense potential for growth. India is the fourth largest player by value with market share of Asia-Pacific. Indian pharmaceutical industry accounts for the second largest number of Abbreviated New Drug Applications (ANDAs) and is the world leader in Drug Master Files (DMFs) application with US. Indian pharmaceutical industry has many advantages in terms of efficient cost of production, good R&D technical work force for process improvements, lower healthcare costs, diversified array of products viz., over 60,000 generics brands across 60 therapeutic categories comprising of more than 500 different APIs. Economic prosperity, increased drugs affordability and increasing penetration of health insurance along with government initiatives like 'pharma vision 2020' will propel India to become a global leader as a end-to-end drug manufacturer. The government of India is committed to setting up robust healthcare and delivery mechanisms.

BUSINESS STRATEGY

Domestic Market and Trends:

The domestic formulation market has witnessed a healthy growth in demand during the past five years. Going forward, this trend is expected to continue broadly based on growing population, increasing health awareness and an increasing per capita income leading to a large overall healthcare spend. The market is expected to grow with a CAGR of 14% to reach a size of US \$47.06 billion by 2018. Indian bulk drug industry has grown as a direct offset of formulation growth world-wide.

Aarti Drugs Limited (ADL) has a strong regulatory framework and cGMP level documentation which is now a standard requirement of most of the big Indian pharmaceutical companies. High process efficiency and high standard for quality has created good brand name for ADL in the space of Antibiotic, Anti-diabetic, Antifungal, Antidiarrheal, Anti-inflammatory and Antihypertensive therapeutic segments. Indian pharmaceutical market is growing fast due to penetration of health services in rural areas of the country. There is also a shift in demand from drugs treating hygiene related diseases to drugs treating lifestyle related diseases in the urban sector. ADL has carried out the capital expenditure for constructing new facilities for three antibiotic products (Fluoroquinolones) and its intermediates, and doubling the capacity of one of its major Anti-protozoal product. Both these projects shall be commercially operational by the first two quarters of the year 2015-16.

Export Market and Trends:

Indian bulk drug companies have filed 49% of the overall drug master filings (DMFs) made in the US in 2013, which will help Indian pharmaceutical companies to capitalize further on export opportunities in regulated and semi-regulated markets.

The ministry of commerce targets to export \$ 25 billion worth of pharmaceuticals in 2016. Indian drugs are exported to more than 200 countries in the world, with US as a key market. In terms of value, exports of pharmaceutical products increased at a CAGR of 26.1% to USD 10.1 billion during FY 2006-13. The Americas accounted for around 34% of Indian pharma exports In FY 13, followed by Europe 26% and Asia 20%. Exports to Africa increased at a CAGR of 21% from 2009-13. The global generics market has grown at a phenomenal pace in past few years, and is expected to grow over the next five years.

Significant portion of bulk drugs manufactured in India is exported as compared to developed countries, where bulk drugs are primarily manufactured for captive consumption. Environmental Clearance (EC) for the new Anti-diabetic facility took more than required time due to change in government policies related to public hearing in the year 2014-15. However, EC has been obtained recently and subsequently we have also received WHO-GMP, unlocking the export potential of this Anti-diabetic drug. We expect to get more regulatory approvals for European markets as well in future.

ADL management has addressed concerns of Import alert received in March 2015 for its USFDA approved unit. We have taken corrective action and responded to the satisfaction of the authority and expect their feedback soon. We have also appointed a US based consultancy firm to resolve this issue. Total sales to north American continent from this facility is little below 1% of the total sales of ADL, hence its impact on the company financials is not expected to be significant. However, other facilities of ADL continue to maintain cGMP certifications like COFEPRIS, ANVISA, TGA, WHO GMP and ISO resulting in growth in the year 2014-15.

SWOT ANALYSIS

Strengths & Opportunities:

ADL has been continuously striving to keep its costs to minimum possible to aggressively compete with Chinese competitors. Moreover, slowly India is getting competitive with respect to Chinese manufacturers, as Chinese environmental rules are becoming stringent like that of India. Moreover, global players prefer Indian manufacturers to Chinese due to better documentation and quality. Furthermore, currently ADL has customer audited and cGMP facilities which give us an edge over competition throughout the world.

ADL continues to enjoy economies of scale due to its large production capacities in Anti Diarrhea, Anti Inflammatory, Anti Fungal, and Anti Biotic segments. Bigger market share automatically helps us to be competitive in market due to spread of overheads and better bargaining power. ADL has always been vertically integrated company, manufacturing most of its intermediates for captive consumption. ADL has been exporting to 94 countries worldwide indicating its strong marketing network, logistics capability and geographic spread of the ADL brand. Customer diversification is also one of key strengths of ADL reducing its dependence on any single customer.

ADL is operating State-of-the Art R&D Center, at Tarapur, which is recognized by Department of Science and Industry Research, Government of India. Our scientists are constantly working for developing technology, non-infringing route of synthesis, scale up and its transfer to manufacturing location for commercialization. They actively work not only on bulk drugs in various therapeutic categories but also on specialty chemicals for non-API related applications. ADL has 30 years of manufacturing experience and has developed expertise in various reactions for bigger volumes of production, also building the long term customer relationships which is a key strength in API manufacturing industry.

Weaknesses, Risks and Concerns:

Variation in crude oil prices would always be area of concern. ADL has already installed greener technologies like briquette fired boilers, economizers etc. to save power and fuel costs, which reflects in the financial result of the Company. ADL was able to cope up with these pressures due to strong operational efficiency and increased market share of its products.

Extreme volatility of exchange rate of rupee against US dollar can have significant impact on ADL operations because approximately 40% of its total revenues consist of exports. However, natural hedge mitigate the risk to large extent due to the imports. ADL has a strict FOREX policy of hedging all of its foreign currency loans to mitigate the risk of volatility of exchange rate.

INTERNAL CONTROL SYSTEM & ADEQUACY

The Company has sound and adequate internal control systems commensurate with its size and nature of business. We constantly upgrade our systems for incremental improvements, because we firmly believe that 'change is the only permanent thing'.





The Audit Committee of the Board periodically reviews these systems. These systems ensure protection of assets and proper recording of transactions and timely reporting. Internal audit is being carried out by an independent firm of chartered accountants on a quarterly basis.

The Audit Committee also regularly reviews the periodic reports of the Internal Auditors. Issues raised by Internal Auditors and Statutory Auditors are discussed and addressed by the Audit Committee. Audit Committee constantly tries to add value by evaluating existing systems. Since August 1, 2014, ADL completely stopped its legacy systems and is online on Microsoft Dynamics Navision ERP systems. This has already enhanced the reporting and internal control systems.

FINANCIAL & OPERATIONAL PERFORMANCE

During the year under review the Company has achieved topline of ₹ 1169.94 crore, achieving a y-o-y growth of 12.02%, correspondingly EBIDTA worked out to ₹ 168.96 crore as against ₹ 146.37 crore in the previous year recording a growth of 15.43%. Net profit after tax was ₹ 77.60 crore as against ₹ 61.71 crore in the previous year recording growth of 25.75%.

The Company has carried out expansion programs in the current year and also had carried out in Year 2012-13 & 2013-14 keeping long term view in the mind, in spite of recessionary conditions prevailing in global and domestic market. Unfortunately, delay in getting Environment Clearance approval due to change in government policy regarding public hearing, hampered a bit of sales growth in the year 2014-15. However, even after expensing out the interest and depreciation cost from this project, Company has showed good margins in 2014-15. We expect good boost in the sales from this project in the year 2015-16. The Company has received an import alert for its USFDA approved unit in March 2015 which is responded to the satisfaction of the authority and we expect their feedback soon. Currently Sales to US are less than 1% of overall sales and hence impact on revenue and margin is minimal. Overall impact on growth prospects in near terms is marginal though prolonged delay can affect US revenue growth going forward. In spite of these constraints faced during the year under review, we have successfully operated at higher capacity utilization across the Company, the overheads got spread over increased production which led to reduction in costs and thus increase in the profitability.

HUMAN RESOURCE

Human capital has always been the most important and valuable asset to the Company. HRD center had conducted number of training programs during the year 2014-15 as well on the various topics related to Technological Development, Quality System Management, Behavioral Change Modules, Individual and Operational Safety, Personality Development, Computerization of Systems etc. Apart from these internal training programs, employees are also sent for training/seminars at prominent training institutes on regular basis for upgrading their knowledge and skill level.

ENVIRONMENT HEALTH & SAFETY

All our plants are designed with appropriate Waste Management Systems and operate in harmony with the surrounding ecosystem. Safe disposal of waste, treating effluents to manufacture an eco-friendly by-product, generating steam through a waste heat recovery plant, and In-house R&D team ensuring pollution control & energy conservation are some of the ways adopted by ADL to operate in a eco-friendly manner.

In the year 2014-15, ADL has innovated many more techniques to reduce the effluent generation in the process, utility and domestic areas across units to reduce the entire effluent stream by more than 35%. Environmental requirements are incorporated into the plant design right from the preliminary stage of a process. Air scrubbers, dust filters, fire protection systems and Effluent Treatment Plants are in place & well maintained.

ADL has appointed renowned safety consultants to conduct periodic safety audits and training sessions. Dedicated corporate safety team along with individual unit-wise teams consistently monitor plants for notifying unsafe conditions. Regular safety drills ensure that readiness for safety gets top priority. We will strive to further improve ourselves to create safer working conditions for our workers.

OUTLOOK

The Company's R&D programs are currently focused on new products development related to lifestyle related diseases like diabetics, cardiovascular, anticoagulant, hypertension, chronic kidney disease, etc. These products would be developed along with their DMFs in a time-horizon of 2-4 years. This falls in line with the vision of expanding ADL's presence in the regulated markets. Company will continue to do R&D on APIs that are off patents and will work on non-infringing route of synthesis. ADL has also tied up with European distributor on profit sharing basis. Already 3 dossiers are ready and are under stability study. Strategy would be to engage in our own APIs. ADL has also partnered with USA Company on formulation revenues wherein we would be supplying APIs at cost.

ADL plans to undertake two line backward integration to make Anti-biotic; one of the strongest segment. Majority market share and economies of scale with strong technological backup will continue to remain key strengths of ADL. New projects which are in pipeline, will commercialize soon, giving good impetus to growth initially targeting domestic markets and eventually the global markets post getting necessary regulatory approvals.

Cautionary Statement

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, expectations and estimates regarding future performance may be "forward looking statements" and are based on currently available information. The management believes these to be true to the best of its knowledge at the time of preparation of this report. However, these statements are subject to certain future events and uncertainties, which could cause actual results to differ materially from those which may be indicated in such statements.





REPORT ON CORPORATE GOVERNANCE

Your Company has complied in all respects with the applicable Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges. A Report on Corporate Governance compliance is furnished below:

(I) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Good Corporate Governance helps enhancement of long term shareholder value and interest of other stakeholders. This is achieved through increased awareness for responsibility, transparency and professionalism and focus for effective control and management of the organization.

The Board of Directors of the Company is committed to the consistent adherence to the corporate governance code and constant review of the Board processes, practices and the management systems to maintain a greater degree of responsibility and accountability.

(II) MANDATORY REQUIREMENTS:

(1) BOARD OF DIRECTORS

(a) The composition of the Board and other relevant details are given below:

Aarti Drugs Limited (ADL) Board presently consists of 12 Directors out of which 7 (Seven) are Non-Executive. Out of 7 (Seven) Non-Executive Directors, 6 (Six) Directors are Independent Directors. Except Managing Directors, and Independent Directors, all other Directors are liable to retire by rotation.

Name of Director	Category	No. of other Directorship*	No. of Committee Membership in all Companies**		No. of Board Meetings Attended	Attendance at last AGM
			Chairman	Member		
Shri Prakash M. Patil	Chairman and Managing Director	None	None	1	7	Yes
Shri Rashesh C. Gogri ^	Managing Director	4	None	2	9	Yes
Shri Harshit M. Savla	Joint Managing Director	None	None	1	9	Yes
Shri Harit P. Shah	Executive	2	None	1	8	Yes
Shri Uday M. Patil	Executive	None	None	None	9	Yes
Shri Rajendra V. Gogri	Non-Executive	4	1	3	8	Yes
Shri Ramdas M. Gandhi	Independent	3	3	4	9	Yes
Dr. Vilas G. Gaikar	Independent	1	None	1	5	No
CA Bhavesh R. Vora	Independent	1	None	3	7	Yes
Prof. Krishnacharya G. Akamanchi	Independent	None	None	None	6	Yes
CA Navin C. Shah	Independent	None	None	1	8	Yes
CA Priti P. Savla #	Independent	None	None	None	3	NA

* This excludes Directorships held in Private Limited and Overseas Companies.

** Includes Audit Committee and the Stakeholders Relationship Committee only.

^ Shri Rashesh C. Gogri has been appointed and re-designated as the Managing Director of the Company w.e.f. September 26, 2014.

CA Priti P. Savla has been appointed as an Independent and Women Director of the Company w.e.f. September 26, 2014.

The independent directors fulfill the conditions of independence specified in section 149(6) of the Companies Act, 2013 and the rules made thereunder and also meet with the requirement of clause 49 of the listing agreement.

The Company issued letter of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company viz.: www.aartidrugs.com. A separate meeting of the Independent Directors of the Company was also held on March 26, 2015 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole.

(b) Board Meetings:

During the Year 2014-15, total 9 (nine) Board Meetings were duly held in terms of section 173 of the Companies Act, 2013 and the listing agreement on 04.04.2014, 30.04.2014, 07.07.2014, 08.08.2014, 28.08.2014, 14.11.2014, 26.09.2014, 30.01.2015 and 26.03.2015.

Separate Meeting of Independent Directors:

During the year under review, the Independent Directors met on March 26, 2015 inter alia to discuss:

- Evaluation of Performance of Non-Independent Directors and the Board of Directors as a Whole;
- Evaluation of performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the Meeting.

(c) Code of Conduct:

Aarti Drugs Limited Code of Conduct laid down by the Board of Directors is applicable to all the Directors and Senior Management of the Company. The Code of Conduct is posted on the Company's website www.aartidrugs.com. All the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2015. A declaration to this effect, duly signed by the Managing Director (CEO) is annexed hereto.

(2) COMMITTEES:

(A) AUDIT COMMITTEE:

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with revised Clause 49 of the Listing Agreement. The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee under Clause 49 of Listing Agreement which, inter-alia, include overseeing financial reporting process, reviewing periodic financial results, financial statements, internal control and internal audit systems, accounting policies and practices, related party transactions, performance of Internal and Statutory Auditors, adequacy of Internal Audit function, discussions with Internal and Statutory Auditors and Cost Auditors.

(i) Terms of Reference

The Audit Committee inter-alia performs the functions of approving Annual internal Audit Plan, review of financial reporting system, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with statutory and Internal Auditors, recommendation for appointment of Statutory and Cost Auditors and their remuneration, recommendation of the appointment and remuneration of Internal Auditors, review of Business Risk Management Plan, Management Discussions and Analysis, Review of Internal Audit Reports, approval and review of related party transactions. In fulfilling the above role Audit committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

- (ii) During the year 2014-15, total 7 (seven) Audit Committee Meetings were held on 04.04.2014, 30.04.2014, 08.08.2014, 09.09.2014, 14.11.2014, 29.11.2014 and 30.01.2015.





(iii) The composition of the Audit Committee and other relevant details are given below:

Name of Director	Category	Profession	No. of meetings attended
Shri Ramdas M. Gandhi, Chairman	Non-executive (Independent)	Solicitor	7
Shri Prakash M. Patil, Member	Chairman (Managing Director & CEO)	Industrialist	4
CA Bhavesh R. Vora, Member	Non-executive (Independent)	Professional	6
Dr. Vilas G. Gaikar, Member	Non-executive (Independent)	Service	3
Shri Rashesh R. Gogri, Member	Executive (Managing Director)	Industrialist	7
CA Navin C. Shah, Member	Non-executive (Independent)	Professional	7

CFO, Vice-Presidents and General Managers from various divisions of the Company, as and when required and Internal Auditors, Cost Auditors, Statutory Auditors of the Company and Company Secretary who acts as Secretary to the Audit Committee attended the Audit Committee Meetings to respond to queries raised at the Committee Meetings.

B. NOMINATION AND REMUNERATION COMMITTEE:

(i) Brief description of terms of reference:

The broad terms of reference of the Nomination and Remuneration Committee are:

- (1) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
- (2) To formulate the criteria for evaluation of all the Directors on the Board;
- (3) To devise a policy on Board diversity; and
- (4) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

(ii) Composition, name of members, Chairperson and attendance during the year:

During the year 2014-15, one meeting of the Nomination & Remuneration Committee was held on 15.05.2014 The composition of the Nomination and Remuneration Committee and other relevant details are given below:

Name of Directors	Category	No. of meetings attended
CA Bhavesh R. Vora, Chairman	Independent	1
Shri Prakash M. Patil, Member	Chairman, Managing Director & CEO	1
Shri Rajendra V. Gogri, Member	Non-executive	1
Shri Ramdas M. Gandhi, Member	Independent	1
Dr. Vilas G. Gaikar, Member	Independent	1

(iii) Remuneration Policy:

The Company's Remuneration policy considers human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company.

The Remuneration policy for all the employees are designed in a way to attract talented executives and remunerate them fairly and responsibly, this being a continuous ongoing exercise at each level in the organization.

Contract

- (i) *Non-Executive Directors will enter into a letter of engagement. This letter of engagement will set out the terms and conditions of the engagement and the performance expectations for the role and the remuneration package for that Director. The Terms and Conditions for the engagement must be approved by the Board.*
- (ii) *Each Executive Director, executive and senior management employee will enter into a contract with the Company clearly setting out the terms and conditions of the remuneration package for that person. The contract will set out the expectations for the performance of the role and the key performance indicators, measures and criteria for assessment.*

The Nomination & Remuneration Committee and the Board must approve all contracts for senior management and Directors. The Board will disclose the details of any contract in accordance with the law and the Communications & Continuous Disclosure Policy.

Forms of Remuneration

The remuneration of employees largely consists of basic salary, perquisites, bonus and performance incentives. The main objective of the remuneration policy is to motivate each and every employee and to stimulate excellence in their performance, recognize merits/achievements in order to retain the talent in the Company and to promote the feeling of belongingness.

With the assistance of the Board, Nomination & Remuneration Committee, will approve the forms of remuneration to be offered to executive directors, executives, senior management and other employees (Employees), which may include:

Fixed Remuneration

The Nomination & Remuneration Committee and the Human Resources Manager in consultation with the Board, will from time to time determine the fixed remuneration level for each Employee within the Company. Such remuneration levels will be determined according to industry standards, relevant laws and regulations, labour market conditions and scale of Company's business relating to the position. The fixed remuneration will reflect the core performance requirements and expectations of the Company. Employees may be offered the opportunity to receive part of their fixed remuneration in the form of direct benefits.

Performance Based Remuneration

In addition to fixed remuneration the Company will implement a system of bonuses and incentives designed to create a strong relationship between performance and remuneration. Performance based remuneration will be linked to specific performance targets which will be disclosed to relevant employees regularly.

Equity Based Remuneration

To motivate executives and management to pursue the long term growth and success of the Company will include various plans and initiatives to deliver parts of the performance based remuneration as equity in the Company. The terms and conditions of any employee share plans will be approved by the Nomination & Remuneration Committee and the Board and disclosed to the shareholders and market in accordance with the continuous disclosure policy.

Termination payments

Each contract (excluding non-executive Directors) will set out in advance the entitlement to payment upon termination of employment for each Employee. The Nomination & Remuneration Committee and the Board must approve all termination payments provided to all Employees at the level of director, executive or senior management to ensure such payments reflect the Company's remuneration policy.

Employee Entitlements

The Company will comply with all legal and industrial obligations in determining the appropriate entitlement to long service, annual, personal and parental leave.



**Non-Executive Directors**

The Company will remunerate non-executive directors in a manner designed to attract and maintain high quality board members. Non-executive directors will receive a set fee (including superannuation) for their service and may be issued securities in the Company, provided that non-executive directors are not entitled to any performance-based options, bonus payments or retirement benefits. The remuneration of non-executive directors must be consistent with and supportive of maintaining the non-executive director's independence.

(iv) Details of Remuneration to all Directors

Remuneration payable to the Directors is considered and approved by the Remuneration Committee constituted in accordance with the Corporate Governance Code and the provisions of the Companies Act, 2013, having due regard to the relevant factors. Non-executive Directors are paid sitting fees at the rate of ₹ 7,000/- (Increase in Sitting Fees to ₹ 10,000 w.e.f September 1, 2014) for attending each of the meetings of Board and Audit Committee and ₹ 7,000/- for Nomination and Remuneration Committee and ₹ 3,000/- each for other committee(s).

The details of remuneration paid to each Director for the year ended March 31, 2015 are as under:

(Amount in ₹)

Name of Director	Inter se Relationship	Category	Salary and Perquisites	Commission	Sitting Fees	Total Remuneration
Shri Prakash M. Patil	Brother of Shri U. M. Patil	Chairman and Managing Director, Promoter	6580846	5234622	—	11815468
^Shri Rashesh C. Gogri	—	Managing Director, Promoter	6073877	5234622	—	11308499
Shri Harshit M. Savla	—	Joint Managing Director, Promoter	6021377	5234622	—	11255999
Shri Rajendra V. Gogri	—	Non-Executive, Promoter	—	—	74000	74000
Shri Harit P. Shah	—	Whole-time Director	6028877	5234622	—	11263499
Shri Uday M. Patil	Brother of Shri P. M. Patil	Whole-time Director, Promoter	631568	—	—	631568
Shri Ramdas M. Gandhi	—	Non-Executive, Independent	—	—	153000	153000
Dr. Vilas G. Gaikar	—	Non-Executive, Independent	—	—	88000	88000
CA (Shri) Bhavesh R. Vora	—	Non-Executive, Independent	—	—	135000	135000
Prof. Krishnacharya G. Akamanchi	—	Non-Executive, Independent	—	—	61000	61000
CA (Shri) Navin C. Shah	—	Non-Executive, Independent	—	—	139000	139000
#CA Priti Paras Savla	—	Non-executive, Independent	—	—	40000	40000

^ Shri Rashesh C. Gogri has been appointed and Re-designated as the Managing Director of the Company w.e.f. September 26, 2014.

CA Priti P. Savla has been appointed as an Independent and Women Director of the Company w.e.f. September 26, 2014.

(a) All Executive Directors except Shri Uday M. Patil are appointed under the contracts each for a period of five years and with termination notice period of 180 days.

- (b) The Non-executive Directors, apart from receiving Directors' remuneration by way of sitting fees or other fees, if any, approved by the Board of Directors within the limit fixed and approved by the shareholders, do not have any other material pecuniary relationship or transactions with the Company.

Shares held by Non-Executive Directors in the Company as on March 31, 2015

Name	Number of shares held	% of total shareholding
Shri Rajendra V. Gogri	826048	3.41
Shri Ramdas M. Gandhi	8000	0.03
Dr. Vilas G. Gaikar	Nil	Nil
CA Bhavesh R. Vora	Nil	Nil
Prof. Krishnacharya G. Akamanchi	Nil	Nil
CA Navin C. Shah	2876	0.01
CA Priti P. Savla#	Nil	Nil

CA Priti P. Savla has been appointed as an Independent and Women Director of the Company w.e.f. September 26, 2014.

(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

- (i) Pursuant to Section 178(5) of the Companies Act, 2013, the Committee was renamed by the Board of Directors on April 30, 2014 as "Stakeholders' Relationship Committee".
- (ii) Terms of Reference of the Committee inter-alia cover reviewing status of approval of transfer/transmission of shares, issue of duplicate certificates, review/redressal of Investors' Grievance.
- (iii) During the year 2014-15, Four Stakeholders' Relationship Committee Meetings were held on 02.06.2014, 16.08.2014, 15.12.2014 and 16.02.2015.
- (iv) The composition of the Stakeholders' Relationship Committee and other relevant details are given below:

Name of Director	Category	No. of meetings attended
Shri Rajendra V. Gogri, Chairman	Non-Executive	2
CA Bhavesh R. Vora, Member	Independent	2
Shri Harit P. Shah, Member	Whole-time Director	3
Shri Harshit M. Savla, Member	Joint Managing Director	3

- (v) CS Sunny Pagare, Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.
- (vi) Shareholders' complaints:

During the year, 14 Complaints were received. All the complaints were resolved to the satisfaction of the Shareholders. No request for Share Transfers or Dematerialization was pending for approval as on March 31, 2015.





(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- (i) During the year the CSR Committee meeting was held on September 1, 2015 and all the members are present in the meeting.
- (ii) Terms of Reference:

The brief Terms of Reference of the CSR Committee are as under:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

(E) GENERAL BODY MEETINGS:

- (i) Details of last three Annual General Meetings are as under:

Year	Day, Date & Time	Venue	Special Resolutions passed for
2012	Wednesday, 29.08.2012 At 11.00 am	TIMA Hall, MIDC Tarapur, Taluka-Palghar, Dist. Palghar - 401 506, Maharashtra.	Special Resolution passed pursuant to Section 314, to hold and continue to hold an office of profit.
2013	Friday, 02.08.2013 At 11.00 am		Special Resolution passed pursuant to Section 314, to hold and continue to hold an office of profit.
2014	Friday, 11.07.2014 At 11.00 am		Special Resolution passed Pursuant to Section 180(1)(c) of the Companies Act, 2013, to borrow funds, apart from temporary loans obtained from the company's bankers in the ordinary course of business, exceeding aggregate of the paid up share capital and free reserves of the Company.

Postal Ballot :

The Company successfully completed the process of obtaining approval of its Members on the following resolution through Postal Ballots during the year 2014-15:

As a Special Resolution:

1. To create charge on assets/undertakings u/s. 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company.
2. To adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.

Voting Pattern and Procedure for Postal Ballot :

- i) The Board of Directors of the Company at its meeting held on January 30, 2015, had appointed CS Sunil M. Dedhia as the Scrutinizer for conducting the postal ballot voting process.

- ii) On March 13, 2015, Shri Prakash M. Patil, Chairman and Managing Director, announced the following results of the postal ballot as per the Scrutinizer's Report :

Brief Particulars of the Special Resolutions	FOR	AGAINST	Percentage (%)	
	Voter Count (No. of Shares)	Voter Count (No. of Shares)	For	Against
As a Special Resolution To create charge on assets/undertakings u/s. 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company	4244669	1874	99.96%	0.04%
As a Special Resolution To adopt new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.	4244411	1192	99.97%	0.03%

(F) SUBSIDIARY:

The Company does not have any material unlisted Indian Subsidiary Company and hence it is not required to have an Independent Director of the Company on the Board of such Subsidiary Company. The Audit Committee reviews, the financial statements, particularly the investments made by the Company's unlisted Subsidiary Company, if any. The Minutes of the Subsidiary are placed before the Board of Directors of the Company and the Directors are informed about all the significant transactions and arrangements entered into by the Subsidiary Company.

(G) DISCLOSURES:

- (i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

There have been no materially significant Related Party Transactions that may have potential conflict with the interests of the Company at large. Transactions with related party set out in Note No. 24.8 of Notes on Accounts, forming part of the Annual Report.

- (ii) There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI), or any statutory authority on any matter related to the capital markets during the last three years.

- (iii) Vigil Mechanism/Whistle-Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated Whistle Blower Policy for Vigil Mechanism for Directors and Employees to report to the Management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees and directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. No personnel has been denied access to the Audit Committee. Whistle-Blower Policy has been hosted on the website of the Company at http://www.aartidrugs.co.in/index.php?option=com_content&view=article&id=114&Itemid=117

- (iv) Prohibition of Insider Trading

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

(H) MEANS OF COMMUNICATION:

Quarterly and annual financial results are published in The Financial Express and Alpha Mahanagar.

These results and official news releases are also available on the website of the Company (www.aartidrugs.com).

All data required to be filed electronically or otherwise pursuant to the Listing Agreement with the Stock Exchanges, such as annual report, quarterly financial statements, Shareholding pattern, report on Corporate Governance are being regularly filed with the Stock Exchanges, namely, NSE (www.nseindia.com) on NSE Electronic Application Processing System (NEAPS) and BSE Ltd. (www.bseindia.com) and available on their websites as well.



**(I) GENERAL SHAREHOLDERS INFORMATION:****(i) The day, date, time & venue of the 30th Annual General Meeting:**

Day	Date	Time	Venue
Friday	August 14, 2015	11.00 a.m.	TIMA Hall, MIDC Tarapur, Taluka-Palghar, Dist. Palghar - 401 506, Maharashtra.

(ii) Tentative Financial Calendar:

Financial Year	1 st April to 31 st March
Adoption of Quarterly Results for the quarter ending:	
June, 2015	1 st /2 nd week of August, 2015
September, 2015	1 st /2 nd week of November, 2015
December, 2015	1 st /2 nd week of February, 2016
March, 2016	1 st /2 nd week of May, 2016

(iii) Date of Book Closure (Both days inclusive): August 7, 2015 to August 14, 2015**(iv) Date of Payment of Dividend:** August 19, 2015**(v) Listing on Stock Exchanges:**

Stock Exchange	Symbol/Stock Code
National Stock Exchange of India Limited	AARTIDRUGS
BSE Limited	524348

(vi) Listing fees and Annual Custodial Fee:

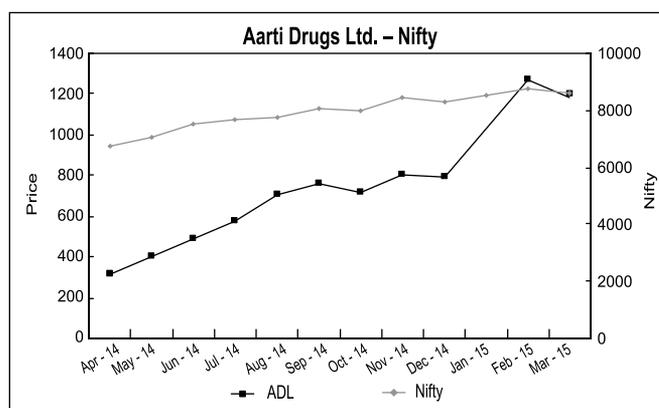
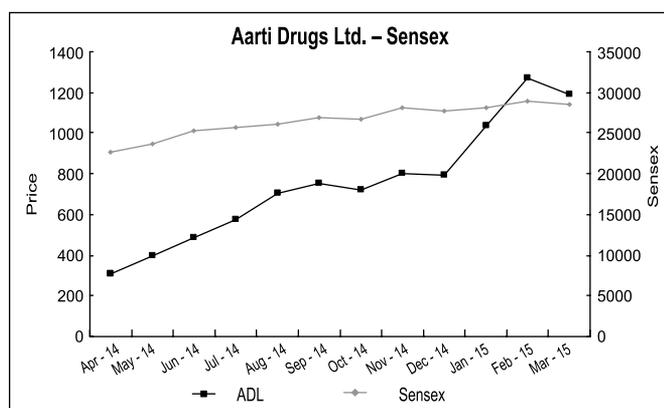
The Company has paid the Annual Listing Fees of the Stock Exchanges and Annual Custodial Fees of the Depositories for the year 2015-2016.

(vii) MARKET PRICE DATA

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2014	374.75	258.00	186616	379.00	258.00	449395
May 2014	451.00	365.25	369339	450.70	365.00	1016093
June 2014	574.00	400.80	192242	574.90	401.15	559129
July 2014	645.00	496.00	130209	648.95	505.00	388033
August 2014	787.00	619.80	236113	785.00	617.00	914099
September 2014	814.50	708.00	94740	815.00	691.00	340197
October 2014	781.00	668.25	28767	783.00	666.60	117751
November 2014	887.00	728.60	93126	887.50	729.05	358543
December 2014	885.00	700.05	57503	887.90	699.70	191260
January 2015	1220.00	852.00	172087	1218.00	848.00	830685
February 2015	1375.00	1161.10	123772	1378.00	1151.25	318285
March 2015*	1610.00	560.00	364043	1613.00	558.95	1561161

* The Company had issued bonus shares in the ratio of 1:1 on March 26, 2015 which were listed for trading from March 30, 2015.

(viii) Performance in Comparison



(ix) Registrar & Transfer Agents & address for Correspondence:

M/s. Sharepro Services (India) Pvt. Ltd.
 13 AB Samhita Warehousing Complex,
 2nd Floor, Sakinaka Telephone Exchange Lane,
 Off Andheri-Kurla Road, Sakinaka,
 Andheri (E), Mumbai - 400 072.
 Telephone: 022-67720300/400
 Fax No.: 022-28591568.
 E-mail: sharepro@shareproservices.com
 Website: www.shareproservices.com

The shareholder's are requested to address all their communications/ suggestions/grievances to the Share Transfer Agents at the above address.

(x) Share transfer System

To expedite the transfer process in the physical segment, authority has been delegated to the Share Transfer Committee, which comprises of Shri Rashesh C. Gogri, Shri Harshit M. Savla and Shri Harit P. Shah. Committee meets every week for approval of the transfer request.

Reports on Share Transfer/Transmission are placed before the Stakeholders Relationship Committee and the Board from time to time.

(xi) SHAREHOLDING PATTERN AS ON MARCH 31, 2015

Category	No. of Shares	%
Promoters – Indian	14554364	60.099
Bodies Corporate	381236	1.574
Banks, Financial Institutions	8853	0.037
Mutual Funds/Trust	433534	1.7902
FII/NRI/OCB	184947	0.764
Public	8654166	35.736
Total	24217100	100.000%

**Distribution of Shareholding as on March 31, 2015**

No. of Shares	Shareholders		Shares	
	Number	%	Number	%
Less than 500	10639	85.972	1392812	5.751
501-1000	854	6.901	659729	2.724
1001-2000	404	3.265	636750	2.629
2001-3000	133	1.075	346249	1.430
3001-4000	69	0.558	250210	1.033
4001-5000	54	0.436	250258	1.033
5001-10000	80	0.646	578405	2.388
Above 10000	142	1.147	20102687	83.010
TOTAL	12375	100.000	24217100	100.000

(xii) Dematerialisation of Shares and Liquidity

Sr. No.	Mode of Holding	% age
1.	NSDL	91.31
2.	CDSL	06.17
3.	Physical	2.52
	Total	100.00

97.48% of Company's paid-up Equity Share Capital has been dematerialised up to March 31, 2015 (96.49% up to March 31, 2014). Trading in Equity Shares of the Company is permitted only in dematerialised form. Security Code No. with NSDL and CDSL is ISIN No. INE767A01016.

Liquidity of Shares:

The Shares of the Company are traded under 'B' category at BSE Ltd. The Shares are also traded regularly at the National Stock Exchange of India Ltd.

(xiii) ADRs/GDRs/Warrants

The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments.

(xiv) PLANT LOCATIONS:

Plot No. N-198, G-60, E-1, E-120, K-40, K-41, E-9/3, E-9/4, E-21, E-22, W-60, W-61, W-62, W-71, W-72 and W-73 MIDC Industrial Area, Tarapur, Village Pamtembhi, Tal-Palghar, Dist. Palghar - 401 506.

Plot Nos. 211, 213, 2601, 2602, 2603, 2902/2904, GIDC, Sarigam – 396155, Dist. Valsad, Gujarat.

R&D Centres:

Plot Nos. E-1, MIDC Industrial Area, Tarapur, Village Pamtembhi, Tal-Palghar, Dist. Palghar - 401 506.

(xv) **Address for Correspondence**

Corporate Office: Mahendra Industrial Estate, Ground Floor, Plot No. 109D, Road No. 29, Sion (E), Mumbai - 400 022

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

(xvi) **Compliance Officer:**

CS Sunny Pagare, Company Secretary

Mahendra Industrial Estate,
Ground Floor, Plot No. 109D,
Road No. 29, Sion (E),
Mumbai - 400 022

In accordance with the Clause 47(f) of the Listing Agreement Company has opened a specific Investor Grievance e-mail ID- investorrelations@aartidrugs.com

(xvii) **Undelivered Share Certificate as per Clause 5A of Listing Agreement:**

In terms of Clause 5A(I) and Clause 5A(II) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in the suspense accounts which were issued in demat form:

Particulars	No. of Shareholders	No. of equity shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2014.	216	12475
No. of shareholders who approached the Company for transfer of shares from suspense account during the year.	Nil	Nil
No. of shareholders to whom shares were transferred from the suspense account during the year.	Nil	Nil
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on March 31, 2015.	216	*24950

The voting rights on the shares outstanding in the suspense accounts as on March 31, 2015 shall remain frozen till rightful owner of such shares claim the shares.

* The total number of shares has increased due to the issuance of bonus shares in March 2015 in the ratio 1:1.

(xviii) **CEO/CFO CERTIFICATION:**

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Managing Director (CEO) and Chief Financial Officer (CFO) was placed at the meeting of the Board of Directors held on May 20, 2015.





(III) NON-MANDATORY REQUIREMENTS:

The status of compliance with non-mandatory recommendations of the Clause 49 of the Listing Agreement with Stock Exchanges is provided below:

- (a) **Maintaining Non-Executive Chairman's Office:** The Company has Executive Chairman and hence this does not apply;
- (b) **Shareholder Rights:** As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders;
- (c) **Audit Qualifications:** The Company's financial statement for the year 2014-15 does not contain any audit qualification;
- (d) **Separate posts of Chairman and CEO:** The Company does not have separate post of chairman and MD/CEO.
- (e) **Reporting of Internal Auditor:** The Internal Auditor of the Company reports to the Managing Director(s) and CFO and has direct access to the Audit Committee.
- (f) **The Company has formed a business risk evaluation/management Committee consisting of the following members:**
 - 1) Chairman & Managing Director
 - 2) Jt. Managing Director
 - 3) Whole-time Director
 - 4) CFO
 - 5) Operational/Department Head(s)

Business Risk Evaluation and Management is an ongoing process within the organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of

- 1. Oversight of risk management performed by the executive management;
- 2. Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- 3. Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- 4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- 5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

For and on behalf of the Board

Sd/-

Prakash M. Patil

Chairman & Managing Director

Place : Mumbai

Date : May 20, 2015

CEO's Certification

All the Directors and the Senior Management Personnel have affirmed compliance of the Code of Conduct laid down by the Board of Directors in terms of Clause 49 of the Listing Agreement made with the Stock Exchanges.

For and on behalf of the Board

Sd/-

Prakash M. Patil
Chairman & Managing Director

Place : Mumbai

Date : May 20, 2015

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Aarti Drugs Limited
Mumbai

We have examined the compliance of conditions of corporate governance by Aarti Drugs Ltd., for the year ended on March 31, 2015, 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 above-mentioned Listing Agreement.

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 **GOKHALE & SATHE**
CHARTERED ACCOUNTANT
Firm Registration No.: 103264W

Sd/-

CA TEJAS J. PARIKH
Partner
M. No. 123215

Place: Mumbai,

Date: May 20, 2015



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AARTI DRUGS LIMITED

Report on the financial statements

We have audited the accompanying financial statements of AARTI DRUGS LIMITED ("the Company"), which comprise the Balance sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of Section 143(11) of the Companies Act 2013, we give in the annexure a statement on the matters specified in paragraph 3 & 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note no 24.2 of the Financial Statements
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **GOKHALE & SATHE**
CHARTERED ACCOUNTANT
Firm Registration No.: 103264W

Sd/-
CA TEJAS J. PARIKH
Partner
M. No. 123215

Place: Mumbai,
Date: May 20, 2015



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

In the Annexure, as required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government in terms of Section 143 (11) of the Companies Act 2013, on the basis of checks, as we considered appropriate, we report on the matters specified in paragraph 3 and 4 of the said order to the extent applicable to the Company.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The Company has phased programme of physical verification of fixed assets by which all fixed assets are verified over a period of three years. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and nature of the assets. We have been informed that no material discrepancy was noted on such physical verification.
- (ii) The stock of inventory has been physically verified during the year by the Management at reasonable intervals, except stock lying with third parties, confirmation of such stocks with the third parties has been obtained by the Company. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not material; however the same have been dealt with the books of account.
- (iii) The Company had granted unsecured short term loan to subsidiary company during the year covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) In respect of aforesaid loan, the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount. The borrowers have been regular in the payment of the interest as stipulated.
 - (b) There is no overdue amount of more than rupees one lakh.
- (iv) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
- (v) The Company has not accepted any deposits from public during the year and accordingly the provisions of section 73 to 76 of the Act, and Rules framed there under and any directive issued by the Reserve Bank of India are not applicable to the Company.
- (vi) The Company has maintained cost records as required under sub section 1 of section 148 of the Companies Act, 2013. We have not, however, carried out a detailed examination of such records.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including the Provident Fund, Employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess which have not been deposited on account of any dispute except the following:

Sr. No.	Name of the Statute	Nature of the Dues	Financial Year	Amount ₹ in Lakhs	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax Demand	FY 2008-09	197.47	CIT(Appeals)
2	Income Tax Act, 1961	Income Tax Demand	FY 2009-10	89.48	CIT(Appeals)
3	Income Tax Act, 1961	Income Tax Demand	FY 2010-11	56.57	CIT(Appeals)
4	Central Excise	Excise Demand	2012	78.51	CESTAT

- (c) In our opinion and according to the information and explanation given to us, during the year, no amount was pending to be transferred to investor education and protection fund.
- (viii) The Company does not have accumulated losses as at March 31, 2015 and it has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues for loan taken from financial institutions or bank.
- (x) In our opinion and according to the information and explanation given to us, the Company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are not prejudicial to the interest of the Company.
- (xi) In our opinion and according to the information and explanation given to us, the term loans were applied for the purpose for which the loans were obtained.
- (xii) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **GOKHALE & SATHE**
 CHARTERED ACCOUNTANT
 Firm Registration No.: 103264W

Sd/-
CA TEJAS J. PARIKH
 Partner
 M. No. 123215

Place: Mumbai,
 Date: May 20, 2015

**Balance Sheet as at 31st March, 2015**

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March, 2015	As at 31 st March, 2014
EQUITIES AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2,421.71	1,210.86
Reserves & Surplus	2	27,948.53	23,879.53
		30,370.24	25,090.39
Non-current Liabilities			
Long-term Borrowings	3	15,147.46	7,664.20
Deferred Tax Liability (Net)		3,501.20	3,101.20
Other Long-term Liability	4	1,204.96	1,150.85
Long-term Provisions	5	28.95	—
		19,882.57	11,916.25
Current Liabilities			
Short-term Borrowings	6	25,126.59	26,559.75
Trade Payables	7	15,018.72	15,017.84
Other Current Liabilities	8	4,119.34	4,418.48
Short-term Provisions	9	2,175.71	1,971.42
		46,440.36	47,967.48
TOTAL		96,693.17	84,974.12
ASSETS			
Non-current Assets			
Fixed Assets	10	43,148.38	37,252.62
Capital Work-in-Progress		1,334.63	831.55
Non-current Investments	11	1,111.49	461.90
Long-term Loans and Advances	12	424.46	704.30
		46,018.97	39,250.37
Current Assets			
Inventories	13	15,336.49	12,672.58
Trade Receivables	14	30,759.01	27,652.09
Cash and Cash Equivalents	15	342.99	439.80
Short-term Loans and Advances	16	1,744.88	2,220.59
Other Current Assets	17	2,490.84	2,738.69
		50,674.20	45,723.75
TOTAL		96,693.17	84,974.12
Notes on Financial Statement	24		

AS PER OUR REPORT OF EVEN DATE.

FOR GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Registration No: 103264W

Sd/-
(CA TEJAS J. PARIKH)
 PARTNER

Place: Mumbai
 Date: 20th May, 2015

For and on behalf of the Board of Directors

Sd/-
Prakash M. Patil
 (Chairman & Managing Director)

Sd/-
Adhish P. Patil
 (Chief Financial Officer)

Sd/-
Harshit M. Savla
 (Jt. Managing Director)

Sd/-
CS Sunny Pagare
 (Company Secretary)

Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in Lakhs)

Particulars	Note No.	For the Year Ended 31 st March, 2015	For the Year Ended 31 st March, 2014
1. Income from Operations			
Gross Sales/Income from Operations		116,993.80	104,434.57
Less : Excise Duty & Sales Tax		8,545.57	7,440.85
Net Sales/Income from Operations		108,448.23	96,993.72
Other Operating Income	18	274.20	180.81
Total Income from Operations (net)		108,722.43	97,174.53
2. Expenditure			
(a) Cost of materials consumed	19	67,843.96	57,082.02
(b) Purchase of stock-in-trade		8,698.84	8,602.48
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(2,357.66)	568.62
(d) Employee benefits expense	20	3,730.43	3,240.63
(e) Depreciation and amortisation expense	21	3,066.35	2,811.94
(f) Other expenses	22	13,911.30	13,045.77
Total Expenses		94,893.22	85,351.46
3. Profit from Operations before Other Income, finance costs and exceptional items (1-2)		13,829.21	11,823.07
4. Other Income		64.99	1.94
5. Profit from ordinary activities before finance cost and exceptional items		13,894.20	11,825.01
6. Finance costs (interest)	23	3,887.70	3,348.97
7. Profit from ordinary activities before Tax		10,006.49	8,476.04
8. Tax Expenses (includes)		2,246.54	2,396.51
Provision for Taxation — Current		2,100.00	2,300.00
— MAT Credit Entitlement		(100.00)	
— Earlier Year		(153.46)	(253.49)
Provision for Deferred Taxation		400.00	350.00
9. Net profit from ordinary activities after Tax		7,759.95	6,079.54
10. Extraordinary items		—	91.70
11. Net Profit for the period (9+10)		7,759.95	6,171.23
12. Earning per share (EPS)			
Basic/Diluted (in ₹)		32.04	25.48
13. Notes on Financial Statement	24		

AS PER OUR REPORT OF EVEN DATE.

FOR GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Registration No: 103264W

Sd/-
(CA TEJAS J. PARIKH)
PARTNER

Place: Mumbai
Date: 20th May, 2015

For and on behalf of the Board of Directors

Sd/-
Prakash M. Patil
(Chairman & Managing Director)

Sd/-
Adhish P. Patil
(Chief Financial Officer)

Sd/-
Harshit M. Savla
(Jt. Managing Director)

Sd/-
CS Sunny Pagare
(Company Secretary)

Notes forming part of Balance Sheet as at 31st March, 2015

(₹ in Lakhs)

	As at 31 st March, 2015	As at 31 st March, 2014
NOTE NO. 1 – SHARE CAPITAL		
AUTHORISED :		
2,50,00,000 Equity shares of ₹ 10/- each	2,500.00	2,150.00
	<u>2,500.00</u>	<u>2,150.00</u>

ISSUED, SUBSCRIBED & PAID-UP :

2,42,17,100 Equity Shares of ₹ 10/- each Issued, subscribed and fully paid-up	2,421.71	1,210.86
	<u>2,421.71</u>	<u>1,210.86</u>

Reconciliation

	Numbers	Value
Opening outstanding shares	12,108,550	1,210.86
Add: Bonus shares Issued during the year	12,108,550	1,210.86
Closing outstanding shares	24,217,100	2,421.71

Note: 12,108,550 Equity Shares of Rs. 10/- have been allotted as fully paid bonus shares for every share held on record date 25th March, 2015

Disclosures of shares held by each shareholders more than 5% shares

Name of holder	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares held	% Held	No. of Shares held	% Held
Prakash M. Patil	2046632	8.45	985251	8.14

NOTE NO. 2 – RESERVES & SURPLUS

(₹ in Lakhs)

Particulars	As on 1 st April, 2014	Addition during the year	Appropriation during the year	As at 31 st March, 2015
Capital Reserves	200.74	–	–	200.74
Capital Redemption Reserve	210.27	–	–	210.27
Securities Premium Account	1,262.72	–	–	1,262.72
General Reserve	2,580.02	780.00	152.72	3,207.29
Profit & Loss Account	19,625.78	7,759.95	4,318.22	23,067.50
TOTAL Reserves – 31st March, 2015	23,879.53	8,539.95	4,470.95	27,948.53
Previous years figures 31 st March, 2014	19,549.93	6,791.23	2,461.63	23,879.53

	As at 31 st March, 2015	As at 31 st March, 2014
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NOTE NO. 3 – LONG-TERM BORROWINGS**Term loans****Secured borrowings**

From Scheduled Banks	14,072.46	7,664.20
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Loans & advances from related parties

From Directors – Unsecured	575.00	–
From Other – Unsecured	500.00	–

TOTAL	<u>15,147.46</u>	<u>7,664.20</u>
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Notes forming part of Balance Sheet as at 31st March, 2015

	As at 31 st March, 2015	(₹ in Lakhs) As at 31 st March, 2014
NOTE NO. 4 – OTHER LONG-TERM LIABILITY		
Trade payables of Project		
Due to micro enterprises and small enterprises		
Due to others	813.80	722.19
Other – Deferred Payment Liability	364.28	364.28
– Trade Deposits	26.88	64.38
TOTAL	1,204.96	1,150.85
NOTE NO. 5 – LONG-TERM PROVISION		
Income Tax Provision (Net of Advance Tax and TDS)	28.95	—
TOTAL	28.95	—
NOTE NO. 6 – SHORT-TERM BORROWINGS		
Loans repayable on demand		
From Banks		
Secured Borrowings	15,919.07	17,186.80
Unsecured Borrowings	8,919.52	7,572.12
Loans & Advances from related parties		
From Directors – Unsecured	188.00	318.00
From Other – Unsecured	100.00	1,482.83
TOTAL	25,126.59	26,559.75
NOTE NO. 7 – TRADE PAYABLE		
Trade payables of Goods, Services & Expenses		
Due to micro enterprises and small enterprises	—	—
Due to others	15,018.72	15,017.84
TOTAL	15,018.72	15,017.84
NOTE NO. 8 – OTHER CURRENT LIABILITY		
Interest accrued but not due on Loans	295.35	363.31
Unpaid Dividend	85.47	63.01
Other Payable – Duties & Taxes	538.33	347.26
Long-term borrowing repayable in within 12 months	3,200.19	3,644.90
TOTAL	4,119.34	4,418.48
NOTE NO. 9 – SHORT-TERM PROVISION		
Provision for Employee benefits	147.85	101.90
Other Short Term Provisions – Goods & expenses	1,301.35	1,203.54
Proposed dividend	726.51	665.97
TOTAL	2,175.71	1,971.42



Notes forming part of Balance Sheet as at 31st March, 2015

NOTE NO. 10 – FIXED ASSETS

(₹ in Lakhs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 1 st April, 2014	Addition	Deduction	As at 31 st March, 2015	As on 1 st April, 2014	Current Depreciation	Deduction	Up to 31 st March, 2015	As on 31 st March, 2015	As on 31 st March, 2014
TANGIBLES ASSETS										
BUILDING	8,587.82	2,004.11	-	10,591.93	1,490.45	317.82	-	1,808.27	8,783.65	7,097.37
FURNITURE	729.64	108.01	123.51	714.14	201.49	97.41	66.27	232.63	481.51	528.14
LAND	2,931.25	(22.02)	-	2,909.23	-	-	-	-	2,909.23	2,931.25
OFFICE EQUIPMENTS	232.39	101.14	63.27	270.26	131.89	90.62	58.04	164.47	105.79	100.50
PLANT & MACHINERY	41,179.07	6,923.59	482.68	47,619.99	15,111.98	2,339.05	397.39	17,053.65	30,566.34	26,067.09
VEHICLES	330.49	-	48.99	281.50	115.30	39.36	44.02	110.64	170.86	215.19
INTANGIBLES ASSETS										
TRADENAME	225.00	-	-	225.00	225.00	-	-	225.00	-	-
TECHNICAL KNOWHOW	2,467.20	-	-	2,467.20	2,467.20	-	-	2,467.20	-	-
PROCESS DEVELOPMENT (R&D)	1,430.15	-	-	1,430.15	1,117.07	182.08	-	1,299.15	131.00	313.08
TOTAL	58,113.01	9,114.83	718.44	66,509.39	20,860.39	3,066.35	565.72	23,361.02	43,148.38	37,252.62
PREVIOUS YEAR	47,904.89	10,954.55	746.43	58,113.01	18,781.79	2,811.94	733.35	20,860.39	37,252.62	

Note:

- 1) Trade Name & Technical Know-how are not internally generated while process development are internally generated.
- 2) Plant & Machinery addition includes Capital Expenditure incurred on R&D of ₹ 235.86 Lakhs (previous year ₹ 521.37 Lakhs).
- 3) Building addition includes Capital Expenditure incurred on R&D of ₹ 446.54 Lacs (Previous year NIL).
- 4) During the Year Stamp duty received which is paid on acquisition of Land for earlier years amounting of ₹ 22.02 Lakhs.
- 5) The estimated useful lives of Fixed Assets have been reviewed and revised to align with the provisions of Part C of Schedule II to the Companies Act 2013 effective from 1st April 2014. As a result certain assets whose useful life had become nil as at 1st April 2014, Net Block amounting to ₹ 152.72 lakhs (Gross block ₹ 718.44 lakhs and Accumulated Depreciation ₹ 565.72 lakhs) had been adjusted against opening Reserves & Surplus.
- 6) Remaining period of Amortisation of Intangible assets mentioned are as follows:

Particulars	WDV as on 31 st March, 2015	Remaining period of Amortization
Process Development (08-09)	131.00	9 Months

Notes forming part of Balance Sheet as at 31st March, 2015

NOTE NO. 11 – NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Name of the Company	Opening Balance	Add Acquisition during the year	Less Disposed during the year	Closing Balance	Face Value	As at 31/03/2015	As at 31/03/2014
					(₹)	(₹)	(₹)
A. TRADE INVESTMENTS						NIL	NIL
B. OTHER INVESTMENTS							
a. Investments in Equity Instruments							
Aarti Industries Ltd.	750	Nil	Nil	750	5/-	0.06	0.06
Alembic Ltd	180	Nil	Nil	180	2/-	0.01	0.01
Alembic Pharmaceuticals Ltd.	90	Nil	Nil	90	2/-	–	–
Aurobindo Pharma Ltd	50	Nil	Nil	50	1/-	0.02	0.02
Sanofi India Ltd (Aventis Pharma Ltd)	5	Nil	Nil	5	10/-	0.02	0.02
Cadila Healthcare Ltd.	15	Nil	Nil	15	10/-	0.01	0.01
Cipla Ltd.	62	Nil	Nil	62	2/-	0.07	0.07
Dabur India Ltd.	300	Nil	Nil	300	1/-	0.06	0.06
Dr Reddy's Laboratories Ltd.	4	Nil	Nil	4	5/-	0.02	0.02
Dr Reddy's Laboratories Ltd. (NCD)	24	Nil	Nil	24	5/-	–	–
Fresenius Kabi Oncology Ltd. (Dabur Pharma Ltd.)	25	Nil	Nil	25	10/-	–	–
Glenmark Pharmaceuticals Ltd.	100	Nil	Nil	100	1/-	0.01	0.01
Ipca Laboratories Ltd.	1050	Nil	Nil	1,050	2/-	0.25	0.25
Ind-Swifts Laboratories Ltd.	5	Nil	Nil	5	10/-	0.00	0.00
Ind-Swifts Ltd.	25	Nil	Nil	25	2/-	0.00	0.00
Jagsonpal Pharmaceuticals Ltd.	40	Nil	Nil	40	5/-	0.00	0.00
J.B. Chemicals & Pharmaceuticals Ltd.	500	Nil	Nil	500	2/-	0.21	0.21
Kopran Ltd	5	Nil	Nil	5	10/-	0.00	0.00
Krebs Bio Chemicals & Industries Ltd.	100	Nil	Nil	100	10/-	0.26	0.26
Piramal Glass Ltd. (Kojam Fininvest Ltd)	14	Nil	Nil	14	10/-	–	–
Lupin Ltd.	50	Nil	Nil	50	2/-	0.01	0.01
Mylan Laboratories Ltd. (Matrix Labortories Ltd.)	50	Nil	Nil	50	2/-	0.02	0.02
Morepen Laboratories Ltd.	5	Nil	Nil	5	2/-	0.00	0.00
Natco Pharma Ltd.	5	Nil	Nil	5	10/-	0.00	0.00
Neuland Laboratories Ltd.	100	Nil	Nil	100	10/-	0.34	0.34
Piramal Enterprises Ltd. (Piramal Health)	297	Nil	Nil	297	2/-	0.44	0.44
Novartis (I) Ltd.	5	Nil	Nil	5	5/-	0.01	0.01
Orchid Chemicals & Pharmaceuticals Ltd.	7	Nil	Nil	7	10/-	0.01	0.01
Panacea Biotec Ltd.	5	Nil	Nil	5	1/-	0.00	0.00
Pfizer Ltd.	10	4	Nil	14	10/-	0.06	0.06
Piramal Life Sciences Ltd. (Pirmal Phytocare Limited)	29	Nil	Nil	29	10/-	–	–
Reliance Capital Ltd	5	Nil	Nil	5	10/-	–	–
Reliance Communication Ltd	116	Nil	Nil	116	10/-	–	–
Reliance Infrastructure Ltd. (Reliance Energy Ltd.)	8	Nil	Nil	8	10/-	–	–
Reliance Industries Ltd.	232	Nil	Nil	232	10/-	0.10	0.10

Notes forming part of Balance Sheet as at 31st March, 2015

(₹ in Lakhs)

Name of the Company	Opening Balance	Add Acquisition during the year	Less Disposed during the year	Closing Balance	Face Value (₹)	As at 31/03/2015 (₹)	As at 31/03/2014 (₹)
Reliance Power Limited	29	Nil	Nil	29	10/-	–	–
Shasun Pharmaceutical Ltd. (Shasun Chemical & Drugs Ltd.)	500	Nil	Nil	500	2/-	0.17	0.17
Strides Arcolab Ltd.	100	Nil	Nil	100	10/-	0.22	0.22
Sun Pharma Advanced Research Co. Ltd.	10	Nil	Nil	10	10/-	–	–
Sun Pharmaceuticals Industries Ltd.	100	Nil	Nil	100	1/-	0.03	0.03
Marksans Pharma Ltd. (Tasc Pharma Ltd)	1000	Nil	Nil	1,000	1/-	0.05	0.05
Torrent Pharmaceuticals Ltd.	40	Nil	Nil	40	5/-	0.01	0.01
Unichem Laboratories Ltd.	1000	Nil	Nil	1,000	2/-	0.25	0.25
Zydus Wellness Ltd.	2	Nil	Nil	2	10/-	–	–
Bank of Baroda	7500	Nil	Nil	7,500	2/-	1.26	1.26
Bank of India	2300	Nil	Nil	2,300	10/-	1.04	1.04
Union Bank of India	2523	Nil	Nil	2,523	10/-	2.78	2.78
						7.81	7.81
Perfect Enviro Control Systems Ltd.	240,200	Nil	Nil	240,200	10/-	24.02	24.02
Shamrao Vittal Bank	–	100	Nil	100	25/-	0.03	–
Saraswat Bank	–	10,100	Nil	10,100	10/-	1.01	–
Tarapur Environment Protection Society	17,997	Nil	Nil	17,997	10/-	18.00	18.00
Amit Hetrochem (I) Ltd.	291,690	Nil	Nil	291,690	10/-	222.23	222.23
Aarti Biotech Ltd.	1,200	Nil	Nil	1,200	10/-	0.12	0.12
Huanggang Yinhe Aarti Pharmaceutical Co. Ltd.	308	Nil	Nil	308	1,690,000	189.51	189.51
Subsidiary							
Pinnacle Life Science Pvt. Ltd.	0	7,782,750	NIL	7,782,750	10/-	648.56	–
						1,103.48	453.88
b. Investment in Government or Trust Securities							
N.S.C	1	Nil	Nil	1	1,000	0.01	0.01
c. Investment in Debentures or Bonds							
Unit Trust of India (US-64)	190	Nil	Nil	190	100/-	0.19	0.19
						0.19	0.19
Aggregate Amount of Quoted Investments						8.00	8.00
Aggregate Amount of Unquoted Investment						1,103.48	453.88
TOTAL						1,111.49	461.90

(Aggregate market value of quoted investment : as at 31st March, 2015 ₹ 39,09,819/- and as at 31st March, 2014 ₹ 41,71,633/-)

Notes forming part of Balance Sheet as at 31st March, 2015

	As at 31 st March, 2015	As at 31 st March, 2014
(₹ in Lakhs)		
NOTE NO. 12 – LONG TERM LOANS & ADVANCES		
Unsecured – consider good		
Capital Advances	424.46	380.84
Advance Tax and TDS (Net of provisions)	–	323.46
TOTAL	424.46	704.30
NOTE NO. 13 – INVENTORIES		
Stores & Spares	406.83	273.85
Packing Materials	52.88	47.42
Raw Materials	5,662.14	5,534.19
Finished Goods	4,729.00	3,207.39
Work in process	4,445.78	3,609.73
Stock in Trade	39.86	–
TOTAL	15,336.49	12,672.58
NOTE NO. 14 – TRADE RECEIVABLES		
Unsecured, considered good		
Trade Receivable O/s exceeding 6 months	686.72	481.34
Others	30,072.29	27,170.75
TOTAL	30,759.01	27,652.09
NOTE NO. 15 – CASH & CASH EQUIVALENTS		
Cash on Hand	20.83	17.99
Cheques on Hand	197.03	323.78
Balances with Scheduled Banks :		
– Current Accounts	14.09	11.99
– Deposit Accounts	25.58	23.03
Earmarked balance – unpaid dividend	85.47	63.01
TOTAL	342.99	439.80
NOTE NO. 16 – SHORT TERM LOANS & ADVANCES		
Unsecured, Consider good		
Advances recoverable in cash or kind or for value to be received	1,654.17	2,134.26
Advances and loans – Staff & workers	90.70	86.33
TOTAL	1,744.88	2,220.59
NOTE NO. 17 – OTHER CURRENT ASSETS		
Deposits	566.66	399.34
Insurance claim receivable	–	872.80
Others – Excise & Service Tax	1,924.18	1,466.55
TOTAL	2,490.84	2,738.69

Notes forming part of Statement of Profit and Loss for the year ended 31st March, 2015

	(₹ in Lakhs)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
NOTE NO. 18 – OTHER OPERATING INCOME		
Interest (Gross)	80.96	132.24
Miscellaneous income	193.23	43.35
Insurance Claims Recd	–	5.22
TOTAL	274.20	180.81
NOTE NO. 19 – COST OF MATERIALS CONSUMED		
Raw Material Consumption	65,413.92	55,080.59
Packing Materials	1,142.38	865.87
Freight Inward	834.40	721.58
Clearing & Forwarding	453.26	413.99
TOTAL	67,843.96	57,082.02
NOTE NO. 20 – EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus (Mfg.)	2,453.31	2,135.11
Labour Welfare Expenses	160.44	190.76
Salaries and Bonus (Admin.)	475.65	397.76
Provident Fund Contribution	167.16	116.98
Staff Welfare Expenses	11.12	10.02
Directors' Remuneration	462.75	390.01
TOTAL	3,730.43	3,240.63
NOTE NO. 21 – DEPRECIATION AND AMORTISATION		
Depreciation	2,884.27	2,607.63
Amortisation	182.08	204.31
TOTAL	3,066.35	2,811.94
NOTE NO. 22 – OTHER EXPENSES		
Manufacturing Expenses		
Processing Charges	997.51	649.02
Labour Charges	1,694.46	1,339.22
Insurance Expenses	147.30	174.19
Lease Expenses	13.60	39.00
Power & Fuel	4,789.88	4,640.02
Stores & Spares	601.05	562.30
Repairs & Maintenance – Building	36.56	42.42
– Plant & Machinery	241.39	217.64
Research & Development	303.97	386.59
Other Manufacturing Expenses		
Water Charges	112.56	118.49
Laboratory Expenses	280.91	123.73
Other Factory Expenses	1,234.22	991.45
Sub Total (a)	10,453.41	9,284.07

Notes forming part of Statement of Profit and Loss for the year ended 31st March, 2015

	(₹ in Lakhs)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Office & Administration Expenses		
Books & Periodicals	0.24	0.05
Auditors' Remuneration	5.97	5.86
Conveyance Expenses	26.91	22.20
Legal & Professional Charges	137.78	94.75
Membership & Subscriptions	3.23	6.99
Printing & Stationery	25.63	28.08
Postage, Telegram & Telephone	29.21	29.08
Office Electricity Charges	28.00	25.66
Insurance Charges	26.99	31.79
Repairs & Maintenance – Others	32.55	31.34
Entertainment Expenses	14.31	26.37
Miscellaneous Expenses	33.42	30.15
Vehicle Expenses	7.91	12.34
Travelling Expenses – Directors	11.97	15.25
– Others	36.60	51.06
Directors' Sitting Fees	6.90	2.92
Loss on sale of Investment	–	4.96
Loss on sale of Assets	–	8.05
Sub Total (b)	427.62	426.89
Selling & Distribution		
Advertisement & Sales Promotion	137.75	79.22
Freight & Forwarding - Exports	1,163.04	1,128.38
Freight & Forwarding - Local	268.31	196.54
Commission Expenses	790.83	922.34
Insurance Expenses	39.98	49.61
Postage & Telegram	13.07	13.72
Other Export Expenses	73.81	174.12
Bad Debts & other written off	96.29	212.11
Sub Total (c)	2,583.08	2,776.05
Finance Cost (d)		
Bank Charges	333.76	368.79
Non Operative Expenses		
Donations	8.43	189.96
CSR Expenditure	105.00	–
Sub Total (e)	113.43	189.96
TOTAL (a+b+c+d+e)	13,911.30	13,045.77
NOTE NO. 23 – FINANCE COST		
Interest on Term Loans	1,237.75	946.63
Interest on Working Capital	2,430.38	2,223.30
Interest on Others	219.57	179.04
TOTAL	3,887.70	3,348.97



Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2015

PART – A

24.1 Accounting Policies :

a. Recognition of Income and expenditure

These accounts are prepared under the historical cost convention on accrual basis and under the going concern assumption in accordance with the accounting principles generally accepted in India and the relevant provisions of the Companies Act, 2013.

b. Fixed assets and depreciation

- i) Fixed assets include all expenditure of capital nature and are stated at cost of acquisition, installation and commissioning and related borrowing cost less depreciation. Fixed asset values are stated at historical cost. Depreciation on fixed assets other than land is charged under the straight-line method in accordance with Schedule II of the Companies Act, 2013. Product/Process development costs arising out of R&D are carried forward when their future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortized over the period of expected future economic benefit, from the related project, not exceeding ten years.
- ii) Impairment loss indicates the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of the net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The Company will recognize such losses whenever they arise.

c. Investments

Long Term Investments are stated at cost. Provisions are made for diminution in value of investments, if any, other than those of a temporary nature.

d. Valuation of Inventories

Inventories are stated at lower of cost or net realisable value, on the following basis:

- i) Raw materials, packing materials, stores and spares – At cost on FIFO Method
- ii) Work in process – At cost plus appropriate allocation of overheads
- iii) Finished Goods – At cost plus appropriate allocation of overheads or net realizable value whichever is lower

e. Retirement Benefits

- I. In respect of Gratuity and Superannuation fund, the Company's contribution to group insurance scheme of Life Insurance Corporation of India are charged against revenue.
- II. Provision for incremental liability in respect of encashable privilege leave on separation benefit is made as per independent actuarial valuation at the year end.

f. Revenue Recognition

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefit will flow to the Company

• Sale of Goods :

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of excise duty, sale returns and VAT.

• Export Benefits :

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and are accounted to the extent considered receivable.

g. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a Qualifying asset are capitalized as part of the cost of that asset. The amounts of borrowing cost eligible for capitalization are determined in accordance with Accounting Standard-16. Other borrowing cost are recognized as an expense in the period in which they are incurred.

h. Foreign Currency Transactions

All exchange differences arising from foreign currency transactions are dealt with in the Company's profit and loss account.

i. Research & Development Expenditure

Revenue Expenses are accounted under the head "Research & Development" and Capital Expenses are Accounted under the head Fixed Assets.

j. Deferred Taxation

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantially enacted on the Balance Sheet date.

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2015

24.2 Contingent Liabilities:

- In respect of bank guarantees issued and L/C opened by the Company's bankers ₹ 4,584.73/- Lakhs (As at 31st March, 2014 ₹ 4,268.40 Lakhs)
- Demand in respect of additional income tax disputed in appeal ₹ 1,133.91/- Lakhs (As at 31st March, 2014 ₹ 1,195.75/- Lakhs) and demand in respect of additional Excise in appeal Rs. 78.51/- Lakhs (as at 31st March, 2014 Rs. 78.51 Lakhs)
- Liability for duty on raw material imported under advance licence benefit scheme against which export obligation remained to be fulfilled ₹ 189.86/- Lakhs (As at 31st March, 2014 ₹ 155.53/- Lakhs)
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,212.67/- Lakhs. (As at 31st March, 2014 ₹ 212.13/- Lakhs)

24.3 Securities for loans taken from Banks:

a. (₹ in Lakhs)

Bank Name	As at 31 st March, 2015	As at 31 st March, 2014	F.Y. 2015-16	Subsequent Years
Kotak Mahindra Bank Ltd.	4,812.25	5,556.00	1,203.06	3,609.19
DBS Bank Ltd.	455.00	910.00	455.00	NIL
State Bank of India	2,487.20	3,329.00	1,056.60	1,430.60
Standard Chartered Bank	277.20	1514.10	277.20	NIL
The Shamrao Vithal Co op Bank Limited	5,000.00	NIL	208.33	4,791.67
Bank of Baroda	4,241.00	NIL	NIL	4,241.00

Note:

- Above term loan are secured by pari-passu first charge by way of mortgage of immovable properties and hypothecation of moveable fixed assets, both present and future situated at MIDC Boisar, viz Plot No. N-198, G-60, E21 & E22, E-1, K-40, K-41 E120, E9/3 & E9/4, W-60(B), W61(B), W62(A), W71(B), W72(B), W73(B) and MIDC Turbhe Plot No. D-277 & D-278 in Maharashtra and at GIDC, Sarigam, Bhilad - Gujarat Viz. Plot No. 2902, 2904 & Plot No. 211, 213. The working directors of the company have personally guaranteed corporate loan of ₹ 2,487.20 Lakhs from State Bank of India.
 - Loan from Kotak Mahindra bank, Standard Chartered Bank, The Shamrao Vithal Co-op Bank Ltd is also secured by second charge on current assets of the company both present and future.
- Loans from Scheduled Banks ₹ 1,5919.07 Lakhs (F.Y. 13-14 ₹ 1,7186.80) are secured by hypothecation of Company's raw materials stock, stock-in-process, finished goods, packing materials, stores & spares, book debts, and all other current assets including goods in transit governed by documents of title and also pari-passu second charge by way of mortgage of immovable properties and hypothecation of moveable fixed assets. both present and future situated at MIDC Boisar, Maharashtra viz. Plot No. N-198, G-60, E21 & E22, E-1, K-40, K-41 E120, E9/3 & E9/4, W-60(B), W61(B), W62(A), W71(B), W72(B), W73(B) and at Turbhe Plot No. D-277 & D-278. GIDC, Bhilad, Sarigam - Gujarat viz. Plot No. 2902, 2904 & 211, 213.
 - Loans & advances from directors, & corporates amounting of ₹ 1,363.00/- Lakhs, (out of which included in Short Term Borrowing ₹ 288 Lakhs & in Long Term Borrowing ₹ 1,075 Lakhs).

24.4 The Company has foreign exchange exposure because of its trade related (export/import) fund related function. The company uses forward contracts, Options and Swaps to hedge against its foreign exchange exposures relating to underlying transactions. The Company does not enter into any derivatives instruments for trading or speculation purposes. During the year ended 31.03.2015, the company had hedge in aggregate an amount of ₹ 12,374.71/- Lakhs (previous year ₹ 10,021.24/- Lakhs) out of its annual trade related operations (export & import) aggregating to ₹ 79,433.77/- Lakhs (previous year 69,234.75/- Lakhs) after considering natural hedge. The Company had hedge its outstanding foreign currency long term borrowing ₹ 732.20/- Lakhs (previous year ₹ 2,424.10/- Lakhs).

24.5 There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

24.6 In the opinion of the Board, the Current Assets and Loans and Advances have a value on realisation at least equal to the amounts at which they are stated in the Balance Sheet.



Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2015

24.7 Segment-wise Disclosure as per Accounting Standard: 17.

I. BUSINESS SEGMENTS AS PRIMARY SEGMENTS

The Company is considered to be a single segment Company engaged in pharmaceuticals business, hence the disclosure requirement as per AS-17 'Business Segments as Primary Segment' is not attracted.

(₹ in Lakhs)

II. GEOGRAPHICAL SEGMENTS AS SECONDARY SEGMENTS

		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Segment Revenue			
a)	Exports	41,171.22	39,568.58
b)	Others	75,822.58	64,865.99
Total		116,993.80	104,434.57

Note:

Segmental capital employed:

Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Company believes that currently it is not practicable to provide segment disclosures relating to total assets and liabilities.

24.8 Related party transactions:

Related party transactions disclosure as required by Accounting Standard – 18. 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India are given below:

A. Name and Relationship of the Related Parties:

3(a) Subsidiary

Pinnacle Life Sciences Pvt Ltd.

3(c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of such individual.

1. Individuals

Mr. Chandrakant V. Gogri	Mr. Rajendra V. Gogri
--------------------------	-----------------------

2. Relatives of Individuals

Mrs. Jaya C. Gogri	Mr. Mirik R. Gogri
Mrs. Dhanvanti V. Gogri	Mr. Renil R. Gogri
Mrs. Aarti R. Gogri	Mrs. Hetal Gogri Gala

3(d) Key Management personnel along with their relatives have significant influence.

• Key Management Personnel

Mr. Prakash M. Patil	Mr. Harit P. Shah
Mr. Harshit M. Savla	Mr. Uday M. Patil
Mr. Rashesh C. Gogri	Mr. Sunny Pagare
Mr. Adhish Patil	

• Relatives of Key Management Personnel

Mrs. Priti P. Patil	Mrs. Seema H. Savla
Mr. Arun M. Patil	Ms. Bhoomi H. Savla
Dr. Vikas M. Patil	Mr. Vishwa H. Savla
Mrs. Keserben P. Shah	Mrs. Jayashree H. Shah
Mrs. Aarti T. Sankhe	Mr. Pragji M. Shah
Mrs. Manisha R. Gogri	Mr. Sameer P. Shah

3(e) Enterprise/firms over which controlling individuals have significant influence.

- Aarti Industries Ltd.
- Anushakti Holdings Ltd.
- Rupal Drugs LLP
- Anushakti Chemical & Drugs Ltd.
- Gogri & Sons Investments Pvt. Ltd.
- Alchemie Gases & Chemicals Pvt. Ltd.
- Alchemie Leasing & Financing Pvt. Ltd.
- Alchemie Financial Services Ltd.
- Alchemie Laboratories

Note : Sr. 3(a), 3(c), 3(d), 3(e) refer to the relevant Para's of AS 18.

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2015

B. Transactions with the related parties during the year:

Note: Proportions given in the following statement belong to the respective accounting group as shown in the financial statements for the year ended 31st March, 2015

Transaction with Related Parties	Subsidiary Company		Enterprise/firms over which controlling individuals have significant influence	
	C.Y.	P.Y.	C.Y.	P.Y.
	%	%	%	%
Sales & Income from Operations	0.24	Nil	0.01	0.05
Manufacturing Expenses	0.00	Nil	1.73	2.90
Borrowing costs	0.00	Nil	2.04	2.81
Outstanding Payable	0.01	Nil	0.98	1.82
Outstanding Receivable	0.77	Nil	0.00	0.00
Outstanding Unsecured Loan	0.00	Nil	5.20	8.01

Transaction with Related Parties	Individuals		Relatives of Individuals		Key Management Personnel		Relative of Key Management Personnel	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
	%	%	%	%	%	%	%	%
Employee Benefits & Office & Administration Expenses	0.05	0.03	0.84	1.04	32.94	34.64	2.78	2.21
Borrowing costs	0.00	0.00	0.00	0.00	1.19	0.99	1.19	1.30
Unsecured Loans Accepted	0.00	0.00	0.00	0.00	3.82	0.43	0.02	0.36
Unsecured Loans Repaid	0.00	0.00	0.00	0.00	0.78	0.00	3.44	0.00
Outstanding Unsecured Loan	0.00	0.00	0.00	0.00	7.42	4.20	0.00	5.59

24.9 Sales/Income from Operation include export benefits amounting to ₹ 2,213.85/- Lakhs (As at 31st March, 2014 ₹ 1,705.14/- Lakhs).

24.10 Directors Remuneration :

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Salary to Managing Directors and whole-time Directors	168.09	152.24
Bonus/Leave Travel Allowance/House Rent Allowance/Medical/Leave Salary	46.29	25.65
Commission payable to Directors	209.38	177.58
Contribution to Provident Fund	0.83	0.45
Superannuation fund scheme	38.15	34.08
Total Remuneration	462.75	390.00

24.11 Auditors' remuneration includes

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Statutory Audit	4.40	3.95
Other Audit Services	0.80	0.80
Certification	0.77	1.11
Total	5.97	5.86

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2015

24.12 Earning Per Share:

(₹ in Lakhs, except share data)

Particulars	Current Year	Previous Year
Net Profit available for Equity Shareholder	7,759.95	6,171.23
Weighted Number of Equity Shares (Nos.)	2,42,17,100	2,42,17,100
Basic & Diluted EPS (after extraordinary items) (₹)#	32.04	25.48
Nominal value per share (₹)	10.00	10.00

In terms of the resolution passed by the shareholders by way of postal ballot on 13th March, 2015, the Company has allotted 1,21,08,550 Bonus equity shares on 26th March, 2015. In the ratio of 1 equity share of ₹ 10 each fully paid up for every equity share of ₹ 10 each held. Consequently, the EPS have been restated for all the periods presented based on the no of equity shares post bonus issue i.e. 2,42,17,100 equity shares, in accordance with the Accounting Standard (AS 20) on Earnings Per Share as notified under the Companies (Accounting Standard) Rules 2006.

24.13 Deferred Tax Liability (Net)

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Deferred Tax Liability	3,101.20	2,751.20
Difference between depreciation between depreciation as per Co Act and Income Tax act as on 31 st March, 2015 after considering Amortization.	400.00	350.00
Net Deferred Tax Liability	3,501.20	3,101.20

24.14 Disclosure Regarding Scientific Research & Development Expenditure

(₹ in Lakhs)

YEAR	REVENUE EXPENDITURE	CAPITAL EXPENDITURE
2011-2012	463.12	101.51
2012-2013	521.44	214.94
2013-2014	590.90	521.37
2014-2015*	693.04	682.39

* Revenue expenditure includes expenditure on development of new product of ₹ 206.99 Lakhs.

24.15 Employee Benefits:

a) Defined Benefit Plan

The employee's gratuity fund scheme managed by Life Insurance of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in Lakhs)

	Gratuity (Funded) Current Year	Gratuity (Funded) Previous Year
a. Reconciliation of Opening and Closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at beginning of the Year	531.25	485.13
Current/Past Service Cost	34.25	33.22
Interest Cost	49.46	40.02
Actuarial(gain)/loss	106.12	(6.68)
Benefits Paid	(23.64)	(20.44)
Defined Benefit Obligation at year end	697.44	531.25
b. Reconciliation of opening and closing balances fair value of plan assets		
Fair value of plan assets at beginning of the year	608.56	498.54
Expected return of plan assets	52.94	43.37
Actuarial gain/(loss)	6.45	3.23
Employer Contribution	81.31	83.86
Benefits Paid	(23.64)	(20.44)
Fair value of plan assets at year end	725.63	608.56
Actual return on plan assets	59.39	46.61

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2015

	Gratuity (Funded) Current Year	Gratuity (Funded) Previous Year
c. Reconciliation of fair value of assets and obligations		
Fair value of plan assets as at 31 st March, 2015	725.63	608.56
Present value of obligation as at 31 st March, 2015	(697.44)	(531.25)
Amount Recognized	28.19	77.31
d. Expenses recognized during the year		
Current/Past Service cost	34.25	33.23
Interest cost	49.46	40.02
Expected return on plan assets	(52.94)	(43.37)
Actuarial (gain)/loss	99.67	(9.92)
Net Cost	(3.49)	19.96
L.I.C Group Gratuity (Cash Accumulation) Policy	100%	100%
	Invested with L.I.C.	Invested with L.I.C.
e. Actuarial assumptions		
Mortality Table (L.I.C.)	—	—
	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount rate (per annum)	7.96%	9.31%
Expected rate of return on plan assets (per annum)	7.96%	8.70%
Rate of escalation of in Salary (per annum)	5%	5%
The estimate of rate of escalation in salary considered in Actuarial valuation, take into account inflation, seniority, promotion, other relevant factors' including supply and Demand in the employment market. The above information is certified by the actuary.		

b) Leave Encashment:

Leave Encashment liability amounting to ₹ 139.86 Lakhs previous year (₹ 95.35 Lakhs) has been provided in the Accounts.

24.16 Additional information pursuant to the provisions of the Companies Act, 2013 (Figures in bracket relate to 31st March, 2014)

- a. Licensed capacity, installed capacity and production (as certified by the Management and not verified by the Auditors, it being a technical matter.)

(Qty in MT)

Class of Goods	Units	* Licensed	Installed	Production	Captive	Net Production
Pharmaceutical	Kgs	—	15,065	12,069.01	2,637.23	9,431.79
			(14,460)	(11,482.07)	(2,357.53)	(9,124.54)

* As license is not required Licensed Capacity not given.

	Quantity Kg	Amount (₹ in lakhs)
b. Purchase of trading items:		
No. of Strips	11,98,96,594	7,362.20
	(10,86,39,906)	(6,405.61)
Kgs	3,65,753	1,336.64
	(7,60,574)	(2,196.86)
	Percentage (%)	Amount (₹ in Lakhs)
c. Value of Raw materials and spares consumed		
Raw Material:		
Indigenous	34.75	22,734.20
	(31.35)	(17,269.76)
Imported	65.25	42,679.72
	(68.65)	(37,810.82)
Stores and spares:		
Indigenous	100	601.04
	(100)	(562.30)

Notes annexed to and forming part of the Financial Statements for the year ended 31st March, 2015

	Current Year	(₹ in Lakhs) Previous Year
d. C.I.F Value of Imports		
Raw Material	41,397.24	34,213.36
Capital Goods	52.90	295.37
	Current Year	Previous Year
e. Expenditure in Foreign Currency		
Commission	518.44	605.07
Travelling Expenses	25.50	56.53
Sales Promotion	109.32	47.64
Foreign Bank Charges	48.25	60.18
Interest on F.C. Loan	245.63	468.65
Others	216.48	86.39
f. Earnings in Foreign Exchange		
F.O.B. Value of Exports	38,036.53	35,021.38

24.17 As per Sec 135 of the Companies Act 2013, details of amount to be spent on Corporate Social Responsibility are as below. Gross amount to be spent on the CSR activity during the year is ₹ 120.64 Lakhs. During the year company spent ₹ 105.00 Lakhs on the Plantation and Educational purpose. All amount incurred are paid through Bank.

24.18 During the year company had entered in to lease transaction covering Lease term of 5 years. The Lease Transaction is covered as Operating Lease as per the Accounting Standard 19, and all lease payments are recognized as an expense in profit and loss account on straight line basis. Disclosures as per Accounting Standard 19, Lease Accounting are as below.

- **Total future minimum lease payments under non-cancellable operating lease for following periods.**

Period	Amount ₹ in Lakhs
Not Later than 1 year	14.98
Later than 1 year and not later than 5 years	59.94
Later than 5 years	NIL

24.19 Figures of the previous year have been regrouped and rearranged wherever necessary.

AS PER OUR REPORT OF EVEN DATE.

For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS
Firm Registration No: 103264W

Sd/-
(CA TEJAS J. PARIKH)
PARTNER

Place: Mumbai
Date: 20th May, 2015

For and on behalf of the Board of Directors

Sd/-
Prakash M. Patil
(Chairman & Managing Director)

Sd/-
Harshit M. Savla
(Jt. Managing Director)

Sd/-
Adhish P. Patil
(Chief Financial Officer)

Sd/-
CS Sunny Pagare
(Company Secretary)

CASH FLOW STATEMENT

(₹ in Lakhs)

Sr. Particulars No.	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
A. Cash Flow from Operating Activities		
Net Profit before Tax and Extraordinary items	10,006.49	8,476.04
ADJUSTMENT FOR:		
Depreciation & Amortisation	3,066.35	2,811.94
Interest Paid	3,887.70	3,348.97
Interest Received	(80.96)	(132.24)
Dividend Received	—	(1.94)
Loss on Sale of Investment	—	4.96
Loss on Sale of Asset	—	8.05
Extraordinary items	—	91.70
Operating Profit before Working Capital Charges	<u>16,879.58</u>	<u>14,607.47</u>
Trade & Other Receivable	(2,383.36)	(6,170.17)
Changes in Inventories	(2,663.90)	1,419.32
Trade & Other Payable	344.31	2,341.73
Cash generated from operation	<u>12,176.63</u>	<u>12,198.35</u>
Direct Taxes Paid	(1,494.14)	(2,655.70)
Net Cash Flow from Operating Activities	<u>10,682.50</u>	<u>9,542.65</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets/Capital Work in Progress/Advances	(9,661.53)	(10,652.33)
Sales/(Purchase) of Investment	(649.60)	46.33
Sale of Fixed Assets	—	5.04
Interest Received	80.96	132.24
Dividend Received	0.00	1.94
Net Cash Flow from Investing Activities	<u>(10,230.17)</u>	<u>(10,466.77)</u>
C. Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	7,038.55	756.09
Proceeds from Unsecured Loans & from Scheduled Bank	(1,433.16)	5,061.41
Dividend Paid	(2,266.83)	(1,392.48)
Interest Paid	(3,887.70)	(3,348.97)
Net Cash Flow from Financing Activities	<u>(549.14)</u>	<u>1,076.05</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	<u>(96.81)</u>	<u>151.92</u>
Opening Cash and Cash Equivalents	<u>439.80</u>	<u>287.88</u>
Closing Cash and Cash Equivalents	<u>342.99</u>	<u>439.80</u>

Note : (i) Figures in brackets indicate outflows
(ii) Cash and cash equivalent is cash and bank balance as per balance sheet
(iii) Fixed Deposits with bank amounting to ₹ 25.57 Lakhs (previous year ₹ 23.02 Lakhs) under lien are considered as cash and cash equivalents.

AS PER OUR REPORT OF EVEN DATE.

For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS
Firm Registration No: 103264W

Sd/-
(CA TEJAS J. PARIKH)
PARTNER

Place: Mumbai
Date: 20th May, 2015

For and on behalf of the Board of Directors

Sd/-
Prakash M. Patil
(Chairman & Managing Director)

Sd/-
Harshit M. Savla
(Jt. Managing Director)

Sd/-
Adhish P. Patil
(Chief Financial Officer)

Sd/-
CS Sunny Pagare
(Company Secretary)



INDEPENDENT AUDITORS' REPORT

To the Members of
AARTI DRUGS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of AARTI DRUGS LIMITED ("the Company") and its subsidiary which comprise the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its subsidiary in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company and its subsidiary have responsibility which also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective Companies, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the preparation of the consolidated financial statements by the Company's Directors, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, based on the consideration of the reports of the other auditor on the financial statements/financial information of the subsidiary as noted below, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, including its subsidiary as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of one subsidiary whose financial statements / financial information reflect total assets of Rs. 4,435.76 lakhs as at March 31, 2015, total revenues of Rs. 1,328.96 lakhs and net cash inflow of Rs. 1.50 lakhs for the year then ended as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditor whose report have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of its subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Company and its subsidiary incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of consolidation of the accounts of its subsidiary have been received.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in the aggregate in agreement with the relevant underlying books of accounts maintained by the Company and its subsidiary respectively for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2015 taken on record by the Company's Directors and the report of the statutory auditor of its subsidiary, none of the directors of the Company and its subsidiary incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2015 which would impact the consolidated financial position. Refer note no 24.5 of the Financial Statements
 - ii. The Company, along with its subsidiary did not have any long term contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. The subsidiary company did not have any amounts required to be transferred to the Investor Education and Protection Fund.

For **GOKHALE & SATHE**
CHARTERED ACCOUNTANT
Firm Registration No.: 103264W

Sd/-
CA TEJAS J. PARIKH
Partner
M. No. 123215

Place: Mumbai,
Date: May 20, 2015



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

As stated in para 1 "Report on Other Legal and Regulatory Requirements" in our Auditors Report of even date, the following statement is based on the comments in the Auditors Report on the financial statements of the Company and its subsidiary.

- i) a. The Company and its subsidiary incorporated in India, have maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
b. The Company and its subsidiary, incorporated in India, have phased programme of physical verification of fixed assets, wherever applicable, by which all fixed assets are verified over a period of three years. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and its subsidiary and nature of its assets. In accordance with this programme, no material discrepancies have been noticed on such physical verification.
- ii) The stock of inventory has been physically verified during the year by the respective management of Company and its subsidiary incorporated in India at reasonable intervals, except stock lying with third parties of the Company and its subsidiary incorporated in India, confirmations have been obtained wherever applicable. In our opinion, frequency of such verification is reasonable.
- iii) The Company had granted unsecured short term loan to subsidiary company during the year covered in the register maintained under section 189 of the Companies Act, 2013.
 - a. In respect of aforesaid loan, the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount. The borrowers have been regular in the payment of the interest as stipulated.
 - b. There is no overdue amount of more than rupees one lakh.

The subsidiary company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanation obtained by the respective statutory auditors, the Company and its subsidiary, incorporated in India, have adequate internal control procedures commensurate with the respective size of each Company and the nature of its business, for the purchase of inventories and fixed assets and with regard to the sale of goods and services. There are no major weaknesses in internal control systems.
- v) The Company and its subsidiary, incorporated in India, have not accepted any deposits from public during the year and accordingly the provisions of section 73 to 76 of the Act, and Rules framed there under and any directive issued by the Reserve Bank of India are not applicable to them.
- vi) The Company has maintained cost records as required under sub section 1 of section 148 of the Companies Act, 2013. We have not, however, carried out a detailed examination of such records. The subsidiary company is not required to maintain cost records as required under sub section 1 of section 148 of the Companies Act, 2013 for the financial year 2014-2015.
- vii) a. According to the information and explanation given to the respective statutory auditors, the Company and its subsidiary, incorporated in India, are regular in depositing with appropriate authorities undisputed statutory dues including the Provident Fund, Employees state insurance, Income tax, Sales tax, Wealth tax, Service tax, duty of Customs, duty of Excise, Value added tax, cess and any other statutory dues applicable to it.

- b. According to the information and explanation given to the respective statutory auditors of the Company, and its subsidiary, incorporated in India, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess which have not been deposited on account of any dispute except the following:

Sr. No.	Name of Statute	Nature of the Dues	Financial Year	Amount Rs. in Lakhs	Forum where dispute is pending
Aarti Drugs Limited					
1	Income Tax Act, 1961	Income Tax Demand	FY 2008-09	197.47	CIT(Appeals)
2	Income Tax Act, 1961	Income Tax Demand	FY 2009-10	89.48	CIT(Appeals)
3	Income Tax Act, 1961	Income Tax Demand	FY 2010-11	56.57	CIT(Appeals)
4	Central Excise	Excise Demand	2012	78.51	CESTAT

- c. In our opinion and according to the information and explanation given to us, during the year, no amount was pending to be transferred to investor education and protection fund. The subsidiary company did not have any dues on account of Investor Education and Protection Fund.
- viii) On a consolidated basis, the Company and its subsidiary, incorporated in India, do not have any accumulated losses at the end of the financial year and have not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix) In our opinion and according to the information and explanation given to respective auditors, the Company and its subsidiary have not defaulted in repayment of dues for loan taken from financial institutions or banks.
- x) In our opinion and according to the information and explanation given to us, the Company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are not prejudicial to the interest of the Company. The subsidiary company has not given guarantee for loans taken by others from bank or financial institutions.
- xi) In our opinion and according to the information and explanation obtained by respective auditors, the term loans were applied for the purpose for which the loans were obtained by the Company and its subsidiary.
- xii) According to the information and explanation given to the respective statutory auditors of the Company and its subsidiary, no fraud on or by the Company and its subsidiary has been noticed or reported during the course of audit.

For **GOKHALE & SATHE**
 CHARTERED ACCOUNTANT
 Firm Registration No.: 103264W

Sd/-
CA TEJAS J. PARIKH
 Partner
 M. No. 123215

Place: Mumbai,
 Date: May 20, 2015

**Consolidated Balance Sheet as at 31st March, 2015**

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March, 2015
<u>EQUITIES AND LIABILITIES</u>		
Shareholders' funds		
Share Capital	1	2,421.71
Reserves & Surplus	2	28,393.55
		30,815.26
Non-Current Liabilities		
Long-term Borrowings	3	16,347.46
Deferred Tax Liability (Net)		3,501.81
Other Long-term Liability	4	1,224.71
Long-term Provisions	5	28.95
		21,102.92
Current Liabilities		
Short-term Borrowings	6	25,242.73
Trade Payables	7	16,672.50
Other Current Liabilities	8	4,152.72
Short-term Provisions	9	2,208.03
		48,275.98
TOTAL		100,194.16
<u>ASSETS</u>		
Non-Current Assets		
Fixed Assets	10	44,846.40
Capital Work-in-Progress		1,605.79
Non-Current Investments	11	463.18
Long-term Loans & Advances	12	724.43
		47,639.80
Current Assets		
Inventories	13	16,419.56
Trade Receivables	14	31,427.30
Cash and Cash Equivalents	15	358.03
Short-term Loans and Advances	16	1,764.63
Other Current Assets	17	2,584.84
		52,554.36
TOTAL		100,194.16
Notes on Financial Statement	24	

AS PER OUR REPORT OF EVEN DATE.

For **GOKHALE & SATHE**
 CHARTERED ACCOUNTANTS
 Firm Registration No: 103264W

Sd/-
(CA TEJAS J. PARIKH)
 PARTNER

Place: Mumbai
 Date: 20th May, 2015

For and on behalf of the Board of Directors

Sd/-
Prakash M. Patil
 (Chairman & Managing Director)

Sd/-
Harshit M. Savla
 (Jt. Managing Director)

Sd/-
Adhish P. Patil
 (Chief Financial Officer)

Sd/-
CS Sunny Pagare
 (Company Secretary)

Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in Lakhs)

Sr. Particulars No.	Note No.	For the Year Ended 31 st March, 2015
1. Income from Operations		
(a) Gross Sales/Income from Operations		117,960.27
Less : Excise Duty & Sales Tax		8,533.11
Net Sales/Income from Operations		109,427.16
(b) Other Operating Income	18	261.24
Total Income from Operations (net)		109,688.40
2. Expenditure		
(a) Cost of materials consumed	19	69,019.20
(b) Purchase of stock-in-trade		8,698.84
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(2,729.94)
(d) Employee benefits expense	20	3,792.82
(e) Depreciation and amortization expense	21	3,102.23
(f) Other expenses	22	14,005.28
Total Expenses		95,888.43
3. Profit from Operations before Other Income, finance costs and exceptional items (1-2)		13,799.98
4. Other Income		64.99
5. Profit from ordinary activities before finance cost and exceptional items		13,864.96
6. Finance costs (interest)	23	3,892.99
7. Profit from ordinary activities before Tax		9,971.97
8. Tax Expenses (includes)		2,246.54
Provision for Taxation — Current		2,100.00
— MAT Credit Entitlement		(100.00)
— Earlier Year		(153.46)
Provision for Deferred Taxation		400.00
9. Net Profit for the period (7-8)		7,725.43
10. Earning per share (EPS)		
Basic/Diluted (in ₹)		31.90
11. Notes on Financial Statement	24	

AS PER OUR REPORT OF EVEN DATE.

For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS
Firm Registration No: 103264W

Sd/-
(CA TEJAS J. PARIKH)
PARTNER

Place: Mumbai
Date: 20th May, 2015

For and on behalf of the Board of Directors

Sd/-
Prakash M. Patil
(Chairman & Managing Director)

Sd/-
Harshit M. Savla
(Jt. Managing Director)

Sd/-
Adhish P. Patil
(Chief Financial Officer)

Sd/-
CS Sunny Pagare
(Company Secretary)

**Notes forming part of Consolidated Balance Sheet as at 31st March, 2015**

(₹ in Lakhs)

**As at
31st March, 2015****NOTE NO. 1 – SHARE CAPITAL****AUTHORISED :**

2,50,00,000 Equity shares of ₹ 10/- each

2,500.00**2,500.00****ISSUED, SUBSCRIBED & PAID-UP :**

2,42,17,100 Equity Shares of Rs. 10/- each Issued, subscribed and fully paid up

2,421.71**Reconciliation**

Opening outstanding shares

Numbers**12,108,550****Value****1,210.86**

Add: Bonus Shares Issued During the Year

12,108,550**1,210.86**

Closing outstanding shares

24,217,100**2,421.71**Note: 12108550 Equity Shares of ₹ 10 have been allotted as fully paid bonus Shares for every share held on record date 25th March, 2015.**Disclosures of shares held by each shareholders more than 5% shares:**

Name of holder	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares held	% Holding	No. of Shares held	% Holding
Prakash M. Patil	2046632	8.45	985251	8.14

NOTE NO. 2 – RESERVE & SURPLUS

(₹ in Lakhs)

Particulars	As on 1st April, 2014	Addition during the year	Appropriation during the year	As at 31 st March, 2015
Capital Reserves	694.07	–	13.79	680.28
Capital Redemption Reserve	210.27	–	–	210.27
Securities Premium Account	1,262.72	–	–	1,262.72
General Reserve	2,580.02	780.00	152.72	3,207.29
Profit & Loss Account	19,625.78	7,725.43	4,318.22	23,032.98
TOTAL AMOUNT	24,372.86	8,505.43	4,484.73	28,393.55

**As at
31st March, 2015****NOTE NO. 3 – LONG-TERM BORROWINGS****Term loans****Secured borrowings**

From Scheduled Banks

15,272.46**Loans & advances from related parties**

From Directors – Unsecured

575.00

From Other – Unsecured

500.00**TOTAL****16,347.46**

Notes forming part of Consolidated Balance Sheet as at 31st March, 2015

(₹ in Lakhs)

As at
31st March, 2015

NOTE NO. 4 – OTHER LONG-TERM LIABILITY

Trade payables of Project

Due to micro enterprises and small enterprises	–
Due to others	833.54
Other – Deferred Payment Liability	364.28
– Trade Deposits	26.88
TOTAL	1,224.71

NOTE NO. 5 – LONG-TERM PROVISION

Income Tax Provision (Net of Advance Tax and TDS)	28.95
TOTAL	28.95

NOTE NO. 6 – SHORT-TERM BORROWINGS

Loans repayable on demand

From Banks

Secured Borrowings	16,035.21
Unsecured Borrowings	8,919.52

Loans & Advances from related parties

From Directors – Unsecured	188.00
From Other – Unsecured	100.00

TOTAL	25,242.73
--------------	------------------

NOTE NO. 7 – TRADE PAYABLE

Trade payables of Goods, Services & Expenses

Due to micro enterprises and small enterprises	–
Due to others	16,672.50
TOTAL	16,672.50

NOTE NO. 8 – OTHER CURRENT LIABILITY

Interest accrued but not due on Loans	295.35
Unpaid Dividend	85.47
Other Payable – Duties & Taxes	571.71
Long-term borrowing repayable in within 12 months	3,200.19
TOTAL	4,152.72

NOTE NO. 9 – SHORT-TERM PROVISION

Provision for Employee benefits	171.84
Other Short Term Provisions – Goods & expenses	1,309.68
Proposed dividend	726.51
TOTAL	2,208.03



Notes forming part of Consolidated Balance Sheet as at 31st March, 2015

NOTE NO. 10 – FIXED ASSETS

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	ADL as on 1 st April, 2014	Subsidiary as on 4 th Sept., 2014	Addition	Deduction	As at 31 st March, 2015	ADL as on 1 st April, 2014	Subsidiary as on 4 th Sept., 2014	Current Depreciation	Deduction	Up to 31 st March, 2015	As on 31 st March, 2015
Tangible Assets:											
Building	8,587.82	845.50	2,044.84	—	11,478.16	1,490.45	96.50	330.99	—	1,917.94	9,560.23
Furniture	729.64	9.35	111.70	123.51	727.18	201.49	3.58	97.89	66.27	236.68	490.50
Land	2,931.25	236.25	(22.02)	—	3,145.48	—	—	—	—	—	3,145.48
Office Equipments	232.39	5.48	105.90	63.27	280.50	131.89	1.71	91.80	58.04	167.37	113.13
Plant & Machinery	41,179.07	466.47	7,323.12	482.68	48,485.98	15,111.98	176.05	2,360.12	397.39	17,250.77	31,235.21
Vehicles	330.49	—	—	48.99	281.50	115.30	—	39.36	44.02	110.64	170.86
Intangible Assets:											
Tradename	225.00	—	—	—	225.00	225.00	—	—	—	225.00	—
Technical Knowhow	2,467.20	—	—	—	2,467.20	2,467.20	—	—	—	2,467.20	—
Process Development (R&D)	1,430.15	—	—	—	1,430.15	1,117.07	—	182.08	—	1,299.15	131.00
Total	58,113.01	1,563.05	9,563.54	718.44	68,521.15	20,860.39	277.85	3,102.23	565.72	23,674.75	44,846.40

Note:

- Trade Name & Technical Know-how are not internally generated while process development are internally generated
- Plant & Machinery addition includes Capital Expenditure incurred on R&D of ₹ 235.86 Lakhs (previous year ₹ 521.37 Lakhs)
- Building addition includes Capital Expenditure incurred on R&D of ₹ 446.54 Lacs (Previous year NIL)
- During the Year Stamp duty received which is paid on acquisition of Land for earlier years amounting of ₹ 22.02 Lakhs
- The estimated useful lives of Fixed Assets have been reviewed and revised to align with the provisions of Part C of Schedule II to the Companies Act 2013 effective from 1st April 2014. As a result certain assets whose useful life had become nil as at 1st April 2014, Net Block amounting to ₹ 152.72 lakhs (Gross block ₹ 718.44 lakhs and Accumulated Depreciation ₹ 565.72 lakhs) had been adjusted against opening Reserves & Surplus.
- Remaining period of Amortisation of Intangible assets mentioned are as follow.

Particulars	WDV as on 31 st March, 2015 (₹ in lakhs)	Remaining period of Amortisation
Process Development (08-09)	131.00	9 Months

Notes forming part of Consolidated Balance Sheet as at 31st March, 2015

NOTE NO. 11 – NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Name of the Company	Opening Balance	Add Acquisition during the year	Less Disposed during the year	Closing Balance	Face Value	As at 31/03/2015
					(₹)	(₹)
A. TRADE INVESTMENTS						NIL
B. OTHER INVESTMENTS						
a. Investments in Equity Instruments						
Aarti Industries Ltd.	750	Nil	Nil	750	5/-	0.06
Alembic Ltd.	180	Nil	Nil	180	2/-	0.01
Alembic Pharmaceuticals Ltd.	90	Nil	Nil	90	2/-	–
Aurobindo Pharma Ltd.	50	Nil	Nil	50	1/-	0.02
Sanofi India Ltd (Aventis Pharma Ltd.)	5	Nil	Nil	5	10/-	0.02
Cadila Healthcare Ltd.	15	Nil	Nil	15	10/-	0.01
Cipla Ltd.	62	Nil	Nil	62	2/-	0.07
Dabur India Ltd.	300	Nil	Nil	300	1/-	0.06
Dr Reddy's Laboratories Ltd.	4	NIL	Nil	4	5/-	0.02
Dr Reddy's Laboratories Ltd. (NCD)	24	Nil	Nil	24	5/-	–
Fresenius Kabi Oncology Ltd. (Dabur Pharma Ltd.)	25	Nil	Nil	25	10/-	–
Glenmark Pharmaceuticals Ltd.	100	Nil	Nil	100	1/-	0.01
Ipca Laboratories Ltd.	1,050	Nil	Nil	1,050	2/-	0.25
Ind-Swifts Laboratories Ltd.	5	Nil	Nil	5	10/-	0.00
Ind-Swifts Ltd.	25	Nil	Nil	25	2/-	0.00
Jagsonpal Pharmaceuticals Ltd.	40	Nil	Nil	40	5/-	0.00
J.B.Chemicals & Pharmaceuticals Ltd.	500	Nil	Nil	500	2/-	0.21
Kopran Ltd	5	Nil	Nil	5	10/-	0.00
Krebs Bio Chemicals & Industries Ltd.	100	Nil	Nil	100	10/-	0.26
Piramal Glass Ltd. (Kojam Fininvest Ltd)	14	Nil	Nil	14	10/-	–
Lupin Ltd.	50	Nil	Nil	50	2/-	0.01
Mylan Laboratories Ltd. (Matrix Laboratories Ltd)	50	Nil	Nil	50	2/-	0.02
Morepen Laboratories Ltd.	5	Nil	Nil	5	2/-	0.00
Natco Pharma Ltd.	5	Nil	Nil	5	10/-	0.00
Neuland Laboratories Ltd.	100	Nil	Nil	100	10/-	0.34
Piramal Enterprises Ltd. (Piramal Health)	297	Nil	Nil	297	2/-	0.44
Novartis (I) Ltd.	5	Nil	Nil	5	5/-	0.01
Orchid Chemicals & Pharmaceuticals Ltd.	7	Nil	Nil	7	10/-	0.01
Panacea Biotec Ltd.	5	Nil	Nil	5	1/-	0.00
Pfizer Ltd.	10	4	Nil	14	10/-	0.06
Piramal Life Sciences Ltd. (Piramal Phytocare Limited)	29	Nil	Nil	29	10/-	–
Reliance Capital Ltd.	5	Nil	Nil	5	10/-	–
Reliance Communication Ltd.	116	Nil	Nil	116	10/-	–
Reliance Infrastructure Ltd. (Reliance Energy Ltd.)	8	Nil	Nil	8	10/-	–
Reliance Industries Ltd.	232	Nil	Nil	232	10/-	0.10
Reliance Power Limited	29	Nil	Nil	29	10/-	–
Shasun Pharmaceutical Ltd. (Shasun Chemical & Drugs Ltd.)	500	Nil	Nil	500	2/-	0.17

Notes forming part of Consolidated Balance Sheet as at 31st March, 2015

NOTE NO. 11 – NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Name of the Company	Opening Balance	Add Acquisition during the year	Less Disposed during the year	Closing Balance	Face Value	As at 31/03/2015
					(₹)	(₹)
Strides Arcolab Ltd.	100	Nil	Nil	100	10/-	0.22
Sun Pharma Advanced Research Co. Ltd.	10	Nil	Nil	10	10/-	–
Sun Pharmaceuticals Industries Ltd.	100	Nil	Nil	100	1/-	0.03
Marksans Pharma Ltd. (Tasc Pharma Ltd.)	1,000	Nil	Nil	1,000	1/-	0.05
Torrent Pharmaceuticals Ltd.	40	Nil	Nil	40	5/-	0.01
Unichem Laboratories Ltd.	1,000	Nil	Nil	1,000	2/-	0.25
Zydus Wellness Ltd	2	Nil	Nil	2	10/-	–
Bank of Baroda	7,500	Nil	Nil	7,500	2/-	1.26
Bank of India	2,300	Nil	Nil	2,300	10/-	1.04
Union Bank of India	2,523	Nil	Nil	2,523	10/-	2.78
Shamrao Vithal Co. op. Bank	–	2,500		2,500	100/-	0.25
						8.06
Perfect Enviro Control Systems Ltd.	240,200	Nil	Nil	240,200	10/-	24.02
Shamrao Vittal Bank	–	100	Nil	100	25/-	0.03
Saraswat Bank	–	10,100	Nil	10,100	10/-	1.01
Tarapur Environment Protection Society	17,997	Nil	Nil	17,997	10/-	18.00
Amit Hetrochem (I) Ltd.	291,690	Nil	Nil	291,690	10/-	222.23
Aarti Biotech Ltd.	1,200	Nil	Nil	1,200	10/-	0.12
Huanggang Yinhe Aarti Pharmaceutical Co. Ltd.	308	Nil	Nil	308	1,690,000	189.51
						454.92
b. Investment in Government or Trust Securities						
N.S.C.	1	Nil	Nil	1		0.01
(One Certificate of ₹ 1,000/- Face Value)						
c. Investment in Debentures or Bonds						
Unit Trust of India (US-64)	190	Nil	Nil	190	100/-	0.19
Aggregate Amount of Quoted Investments						8.25
Aggregate Amount of Unquoted Investment						454.92
TOTAL						463.18

(Aggregate market value of quoted investment : as at 31st March, 2015 ₹ 39,09,819/- and as at 31st March, 2014 ₹ 41,71,633/-)

Notes forming part of Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

	For the year ended 31 st March, 2015
Office & Administration Expenses	
Books & Periodicals	0.24
Auditors' Remuneration	6.53
Conveyance Expenses	26.91
Legal & Professional Charges	157.77
Membership & Subscriptions	3.23
Printing & Stationery	25.63
Postage, Telegram & Telephone	29.21
Office Electricity Charges	28.50
Insurance Charges	26.99
Repairs & Maintenance – Others	32.55
Entertainment Expenses	14.31
Miscellaneous Expenses	35.00
Vehicle Expenses	7.91
Travelling Expenses – Directors	11.97
– Others	36.60
Directors' Sitting Fees	6.90
Sub Total (b)	450.25
Selling & Distribution	
Advertisement & Sales Promotion	138.13
Freight & Forwarding – Exports	1,163.04
Freight & Forwarding – Local	268.31
Commission Expenses	790.83
Insurance Expenses	39.98
Postage & Telegram	13.11
Other Export Expenses	73.81
Bad Debts & other written off	96.30
Sub Total (c)	2,583.51
Finance Cost (d)	
Bank Charges	335.30
Non Operative Expenses	
Donations	8.43
CSR Expenditure	105.00
Sub Total (e)	113.43
TOTAL (a+b+c+d+e)	14,005.28
NOTE NO. 23 – FINANCE COST	
Interest on Term Loans	1,240.20
Interest on Working Capital	2,433.22
Interest on Others	219.57
TOTAL	3,892.99

Notes forming part of Consolidated Financial Statement for the year ended 31st March, 2015

PART – A

24.1 Background

Consolidated Financial Statements include the parent company, Aarti Drugs Limited and the following subsidiary company:

Name of the Subsidiary	Proportion of Ownership Interest (%)
Pinnacle Life Sciences Pvt. Ltd. (w.e.f. 04.09.2014)	100 % (Previous Year 0%)

24.2 Significant Accounting policies and notes to these Consolidated Financial Statements are intended to serve as means of informative disclosures and a guide to better understanding of the consolidated position of the Company. Recognizing this purpose, the company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures.

24.3. Principles of Consolidation

- This Consolidation Financial Statements are prepared using the Financial Statements of the parent company and the subsidiary company drawn up to the same reporting date.
- The Consolidation of the financial statements of the parent company and its subsidiary is done on line by line basis by adding together like items of assets, liabilities, income and expenses. All intra group transactions, unrealized inter-company profits and balances have been eliminated in the course of consolidation.
- The financial statements of parent company and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- The excess of the cost of the Company's investment in the subsidiary over its share in equity of the subsidiary company, on the date of acquisition, is recognized in the financial statements as Capital Reserve.

24.4 Accounting Policies :

a. Recognition of Income and expenditure

These accounts are prepared under the historical cost convention on accrual basis and under the going concern assumption in accordance with the accounting principles generally accepted in India and the relevant provisions of the Companies Act, 2013.

b. Fixed assets and depreciation

- Fixed assets include all expenditure of capital nature and are stated at cost of acquisition, installation and commissioning and related borrowing cost less depreciation. Fixed asset values are stated at historical cost/revalued cost. Depreciation on fixed assets other than land is charged under the straight-line method in accordance with Schedule II of the Companies Act, 2013. Product/Process development costs arising out of R&D are carried forward when their future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortized over the period of expected future economic benefit, from the related project, not exceeding ten years.
- Impairment loss indicates the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of the net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The Company will recognize such losses whenever they arise.

c. Investments

Long Term Investments are stated at cost. Provisions are made for diminution in value of investments, if any, other than those of a temporary nature.

d. Valuation of Inventories

Inventories are stated at lower of cost or net realizable value, on the following basis:

- Raw materials, packing materials, stores and spares – At cost on FIFO Method
- Work in process – At cost plus appropriate allocation of overheads
- Finished Goods – At cost plus appropriate allocation of Overheads or net realizable value Whichever is lower

e. Retirement Benefits

- In respect of Gratuity and Superannuation fund, the Company's contribution to group insurance scheme of Life Insurance Corporation of India are charged against revenue.
- Provision for incremental liability in respect of encashable privilege leave on separation benefit is made as per independent actuarial valuation at the year end.

**Notes forming part of Consolidated Financial Statement for the year ended 31st March, 2015****f. Revenue Recognition**

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefit will flow to the Company.

- Sale of Goods :

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of excise duty, sale returns and VAT.

- Export Benefits :

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and are accounted to the extent considered receivable

g. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a Qualifying asset are capitalized as part of the cost of that asset. The amounts of borrowing cost eligible for capitalization are determined in accordance with Accounting Standard -16. Other borrowing cost are recognized as an expense in the period in which they are incurred

h. Foreign Currency Transactions

All exchange differences arising from foreign currency transactions are dealt with in the Company's profit and loss account.

i. Research & Development Expenditure:

Revenue Expenses are accounted under the head "Research & Development" and Capital Expenses are Accounted under the head Fixed Assets.

j. Deferred Taxation

Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantially enacted on the Balance Sheet date.

24.5 Contingent Liabilities:

(Rs. In Lakhs)

Sr. No.	Particulars	On the Parent Company March, 15	On the Subsidiary Companies March, 15
a.	In respect of bank guarantees issued & L/C opened by the Company's bankers	4584.73	3.13
b.	Demand in respect of additional income tax disputed in appeal	1133.91	Nil
c.	Demand in respect of additional excise is disputed in appeal	78.51	Nil
d.	Liability for duty on raw material imported under advance licence benefit scheme against which export obligation remained to be fulfilled	189.86	0.00
e.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1212.67	161.24

24.6 Segment-wise Disclosure as per Accounting Standard: 17.**I. BUSINESS SEGMENTS AS PRIMARY SEGMENTS**

The Company is considered to be a single segment Company engaged in pharmaceuticals business, hence the disclosure requirement as per AS-17 'Business Segments as Primary Segment' is not attracted.

(₹ in Lakhs)

II. GEOGRAPHICAL SEGMENTS AS SECONDARY SEGMENTS

Segment Revenue		For the year ended 31 st March, 2015
a)	Exports	41,171.22
b)	Others	76,789.05
	Total	1,17,960.27

Note:

Segmental capital employed:

Fixed assets used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. The Company believes that currently it is not practicable to provide segment disclosures relating to total assets and liabilities.

Notes forming part of Consolidated Financial Statement for the year ended 31st March, 2015

24.7 Related party transactions:

Related party transactions disclosure as required by Accounting Standard – 18. 'Related Party Disclosures' issued by The Institute of Chartered Accountants of India are given below:

A. Name and Relationship of the Related Parties:

3(c) Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of such individual.

1. Individuals

Mr. Chandrakant V. Gogri	Mr. Rajendra V. Gogri
--------------------------	-----------------------

2. Relatives of Individuals

Mrs. Jaya C. Gogri	Mr. Mirik R. Gogri
Mrs. Dhanvanti V. Gogri	Mr. Renil R. Gogri
Mrs. Aarti R. Gogri	Mrs. Hetal Gogri Gala

3(d) Key Management personnel along with their relatives have significant influence.

• Key Management Personnel

Mr. Prakash M. Patil	Mr. Harit P. Shah
Mr. Harshit M. Savla	Mr. Uday M. Patil
Mr. Rashesh C. Gogri	Mr. Sunny Pagare
Mr. Adhish Patil	

• Relatives of Key Management Personnel

Mrs. Priti P. Patil	Mrs. Seema H. Savla
Mr. Arun M. Patil	Ms. Bhoomi H. Savla
Dr. Vikas M. Patil	Mr. Vishwa H. Savla
Mrs. Keserben P. Shah	Mrs. Jayashree H. Shah
Mrs. Aarti T. Sankhe	Mr. Pragji M. Shah
Mrs. Manisha R. Gogri	Mr. Sameer P. Shah

3(e) Enterprise/firms over which controlling individuals have significant influence.

- Aarti Industries Ltd.
- Anushakti Holdings Ltd.
- Rupal Drugs LLP
- Anushakti Chemical & Drugs Ltd.
- Gogri & Sons Investments Pvt. Ltd.
- Alchemie Gases & Chemicals Pvt. Ltd.
- Alchemie Leasing & Financing Pvt. Ltd.
- Alchemie Financial Services Ltd.
- Alchemie Laboratories

Note : Sr. 3(c), 3(d), 3(e) refer to the relevant Para's of AS 18.

B. Transactions with the related parties during the year:

Note: Proportions given in the following statement belong to the respective accounting group as shown in the financial statements for the year ended 31st March, 2015.

Transaction with Related Parties	Enterprise/firms over which controlling individuals have significant influence
	C.Y.
	%
Sales & Income from Operations	0.00
Manufacturing Expenses	1.70
Borrowing costs	2.04
Outstanding Payable	0.89
Outstanding Receivable	0.00
Outstanding Unsecured Loan	5.20

Notes forming part of Consolidated Financial Statement for the year ended 31st March, 2015

Transaction with Related Parties	Individuals	Relatives of Individuals	Key Management Personnel	Relative of Key Management Personnel
	C.Y.	C.Y.	C.Y.	C.Y.
	%	%	%	%
Employee Benefits & Office & Administration Expenses	0.05	0.82	32.26	2.73
Borrowing costs	0.00	0.00	1.19	1.19
Unsecured Loans Accepted	0.00	0.00	3.82	0.02
Unsecured Loans Repaid	0.00	0.00	0.78	3.44
Outstanding Unsecured Loan	0.00	0.00	7.42	0.00

24.8 Directors Remuneration :

(₹ in Lakhs)

Particulars	By the Parent Company 31 st March, 2015	By the Subsidiary Company 31 st March, 2015
Salary to Managing Directors and whole-time Directors	168.09	3.20
Bonus/Leave Travel Allowance/House Rent Allowance/Medical/Leave Salary	46.29	0.56
Commission payable to Directors	209.38	0.00
Contribution to Provident fund	0.83	0.02
Superannuation fund scheme	38.15	0.00
Total Remuneration	462.75	3.78

24.09 Auditors' remuneration includes

(₹ in Lakhs)

Particulars	By the Parent Company 31 st March, 2015	By the Subsidiary Company 31 st March, 2015
Statutory Audit	4.40	0.56
Other Audit Services	0.80	0.00
Certification	0.77	0.00
Total	5.97	0.56

24.10 Earning Per Share:

(₹ in Lakhs except share data)

Particulars	Current Year
Net Profit available for Equity Shareholder	7,725.43
Weighted Number of Equity Shares (Nos.)	2,42,17,100
Basic & Diluted EPS (after extraordinary items) (₹)	31.90
Nominal value per share (₹)	10.00

Notes forming part of Consolidated Financial Statement for the year ended 31st March, 2015

24.11 Details of Subsidiary

(Rs. in Lakhs)

Name of the Subsidiary	Pinnacle Life Science Pvt. Ltd.
The financial year of Subsidiary ended on	31 st March, 2015
Reporting currency	INR
a. Share Capital	778.28
b. Reserves and surplus	360.78
c. Debts + other Liability	3,296.70
Total Liability (a+b+c)	4,435.76
Total Assets	4,435.76
Total Income	1,328.96
Profit/(loss) Before Tax	(324.83)
Tax Expenses	–
Profit/(Loss) after Tax	(324.83)

AS PER OUR REPORT OF EVEN DATE

For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS
Firm Registration No: 103264W

Sd/-
(CA TEJAS J. PARIKH)
PARTNER

Place: Mumbai
Date: 20th May, 2015

For and on behalf of the Board of Directors

Sd/-
Prakash M. Patil
(Chairman & Managing Director)

Sd/-
Harshit M. Savla
(Jt. Managing Director)

Sd/-
Adhish P. Patil
(Chief Financial Officer)

Sd/-
CS Sunny Pagare
(Company Secretary)

**Consolidated Cash Flow Statement**

(₹ in Lakhs)

Sr. Particulars No.	For the year ended 31 st March, 2015
A. Cash Flow from Operating Activities	
Net Profit before Tax and Extraordinary items	9,971.97
ADJUSTMENT FOR:	
Depreciation & Amortisation	3,088.45
Interest Paid	3,893.00
Interest Received	(41.91)
Operating Profit before Working Capital Charges	16,911.51
Trade & Other Receivable	(3,028.93)
Changes in Inventories	(3,644.45)
Trade & Other Payable	1,715.10
Cash generated from operation	11,953.23
Direct Taxes Paid	(1,494.14)
Net Cash Flow from Operating Activities	10,459.09
B. Cash Flow from Investing Activities	
Purchase of Fixed Assets/Capital Work in Progress/Advances	(10,698.14)
Sales/(Purchase) of Investment	(1,255.18)
Right Shares Issue	1,210.66
Interest Received	41.91
Net Cash Flow from Investing Activities	(10,700.75)
C. Cash Flow from Financing Activities	
Proceeds from Long Term Borrowings	7,931.23
Proceeds from Unsecured Loans & from Scheduled Bank	(1,625.05)
Dividend Paid	(2,266.83)
Interest Paid	(3,893.00)
Net Cash Flow from Financing Activities	146.36
Net Increase in Cash and Cash Equivalents (A+B+C)	(95.30)
Opening Cash and Cash Equivalents	453.34
Closing Cash and Cash Equivalents	358.04

Note : (i) Figures in brackets indicate outflows

(ii) Cash and cash equivalent is cash and bank balance as per balance sheet

(iii) Fixed Deposits with bank amounting to ₹ 29.21 lakhs (previous year Nil) under lien are considered as cash and cash equivalents.

AS PER OUR REPORT OF EVEN DATE.

For **GOKHALE & SATHE**
 CHARTERED ACCOUNTANTS
 Firm Registration No: 103264W

Sd/-
(CA TEJAS J. PARIKH)
 PARTNER

Place: Mumbai
 Date: 20th May, 2015

For and on behalf of the Board of Directors

Sd/-
Prakash M. Patil
 (Chairman & Managing Director)

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 (Jt. Managing Director)

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Adhish P. Patil
 (Chief Financial Officer)

Sd/-
CS Sunny Pagare
 (Company Secretary)



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