
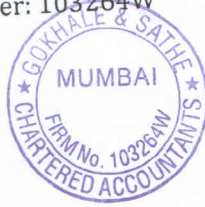


FORM A

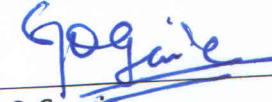
Sr. No.	Particulars	
1	Name of the Company:	Aarti Industries Limited
2	Annual financial statements for the year ended	31 st March, 2015
3	Type of Audit observation	Un - qualified
4	Frequency of observation	Not Applicable

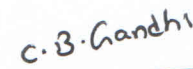
For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS
Firm Registration Number: 103264W

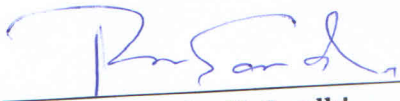

(TEJAS J. PARIKH)
PARTNER
M. No. 123215



For **AARTI INDUSTRIES LIMITED**


Rashesh C. Gogri
Vice Chairman & Managing Director


Chetan B. Gandhi
Chief Financial Officer


Ramdas M. Gandhi
Audit Committee, Chairman

Date: 13th May, 2015
Place: Mumbai



AARTI INDUSTRIES LIMITED



Growth with sustainability
for sustainable growth



Vision

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

Mission

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





Corporate Information

Chairman Emeritus

Chandrakant V. Gogri

Board of Directors

Rajendra V. Gogri

Chairman & Managing Director

Rashesh C. Gogri

Vice Chairman & Managing Director

Shantilal T. Shah

Vice Chairman

Independent Directors

Ramdas M. Gandhi

Laxmichand K. Jain

Vijay H. Patil

K.V.S. Shyam Sunder

P. A. Sethi

Bhavesh R. Vora

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

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

Whole-time Directors

Parimal H. Desai

Manoj M. Chheda

Hetal Gogri Gala

Kirit R. Mehta

Renil R. Gogri

Chief Financial Officer

CA Chetan Gandhi

Company Secretary

CS Mona Patel

Auditors

M/s. Gokhale & Sathe,

308/309, Udyog Mandir No. 1, 7-C, Bhagoji Keer Marg,
Mahim, Mumbai – 400 016

Registrar & Transfer Agent

M/s. Sharepro Services (India) Pvt. Ltd.

Samhita Warehousing Complex,
Gala No. 52 to 56, Bldg. No.13 A-B,
Near Sakinaka Telephone Exchange,
Andheri-Kurla Road, Sakinaka, Mumbai - 400 072
Telephone - 022-67720300/67720400
Fax No. - 022-28591568

Bankers

Axis Bank Ltd.

Bank of Baroda

Citi Bank N.A.

DBS Bank Ltd.

Export-Import Bank of India

First Rand Bank

HDFC Bank Ltd.

IDBI Bank Ltd.

IndusInd Bank Ltd.

Kotak Mahindra Bank Ltd.

Societe Generale

Standard Chartered Bank

State Bank of India

Registered Office

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

Corporate Identity Number:

L24110GJ1984PLC007301

Corporate Office

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

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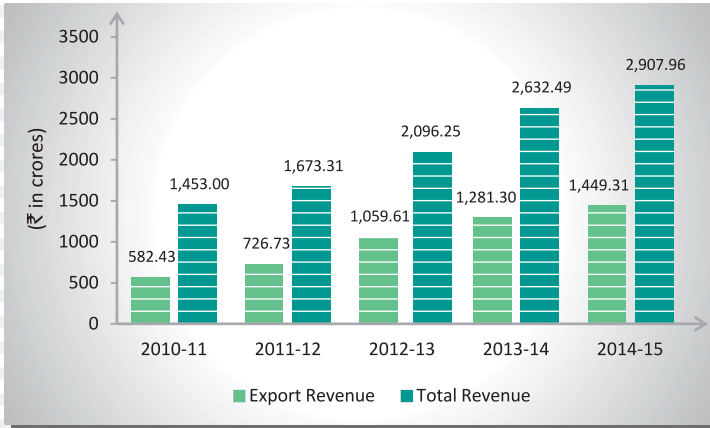
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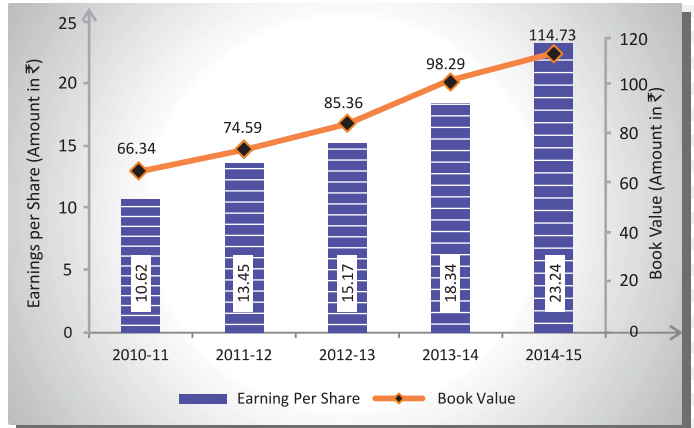
Consolidated Financial Highlights



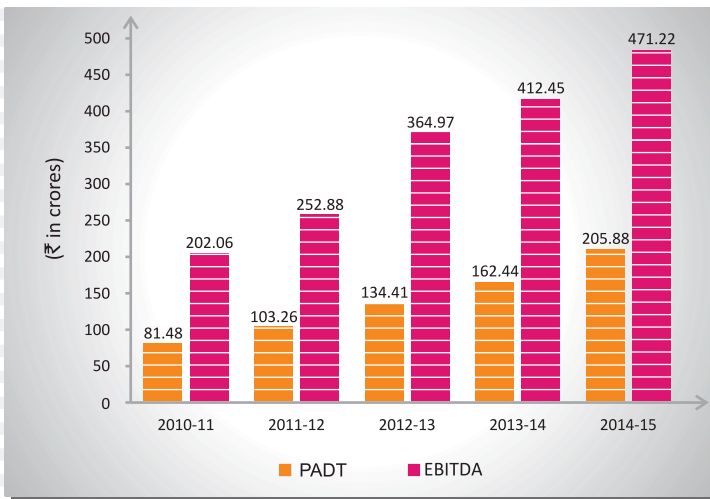
Export Revenue & Total Revenue



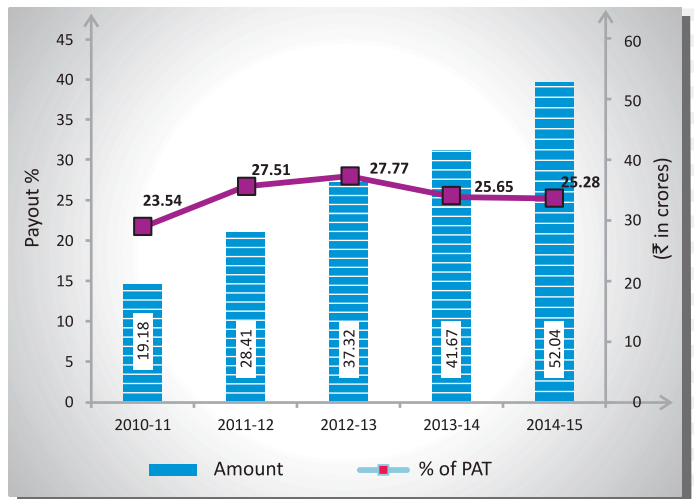
Earnings per Share & Book Value



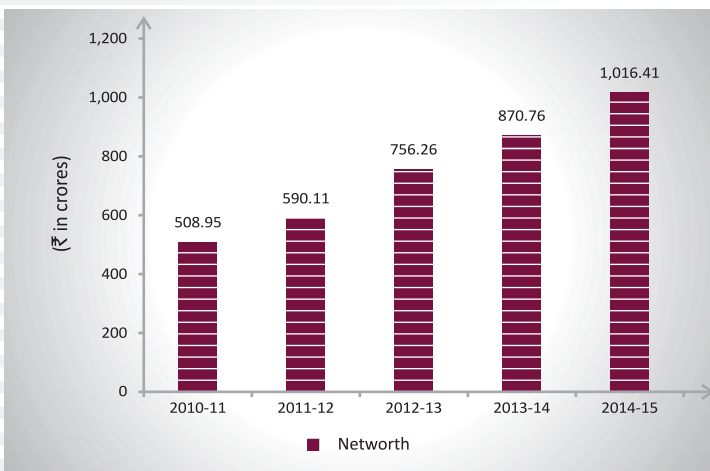
Profit After Deferred Tax And EBITDA



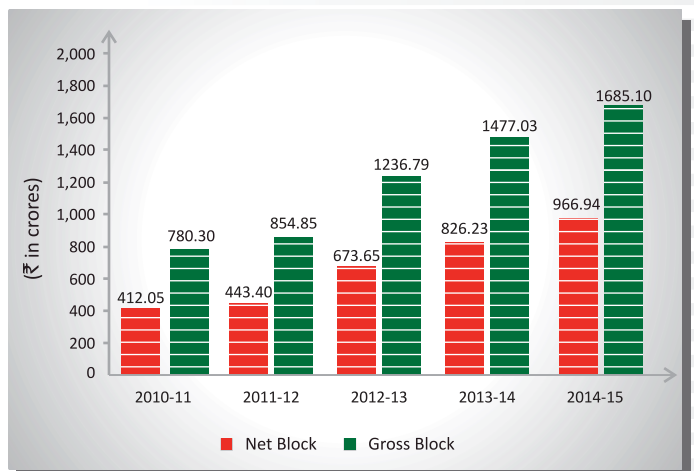
Dividend Payout



Network



Net Block & Gross Block



**CONSOLIDATED FINANCIAL HIGHLIGHTS**

(₹ in Lakhs)

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

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

* Based on increased equity post conversion of Preferential warrants.

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



NOTICE

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

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

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

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Kirit R. Mehta (DIN: 00051703) as



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

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

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Parimal H. Desai (DIN: 00009272) as a Whole-time Director, designated as Executive Director of the Company, for a period of 5 (Five) years with effect from 10th February, 2016 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Parimal H. Desai, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

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

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

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

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

"RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 31st Annual General Meeting held on 24th September, 2014 and pursuant to Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board") to borrow any sum or sums of money/ies, from time to time, notwithstanding that money so borrowed together with the money/ies already borrowed by the Company (apart from temporary loans obtained/to be obtained from the Company's bankers, including and not limited to working Capital Loans, in the ordinary course of business), and outstanding at any point of time, may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose, provided that the total amount so borrowed by the Board shall not exceed ` 2,500 Crores (Rupees Two Thousand Five Hundred Crores only).

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to arrange and finalise the terms and conditions of all such monies to be borrowed from time to time and to do all such acts, matter, deeds and things as may be necessary or expedient for implementing and for giving effect to the above resolution in the best interest of the Company."



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

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

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

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

Place: Mumbai
Date: 13th May, 2015

By order of the Board

Sd/-
CS MONA PATEL
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. Further, a Member holding more than 10% (ten percent), of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

The instrument appointing a proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of meeting.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business at Item Nos. 6 to 12 above is annexed hereto and forms part of the Notice.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September, 2015 to 24th September, 2015 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended 31st March, 2015 and the AGM.

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



5. All documents referred to in the accompanying notice and the explanatory statement are open for inspection at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m., up to the date of the AGM.
6. Members holding shares in physical form are requested to inform the Company's Registrars and Transfer Agents, M/s. Sharepro Services (India) Private Limited, immediately of any change in their address and bank details. Members holding shares in dematerialised form are requested to intimate all changes with respect to their address, bank details, mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. This will help the Company to provide efficient and better service to the Members.
7. Members holding shares in dematerialized form are requested to register their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) and Permanent Account Number (PAN) with their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA as the same is mandated by the Securities and Exchange Board of India.
8. Queries on accounts may please be sent to the Company 10 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
9. The Company has transferred unclaimed amounts of 2nd Interim dividend, for the year 2006-07 and Interim dividend for the year 2007-08 to the Investor Education and Protection Fund as required under Sections 205A and 205C of the Companies Act, 1956.
10. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of the 31st Annual General Meeting (AGM) held on 24th September, 2014, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.aartigroup.com.
11. The Company is concerned about the environment. We request you to update your email address with your Depository Participants to enable us to send you communications via email. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their e-mail addresses to the Sharepro Services (India) Private Limited (RTA) sending an e-mail at sharepro@shareproservices.com or to the Company at investorrelations@aartigroup.com.
12. Copies of the Annual Report 2014-15 are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for 2014-15 are being sent by the permitted mode.
13. Members/Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

14. Voting Options

(1) Voting through Electronic Means

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

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

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

- (i) Open email and open PDF file viz; "Aarti Industries Limited e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>



AARTI INDUSTRIES LIMITED

- (iii) Click on Shareholder - Login.
- (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of Aarti Industries Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to investorrelations@aartigroup.com with a copy marked to e-voting@nsdl.co.in.

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

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

(2) Voting at AGM:

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

OTHER INSTRUCTIONS

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



AARTI INDUSTRIES LIMITED

- 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 17th September, 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. 17th September, 2015 may obtain the login ID and password by sending an email to investorrelations@aartigroup.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 Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- XI. The Scrutiniser 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. Scrutiniser shall within 3 days of conclusion of the meeting submit a consolidated scrutiniser 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 Scrutinisers 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.

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

Place: Mumbai
Date: 13th May, 2015

By order of the Board

Sd/-
CS MONA PATEL
Company Secretary



Brief resume of Directors seeking appointment/re-appointment are as under:

PARTICULARS	SHRI RENIL R. GOGRI	SHRI SHANTILAL T. SHAH	PROF. GANAPATI D. YADAV
Date of birth and age	14.04.1987 (28 years)	28.12.1938 (76 years)	14.09.1952 (62 years)
Appointed on	16.08.2012	25.04.1990	25.09.2014
Qualifications	Mechanical Engineer from IIT, Mumbai	B.Com.	FTWAS, FNA, FNASc, FRSC(UK), FICHEM (UK), FIICHE
Experience and expertise in specific functional areas	He is presently handling portfolio of IT, process Automation, Aarti Management System for Eng. Purchases, Safety & Operations etc., project implementation and other production related activities of the Company.	He has 50 years of experience in marketing, finance and administrative function in chemical industry. Currently he is Non-executive Vice Chairman of the Company.	He presently holds the distinguished position of Vice Chancellor of Institute of Chemical Technology (ICT). He is a fellow and/or honorary professor for various premier institutions across various countries viz. USA, Canada, UK, Amsterdam, Taiwan, China, etc. He ranks among the preeminent engineers and academicians in India. He provided inspiring academic and professional leadership to the Institute of Chemical Technology (ICT), the Indian Institute of Chemical Engineers (IIChE) and Catalysis Society of India, and Maharashtra Academy of Sciences. He authored over 300 original research papers in 51 cross-disciplinary international peer-reviewed journals. He holds 68 patents and has authored 3 books. He received numerous honours and distinctions for his innovative contributions to green chemistry and engineering, catalysis science and engineering, chemical reaction engineering, nanotechnology and energy engineering.
Directorships held in other (excluding foreign) Companies	Anushakti Holdings Limited Anushakti Chemicals And Drugs Limited Alchemie Finserv Private Limited Alchemie Leasing And Financing Private Limited Spark Academy Private Limited	Aarti Corporate Services Limited Nascent Chemical Industries Limited Aarti Ventures Limited The Dharamsi Morarji Chemical Company Limited Crystal Millennium Realtors Private Limited Dhaval Realtors (India) Private Limited Radiant Entertainments Private Limited Unidus Developers & Logistics Private Limited Kucchhi Realtors & Developers Private Limited	Clean Science and Technology Private Limited
Memberships/Chairmanships of committees across public companies	None	<u>Share Transfer Committee</u> Aarti Industries Ltd. – Member <u>Finance and Investment Committee</u> Aarti Industries Ltd. – Member <u>Stakeholders Relationship Committee</u> Aarti Industries Ltd. – Chairman	None
No. of shares held in the Company	2118975	2079868	1200



Brief resume of Directors seeking appointment/re-appointment are as under:

PARTICULARS	SMT. PRITI PARAS SAVLA	SHRI KIRIT R. MEHTA	SHRI PARIMAL H. DESAI
Date of birth and age	13.09.1977 (37 years)	02.08.1948 (67 years)	29.05.1949 (66 years)
Appointed on	25.09.2014	18.09.2000	28.09.1984
Qualifications	B.Com., FCA	B.Com.	Chemical Engineer from UDCT (now known as ICT).
Experience and expertise in specific functional areas	She has more than 10 years of post-qualification experience. Her core area of practice is Audit & Assurance, Internal Audits, Risk Mitigation and control Mechanism, Risk Management, Investigation, Project Finance.	He has wide experience in dealing with various Government authorities at Vapi, Sarigam and Jhagadia at Gujarat and Tarapur in Maharashtra where Company's manufacturing units are located. He was the President of Federation of Industries Association Gujarat, Executive member of Gujarat Chamber of Commerce and Industries and also the President of Sarigam Industries Association and the President of Vapi Industries Association.	He has more than 37 years experience in Development and project implementation in the Chemical industry.
Directorships held in other (excluding foreign) Companies	Perch Strategic Advisors Private Limited Aarti Drugs Limited	Anushakti Holdings Limited Anushakti Chemicals and Drugs Limited Sarigam Waste and Effluent Management Company Limited Amrey Enterprises Private Limited Innovative Envirocare Jhagadia Limited	Alchemie Dye Chem Private Limited Nikhil Holdings Private Limited Anushakti Chemicals and Drugs Limited Mindcruisers Consulting Private Limited Aarti Corporate Services Limited
Memberships / Chairmanships of committees across public companies	None	<u>Audit Committee:</u> Anushakti Holding Ltd. – Chairman <u>Stake Holders Relationship Committee:</u> Aarti Industries Ltd. – Member <u>Finance and Investment Committee:</u> Aarti Industries Ltd. – Member <u>Corporate Social Responsibility Committee</u> Aarti Industries Ltd. – Member	<u>Audit Committee:</u> Anushakti Chemical and Drugs Ltd. – Chairman Aarti Industries Ltd. – Member <u>Finance and Investment Committee:</u> Aarti Industries Ltd. – Member
No. of shares held in company	NIL	49980	350446

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

Place: Mumbai
Date: 13th May, 2015

By order of the Board

Sd/-
CS MONA PATEL
Company Secretary



ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

ITEM NOS. 6 and 7

Prof. Ganapati D. Yadav is presently Vice Chancellor of Institute of Chemical Technology (ICT). He is elected on the Chair of the ACS India International Chemical Sciences Chapter and is also awarded with Life Time Achievement Award and Gold Medal from Indian Council of Chemists. He has been appointed Additional Director (Independent Director) of the Company since 25th September, 2014.

Smt. Priti P. Savla, B.Com., FCA a practicing Chartered Accountant, she has more than ten years of post-qualification experience. She has been appointed Additional Director (Independent Director) of the Company since 25th September, 2014.

Prof. Ganapati D. Yadav and Smt. Priti P. Savla, Additional (Independent Directors) of the Company, had been appointed as Directors not liable to retire by rotation in terms of the Listing Agreement. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force) they, being eligible, are sought to be appointed as Independent Directors for a period of 3 (three) years, and not liable to retire by rotation.

The Company has received notices in writing under the provisions of Section 160 of the Companies Act, 2013 from members along with a deposit of ₹ 1,00,000/- in each case, proposing candidature of Prof. Ganapati D. Yadav and Smt. Priti P. Savla for the office of Independent Directors, to be appointed as such under the provisions of Section 149 of the said Act.

The Company has received from both the said Directors, consent in writing to act as director and declaration to the effect that they are not disqualified under Section 164(2) of the Companies Act, 2013 in prescribed Form DIR-2 and DIR - 8 respectively. Further, the Company has received from both the Directors, a declaration to the effect that he/she meets criteria of independence as provided in Section 149(6) of the said Act. Further, in terms of Sections 149, 152 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by both the said Directors that he/she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of opinion that they fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder and are independent of the management.

The Board considers that continued association of both the said Independent Directors would be of immense benefit to the Company in view of their qualification, expertise and experience in their respective field as also exposure to the corporate culture and governance. Further, continued association of both the said Directors would be of immense benefit to the Company and it is desirable to continue to avail services of each one of them as Independent Directors.

Copies of the draft letters for appointment proposed to be issued to Prof. Ganapati D. Yadav and Smt. Priti P. Savla as an Independent Director setting out the terms and conditions thereof are available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on all working days between 11.00 a.m. to 1.00 p.m., up to the date of the AGM.

The resolutions proposed at Item Nos. 6 and 7 of the accompanying Notice, seek the approval of the members for appointment each of the said Directors as an Independent Director of the Company, not liable to retire by rotation for a period of 3 (three) years w.e.f. date of this Annual General Meeting i.e., 24th September, 2015 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder.

Your Directors thus commend the said resolutions for your approval as an Ordinary Resolutions. Prof. Ganapati D. Yadav and Smt. Priti P. Savla are interested in the resolution pertaining to their respective appointment as an Independent Director.



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

ITEM NO. 8

Shri Kirit R. Mehta has been the Whole-time Director of the Company since 18th September, 2000. Based on the recommendation of the Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors have reappointed Shri Kirit R. Mehta as the Whole-time Director of the Company with effect from 18th September, 2015, for a period of five years, on expiration of his previous term, subject to the approval of the Company in General Meeting upon the terms and conditions set out in the draft Agreement to be entered into by the Company with him. The said agreement, inter-alia, contains the following material, terms and conditions:

1. **Period of Agreement:** 18.09.2015 to 17.09.2020

2. **REMUNERATION :**

(a) **Salary:** Salary of ` 1,80,000/- per month with power to the Board to make annual increment subject to maximum Salary of ` 5,00,000/- per month.

(b) **Perquisites:** In addition to salary the whole-time director shall be entitled to the following perquisites/allowances: House rent allowance, Reimbursement of medical expenses and medical insurance premiums for self and family; leave travel allowance, fees of clubs, telephone and internet facilities at residence and mobile phone facility, personal accident insurance; Bonus, ex-gratia incentives, assignment of key man or other insurance policies obtained by the Company, contribution to National Pension scheme and such other perquisites and special allowances as may be determined by the Board of Directors from time to time.

(c) Whole-time Director shall also be entitled to following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

(i) Contribution to Provident Fund, Contributions to superannuation fund or annuity fund as per the rules of the Company. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity payable at rate not exceeding half a month's salary for each completed year of service; and

(iii) Encashment of leave at the end of the tenure.

(iv) Provision of car for business of the Company and telephone at residence shall not be treated as perquisites. Use of car for personal purpose and personal long distance calls on telephone shall be billed by the Company.

Explanation: For the purpose of this agreement "family" means the spouse, the dependent children and dependent parents of the Whole-time Director.

(d) The perquisites and allowances together with the salary payable as aforesaid shall be restricted to and be subject to the applicable overall maximum ceiling limit set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

3. Where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as aforesaid.

4. The Whole-time Director shall be entitled to annual privilege leave on full salary for a period of thirty days and shall be entitled to accumulate such leave. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

5. No sitting fee shall be payable to him for attending the Meetings of the Board of Directors or Committee thereof.



6. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 180 days notice in writing in that behalf without the necessity of showing any cause and on the expiry of the period of such notice this Agreement shall stand determined and the Whole-time Director shall cease to be the Whole-time Director of the Company. Provided that the aforesaid notice may be waived mutually.
7. The terms and conditions of the said appointment herein and/or Agreement may be altered and varied by the Board from time to time at their discretion as they may deem fit so as not to exceed the limits specified in Schedule V to the Companies Act, 2013, or any amendments made hereafter in that regard.
8. The other terms and conditions of the Agreement are such as are customarily contained in agreement of similar nature.
9. The said appointment/agreement including the remuneration payable to him is subject to the approval of the Company and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/approved as aforesaid.

The above may be treated as an abstract of the Agreement to be entered into between the Company and Shri Kirit R. Mehta pursuant to Section 190 of the Companies Act, 2013.

The draft Agreement to be entered into between the Company and Shri Kirit R. Mehta is open for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays upto the date of Annual General Meeting.

Your Directors recommend the resolution for your approval.

Shri Kirit R. Mehta is interested in the said resolution. None of the other Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested and financially or otherwise, in the said resolution.

ITEM NO. 9

Shri Parimal H. Desai has been the Whole-time Director of the Company since 28th September, 1984. Based on the recommendation of the Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors have reappointed Shri Parimal H. Desai as the Whole-time Director of the Company with effect from 10th February, 2016, for a period of five years, on expiration of his previous term, subject to the approval of the Company in General Meeting upon the terms and conditions set out in the draft Agreement to be entered into by the Company with him. The said agreement, inter-alia, contains the following material, terms and conditions:

1. **Period of Agreement:** 10.02.2016 to 09.02.2021
2. **Remuneration:**
 - (a) **Salary:** Salary of ` 3,05,000/- per month with power to the Board to make annual increment subject to maximum Salary of ` 5,00,000/- per month.
 - (b) **Commission:**

In addition to the salary as above, he shall also be entitled to be paid share in aggregate commission calculated at the rate of 2% of net profit of the Company computed under Section 198 of the Companies Act, 2013, payable to all the Managing/Whole-time Directors of the Company. Share of such commission shall be determined by the Board of Directors of the Company. The commission will be calculated and payable every quarter on quarterly Net Profits of the Company computed in accordance with Section 197 read with Section 198 of the Companies Act, 2013. The commission payable on a quarterly basis shall be adjusted for the relative performance of the Company as per method approved by the Nomination and Remuneration Committee.



(c) **Perquisites/allowances:**

In addition to salary and Commission, the whole-time director shall be entitled to the following perquisites/allowances: House rent allowance, Reimbursement of medical expenses and medical insurance premiums for self and family; leave travel allowance, fees of clubs, telephone and internet facilities at residence and mobile phone facility, personal accident insurance, Bonus, ex-gratia incentives, assignment of key man or other insurance policies obtained by the Company, contribution to National Pension scheme and such other perquisites and special allowances as may be determined by the Board of Directors from time to time.

(d) Whole-time Director shall also be entitled to following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein:

(i) Contribution to Provident Fund, Contributions to superannuation fund or Annuity fund as per the rules of the Company. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity payable at rate not exceeding half a month's salary for each Completed year of service; and

(iii) Encashment of leave at the end of the tenure.

(iv) Provision of car for business of the Company and telephone at residence shall be not be treated as perquisites. Use of car for personal purpose and personal long distance calls on telephone shall be billed by the Company.

Explanation: For the purpose of this agreement "family" means the spouse, the dependent children and dependent parents of the Whole-time Director.

(e) The perquisites and allowances together with the salary and commission payable as aforesaid shall be restricted to and be subject to the applicable overall maximum ceiling limit set out in Section 197 read with Schedule V of the Companies Act, 2013 or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time.

3. Where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as aforesaid.
4. The Whole-time Director shall be entitled to annual privilege leave on full salary for a period of thirty days and shall be entitled to accumulate such leave. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
5. No sitting fee shall be payable to him for attending the Meetings of the Board of Directors or Committee thereof.
6. Notwithstanding anything to the contrary contained in the Agreement, either party shall be entitled to terminate the Agreement, at any time by giving to the other party 180 days notice in writing in that behalf without the necessity of showing any cause and on the expiry of the period of such notice this Agreement shall stand determined and the Whole-time Director shall cease to be the Whole-time Director of the Company. Provided that the aforesaid notice may be waived mutually.
7. The terms and conditions of the said appointment herein and/or Agreement may be altered and varied by the Board from time to time at their discretion as they may deem fit so as not to exceed the limits specified in Schedule V to the Companies Act, 2013, or any amendments made hereafter in that regard.
8. The other terms and conditions of the Agreement are such as are customarily contained in agreement of similar nature.
9. The said appointment/agreement including the remuneration payable to him is subject to the approval of the Company and all such sanctions as may be necessary and shall be given effect to as per the modification, if any, made/approved as aforesaid.



The above may be treated as an abstract of the Agreement to be entered into between the Company and Shri Parimal H. Desai pursuant to section 190 of the Companies Act, 2013.

The draft Agreement to be entered into between the Company and Shri Parimal H. Desai is open for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays upto the date of Annual General Meeting.

Your Directors recommend the resolution for your approval.

Shri Parimal H. Desai is interested in the said resolution. None of the other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 10

A proposal for appointment of Cost Auditor for 2015-16 was recommended by the Audit Committee to the Board. It was proposed to re-appoint Ms. Ketki D. Visariya, Cost Accountant, as Cost Auditor. Certificate dated 8th May, 2015 issued by Ms. Ketki Damji Visariya regarding her eligibility for appointment as Cost Auditor will be available for inspection at the registered office of the Company during 11.00 a.m. to 1.00 p.m. on working days.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

Your Board thus commend the said resolution for your approval as an Ordinary Resolution.

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

ITEM NO. 11

The members of the Company, at the 31st Annual General Meeting held on 24th September 2014, by way of an Special Resolution passed under Section 180(1)(c) of the Companies Act, 2013, had accorded their consent to the Board of Directors to borrow funds up to an amount of ` 2,000 Crores (Rupees Two Thousand Crores Only) over and above the aggregate of paid up share capital and free reserves of the Company.

Pursuant to Section 180 of the Companies Act, 2013 effective from 12th September, 2013, prior consent of the Company is required by way of a special resolution to the Board of Directors 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.

Having regard to the growth in the operations and ongoing capital expenditure plans, it is necessary to augment long terms funds required by the Company. It is, therefore, proposed to obtain consent of the members by way of a Special Resolution under Section 180 and other applicable provisions of the Companies Act, 2013, to increase the borrowing powers of the Board of Directors as set out in the draft resolution proposed at Item No. 11 of the accompanying Notice to ` 2,500 Crores (Rupees Two Thousand Five Hundred Crores only).

Your Board thus commend the said resolution for your approval as a Special Resolution.

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.

ITEM NO. 12

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed, inter alia, under Section 42 of the Act deals with private placement of securities by a Company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for Non-Convertible Debentures (NCDs) on private placement, the Company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.



AARTI INDUSTRIES LIMITED

Company is expecting to borrow up to ` 300 Crores (Rupees Three Hundred Crores Only) by way of issue of NCDs during the period from the date of passing of this resolution till the next annual general meeting with a view to augment long term resources for financing, inter alia, ongoing capital expenditure and for general corporate purposes including and not limited to long term working capital needs.

Accordingly, the approval of the members is being sought for issuance of NCDs upto ` 300 Crores, in one or more tranches, within the overall borrowing limits of the Company, as approved by the members from time to time, as stated in the draft resolution.

The Board recommends the resolution for your approval as a Special Resolution.

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

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

Place: Mumbai
Date: 13th May, 2015

By order of the Board

Sd/-
CS MONA PATEL
Company Secretary

**DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS**

TO THE MEMBERS OF AARTI INDUSTRIES LIMITED

Your Directors are pleased to present this Thirty Second Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS

(` in Crores)

Particulars	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Net Sales	2,824	2,599	2,861	2,598
Other Operating Income	47	34	47	34
Total Income from Operations (Net)	2,871	2,633	2,908	2,632
Expenses				
a) Cost of Material Consumed	1,646	1,631	1,644	1,630
b) Purchases of Stock-in-trade	132	117	171	117
c) Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade	17	(62)	17	(62)
d) Employee Benefits Expenses	90	76	94	79
e) Depreciation and Amortisation Expenses	79	87	82	88
f) Other Expenses	529	476	516	467
Total Expenses	2,493	2,325	2,524	2,319
Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items	378	308	384	313
Other Income/Exceptional Items	5	10	9	11
Profit/(Loss) before Finance Costs	383	318	393	324
Finance Costs	137	118	138	118
Profit/(Loss) before Tax	246	201	255	206
Tax Expenses				
a) Provision for Taxation-Current (net of MAT entitlement)	40	38	43	40
b) Provision for Deferred Tax	18	14	18	14
Total Tax Expenses	58	52	61	54
Share of Profit/(Loss) of Associates	—	—	14	11
Minority Interest	—	—	(2)	(1)
Net Profit/(Loss) after consolidation	188	149	206	162
Earnings Per Share (`)	21.20	16.78	23.24	18.34
Book Value Per Share (`)	102.47	87.90	114.73	98.29



DIVIDEND

Your Company had declared and paid Interim Dividends of ` 3.75 ps. (@ 75%) per share (of ` 5/- each). Your directors are pleased to recommend a Final Dividend of ` 1.75 ps. (@ 35%) per share (of ` 5/- each) for the Financial Year 2014-15, aggregating to the Total Dividend of ` 5.50 ps. (@ 110%) per share (of ` 5/- each) for the Financial Year 2014-15 compared to the Total Dividend of ` 4.50 ps. (@ 90%) per share (of ` 5/- each) for the Financial Year 2013-14. The total amount of Dividend pay-out for the year would be ` 48.73 Crores (Previous Year: ` 39.87 Crores).

Your Company has transferred ` 19.00 Crores to General Reserve (Previous Year: ` 14.90 Crores) and ` 30.00 Crores to Debenture Redemption Reserve (Previous Year: Nil).

FINANCIALS

Your Company is pleased to report continuation of its growth momentum. In spite of the inventory losses due to sharp decline in input prices (trailing the fall in crude prices), your Company had been able to present the growth in bottom line by over 25%.

Your Company's Total Income stood at ` 2,871 Crores, up by 9% as compared to ` 2,633 Crores in Financial Year 2013-14. Operating Profit rose by 15% to ` 456 Crores for Financial Year 2014-15 as compared to ` 395 Crores for Financial Year 2013-14. Operating Margins increased from 15% for Financial Year 2013-14 to about 16% for Financial Year 2014-15.

Net Profit Before Tax rose by 22% to ` 246 Crores in Financial Year 2014-15 as compared to ` 201 Crores in Financial Year 2013-14. Likewise, Net Profit after Tax & Deferred Tax also grew by 26% to ` 188 Crores in Financial Year 2014-15 as compared to ` 149 Crores in Financial Year 2013-14.

On a Consolidated basis, your Company's Total Income stood at ` 2,908 Crores, up by 10% as compared to ` 2,633 Crores in Financial Year 2013-14. Operating Profit (before other income) rose by 16% to ` 466 Crores as compared to ` 402 Crores in Financial Year 2013-14. Similarly, Net Profit after consolidation grew by 27% to ` 206 Crores in Financial Year 2014-15 as compared to ` 162 Crores in Financial Year 2013-14. Likewise, Consolidated EPS surged by about 27% at ` 23.24 for Financial Year 2014-15, as compared to ` 18.34 for Financial Year 2013-14.

With these stable and consistent performances, the Consolidated Profits for your Company had surpassed ` 200 Crores mark. After going Public in 1992, your Company had been able to achieve and cross the historic ` 100 Crores consolidated profits in Financial Year 2011-12 and in next three years' time your Company has been able to double the same. With these numbers, the consolidated profits have grown for last 5 years at a CAGR of about 26%, while the revenues have grown at a CAGR of about 19% during the same period. A large part of this growth is on account of increased volumes from global markets.

CHEMICAL INDUSTRY – STRUCTURE & DEVELOPMENT

Speciality Chemicals are a group of high value, low volume chemicals formulated for developing/enhancing properties of specific products. The customised product requires special technologies, process expertise and understanding of client needs, and so the industry typically commands limited competition, yielding higher gross margins and returns than other chemical sub-segments.

The Global Speciality Chemicals market is growing at a fast pace. Despite the economic recession, it has recovered and is showing signs of high growth in the future. According to TechNavio Analysis, the Global Speciality Chemicals market is expected to **grow at a CAGR of 5.16% during the period 2013-2018** and reach US \$760.9 billion by 2018 (from US\$ 619.0 billion in 2014).

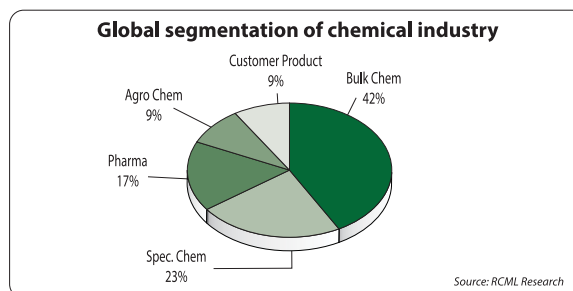
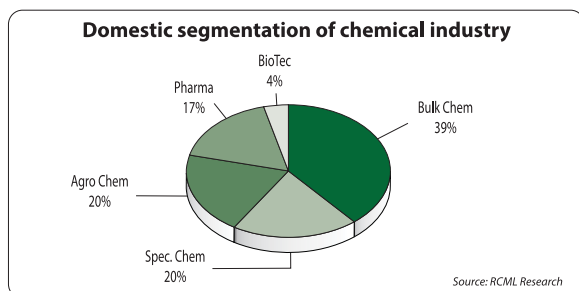


Industry Segmentation

The chemical industry is an integral constituent of the growing Indian Industry. It includes basic chemicals and its products, petrochemicals, fertilizers, paints, varnishes, gases, soaps, perfumes and toiletry and pharmaceuticals. It is one of the most diversified of all industrial sectors covering thousands of commercial products. This Industry occupies a pivotal position in



meeting basic needs and improving quality of life. The Industry is the main stay of industrial and agricultural development of the country and provides building blocks for several downstream industries, paints, soaps, detergents, pharmaceuticals, varnish etc.



The Indian Chemical industry has witnessed robust growth in the past decade and has been ranked 6th largest in the world and 3rd largest in the Asia according to United Nations Industrial Development Organisation (UNIDO). The industry has been forecast to reach USD 200 billion mark by 2020.

Indian government is rendering extensive support to give impetus to the Indian chemical industry and has set up the task force to consider suggestions for National Chemical Policy to ensure steady growth of the country's chemical sector.

Indian Speciality chemicals industry is expected to grow at a robust pace driven by consumption boom, infrastructure spending and exports to international markets.

Proxy to play consumption as well as infrastructure theme

The key demand drivers for Speciality chemicals are per capita income growth, rising urbanisation and infrastructure spending. The per capita chemical consumption for India in most categories of Speciality chemicals (paints, dyes, polymers, home and personal care etc.) is only about 15-20% of the global average, thus, there is a significant opportunity for growth.

While around 70% of Speciality chemical demand is linked to consumer spending, the balance is used by construction and infrastructure industry. As domestic consumer as well as infrastructure spending slowed in the past couple of years, Indian Speciality chemical companies were impacted though overall impact was limited due to strong growth in exports. However, both these dynamics are expected to improve in medium to long term.

The robust demand for Speciality chemicals (FICCI est: 13%) would be driven by strong growth in end-user industries itself. While the ones linked to infrastructure (construction chemicals, paints, water chemicals, industrial cleaners) are expected to grow at >15%, the other categories (dyes, personal care, plastic additives, rubber chemicals) are expected to grow at 10-15%.

Key end user industries for Speciality chemicals in India and their expected growth rates

Segment	2012 Size (US\$ bn)	Exp. vol. CAGR (%)
Paints and Coatings	4.0	15
Colorants	3.7	10
Speciality polymers	1.5	15
Home care surfactants	1.2	5
Plastic additives	1.0	12
Textile chemicals	0.9	11
Construction chemicals	0.7	25
Water chemicals	0.7	7
Personal care ingredients	0.5	9
Flavors and fragrances	0.5	10
Paper chemicals	0.5	22
Printing inks	0.5	10
Industrial cleaners	0.2	19
Rubber chemicals	0.2	13
Other segments	6.3	15
Total	22.4	13

Source FICCI



Exports to propel further growth

With improving cost competitiveness (particularly w.r.t. China), favourable IPR framework and strong domestic demand outlook, India is emerging as a preferred manufacturing destination for Speciality chemicals. China is losing out its edge over India in chemical manufacturing due to:

- (1) steep cost inflation (labour costs);
- (2) stricter compliance of environmental regulations being enforced in China, while in India the same had been already in place since past few years; and
- (3) Yuan appreciation in recent years.

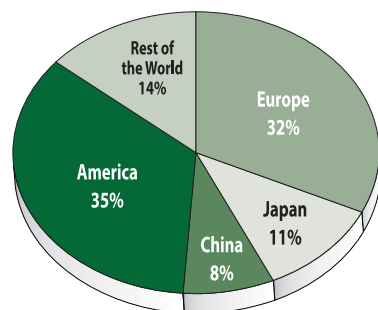
Chemical exports from India have grown at 22% CAGR over 2010-14, significantly outpacing the global demand growth (3-4%) and the trend has continued through in 2015 as well.

Shares in exports of chemicals

Exports from India are likely to get further fillip and India is expected to increase export market share (from miniscule 2% currently) with:

- Curtailment of capacities in developed countries: While capacities are being closed in developed world, a simultaneous scale up of capacities is being witnessed in emerging economies.
- De-risking of exports by global MNCs: The major MNCs are trying to de-risk their supply chain by diversifying their RM procurement away from China (amongst the developing countries). During the past decade, China aggressively added chemical capacities and became the largest exporter (amongst the developing countries) to MNCs. However, as risks associated with Chinese exports increase (domestic slowdown, currency appreciation etc.), MNCs are seeking to increasingly prefer India amongst the developing countries for their RM supplies.

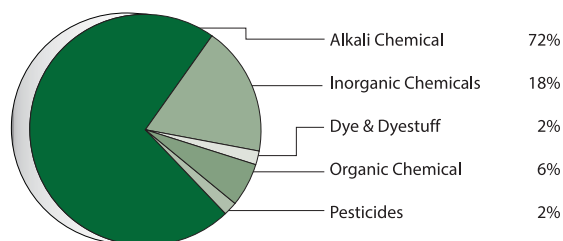
The Indian Chemical Companies are expected to get further fillip under the **“Make in India”** drive. Various new projects are proposed to be commenced with a focus to make India as a manufacturing hub for those products. This shall increase the direct and indirect demand of various chemicals. These chemicals are expected to contribute directly or indirectly as Import Substitute or contribute to the increase in exports from India.



Geographical Spread of AIL's Export Revenue

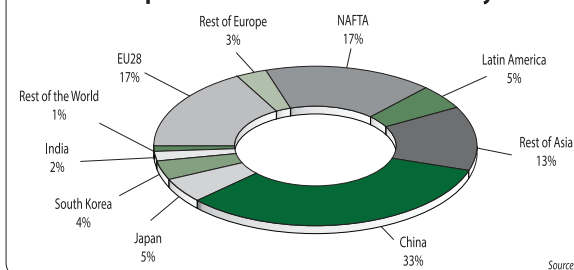
quality requirements of the customers, have enabled your Company to increase its presence in the global arena over a period of time and also have helped it to work along with the customers in their growth plan and thus have been able to add new products around this phase of growth.

Profile of Exports of Indian Chemicals



Source: Corporate Catalyst India Pvt. Ltd.

Spread of Global Chemical Industry



Source: CEFIC

Your Company is a leading manufacturer of Speciality Chemicals and has integrated presence across various value chains. Your Company's diversified end-user application and customer profile had provided a significant insulation against the global downturns and various geographic volatilities. Your Company's strength to meet the Stringent and Customised specifications for each of its 800+ customers have helped it gain customer confidence and trust and also to open up new growth opportunities. Exports, which accounts for half of the total revenues, is well spread across various customers which your Company caters across different geographies, as mentioned in the adjacent chart.

Also significant quanta of domestic supplies are converted/value added and eventually exported. Thus about 70% of our volumes are directly or indirectly exported. Your Company's global market position, strategic arrangements with key customers, Customised delivery offerings, increased scale of Operations, ability to meet the stringent



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We now present you some highlights of the year passed by, starting with the brief Segmental financials as below:

(` in Crores)

Particulars	Speciality Chemicals	Pharmaceuticals	Home & Personal Care Chemicals	Total
Sales	2,398	303	207	2,908
% of Total Sales	82.5%	10.4%	7.1%	100.0%
Export	1,251	164	34	1,449
% of Sales	52.2%	54.1%	16.4%	49.8%
EBIT	408	36	3	447
% of Sales	17.0%	11.9%	1.5%	15.4%
Capital Employed as at 31 st March, 2015	1,486	485	87	2193*
ROCE %	27.5%	7.4%	3.5%	20.4%

(* includes unallocated Capital Employed of ` 135 Crores)

As you would note, Speciality Chemicals continues to account for a major part of Revenues and EBIT. However, it may also be noteworthy, that Pharmaceuticals Segments, wherein the USFDA approvals had been accorded to our units in 2011, had breakeven in 2012. The Pharma Segment revenues had registered a CAGR of over 22% over last four years, while the EBIT had jumped from ` 4 Crores to ` 36 Crores during the same period. Further details about each of these segments are presented below:

Speciality Chemicals Segment:

Speciality Chemicals Segment accounts for the majority of revenues and profits for the Company. RM Price volatility impacts the segment's topline the most, but has very limited impact on the bottom line. We present below a note which explains this in more detail.

Impact of RM Volatility

Since the Company adopts a Cost Plus pricing for its various Speciality Chemicals, its topline is linked with the Input costs. During Financial Year 2014-15, we had witnessed sharp corrections in the prices of Crude Oil during the period of November 2014 to March 2015. As a result, the prices of various Raw-materials procured by the Company viz, Benzene, Aniline, Methanol, Phthalic Anhydride, etc had also declined accordingly. This resulted in the decline in revenues for the segment, which is evidenced from the below table:

Segments Financials (Standalone)	Annual Financial Year 2013-14	Q1 Financial Year 2014-15	Q2 Financial Year 2014-15	Q3 Financial Year 2014-15	Q4 Financial Year 2014-15	Annual Financial Year 2014-15
Benzene Price (` /kg)	90 (for Q4 Financial Year 2013-14)	88	85	70	50	50 (for Q4 Financial Year 2014-15)
Sales Revenue (` in Crores)	2,217	614	625	568	554	2,361
EBIT (` in Crores)	333	98	104	88*	105	395
EBIT %	15.0%	16.0%	16.6%	15.5%	19.0%	16.7%

* Q3 EBIT lower on account of annual mandatory shutdown of Acid unit, Forex Mark to market loss and Inventory markdown.

As you would note from above, the Sales revenues had declined in Q3 and Q4, in spite of having registered a volume growth of about 13%, due to falling RM prices.

Further, since the Company's product pricing is on Cost Plus basis, EBIDTA per KG is constant, hence increase in volumes results into higher absolute EBIDTA resulting into higher segmental EBIT. This is reflected in the increase in EBIT, as mentioned in above table. Further, also note that the EBIT mentioned above were after adjusting for inventory markdown in Q3 for



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about ` 8 Crores. and in Q4 for about ` 11 Crores. Hence, in spite of these markdowns, the overall EBIT for the segment grew by about 19% on Y-o-Y basis.

It may also be noted that the demand for most of the products manufactured by your Company is in-elastic to the RM price fluctuations. Further, in case of high value added products, the impact of the same becomes significantly lower to have any impact.

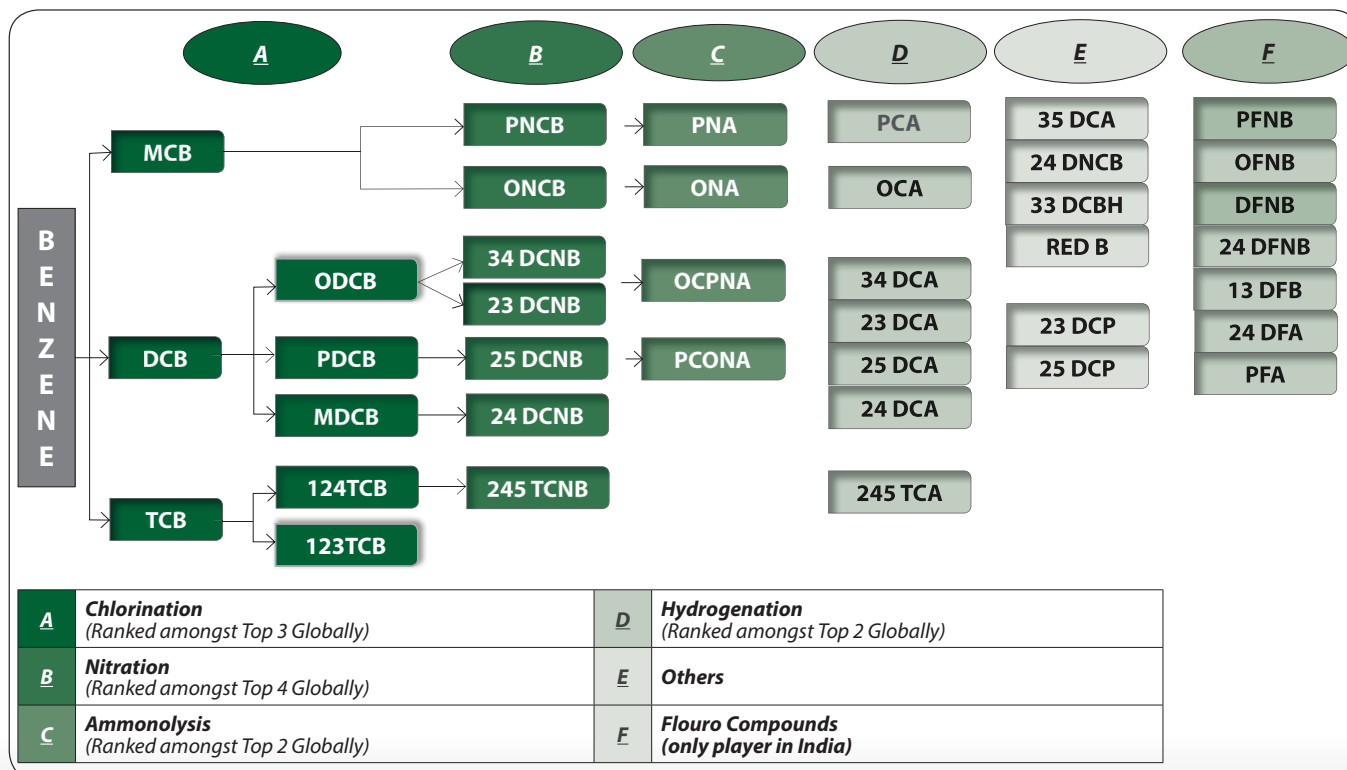
We now present below the key financials for Speciality Chemicals Segment:

(` in Crores)

KEY FINANCIALS	Financial Year 2014-15	Financial Year 2013-14	Financial Year 2012-13	Financial Year 2011-12
Sales	2,398	2,216	1,757	1,350
% of Total Sales	82.5%	84.2%	83.8%	80.7%
Export	1,251	1,130	946	639
% of Segment Sales	52.2%	51.0%	53.8%	47.3%
Segment EBIT	408	332	319	217
EBIT %	17.0%	15.0%	18.2%	16.1%

As you would note, fall in raw material prices, kept the growth in topline limited to about 8%, while the increase in volume of initial and high value added products resulted the increase in Segmental EBIT by about 23% on Y-o-Y basis and even on CAGR over last four years.

Your Company continues to maintain its leadership position in the domestic market for its range of Benzene Based Derivatives and enjoys global market share of about 25% to 40% amongst various products supplied by them. **A broader structure of its benzene based value chain is as below:**





For most of the above processes, your Company had reached near to 90%+ capacity utilisation. As a result, your Company had been in last 2-3 years initiated various expansion projects to increase its capacities of various existing processes and also had plans to introduce the new products to cater to the growing demand of its over 800 domestic and global customers. Some of these projects are briefed below:

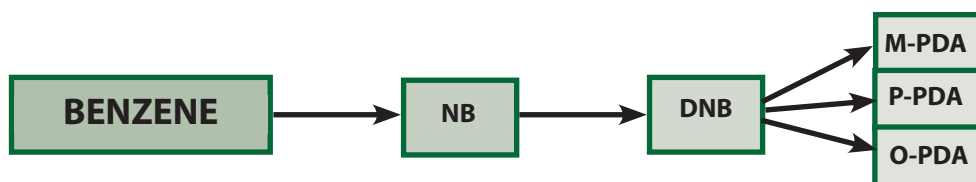
NCB Expansion:

During last year, your Company had started the process of expansion of its NCB Capacities from 57000 MT to about 75000 MT. During Q3 Financial Year 2014-15, your Company had commissioned the first phase of its expansion, thereby enhancing the capacities upto 66000 MT, while the balance is expected to be commissioned by Q3 Financial Year 2015-16. As a result, the production of NCB had increased in Q4 Financial Year 2014-15 to 14800 MT as compared to the quarterly average of 13500 MT for Financial Year 2013-14. Production during Financial Year 2014-15 was about 53400 MT as compared to 54230 MT for Financial Year 2013-14. The production during first nine months was lower on account of shut down taken during the year for the on-going brownfield expansion activities. These incremental capacities would increase our market share for NCB in domestic and global markets and also provide adequate feedstock for the related downstream products (viz. Hydrogenated Products and various other products), having higher EBIDTA. As you would recollect, your Company had already expanded its Hydrogenation capacities and now has sufficient capacities to cater to the global demand for next few years. Increase in the feeder capacities such as NCB, helps your Company to increase the utilisation of these expanded hydrogenation capacities as well.

PDA Expansion:

Further, your Company's scale up of its PDA capacities from 250 tpm to 1000 tpm had reached its final stage of implementation and is expected to be commissioned in phased manner from Q1 Financial Year 2015-16.

Benzenes to PDA Process Flow



These capacities shall increase your Company's capabilities for increase its presence in the end-use applications of High End Polymers & Additives. This will also add your Company as the only Indian source for few MNCs which presently do not source this product from India.

Introduction of Toluene and Ethylene Based Products:

Your Company's diversification into Toluene chemistry by way of introduction of Nitrotoluene and Derivatives is expected to commercialise by end of current year. Your Company plans to setup a unit with a capacity of about 30000 tpa. Your Company is confident to attain faster volume growth in this new value chain, as the end-customer and the applications are fairly similar or same to the ones which are presently being serviced by your Company. The introduction of these products will further strengthen your Company's market position and capabilities to supply basket of products catering to end user application such as Optical Brighteners, Agrochemicals, Pigments, Pharmaceuticals, etc.

This unit shall also provide the feeder material required for the proposed Ethylation unit being setup at Dahej SEZ. Your Company would be setting up the Ethylation unit by adopting the Swiss Technology. It will be first time in India, that a Company is going to procure Ethylene by pipeline and operate the greener Ethylation process. Your Company plans to gradually introduce a range of Ethylene based chemicals over longer term catering the end-user applications of Agrochemicals, Engg. Polymers, Pigments, Additives, etc. The Dahej SEZ project is presently being carried on by Anushakti Specialities LLP, which is a 100% subsidiary of your Company. Your Company proposes to absorb the same into itself during Financial Year 2015-16, so as to bring the entire chemical operations under one roof. The Company expects to commission this SEZ unit in Q1 of Financial Year 2016-17.



Greenfield Chlorination Complex

Your Company further proposes expansion of its capacities by way of setting up new units for other key processes and targets to commission the same within next 2 year's time. Your Company plans to setup a Chlorination Complex at Jhagadia. This complex shall expand your Company's capacities in the Chloro Benzene range of chemicals and shall also provide additional capacities to introduce a new range of chlorinated compounds. Since Chlorine is manufactured in nearby Chloro Alkali units, your Company proposes to procure the same by pipeline on a continuous basis, which adds as a significant logistical benefit to set up the facility at Jhagadia.

Speciality Chemical Complex

Your Company also proposes to set up another speciality Chemical complex at Jhagadia to manufacture of range of Speciality Chemicals from the present value chain and also plans to introduce few new products which were being developed under secrecy agreement with the MNC customers.

Co-Generation Power Plant

With large capacities being commissioned over next 12-30 months at Jhagadia, your Company plans to set up a Captive Co-generation Power Plant similar to the ones being already operational at its Vapi unit, but with a higher capacity. This shall help meet the partial power needs of the unit at Jhagadia at significantly lower power costs. Thus, this shall bring about cost savings in respect of the future projects being proposed at Jhagadia.

These projects would cater to the growing demands for various Agrochemicals and Engg. Polymers and would help the Company increase its market share in this space.

These capacities would provide the further diversification of the product mix and would drive the growth beyond Financial Year 2017-18.

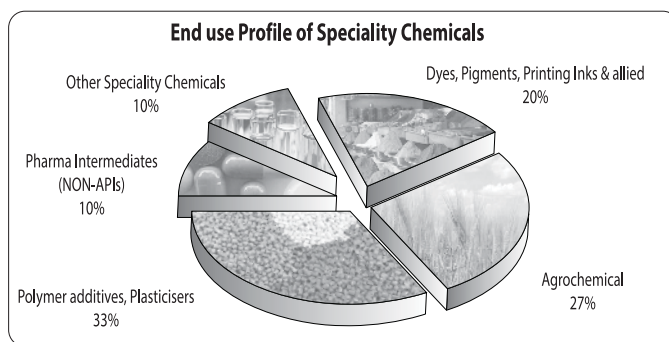
Pharmaceuticals:

Indian pharmaceutical industry was valued at USD 12 Bn in 2013. The market is primarily driven by exports to regulated as well as semi-regulated markets. Currently, India exports drugs to more than 200 countries and vaccines and bio-pharma products to about 151 countries. Globally, India ranks 3rd in terms of volume and 14th in terms of value. Industry estimates show that generic drug user fee amendments in USA, compulsory licensing and national pharmaceutical pricing policy have increased the legal expenditures of the top 10 drug makers in India by ~50% in the past three years.

The regulatory environment in the pharmaceutical sector is more challenging now than ever before. To meet the new norms, companies will have to invest in re-establishing their competitive position. Optimization of product portfolio to target high return products and building distinguishing capabilities to stay ahead of competition would be the key to success. The winning companies will be the ones which analyze their competitive position and meet the rapid changes happening in the industry by evaluating and speedily implementing the five levers outlined below.

Over a period of time, Mergers and Acquisitions in Pharma segment have resulted into consolidation and rationalisation. Gradually the Innovator companies have started focusing more on Oncology drugs as a major thrust area. Your Company had been working into this area and is expected to benefit over long term.

China had been a traditional source of intermediates to various companies manufacturing APIs world over. However, tighter compliance of pollution norms, increasing and stricter regulatory processes, consolidation of various pharma companies, had resulted into restricted suppliers, which ultimately affects the supply of various intermediates. This has opened up opportunities in India for manufacture of various intermediates as Import Substitutes. Your Company is working for various such intermediates with various companies and expects to attain a strategic position in the intermediates space.





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Your Company had been looking at older/already off-patented Generics to be supplied in regulated markets, directly and indirectly, wherein very few/restricted suppliers operates. With commissioning of expanded capacities and having a range of 48 commercial APIs, with 33 EUDMFs, 28 US DMF, more than 60% exports coming from regulated markets, your Company is better placed to increase its share in the regulated markets.

We present below the key financials for Pharmaceuticals Segment:

(` in Crores)

KEY FINANCIALS	Financial Year 2014-15	Financial Year 2013-14	Financial Year 2012-13	Financial Year 2011-12
Sales	303	249	187	165
% of Total Sales	10.4%	9.5%	8.9%	9.9%
Export	164	117	92	66
% of Segment Sales	54.1%	47.0%	49.2%	40.0%
Segment EBIT	36	30	9	4
EBIT %	11.9%	12.0%	4.8%	2.6%

As you would note from above, the segment had been growing at the fastest pace. Out of incremental sales in Financial Year 2014-15 of about ` 54 Crores, growth in exports sales was about ` 39 Crores, i.e. more than 70% of incremental growth had been from global markets. Hence, increased volumes from Global and more particularly Regulated markets would help in faster paced growth for this segment.

Home & Personal Care Chemicals

Rising per capita income have enabled the increase of consumption of hygiene and personal care products. Increasing consumption is driving demand for wide range of Cosmetic Chemicals, Health care products as well as Hygiene products using Performance Chemicals, Polymers and Oleo Chemicals. Our PM's "Swachh Bharat Abhiyaan", is expected to increase the demand of these chemicals significantly.

We present below the key financials for Home & Personal Care Chemicals Segment:

(` in Crores)

KEY FINANCIALS	Financial Year 2014-15	Financial Year 2013-14	Financial Year 2012-13	Financial Year 2011-12
Sales	207	167	152	158
% of Total Sales	7.1%	6.3%	7.3%	9.5%
Export	34	34	22	21
% of Segment Sales	16.4%	20.4%	14.5%	13.2%
Segment EBIT	3	4	5	5
EBIT %	1.5%	2.4%	3.3%	3.1%

Home & Personal Care Chemicals segment is relatively a low margin business. Your Company has two manufacturing units, one each at Pithampur (Madhya Pradesh) & at Silvassa. Your Company plans to carry out debottlenecking for some of its operations so as to expand the capacities for export oriented products which have better margins. These efforts shall help the increase of exports for this segment and also result into improvement of margins.

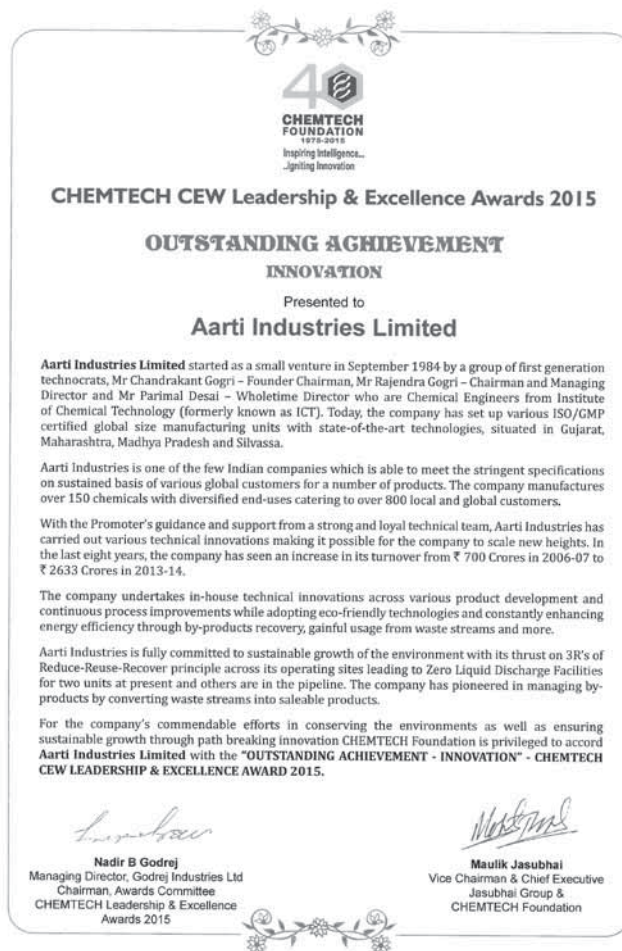


SAFETY, HEALTH & ENVIRONMENT (SHE)

Mitigating the Safety, Health and Environment related hazards tops the priority list of various risks for the Company and is being regularly monitored with stricter compliances for any deviations. Your Company's continuous efforts and thrusts into adopting better, cleaner and cost efficient technologies in its road to growth had been recognised by the Chemtech Foundation. The Award Committee of Chemtech Foundation Chaired by Shri Nadir Godrej, CMD of Godrej Industries Ltd, had accorded your Company with the Prestigious award of **"Outstanding Achievement – Innovation" – Chemtech CEW Leadership & Excellence Award 2015.**



Company Bestowed with the Outstanding Achievement Innovation at Chemtech – CEW Leadership and Excellence Award 2015.



Your Company had been chosen for this prestigious award for its continuous and commendable efforts in conserving environments as well as ensuring sustainable growth through path breaking innovation with thrust on 3Rs of Reduce-Reuse-Recover principle and several other initiatives. This Award recognizes your Company's in-house technical innovations undertaken by the Company across various product development and continuous process & operations improvements while adopting eco-friendly technologies and constantly enhancing energy efficiency, by-products recovery, gainful usage from waste streams and more.

This award recognizes the efforts of your Company and motivates it to persist with the efforts for continuous improvement and innovation keeping always in mind the philosophy of **"Growth with Sustainability for Sustainable Growth"**. Keeping these principles as an important element, your Company plans to invest further to capitalize on the growth opportunities available in the global arena.



Your Company had bought an adjoining plot of land admeasuring about 18,175 sq. mtrs. at Plot no. 806, 807, Phase III, GIDC, Vapi. This would help in decongesting the existing unit and thus improve the safety of the operation at Vapi significantly.

Your Company had further invested significant amounts to improve its setup and mitigate these risks. Some of the initiatives in this regard as briefed below:

Introduced Aarti Management System: An in-house developed framework of 32 elements detailing procedures and processes catering to all Plant Related Activities - 3 elements namely MOC (Management of Change), BBS (major root causes of incidents are due to behavior) and Permit Systems catering to reduce SHE related risks are launched. Other elements are being developed and reviewed which will be introduced in this year.

Process Safety studies and audits: To keep the thrust on achieving intrinsically safe processes, your Company had external safety audits and study by industry experts such as Chillworth, ABS, Zeplin, etc. In our journey to excel in field of process safety, your company focused on increasing in-house competency. Your Company's operation team has done about 130 man hours of training on process safety leadership training conducted by DuPont and over 520 man hours of HAZOP training conducted by CLI (Centre Labour Institute). Your Company had also developed in-house capability for calorimetry of hazardous reaction, which is presently being done by very few Companies in India. Your Company also shared its journey with industry partners in a talk name "Chemical Reaction Hazard Management: Challenges & Strategies -- A perspective at AARTI GROUP OF INDUSTRIES" arranged in TIMA (Tarapur Industrial Manufacturers Association) Hall, MIDC Tarapur.

Behaviour Based Safety: Belief causes behaviour and behaviour cause action. As per industry statistics, around 90% incident is due to human behaviour. Considering this, your Company had initiated Behaviour Based Safety (BBS) project, to improve behaviours at shop floor. Since inception, your Company conducted 81 batches covering 2293 employees (77%) across organization. In order to monitor the behaviour, an online reporting and tracking system is launched. Totally 17,000+ BBS Observation rounds have been conducted by our employees across plants

Process Automation plan had been implemented for critical unit operations and is now being evaluated / implemented over a period of time for other operations as well.

Upgradation of facility into Zero discharge:

Your Company had commissioned various equipments and processes such as water recovery, RO Plant, etc. and upgraded the two of its facilities into Zero Liquid discharge facility.



RO Plant at Jhagadia

Your company is evaluating further for making other plants as zero discharge facilities.

Planning to introduce Automated Solid Handling Equipment: Your Company plans to automate the solid handling of various chemicals. This shall reduce the hazards of physical exposures related to manual handling of various chemicals.

With these and various other initiatives, your Company firmly places the SHE at the top of its goals and aims to provide a workplace which is safer and healthier for the society at large.



RISK, CONCERNS & ITS MANAGEMENT

Your Company perceives risks or concerns common to industry such as concerns related to the Macro Indian Economic Outlook, Global Economic fallout, Regulatory risks, Foreign Exchange volatilities, Higher Interest rates, Volatile Raw-material prices and other commercial & business related risks. While Segments like Pharmaceuticals and Home & Personal Care and Speciality Chemicals with applications into Agrochemicals are not much affected by the economic cycle and have its own independent growth drivers, the diversity of end uses of Speciality Chemicals and the ability of the Company to interchangeably use the production facilities insulate the Company from any adversity for any specific end user applications. Further, your Company's diversified revenue mix, flexible product mix and increasing export volumes also help to derisk the business from any domestic economic setbacks as well as certain specific global uncertainties. Diversified & wide customer base further reduces risks of dependence of business with few customer or few products. Your Company is entering into long term supply arrangement with its key suppliers to ensure continuous and adequate supply of raw-materials to meet the growing demand for the products.

Chemical businesses are generally working capital intensive and hence the working capital requirements are also higher. Your Company has been making continuous efforts to reduce the working capital cycle.

Risk management policy underpins your Company's efforts to remain a competitive and sustainable company, enhancing its operational effectiveness and creating wealth for its employees, shareholders and stakeholders in pursuance of its strategy. Your Company has constituted a Risk Management Committee.

The Company has a dynamic Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks, exposure and potential impact analysis for the Company level.

CORPORATE SOCIAL RESPONSIBILITY

Aarti group: Committed to 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. Healthcare Facilities
3. Women Empowerment and livelihood
4. Water Conservation and Environment
5. Rehabilitation in Disaster Affected areas
6. Eradication of Hunger & Poverty
7. Donating to Govt. bodies viz. Prime Minister & Chief Minister Relief Funds.

We advocate the concept of universal and all around development and hence work on "Clusters" in whole, while initiating a spectrum of development projects within the each identified locations. Our on-going initiatives are focused on bringing about an overall development in the rural sector. These initiatives are inspired by the guidelines set by Hon'ble Former President of India Dr. A.P.J. Abdul Kalam's PURA (Providing Urban Amenities to Rural Area) model. Education, sanitation, health, water management, skill building, environment forms the key factors of this PURA model. Your Company had been actively involved and has been under implementation of PURA Model in villages at Kutch, Gujarat and at Beed (Marathawada, Maharashtra).



A brief about the various activities being undertaken at the Kutch Cluster for the implementation of PURA model and to being about an overall development and upliftment of the Cluster is presented below:

Kutch Cluster

Education:

Every year over four hundred students from around 12 villages receive free Secondary and Higher Secondary Education at Tulsi Vidya Mandir (TVM). TVM is one of its kind rural school to admit dropouts & rejected from other schools & poor students and had achieved an average 90% results in SSC and 95% results in HSC. The Company intends to expand the TVM horizons by commencing Technical and Army Entrance Training courses.

Further, a new project named "Vidya Sarthi" had been undertaken, wherein local youngsters (presently 20) are trained and recruited for imparting extra coaching to students of Government managed Primary schools in vicinity of TVM. This model not only provides employment opportunities to the youngsters but also provides the additional support to the Government managed schools in achieving the goal of "Education for all".

Sanitation: After your Company's engagement, one of the village had achieved 100% sanitation mark and has an underground drainage system and waste water recycle plant. Taking cues from our PM's '**Swachh Bharat Abhiyaan**' your Company had undertaken to provide toilets to all families of TVM students of neighbouring 12 villages. Approximately over 100 toilets would be provided by your Company under this programme.

Rain water harvesting: A traditional lake was revived to store maximum rain water. Animals, birds, farmers are benefitted by this "Mirik lake".

Cattle feed depot: Cattle owners from around twenty villages are being provided cattle feed at subsidized rates from this center.

In addition to above, various Health Camps, Agricultural Training Camps and other activities are carried out to promote the overall development of the cluster. The results had been so encouraging that your Company further plans to set up three PURA model Clusters in due course of time. The Model implementation was further appreciated by the local NGOs and other agencies, who had also started replicating the model for development in other neighbouring Districts.

Your Company had been engaged into **similar Cluster development activities at Beed, Maharashtra** which had been adversely affected by drought situations.

In addition to above, your Company has actively involved into various activities which are broken into few critical segments. Some of these activities are briefed below:

1. Education & Skill Development:

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 through Kutch Jain Mahajan. On an average over 2700 students from Jr. KG to XII Std. had been aided under this programme.

Your Company had contributed in Building Infrastructure for Nahur Welfare Association and Trust, which plans to start CBSE curriculum school named "Dhan-Vallabh English Medium School" at Mulund, Mumbai. The School would start with Nursery, Jr. KG & Sr. KG from 2015-16 and focuses on imparting education to Low income groups of the Urban Mumbai.

Your Company also actively supports Five Nomad Boys and Girls hostels accommodating over 300 pupils at Radhanpur in the State of Gujarat.

Your Company also works with Yusuf Meherally Center (YMC) in arranging and running alternative schools for children of Saltpan workers and Fishermen on coastal belt of Kutch. At present 21 such schools are being run whereby over 650 children are being educated.

Your Company had in past adopted the "Ratanpur Boarding School" managed by "Sushil Trust" and directly supports entire expenditure for approximately 240 students at this Boarding School, every year.

In addition to this, your Company provides direct help to schools located nearby its operations/facilities by way of 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 had also funded the local NGO for setting digital classroom in 25 rural primary schools run by Govt. near its Bhachau factory.

2. Health

Considering increased number of patients with kidney-related diseases, requiring expensive treatment of frequent dialysis, your Company had donated 10 Dialysis Machines to Ahmedabad based hospitals to offer treatment for the low income group at very nominal rates.

In addition to above, your Company continuously supports various Health Camps and Blood Donation camps around and beyond its manufacturing units. Your Company also sponsors Medical Conference for Doctors working in rural areas to help them understand the new advancement in the Medical fields.

3. Woman Empowerment

Your Company had initiated a unique programmed named "Sanskardhan" at Maninagar, Gujarat where women are provided training in Stitching and Beautician Courses. Such programs promotes the Spirit of Women Empowerment and endorses independence and sustainability among them.

Your Company had also started "Nursing School" where women from different areas and economically backward classes are trained to enable them procure employment opportunities into Metro Cities and even abroad. This year, your Company aims at undertaking the training for approx 250 women under this programme.

In an another initiative, your Company in association with Jan Seva Charitable Trust giving accommodation along with food supply to approximately 60 tribal women who had enrolled for higher education.

4. Environment

Your Company had set up "cattle feed depots" in around 27 villages within the drought affected district of Beed in Maharashtra. The project also involves the provision of water pumps for bore well along with 2 check dams on Riddhi and Siddhi rivers. Your Company is keen to expand the current phase of the project in association with the Government and the local NGO – Siddhivinayak Parivar.

Your Company had instituted the project of "Parjanya Ecology" to develop a check dam at Anjar Taluka, Kutch.

Reduction of Green spaces had been a global concern and is also a reason for various climatic and ecological changes. Your Company, in its efforts to promote and conserve green spaces, had developed a Garden at Vapi with dedicated Jogging and walking tracks, seating arrangements for elderly people, water fountain and such other amenities. Over 80 trees/plants had been planted at this Vapi Garden.

Your Company had further committed to build several toilets under the PM's 'Swachh Bharat Abhiyaan' across the remote areas of Gujarat over a span of two years.

5. Rehabilitation in Disaster Affected areas

Aarti industries 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, Tamil Nadu, Orissa, Jammu & Kashmir, Indonesia, Bihar, Uttarakhand and Maharashtra. In Jammu & Kashmir after the floods in 2014, Aarti rehabilitated approximately 50 families providing them with housing, kitchen kit, winter kit, health and checkup at Srinagar. Your Company continues its efforts to rehabilitate further families in these affected region.

6. Eradication of Hunger & Poverty

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

In addition to above, your Company participates into a spectrum of CSR activities evolving around the general upliftment of the economically backward class of people. Your Company also makes active contribution to Prime Minister Relief Funds, Chief Minister Relief Funds and such other Government Bodies to assist them in their relief measures in the affected areas.



Your Company also plans to contribute for any further activities which promotes the upliftment of the society and shall always remain committed to the moral objectives.

CSR annual Report is annexed as **Annexure 'A'** and forms an integral part of the Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

As on 31st March, 2015 the Company had 2039 permanent employees at its manufacturing plants and administrative office. The Company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them.

The Company enjoyed excellent relationship with workers and staff during the last year.

REMUNERATION AND NOMINATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy also lays down criteria for selection and appointment of Board Members. The details of this policy are given in the Corporate Governance Report.

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 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.

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.

MEETINGS

The details of the number of meetings of the Board held during the Financial year 2014-15 forms part of the Corporate Governance Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has clearly laid down policies, guidelines and procedures that form part of internal control systems, which provide for automatic checks and balances. 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. Your Company's internal control systems commensurate with the nature and size of its business operations. Internal Financial Controls are evaluated and Internal Auditors' Reports are regularly reviewed by the Audit Committee of the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;



- d. that Directors' have prepared the 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;
- 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.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

All related party Transactions are presented to the Audit Committee. Omnibus approval is obtained for the transactions which are foreseen and repetitive in 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 related party transactions policy is uploaded on the Company's website at the web-link given below:

<http://www.aartigroup.com/pdfs/Related%20Party%20Transaction%20Policy%20Pdf.pdf>

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.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

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.

CORPORATE GOVERNANCE

Your Company has complied with the mandatory Corporate Governance requirements stipulated under Clause 49 of the Listing Agreement. Report on Corporate Governance is annexed hereto forming part of this report.

ANNUAL RETURN

The details forming part of the extract of Annual Return in the **Form MGT-9**, as required under Section 92 of the Companies Act, 2013 is included in the Report as **Annexure – 'B'** and forms an integral part of the Report.

CONSOLIDATED FINANCIAL STATEMENT

Your Directors have pleasure in presenting Consolidated Financial Statements which form part of the Annual Report and Accounts.

DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review. The Company does not have any deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

SECRETARIAL AUDIT

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 31st March, 2015 is annexed herewith marked as **Annexure 'C'** and forms an integral part to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.



BOARD EVALUATION

Pursuant to the provisions of Clause 49 of the Listing Agreement, a structured questionnaire was prepared after taking into consideration, various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

SUBSIDIARIES AND ASSOCIATES

The Company has 6 (six) subsidiaries, namely, Aarti Corporate Services Limited, Alchemie (Europe) Limited, Anushakti Specialities LLP, Innovative Envirocare Jhagadia Limited, Shanti Intermediates Private Limited and Nascent Chemical Industries Limited and 6 (six) associates namely, Ganesh Polychem Limited, Anushakti Chemicals and Drugs Limited, Anushakti Holdings Limited, Aarti Intermediates Private Limited, Aarti Biotech Limited, Perfect Enviro Control System Limited.

During the year Board of Directors ('the Board') reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further a statement containing salient features of the financial statement of our Subsidiaries/Associates in the prescribed format AOC - 1 is included in the Report as **Annexure 'D'** and forms an integral part of this Report. The statement also provides the details of performance, financial position of each of the Subsidiaries/Associates.

DIRECTORS

Shri Renil R. Gogri and Shri Shantilal T. Shah retire by rotation and, being eligible, offer themselves for re appointment. Your Directors recommend Shri Renil R. Gogri and Shri Shantilal T. Shah for re-appointment.

During the Year 2014-15, Independent Directors, namely, Shri Bhavesh R. Vora, Shri P. A. Sethi and Shri K. V. S. Shyam Sunder were re-appointed for a period of 5 (five) years with effect from 24th September, 2014 and Shri Ramdas M. Gandhi, Shri Vijay H. Patil and Shri Laxmichand K. Jain were re-appointed for a period of 3 (three) years with effect from 24th September, 2014.

The Board of Directors appointed Prof. Ganapati D. Yadav and Smt. Priti P. Savla, Additional Directors of the Company in the category of Independent Directors with effect from 25th September, 2014 and they hold office till the date of ensuing Annual General Meeting. Notice(s) have been received from member(s) along with requisite deposits proposing their candidature for appointment as such.

Shri Chetan B. Gandhi was appointed as Chief Financial Officer of the Company w.e.f. 30th May, 2014.

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.

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.

WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower policy has been posted on the website of the Company (www.aartigroup.com)

MATERIAL SUBSIDIARY

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the Company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.



FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has a familiarisation Programme for Independent Directors with regard to their role, rights, responsibilities in the Company, Nature of the industry in which the Company operates, the Business models of the Company etc. and the same is available on the website of the Company (weblink – <http://www.aartigroup.com/pdfs/Family.pdf>).

AUDITORS

In the 31st Annual General Meeting (AGM) of the Company held on 24th September, 2014, M/s. Gokhale & Sathe, Chartered Accountants (Firm Regn. No. 103264W) had been appointed as the Statutory Auditors of the Company for a period up to 3 (three) years to hold office from the conclusion of the 31st (AGM) until the conclusion of the 34th AGM of the Company. 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 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. 5 of the Notice.

COST AUDITORS

The Cost Auditor Ms. Ketki D. Visariya (Fellowship No. 16028), Cost Accountant, re-appointed by the Company under provisions of Section 148(5) read with Section 141 of the Companies Act, 2013 attend the Audit Committee Meeting, where cost audit reports are discussed.

The due date for filing the Cost Audit Reports in XBRL mode for the financial year ended 31st March, 2014 was 30th September, 2014 and the Cost Audit Reports were filed by the Cost Auditor on 26th September, 2014. The due date for filing the Cost Audit Reports for the financial year ended 31st March, 2015 is 30th September, 2015.

The Company is seeking the ratification from the Shareholders for the appointment of Ms. Ketki D. Visariya, Cost Auditor of the Company for the financial year ending 31st March, 2016 vide resolution no. 10 of the Notice of AGM.

NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has Zero tolerance towards any action on the part of any one which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women working with the Company. The Policy framed by the Company in this regard provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

Particulars	NO. OF COMPLAINTS
Number of Complaints pending as on beginning of the financial year	NIL
Number of Complaints filed during the financial year	NIL
Number of Complaints pending as on the end of the financial year	NIL

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

(A) CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy;

- The Company had been operating various captive and co-generation Power plants. The Company expects a significant savings in the consumption of natural resources/fuel by adoption of such process.
- Wherever possible, Variable Frequency Drives are installed to reduce the power consumption.
- Energy audit is conducted and recommendations are implemented.
- Low Pressure Steam Generation from Process areas to recover heat and use for Low Pressure Applications.
- Chilling Water Generation from Chlorine tonners for Chilling Applications.



(ii) Additional Investments & Proposals, if any, being implemented for Reduction of Consumption of Energy:

- Implementation of Clean Development Mechanism Project, which will lead to higher recovery of Heat and thus, result in reduction of emission of green House gases.
- Upgradation of Batch Nitration units into Continuous Nitration units, shall help in overall optimization of utilities thereby resulting the reduction in energy consumption.
- The Company proposes to set up additional Captive Co-generation Power Plant at Jhagadia and Kutch Plants similar to the ones already operated at Vapi, thereby increasing thermal efficiency and reduced coal consumption per unit power as power produced without steam condensation.
- Upgradation of various processes, wherever feasible, considering optimisation of utilities, thereby resulting the reduction in energy consumption.

(iii) The capital investment on energy conservation equipments;

Your Company has invested about ` 24.7 Crores during Financial Year 2014-15 into energy conservation equipments.

(B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts, in brief, made towards technology absorption, adaptation and innovation:

- Forward Integration for downstream products and expansion also with in-house technology.
- Continuous endeavour to improve product quality and process yields.

(b) Benefits derived as a result of above efforts:

- Lower project costs for expansion
- Value addition
- Exports of higher value-added products resulting in increased foreign exchange earning.

(c) Information regarding technology imported during the last 3 years: NIL

(C) TOTAL FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange Earnings and outgo were ` 1,449 Crores and ` 435 Crores respectively (Previous Year: ` 1,281 Crores and ` 442 Crores respectively).

ACKNOWLEDGEMENT

The Board of Directors places on record its sincere appreciation for the dedicated services rendered by the employees of the Company at all levels and the constructive co-operation extended by them. Your Directors would like to express their grateful appreciation for the assistance and support by all Government Authorities, Auditors, financial institutions, banks, suppliers, other business associates and last but not the least the Shareholders.

For and on behalf of the Board

Sd/-

RAJENDRA V. GOGRI

CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Dated : 13th May, 2015

CAUTIONARY STATEMENT

Statement in the Annual Report 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.



Annexure 'A'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web – link to the CSR policy and projects or programs and the Composition of CSR Committee	Refer Corporate Responsibility Section of Director's Report & Management Discussion & Analysis. The CSR policy approved by the Board of Directors has been uploaded on the Company's website. The web link is http://www.aartigroup.com/pdfs/CSR-Policy.pdf .
2.	Composition of CSR committee	Shri Laxmichand K. Jain (Independent Director) Smt. Hetal G. Gala (Executive Director) Shri Kirit R. Mehta (Executive Director)
3.	Average net profit of the Company for last three financial years	₹ 16,893.01 Lakhs
4.	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	₹ 337.86 Lakhs
5.	Details of CSR spent during the financial year	
	Total amount to be sent for the financial year	₹ 359.86 Lakhs
	Amount unspent, if any	Nil
	Manner in which the amount spent during the financial year	Details given below

Sr. No.	Projects/Activities	Sector in which project is undertaken	Locations where project is undertaken (Local Area/District)	Amount Outlay (Budget) Project or Programs wise	Amount Spent on the project or programs. Sub-heads 1. Direct Expenditure on Projects or Programs 2. Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
				(₹ in Lakhs)	(₹ in Lakhs)		
1	A. Education & Vocational Training	Rural Development	Valsad, Bharuch, Kutch, Ahmedabad, Bhavnagar- (Gujarat)	302.86	302.86	302.86	Direct & Indirect
	B. Healthcare		Boisar, Thane, Marathwada – (Maharashtra)				
	C. Women Empowerment						
	D. Water Conservation						
	E. Hygiene and Sanitation						
	F. Live Stock Development						
2.	A. Relief & Rehabilitation	Rehabilitation of Disaster affected areas.	Jammu & Kashmir	27.00	27.00	27.00	Direct
3.	A. Community Township and Livelihood Opportunities	Eradicating Poverty and Hunger.	Mumbai - Maharashtra	30.00	30.00	30.00	Direct
TOTAL				359.86	359.86	359.86	—

- * Details of implementing agency:
1. Aarti Foundation; 2. Ankleshwar Rotary Welfare; 3. Bal Raksha Bharat; 4. Bhagwan Mahavir Jain Relief Foundation Trust; 5. Child Help Foundation; 6. Dhanvallah Charitable Trust; 7. Gram Swarajya Samitee Mahajan; 8. Gramin Vikas Samiti; 9. Institute of Chemical Technology; 10. Janseva and Charitable Trust; 11. Kutchi Jain Foundation; 12. Learning Delight; 13. Lions Club International Fund; 14. Mukhyamantri Kanya Kelavani Nidhi; 15. NG Patel Polytechnic; 16. ROFEL Arts & Commerce College; 17. Prime Minister National Relief Fund; 18. Rotary Club of Thane Lake City Charity Trust; 19. Rotary Club Of Vapi; 20. Rotary Navaratri Mahotsav; 21. Sasnkardham School; 22. Shree Kadva Patidar Samaj; 23. Shree Kvo Jain Mahajan; 24. Shree Muthappan Seva Samiti; 25. Shree Siddhivinayak Seva Bhavi Sanathan; 26. Shri L G Haria Multi School; 27. Shrutakevali Education Trust; 28. Sixty Plus Welfare Association; 29. Surat Manav Seva Sangh; 30. Sushil Trust; 31. Swami Vivekanand Education Trust; 32. Tulshi Vidhya Mandir & various other agencies.
6. The CSR Committee Chairman confirms that the implementation and monitoring of CSR policy is in compliance with the CSR objectives and policy of your Company.

Sd/-
SHRI LAXMICHAND K. JAIN
CHAIRMAN
CSR COMMITTEE

Sd/-
RAJENDRA V. GOGRI
CHAIRMAN AND
MANAGING DIRECTOR

Place: Mumbai

Date: 13th May, 2015

**Annexure 'B'****FORM NO. MGT-9****Extract of Annual Return
as on the financial year ended on 31st March, 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 L24110GJ1984PLC007301
- (ii) Registration Date 28th September, 1984
- (iii) Name of the Company AARTI INDUSTRIES LTD.
- (iv) Category/Sub-Category of the Company Public Company Ltd. by Shares
- (v) Address of the Registered office and contact details
Plot Nos. 801, 801/23,
G.I.D.C. Estate, Phase –III,
Vapi, Dist. Valsad,
Gujarat –396195
Telephone : 0260-2400059, 2400366
Fax : 0260-2401322
Email : investorrelations@aartigroup.com
Website : www.aartigroup.com
- (vi) Whether listed company Yes
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
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 / 67720400
Fax: 022-28591568
Email: 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:—

Sr. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Company does not have any single product contributing 10% or more of the total turnover of the Company. Company's businesses is divided into three segment viz. Speciality Chemicals, Pharmaceuticals and Home & Personal Care Chemicals. Segmental Revenue are presented under Note No. 18.1 of Statement of Profit & Loss.	—	—



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Aarti Corporate Services Ltd.	U67120MH1995PTC084963	SUBSIDIARY	100%	2(87)
2	Innovative Envirocare Jhagadia Ltd.	U24233MH2012PLC233058	SUBSIDIARY	100%	2(87)
3	Alchemie (Europe) Ltd.	3061267	SUBSIDIARY	88.89%	2(87)
4	Shanti Intermediate Pvt. Ltd. (through Aarti Corporate Services Ltd.)	U24231GJ1989PTC012373	SUBSIDIARY	100%	2(87)
5	Nascent Chemical Industries Ltd. (through Aarti Corporate Services Ltd.)	U24100MH1966PLC013490	SUBSIDIARY	50.49%	2(87)
6	Anushakti Chemicals & Drugs Limited	U24239MH1992PLC068275	ASSOCIATE	49.59%	2(6)
7	Ganesh Polychem Ltd.	U24299MH2001PLC133900	ASSOCIATE	50%	2(6)
8	Anushakti Holdings Ltd.	U24230MH2002PLC136916	ASSOCIATE	48.99%	2(6)
9	Aarti Bio—Tech Ltd. (through Aarti Corporate Services Ltd.)	U01110MH1994PTC082031	ASSOCIATE	30.21%	2(6)
10	Aarti Intermediates Pvt. Ltd. (through Aarti Corporate Services Ltd.)	U24110MH1992PTC065904	ASSOCIATE	49.98%	2(6)
11	Perfect Enviro Control Systems Ltd. (through Aarti Corporate Services Ltd.)	U72200GJ1992PLC018203	ASSOCIATE	40.93%	2(6)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 st April, 2014)				No. of Shares held at the end of the year (As on 31 st March, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	31606226	0	31606226	35.68	29785296	0	29785296	33.62	-2.06
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	22245576	0	22245576	25.11	22593579	0	22593579	25.50	0.39
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other...	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):	53851802	0	53851802	60.79	52378875	0	52378875	59.12	-1.66
(2) Foreign									
a) NRIs – Individuals	86148	0	86148	0.10	86148	0	86148	0.10	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):	86148	0	86148	0.10	86148	0	86148	0.10	0.00
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	53937950	0	53937950	60.88	52465023	0	52465023	59.22	-1.66



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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 st April, 2014)				No. of Shares held at the end of the year (As on 31 st March, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	7126885	0	7126885	8.04	10912899	0	10912899	12.32	4.27
b) Banks/FI	5216	0	5216	0.01	14210	0	14210	0.02	0.01
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	114087	0	114087	0.13	669659	0	669659	0.76	0.63
h) Foreign Portfolio-Corp.	0	0	0	0.00	118236	0	118236	0.13	0.13
i) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
j) Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):	7246188	0	7246188	8.18	11715004	0	11715004	13.22	5.04
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1020837	5651	1026488	1.16	1255003	5501	1260504	1.42	0.26
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakh	8194829	1654741	10722315	12.10	8298907	1491418	9790325	11.05	-1.05
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	14866299	872745	14866299	16.78	11970641	738105	12708746	14.35	-2.44
c) Others (specify)									
(i) Non Resident Indians	389559	600	390159	0.44	211018	600	211618	0.24	-0.20
(ii) Trusts	300	0	300	0.00	43129	0	43129	0.05	0.05
(iii) Unclaimed Suspense Account	401988	0	401988	0.45	397338	0	397338	0.45	0.00
Sub-total (B)(2):-	24873812	2533737	27407549	30.94	22176036	2235624	24411660	27.56	-3.38
Total Public Shareholding (B) = (B)(1) + (B)(2)	32120000	2533737	34653737	39.12	33891040	2235624	36126664	40.78	1.66
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	86057950	2533737	88591687	100.00	86356063	2235624	88591687	100.00	0.00



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2014)			Share holding at the end of the year (As on 31st March, 2015)			% 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	Aarnav Rashesh Gogri	65280	0.07	0.00	65280	0.07	0.00	0.00
2	Aarti Drugs Ltd.	750	0.00	0.00	750	0.00	0.00	0.00
3	Aarti Rajendra Gogri	2039162	2.30	0.00	1445578	1.63	0.00	-0.67
4	Aashay Rashesh Gogri	539340	0.61	0.00	539340	0.61	0.00	0.00
5	Alchemie Financial Services Ltd.	270	0.00	0.00	270	0.00	0.00	0.00
6	Alchemie Leasing & Financing Pvt. Ltd.	5184098	5.85	0.00	5309098	5.99	0.00	0.14
7	Anushakti Chemicals & Drugs Ltd.	3594530	4.06	0.00	3629533	4.10	0.00	0.04
8	Anushakti Holdings Ltd.	7022301	7.93	0.00	7085301	8.00	0.00	0.07
9	Bhanu Pradip Savla	86148	0.10	0.00	86148	0.10	0.00	0.00
10	Bhavna Shah Lalka	912738	1.03	0.00	912738	1.03	0.00	0.00
11	Chandrakant Vallabhaji Gogri	1851727	2.09	0.00	1851727	2.09	0.00	0.00
12	Desai Tarla Parimal	80540	0.09	0.00	80540	0.09	0.00	0.00
13	Gogri And Sons Investments Pvt. Ltd.	5833773	6.59	0.00	5973773	6.74	0.00	0.15
14	Gunavanti Navin Shah	85885	0.10	0.00	80209	0.09	0.00	0.01
15	Heena Bhatia	867438	0.98	0.00	867438	0.98	0.00	0.00
16	Hetal Gogri Gala	3703689	4.18	0.00	3703689	4.18	0.00	0.00
17	Indira Madan Dedhia	201142	0.23	0.00	187286	0.21	0.00	-0.02
18	Jaya Chandrakant Gogri	2496143	2.82	0.00	1706143	1.93	0.00	-0.89
19	Manisha Rashesh Gogri	529104	0.60	0.00	529104	0.60	0.00	0.00
20	Mirik Rajendra Gogri	2325903	2.63	0.00	2325903	2.63	0.00	0.00
21	Nehal Garewal	1058790	1.20	0.00	1058790	1.20	0.00	0.00
22	Nikhil Holdings Pvt. Ltd.	359854	0.41	0.00	359854	0.41	0.00	0.00
23	Nikhil Parimal Desai	453230	0.51	0.00	420875	0.48	0.00	-0.03
24	Parimal Hasmukhlal Desai	431271	0.49	0.00	350446	0.40	0.00	-0.09
25	Parimal Hasmukhlal Desai (HUF)	60956	0.07	0.00	60956	0.07	0.00	0.00
26	Pooja Renil Gogri	0	0.00	0.00	400	0.00	0.00	0.00
27	Prasadi Hasmukhlal Desai	13200	0.01	0.00	13200	0.01	0.00	0.00
28	Rajendra Vallabhaji Gogri	2425365	2.74	0.00	2425365	2.74	0.00	0.00
29	Rajendra Vallabhaji Gogri (HUF)	322800	0.36	0.00	322800	0.36	0.00	0.00
30	Rashesh Chandrakant Gogri	3964221	4.47	0.00	3964221	4.47	0.00	0.00
31	Ratanben Premji Gogri	465931	0.53	0.00	421680	0.48	0.00	-0.05
32	Renil Rajendra Gogri	2118975	2.39	0.00	2118975	2.39	0.00	0.00
33	Rinku Parimal Desai	235050	0.27	0.00	235050	0.27	0.00	0.00
34	Sarla Shantilal Shah	1851495	2.09	0.00	1851495	2.09	0.00	0.00
35	Shantilal Tejshi Shah	2340651	2.64	0.00	2079868	2.35	0.00	-0.29
36	Shantilal Tejshi Shah (HUF)	166200	0.19	0.00	166200	0.19	0.00	0.00
37	Valiant Organics Pvt. Ltd.	250000	0.28	0.00	235000	0.27	0.00	-0.02
	TOTAL	53937950	60.88	0.00	52465023	59.22	0.00	-1.66



(iii) **Change in Promoters' Shareholding** (please specify, if there is no change)

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Aarti Rajendra Gogri	2039162	2.30	04.09.2014 05.09.2014 27.11.2014 14.01.2015 03.03.2015	-117172 -1412 -80000 -350000 -45000	Market Sale	1921990 1920578 1840578 1490578 1445578	2.17 2.17 2.08 1.68 1.63
2	Alchemie Leasing & Financing Pvt. Ltd.	5184098	5.85	27.11.2014 03.03.2015	+80000 +45000	Market Purchase	5264098 5309098	5.94 5.99
3	Anushakti Chemicals & Drugs Ltd.	3594530	4.06	09.09.2014 10.09.2014 11.09.2014 12.09.2014 15.09.2014 16.09.2014	+5000 +5000 +5000 +5000 +5000 +10003	Market Purchase	3599530 3604530 3609530 3614530 3619530 3629533	4.06 4.07 4.07 4.08 4.09 4.10
4	Anushakti Holdings Ltd.	7022301	7.93	20.08.2014 22.08.2014 25.08.2014 26.08.2014 27.08.2014 02.09.2014 03.09.2014 19.09.2014	+7000 +15000 +11000 +10000 +4000 +5000 +5000 +6000	Market Purchase	7029301 7044301 7055301 7065301 7069301 7074301 7079301 7085301	7.93 7.95 7.96 7.98 7.98 7.99 7.99 8.00
5	Gogri And Sons Investments Pvt. Ltd.	5833773	6.59	28.11.2014 03.03.2015	+100000 +40000	Market Purchase	5933773 5973773	6.70 6.74
6	Gunavanti Navin Shah	85885	0.10	25.02.2015 09.03.2015 10.03.2015 13.03.2015	-2176 -1000 -1500 -1000	Market Sale	83709 82709 81209 80209	0.09 0.09 0.09 0.09
7	Indira Madan Dedhia	201142	0.23	19.11.2014 20.11.2014 21.11.2014 24.11.2014 03.12.2014 04.12.2014 05.12.2014 08.12.2014 09.12.2014	-2220 -478 -1232 -700 -100 -2326 -600 -6000 -200	Market Sale	198922 198444 197212 196512 196412 194086 193486 187486 187286	0.22 0.22 0.22 0.22 0.22 0.22 0.22 0.21 0.21
8	Jaya Chandrakant Gogri	2496143	2.82	07.07.2014 28.11.2014 14.01.2015 03.03.2015	-500000 -100000 -150000 -40000	Market Sale	1996143 1896143 1746143 1706143	2.25 2.14 1.97 1.93
9	Nikhil Parimal Desai	453230	0.51	08.07.2014 09.07.2014	-31769 -586	Market Sale	421461 420875	0.48 0.48
10	Parimal Hasmukhlal Desai	431271	0.49	08.07.2014	-80825	Market Sale	350446	0.40
11	Ratanben Premji Gogri	465931	0.53	21.08.2014 04.09.2014 18.03.2015 19.03.2015	-25000 -5931 -9036 -4284	Market Sale	440931 435000 425964 421680	0.50 0.49 0.48 0.48
12	Shantilal Tejshi Shah	2340651	2.64	04.07.2014 07.07.2014 05.09.2014 08.09.2014 11.09.2014 12.09.2014 15.09.2014 24.09.2014	-25543 -200000 -500 -7202 -1500 -7480 -12925 -5633	Market Sale	2315108 2115108 2114608 2107406 2105906 2098426 2085501 2079868	2.61 2.39 2.39 2.38 2.38 2.37 2.35 2.35
13	Valiant Organics Pvt. Ltd.	250000	0.28	29.04.2014	-15000	Market Sale	235000	0.27



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	HDFC Trustee Company Limited — HDFC Prudence Fund	6181510	6.98	18.04.2014 25.04.2014 02.05.2014	+68000 +106000 +125000	Market Purchase	6249510 6355510 6480510	7.05 7.17 7.32
2	Manoj Chheda	1000001	1.13	02.09.2014	-10000	Market Sale	990001	1.12
3	Bhanumati Mohanlal Savla	857480	0.97	18.04.2014 25.04.2014 16.05.2014 30.05.2014 06.06.2014 13.06.2014 20.06.2014 30.06.2014 04.07.2014 18.07.2014 25.07.2014 01.08.2014 08.08.2014 15.08.2014 22.08.2014 29.08.2014 05.09.2014 12.09.2014 19.09.2014 03.10.2014 31.10.2014 28.11.2014 05.12.2014	-1885 -20000 -2000 -4500 -11004 -16200 -5500 -10000 -75103 -10995 -3174 -28976 -3000 -19201 -6538 -10126 -746 -2763 +9990 -2000 -1000 -1000 -1179	Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Sale Market Purchase Market Sale Market Sale Market Sale Market Sale	855595 835595 833595 829095 818091 801891 796391 786391 711288 700293 697119 668143 665143 645942 639404 629278 628532 625769 635759 633759 632759 631759 630580	0.97 0.94 0.94 0.94 0.92 0.91 0.90 0.89 0.80 0.79 0.79 0.75 0.75 0.73 0.72 0.71 0.71 0.71 0.72 0.72 0.71 0.71 0.71
4	Tarla Kishorekumar Shah	828718	0.94	—	—	Nil Movement during the year	828718	0.94
5	Harsha Chandrakant Shah	445300	0.50	—	—	Nil Movement during the year	445300	0.50
6	Ranjanben Pradip Shah	432000	0.49	—	—	Nil Movement during the year	432000	0.49
7	HDFC Trustee Company Limited a/c HDFC Balanced Fund	420000	0.47	—	—	Nil Movement during the year	420000	0.47
8	HDFC Trustee Company Limited — HDFC Infrastructure Fund*	0	0.00	30.06.2014 04.07.2014 11.07.2014 01.08.2014	+56600 +546001 +37000 +45412	Market Purchase	56600 602601 639601 685013	0.06 0.68 0.72 0.77
9	DSP Blackrock Micro Cap Fund*	0	0.00	09.01.2015 16.01.2015 23.01.2015 06.02.2015	+600000 +493573 +50471 +125082	Market Purchase	600000 1093573 1144044 1269126	0.68 1.23 1.29 1.43



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
10	Franklin Templeton Mutual Fund a/c Franklin*	0	0.00	04.07.2014 11.07.2014 25.07.2014 01.08.2014 21.11.2014 28.11.2014 12.12.2014 31.12.2014	+543636 +80938 +2247 +4363 +36667 +296 +29395 +22458	Market Purchase	543636 624574 626821 631184 667851 668147 697542 720000	0.61 0.71 0.71 0.71 0.75 0.75 0.79 0.81
11	Premji Khetshi Gogri#	405000	0.46	25.04.2014 04.07.2014	-30000 -187000	Market Sale	375000 188000	0.42 0.21
12	Anil L Shah#	415029	0.47	—	—	Nil movement during the year	415029	0.47
13	Maniben Dharamshi Shah#	371500	0.42	09.01.2015	-179077	Market Sale	192423	0.22

* Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

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:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Rajendra V. Gogri	2425365	2.74	—	—	Nil Movement during the year	2425365	2.74
2	Rashesh C. Gogri	3964221	4.47	—	—	Nil Movement during the year	3964221	4.47
3	Shantilal T. Shah	2340651	2.64	04.07.2014 07.07.2014 05.09.2014 08.09.2014 11.09.2014 12.09.2014 15.09.2014 24.09.2014	-25543 -200000 -500 -7202 -1500 -7480 -12925 -5633	Market Sale	2315108 2115108 2114608 2107406 2105906 2098426 2085501 2079868	2.61 2.39 2.39 2.38 2.38 2.37 2.35 2.35
4	Parimal H. Desai	431271	0.49	08.07.2014	-80825	Market Sale	350446	0.40
5	Manoj M. Chheda	1000001	1.13	02.09.2014	-10000	Market Sale	990001	1.12
6	Hetal G. Gala	3703689	4.18	—	—	Nil Movement during the year	3703689	4.18
7	Kirit R. Mehta	49980	0.06	—	—	Nil Movement during the year	49980	0.06
8	Renil R. Gogri	2118975	2.39	—	—	Nil Movement during the year	2118975	2.39



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Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
9	Ramdas M. Gandhi	26500	0.03	13.08.2014 01.09.2014 02.09.2014	-6500 -1000 -9000	Market Sale	20000 19000 10000	0.02 0.02 0.01
10	Laxmichand K. Jain	20550	0.02	—	—	Nil Movement during the year	20550	0.02
11	Vijay H. Patil	7200	0.01	—	—	Nil Movement during the year	7200	0.01
12	K. V. S. Shyam Sunder	Nil	Nil	—	—	—	Nil	Nil
13	P. A. Sethi	Nil	Nil	—	—	—	Nil	Nil
14	Bhaves R. Vora	Nil	Nil	—	—	—	Nil	Nil
15	Ganapati D. Yadav	1200	0.00	—	—	Nil Movement during the year	1200	0.00
16	Priti P. Savla	Nil	Nil	—	—	—	Nil	Nil
17	Chetan B. Gandhi	Nil	Nil	—	—	—	Nil	Nil
18	Mona N. Patel	Nil	Nil	—	—	—	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(` in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	102,076.21	2,311.68	86.10	104,473.99
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	11.45	—	—	11.45
Total (i+ii+iii)	102,087.66	2,311.68	86.10	104,485.44
Change in Indebtedness during the financial year				
Addition	15,317.78	1,976.76	—	17,294.54
Reduction	—	—	-86.10	-86.10
Net Change	15,317.78	1,976.76	-86.10	17,208.44
Indebtedness at the end of the financial year				
(i) Principal Amount	115,840.92	4,288.44	—	120,129.36
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	1,564.52	—	—	1,564.52
Total (i+ii+iii)	117,405.44	4,288.44	—	121,693.88



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in `)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager							Total Amount
		CMD	VC&MD	WTD	WTD	WTD	WTD	WTD	
		Rajendra V. Gogri	Rashesh C. Gogri	Parimal H.Desai	Manoj Chheda	Hetal Gogri Gala	Kirit R Mehta	Renil R. Gogri	
1.	Gross salary								
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	4,300,000	4,300,000	3,810,000	3,810,000	3,813,498	1,900,000	2,963,800	24,897,298
	(b) Value of perquisites u/s. 17(2) of the Income-tax Act, 1961	939,680	939,680	819,800	819,800	820,220	367,100	331,200	5,037,480
	(c) Profits in lieu of salary u/s.17(3) of the Income-tax Act, 1961								
2.	Stock Option	—	—	—	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—	—	—	—
4.	Commission	13,259,010	13,259,010	2,501,700	1,250,850	13,008,840	—	6,754,590	50,034,000
	— as % of profit								
	— others, specify...								
5.	Others, please specify	—	—	—	—	—	—	—	—
	Total (A)	18,498,690	18,498,690	7,131,500	5,880,650	17,642,558	2,267,100	10,049,590	79,968,778
	Ceiling as per the Act	10% of net profits of the Company							

B. Remuneration to other Directors:

(Amount in `)

Sl. No.	Particulars of Remuneration	Name of Directors								Total
		Ramdas M. Gandhi	Laxmichand K. Gandhi	Vijay H. Patil	K.V.S. Shyam Sunder	P.A. Sethi	Bhavesh R. Vora	Ganapati D. Yadav	Priti Paras Savla	
(1)	Independent Directors									
	Fee for attending Board Committee Meetings	88,000	112,000	52,000	108,000	124,000	112,000	36,000	36,000	668,000
	Commission	—	—	—	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—	—	—	—
	Total (1)	88,000	112,000	52,000	108,000	124,000	112,000	36,000	36,000	668,000
(2)	Other Non-Executive Directors	Shantilal T. Shah								
	Fee for attending Board / Committee Meetings	272,000	—	—	—	—	—	—	—	272,000
	Commission	—	—	—	—	—	—	—	—	—
	Others, please specify	—	—	—	—	—	—	—	—	—
	Total (2)	272,000	—	—	—	—	—	—	—	272,000
	Total Managerial Remuneration (B)=(1+2)	—	—	—	—	—	—	—	—	940,000
	Overall Ceiling as per the Act	1% of net profits of the Company								



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

(Amount in `)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary	1,504,426	3,720,000	5,224,426
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	88,937	—	88,937
	(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...	—	—	—
5.	Others, please specify	—	—	—
	Total	1,593,163	3,720,000	5,313,363

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 'C'

SECRETARIAL AUDIT REPORT

for the Financial Year ended on 31st March, 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 Industries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aarti Industries 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 31st March, 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 (**Not applicable to the Company during Audit Period**);
 - (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;
 - (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 the Petroleum Act, 1934 and 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:

- (a) The Company has issued Secured Redeemable Non-Convertible Debentures carrying coupon rate of 11.75% per annum for an aggregate amount of ₹ 200 Crores.
- (b) The Company has approved amalgamation of Gogri & Sons Investment Private Limited, Alchemie Leasing And Financing Private Limited, Anushakti Holdings Limited and Anushakti Chemical And Drugs Limited inter alia subject to necessary sanctions by the Court(s).

For Sunil M. Dedhia & Co.

Sd/-
CS Sunil M. Dedhia
Proprietor
FCS No: 3483 C.P. No. 2031

Place: Mumbai
Date: 13th May, 2015



Annexure 'D'

FORM AOC -1

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

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY/ASSOCIATES

PART "A" : SUBSIDIARY COMPANIES

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 subsidiaries	Share Capital	Reverse & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% Of Shareholding
1	Aarti Corporate Services Ltd.	INR	202.47	676.04	1,256.81	378.31	685.91	497.65	483.53	78.00	405.48	-	100.00%
2	Nascent Chemical Industries Ltd.	INR	60.00	625.16	1,178.09	492.92	0.06	1,558.19	576.72	221.67	355.04	120.00	50.49%
3	Shanti Intermediates P. Ltd.	INR	6.77	69.66	529.05	452.63	-	867.81	2.90	3.66	(0.76)	-	100.00%
4	Alchemie (Europe) Ltd.*	GBP	0.90	(0.62)	60.25	59.97	-	123.81	0.01	-	0.01	-	88.89%
5	Innovative Envirocare Jhagadia Ltd.	INR	83.03	(56.81)	5,558.17	5,531.95	-	11,867.28	(13.49)	-	(13.49)	-	100.00%
			35.00	(4.46)	31.27	0.74	-	-	-	-	-	-	100.00%

* The financial statement of Alchemie (Europe) Limited whose reporting currency is other than INR are converted into Indian Rupees on the basis of appropriate exchange rate as per applicable Accounting Standard. As at 31st March, 2015 GBP 1 = INR 92.25.

PART "B" : ASSOCIATE COMPANIES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Sr. No.	Name of Associates/Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associates/Joint Ventures held by the Company on the year end			Profit/Loss for the year				Reason why the associate
			No.	Amount of Investment in Associates	Extend of Holding %	Networth attributable to Shareholding as per Latest audited Balance Sheet	Considered in Consolidation in Lakh	Not Considered in Consolidation	Description of how there is significant influence	
1	Ganesh Polychem Ltd.	31.03.2015	3068257	1,215.86	50.00%	4,665.84	1,115.71	-	on account of shareholding	N.A
2	Anushakti Chemicals and Drugs Ltd.	31.03.2015	15529136	751.21	49.59%	1,466.33	89.67	-	-,-	N.A
3	Anushakti Holdings Ltd.	31.03.2015	8846490	290.51	48.99%	2,145.80	182.12	-	-,-	N.A
4	Aarti Intermediates Pvt Ltd.	31.03.2015	22125	0.22	49.98%	-	-	-	-,-	N.A
5	Aarti Biotech Ltd.	31.03.2015	421700	5.11	30.21%	9.49	0.62	-	-,-	N.A
6	Perfect Enviro Control System Ltd.	31.03.2015	380640	17.65	45.31%	12.79	2.00	-	-,-	N.A

FOR AND ON BEHALF OF THE BOARD

Sd/-
RAJENDRA V. GOGRI
CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
RASHESH C. GOGRI
VICE CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
SHANTILAL T. SHAH
VICE CHAIRMAN

PLACE: Mumbai
DATE: 13th May, 2015

Sd/-
CHETAN GANDHI
CHIEF FINANCIAL OFFICER

Sd/-
MONA PATEL
COMPANY SECRETARY



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 the Corporate Governance compliance is furnished below:

(I) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company is committed to the adoption and adherence to Corporate Governance Practices, which shall ensure that all the concerned parties associated with the Company obtain requisite information which would help them to make informed decision. Such Corporate Governance Practices help enhancement of long-term shareholders value and interest of other Stakeholders.

The Board fully appreciates the need of increased awareness for responsibility, transparency and professionalism and focus for effective control and management of the Organisation. The Company has adequate number of Independent Directors and also has formed various Committees for overview of the Organisation.

(II) MANDATORY REQUIREMENTS:

(1) BOARD OF DIRECTORS

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

Aarti Industries Limited (AIL) Board presently consists of 16 (Sixteen) Directors of whom 7 (Seven) are Executive, 1 (One) is Non-Executive and 8 (Eight) are Independent Directors except Managing Directors, the other Directors are liable to retire by rotation.

Name of Directors	Category	No. of other Directorship*	No. of Committee Membership in all Companies**		No. of Board Meetings Attended	Attendance at last AGM
			Chairman	Member		
Shri Rajendra V. Gogri	Chairman and M.D.	4	1	3	6	Yes
Shri Rashesh C. Gogri	Vice-chairman and M.D.	4	None	4	6	Yes
Shri Shantilal T. Shah	Vice-chairman, Non-executive	4	1	None	5	Yes
Shri Parimal H. Desai	Executive	2	1	1	4	Yes
Shri Manoj M. Chheda	Executive	None	None	1	5	Yes
Smt. Hetal Gogri Gala	Executive	2	None	None	6	No
Shri Kirit R. Mehta	Executive	4	1	1	5	Yes
Shri Renil R. Gogri	Executive	2	None	None	6	Yes
Shri Ramdas M. Gandhi	Independent	3	3	3	4	No
Shri Laxmichand K. Jain	Independent	None	None	1	5	No
Shri Vijay H. Patil	Independent	None	None	1	2	No
Shri P. A. Sethi	Independent	1	None	2	6	Yes
Shri K.V.S. Shyam Sunder	Independent	2	1	2	5	Yes
Shri Bhavesh R. Vora	Independent	1	None	3	5	Yes
Prof. Ganapati D. Yadav®	Independent	None	None	None	2	N.A.
Smt. Priti P. Savla®	Independent	1	None	None	2	N.A.

* This excludes Directorships held in Private Limited, Overseas Companies and Section 8 Companies.

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

@ Prof. Ganapati D. Yadav and Smt. Priti P. Savla have been appointed as an Independent Directors w.e.f. 25th September, 2014.



(b) Board Meetings:

During the Year 2014-15, 6 (Six) Board Meetings were held on 30.05.2014, 11.08.2014, 16.09.2014, 22.09.2014, 08.11.2014 and 09.02.2015.

Separate Meeting of Independent Directors:

During the year under review, the Independent Directors met on 26th March, 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 Industries 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.aartigroup.com. All the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2015. A declaration to this effect, duly signed by the Managing Director (CEO) is annexed hereto.

(2) AUDIT COMMITTEE:

- (i) 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.

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, 5 (Five) Audit Committee Meetings were held on 12.05.2014, 30.05.2014, 11.08.2014, 08.11.2014 and 09.02.2015.
- (iii) The composition of the Audit Committee and other relevant details are given below:

Name of Directors	Category	Profession	No. of meetings attended
Shri Ramdas M. Gandhi (Chairman of the Committee)	Independent	Solicitor	3
Shri Rajendra V. Gogri	Chairman & Managing Director, Executive	Industrialist	5
Shri Parimal H. Desai	Executive	Industrialist	4
Shri Laxmichand K. Jain	Independent	Environmental Consultant	4
Shri Vijay H. Patil	Independent	Advocate	1



Name of Directors	Category	Profession	No. of meetings attended
Shri P. A. Sethi	Independent	Banker	5
Shri K.V.S. Shyam Sunder	Independent	Chartered Accountant	4
Shri Bhavesh R. Vora	Independent	Chartered Accountant	5
Shri Rashesh C. Gogri*	Vice Chairman & Managing Director, Executive	Industrialist	3
Shri Manoj M. Chheda**	Executive	Industrialist	1

* Shri Rashesh C. Gogri was appointed as a member of the Committee in the Board Meeting held on 30th May, 2014.

** Shri Manoj M. Chheda resigned with effect from 30th May, 2014.

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.

(3) NOMINATION AND REMUNERATION COMMITTEE

(i) Brief description of terms of reference:

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

- 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;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity.
- 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, 1 (one) meeting of the Nomination & Remuneration Committee was held on 12.05.2014. The composition of the Nomination and Remuneration Committee and other relevant details are given below:

Name of the Directors	Category	No. of meetings attended
Shri Laxmichand K. Jain (Chairman of the Committee)	Independent	1
Shri Rajendra V. Gogri	Chairman & Managing Director, Executive	1
Shri Ramdas M. Gandhi	Independent	1
Shri Vijay H. Patil	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.



AARTI INDUSTRIES LIMITED

Whole time directors

The Company remunerates its Whole-time Director's by way of salary, perquisites and allowances and variable commission based on performance of the Company. Remuneration is paid within the limits recommended by the Nomination & Remuneration Committee and the Board and as approved by the shareholders within the stipulated limits of the Companies Act, 2013 and the Rules made thereunder. The remuneration paid to the Whole-time Director is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance.

Non-executive Directors

Non-Executive Directors are presently receiving sitting fees (including reimbursement of expenses) for attending the meeting of the Board and its Committees as per the provisions of the Companies Act, 2013 and the rules made thereunder.

Key Managerial Personnel and other senior employees

The remuneration of KMP and other employees largely consists of basic salary, perquisites, allowances and performance incentives (wherever paid). Perquisites and retirement benefits are paid according to the Company policy. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry and its peer group.

(iv) Details of Remuneration to all Directors

Remuneration payable to the Directors is considered and approved by the Nomination and 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 ` 12,000/- (revised w.e.f. 16.09.2014) (earlier ` 8,000/-) for each of the meetings of the Board or Audit Committee thereof attended by them and ` 4,000/- each for other Committee(s). The details of remuneration paid to each Director for the year 31st March, 2015 are as under:

(Amount in `)

Name of Director(s)	Salary and other Perquisites	Commission	Sitting Fees	Total Remuneration
Shri Rajendra V. Gogri	5,239,680	13,259,010	–	18,498,690
Shri Shantilal T. Shah	–	–	272,000	272,000
Shri Rashesh C. Gogri	5,239,680	13,259,010	–	18,498,690
Shri Parimal H. Desai	4,629,800	2,501,700	–	7,131,500
Shri Manoj M. Chheda	4,629,800	1,250,850	–	5,880,650
Shri Kirit R. Mehta	2,267,100	–	–	2,267,100
Smt. Hetal Gogri Gala	4,633,718	13,008,840	–	17,642,558
Shri Renil R. Gogri	3,295,000	6,754,590	–	10,049,590
Shri Laxmichand K. Jain	–	–	112,000	112,000
Shri Ramdas M. Gandhi	–	–	88,000	88,000
Shri Vijay H. Patil	–	–	52,000	52,000
Shri P. A. Sethi	–	–	124,000	124,000
Shri K.V.S. Shyam Sunder	–	–	108,000	108,000
Shri Bhavesh R. Vora	–	–	112,000	112,000
Prof. Ganapati D. Yadav [@]	–	–	36,000	36,000
Smt. Priti P. Savla [@]	–	–	36,000	36,000

[@] Prof. Ganapati D. Yadav and Smt. Priti P. Savla have been appointed as an Independent Directors w.e.f 25th September, 2014.



AARTI INDUSTRIES LIMITED

Notes:

- The above figures do not include contribution to Group Gratuity Fund, Group Medclaim & Group Personal Accident, as separate figures are not available for the Directors.
- All Executive Directors are appointed under contracts each for a period of five years and with termination notice period of 180 days.
- The above figures do not include contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income-Tax law.

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

Name	Number of Shares held	% of Total Shareholding
Shri Shantilal T. Shah	2079868	2.35
Shri Ramdas M. Gandhi	10000	0.01
Shri Laxmichand K. Jain	20550	0.02
Shri Vijay H. Patil	7200	0.01
Shri P. A. Sethi	Nil	Nil
Shri K.V.S. Shyam Sunder	Nil	Nil
Shri Bhavesh R. Vora	Nil	Nil
Prof. Ganapati D. Yadav [@]	1200	0.00
Smt Priti P. Savla [@]	Nil	Nil

@ Prof. Ganapati D. Yadav and Smt. Priti P. Savla have been appointed as Independent Directors w.e.f. 25th September, 2014.

(4) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

- Pursuant to Section 178(5) of the Companies Act, 2013, the Committee was renamed by the Board of Directors on 30th May, 2014 as "Stakeholders' Relationship Committee".
- Brief 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.
- During the year 2014-15, 4 (Four) Stakeholders' Relationship Committee Meetings were held on 16.06.2014, 15.09.2014, 22.12.2014 and 20.03.2015.
- The composition of the Stakeholders' Relationship Committee and other relevant details are given below:

Name of the Directors	Category	No. of meetings attended
Shri Shantilal T. Shah (Chairman of the Committee)	Non-executive	4
Shri Rajendra V. Gogri	Executive	4
Shri Manoj M. Chheda	Executive	4
Shri Kirit R. Mehta	Executive	3

- CS Mona Patel, Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances.



(vi) **Shareholders' Complaints:**

During the year, 56 (Fifty Six) Complaints were received. All the Complaints were resolved to the satisfaction of the Shareholders. No request for Share Transfer or Dematerialisation was pending for approval as on 31st March, 2015.

(5) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

- (i) The Board of Directors, at their meeting held on 30th May, 2014, constituted "Corporate Social Responsibility Committee" pursuant to the provisions of Section 135 of the Companies Act, 2013.
- (ii) 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.
- (iii) During the year 2014-15, 2 (Two) Corporate Social Responsibility Committee Meetings were held on 03.06.2014 and 04.02.2015.
- (iv) The composition of the Corporate Social Responsibility Committee and other relevant details are given below:

Name of the Directors	Category	No. of meetings attended
Shri Laxmichand K. Jain (Chairman of the Committee)	Independent	2
Smt. Hetal Gogri Gala	Executive	2
Shri Kirit R. Mehta	Executive	2

(6) GENERAL BODY MEETINGS

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

Year	Day, Date & Time	Venue	Special Resolutions passed for
2012	Monday, 13.08.2012 11.00 a.m.	Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi - 396 195, Dist. Valsad, Gujarat.	Special Resolution passed pursuant to Section 314 to hold and continue to hold an Office of Profit.
2013	Monday, 23.09.2013 11.00 a.m.	Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi - 396 195, Dist. Valsad, Gujarat.	—
2014	Wednesday, 24.09.2014, 10.30 a.m.	Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi - 396 195, Dist. Valsad, Gujarat.	<ul style="list-style-type: none"> ● Special Resolution under Section 180(1)(c) of the Companies Act, 2013 to consent for borrowing funds upto ` 2,000 crore. ● Special Resolution to approve and ratify the issue of Non-Convertible Debentures on Private placement upto ` 300 crores. ● Special Resolution to adopt new set of Articles of Association of the Company.



(ii) Postal Ballot:

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

Approval under Section 100 and other applicable provisions, if any, of the Companies Act, 1956 and the Companies Act, 2013 of reduction of capital by cancellation of equity shares of ₹ 5/- each fully paid up of the Company in terms of and in consideration of and as an integral part of the Scheme of amalgamation between Gogri and Sons Investments Private Limited, Alchemie Leasing and Financing Private Limited, Anushakti Holdings Limited, Anushakti Chemicals and Drugs Limited with Aarti Industries Limited.

- (b) The Board of Directors of the Company, vide a circular resolution dated 12th January, 2015, had appointed Mr. Sunil M. Dedhia as the Scrutinizer for conducting the postal ballot voting process.
- (c) On 20th February, 2015, Shri Rajendra V. Gogri, Chairman and Managing Director, announced the following results of the postal ballot as per the Scrutinizer's Report:

Brief Particulars of the Special Resolution	FOR	AGAINST	Percentage (%)	
	Voter Count (No. of Shares)	Voter Count (No. of Shares)	For	Against
Approval under Section 100 and other applicable provisions, if any, of the Companies Act, 1956 and the Companies Act, 2013 of reduction of capital by cancellation of equity shares of ₹ 5/- each fully paid up of the Company in terms of and in consideration of and as an integral part of the Scheme of amalgamation of between Gogri and Sons Investment Private Limited, Alchemic Leasing Financing Private Limited, Anushakti Holding Limited and Anushakti Chemicals and Drugs Limited with Aarti Industries Limited.	55742055	117675	99.79	0.21

(7) DISCLOSURES

- (i) During the year, there were no material related party transactions i.e. transactions of the Company of a material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large. All related party transactions are mentioned in the notes to the accounts.

- (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) 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. None of the person has been denied access to the Audit Committee.

(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.



(8) OTHER COMMITTEES OF DIRECTORS

In addition to the above referred Committees which are mandatory under the Companies Act, the Listing Agreement and under the SEBI Guidelines, the Board of Directors has constituted the following Committees of Directors to look into various business matters:-

Risk Management Committee –

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has risk management framework to identify, monitor and minimize risks as also identify business opportunities. Company has constituted a Risk Management Committee with functional heads/divisional heads as below:

- 1) Chairman & Managing Director
- 2) Vice Chairman & Managing Director
- 3) Vice Chairman
- 4) CEO/CFO
- 5) Operational/ Division Head(s)

(9) MEANS OF COMMUNICATION

Quarterly and annual financial results are published in The Western Times in (English) edition and (Gujarati) edition published from Ahmedabad.

These results and official news releases are also available on the website of the Company (www.aartigroup.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) and BSE Ltd. (www.bseindia.com) and available on their websites as well.

Detailed presentations are made to institutional investors and financial analysts on the Company's audited quarterly as well as audited annual financial results. These presentations/Con-call transcript are also uploaded on the Company's website (www.aartigroup.com).

(10) GENERAL SHAREHOLDERS INFORMATION

(i) The day, date, time & venue of the 32nd Annual General Meeting:

Day	Date	Time	Venue
Thursday	24 th September, 2015	11.30 a.m.	Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi 396195, Dist. Valsad, Gujarat.

(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	2 nd /3 rd week of May, 2016.

(iii) Dates of Book Closure (Both days inclusive) 17th September, 2015 to 24th September, 2015

(iv) Date of Payment of Dividend: 29th September, 2015



AARTI INDUSTRIES LIMITED

(v) Listing on Stock Exchanges:

Stock Exchange	Stock Code/Symbol
National Stock Exchange of India Limited	AARTIIND
BSE Ltd.	524208

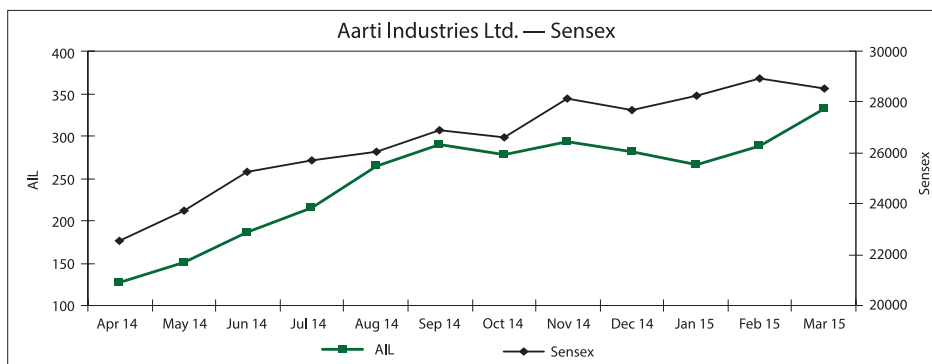
(vi) Listing fees and Annual Custodial Fee:

The Company has paid the Annual Listing Fees of the Stock Exchanges for the year 2015-2016. Annual Custodial Fee will be paid to NSDL & CDSL on receipt of invoices.

(vii) Market Price Data: High, Low during each month in last financial year:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2014	140.00	108.00	244829	140.85	119.75	1130252
May 2014	169.00	129.25	878043	169.90	130.10	2161752
June 2014	209.00	158.00	701944	209.30	157.50	1886145
July 2014	244.30	190.60	708155	244.50	191.00	3740680
August 2014	300.90	211.90	1201192	300.75	210.95	3883568
September 2014	307.00	274.00	619384	308.00	273.00	1610188
October 2014	305.15	232.00	335333	307.70	230.20	827751
November 2014	319.50	272.05	329840	320.80	272.00	1141765
December 2014	310.45	248.95	249029	311.65	249.00	824561
January 2015	288.60	247.15	1035868	290.00	247.00	1898249
February 2015	309.80	267.10	679285	309.90	267.00	2319216
March 2015	377.00	286.45	1149864	377.40	285.20	3812563

(viii) Performance in comparison to broad-based indices BSE Sensex:



(ix) Registrar and Transfer Agents:

M/s. Sharepro Services (India) Pvt. Ltd.

Samhita Warehousing Complex,
Gala No.-52 to 56, Bldg. No.13 A-B,
Near Sakinaka Telephone Exchange,
Andheri-Kurla Road, Sakinaka, Mumbai-400 072.
Telephone: 022-67720300/67720400
Fax No.: 022-28591568.
e-mail: sharepro@shareproservices.com
website: www.shareproservices.com

The shareholders are requested to address all their communications/suggestions/grievances to the Registrar and Transfer Agents at the above address.



AARTI INDUSTRIES LIMITED

**(x) Debt Securities - Debenture Trustee
IDBI Trusteeship Services Limited**

Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai-400 001
Ph:- +91 (22) 4080 7001
Fax: +91 (22) 6631 7776
e-mail: itsl@idbitrustee.com
website: <http://www.idbitrustee.com>

(xi) Share Transfer System:

Share Transfer Committee comprising of Shri Rajendra V. Gogri, Shri Shantilal T. Shah and Shri Rashesh C. Gogri and Smt. Hetal Gorgri Gala meets weekly for approval of the transfer, dematerialisation, etc. Reports on Share Transfer/Transmission are placed before the Stakeholders' Relationship Committee and the Board from time to time.

(xii) Shareholding Pattern as on 31st March, 2015

Category	No. of Shares	%
Promoters – Indian	52378875	59.12
Promoters – Foreign	86148	0.10
Bodies Corporate	1260504	1.42
Banks, Financial Institutions	14210	0.02
Mutual Funds	10912899	12.32
FII/NRI/OCB	999513	1.13
Public	22939538	25.89
Total	88591687	100.00

Distribution of Shareholding as on 31st March, 2015

No. of Shares	Shareholders		Shares	
	Number	%	Number	%
Less Than 1000	14225	82.92	3446915	3.891
1001-2000	1792	10.446	2379097	2.685
2001-4000	466	2.716	1352062	1.526
4001-6000	201	1.172	1009632	1.14
6001-8000	79	0.461	549823	0.621
8001-10000	55	0.321	516262	0.583
10001-20000	112	0.653	1552217	1.752
Above 20001	225	1.312	77785679	87.802
Total	17155	100	88591687	100

(xiii) Dematerialization of shares and liquidity:

Equity Shares of the Company are traded compulsorily in Dematerialised Form and available for trading in the Depository Systems of both NSDL and CDSL. Security Code No. with NSDL and CDSL is – ISIN No. INE-769A01020. As on 31st March, 2015, 86356063 Equity Shares representing 97.48% of the Paid-up Share Capital of the Company are held in dematerialised form.

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.



AARTI INDUSTRIES LIMITED

(xiv) ADRs/ GDRs/ Warrants

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

(xv) Plant Locations

- (a) Plot Nos. 801, 801/15 to 19, 21, 22 & 23, 802, 803, 804/1-2-3, 806 & 807, GIDC Estate, Phase III, Vapi – 396 195, Dist. Valsad, Gujarat.
- (b) Plot No. 902 & 923, GIDC Estate, Phase II, Vapi – 396 195, Dist. Valsad, Gujarat.
- (c) Plot No. 286/1, 285, GIDC Estate, Phase II, Vapi – 396 195, Dist. Valsad, Gujarat.
- (d) Plot No. 22/C/1 & 2, GIDC Estate, Phase I, Vapi – 396 195, Dist. Valsad, Gujarat.
- (e) Plot No. 609 & 610, GIDC Estate, 100 Shed, Vapi – 396 195, Dist. Valsad, Gujarat.
- (f) Plot Nos. 750-751, Sarigam Industrial Area, Sarigam, Tal. Umargaon, Dist. Valsad, Gujarat.
- (g) Plot Nos. 2701, 2703 Sarigam Industrial Area, Sarigam, Tal. Umargaon, Dist. Valsad, Gujarat.
- (h) Plot Nos. 758/1, 2 & 3, Jhagadia Mega Estate, Village Kapalsadi, Tal. Jhagadia, Dist. Bharuch – Gujarat.
- (i) Plot Nos. 756/2 A&B, 756/3 A&B, 756/4 A&B, 756/5 A&B, 756/6 A&B, 756/7, 779, Jhagadia Mega Estate, Village Kapalsadi, Tal. Jhagadia, Dist. Bharuch – Gujarat.
- (j) Survey No. 135 & 136, Jhagadia Dist. Bharuch, Gujarat.
- (k) Survey No. 1430/1, NH-8, Bhachau, Kutch, Gujarat.
- (l) Plot No. D-18, MIDC, Tarapur, Dist. Thane, Maharashtra.
- (m) Plot No. E-50, MIDC, Tarapur, Dist. Thane, Maharashtra.
- (n) Plot No. K - 17/18/19, MIDC, Tarapur, Dist. Thane, Maharashtra.
- (o) Plot No. L – 5, L – 8 & L – 9/1, MIDC, Tarapur, Dist. Thane, Maharashtra.
- (p) Plot No. K – 67, MIDC, Tarapur, Dist. Thane, Maharashtra.
- (q) Survey No. 193/1/4, 193/1/5, 193/1/6, Silvassa, Union Territory of Silvassa.
- (r) Plot No. D – 53/54/60, MIDC, Phase II, Dombivali (East), Dist. Thane, Maharashtra
- (s) Plot Nos. 62, 63 & 64, Sagore, Pithampur Industrial Area, Sector-3, Pithampur, Dist. Dhar, Madhya Pradesh.

(xvi) Address for Correspondence

- (a) **Corporate Office:** 71, Udyog Kshetra, 2nd Floor, Mulund–Goregaon Link Road, L.B.S. Marg, Mulund (West), Mumbai–400 080.
- (b) **Registered Office:** Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi-396 195, Dist. Valsad, Gujarat

(xvii) R & D Centers

- (a) Plot No. 801, GIDC Estate, Phase III, Vapi – 396 195, Dist. Valsad, Gujarat.
- (b) Plot Nos. D54 & D56, MIDC, Phase II, Dombivali (East), Dist. Thane, Maharashtra.

(xviii) Compliance Officer:

CS Mona Patel, Company Secretary

222, Udyog Kshetra, 2nd Floor, Mulund–Goregaon Link Road,
L.B.S. Marg, Mulund (West), Mumbai–400 080.

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

**(xix) 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	Demat		Physical	
	No. of Shareholders	No. of equity shares	No. of shareholders (phase wise transfers)	Number of Equity Shares
Aggregate no of shareholders and the outstanding shares in the suspense account lying as on 31 st March, 2014.	574	401988	–	–
Number of shareholders who approached the Company for transfer of shares from suspense account during the year.	7	1950	6	2700
Number of shareholders to whom shares were transferred from the suspense account during the year.	7	1950	6	2700
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 st March, 2015.	561	397338	–	–

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

(xx) CEO/CFO Certification

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Shri Rajendra V. Gogri, CEO and Shri Chetan B. Gandhi, CFO was placed at the meeting of the Board of Directors held on 13th May, 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:

Sr. No	Particulars	Remarks
1	Non-Executive Chairman's Office	The Company does not have Non-Executive Chairman.
2	Shareholders' 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.
3	Audit Qualifications	The Company's financial statement for the year 2014-15 does not contain any audit qualification.
4	Separate posts of Chairman and CEO	The Company does not have separate post of Chairman and MD/CEO.
5	Reporting of Internal Auditor	The Internal Auditor reports to Chairman & Managing Director and has direct access to the Audit Committee.

For and on Behalf of the Board

Sd/-

RAJENDRA V. GOGRI

CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai

Date: 13th May, 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/-

RAJENDRA V. GOGRI
CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai

Date: 13th May, 2015

CERTIFICATE

To the Members of
Aarti Industries Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by Aarti Industries Ltd., for the year ended on 31st March, 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 ACCOUNTANTS
Firm Registration Number: 103264W

Sd/-

TEJAS J. PARIKH
PARTNER
M. No. 123215

Place: Mumbai

Date: 13th May, 2015



Independent Auditors' Report

To the Members of AARTI INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **AARTI INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 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.

Auditors' 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 31st March, 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 paragraphs 3 & 4 of the order.



AARTI INDUSTRIES LIMITED

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 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 as at 31st March, 2015 on its financial position in its financial statements Refer Note 25 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 ACCOUNTANTS
Firm Registration Number: 103264W

Sd/-
(TEJAS J. PARIKH)
PARTNER
M. No. 123215

Place: Mumbai
Date: 13th May, 2015



Annexure to the Independent Auditors' 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 paragraphs 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 has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore provisions of Clause 3 (iii) of the CARO are not applicable.
- (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 Sections 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:

(` in Lakhs)

Name of the Statutes/ Nature of Dues	Financial Year	Forum where dispute is pending		Total
		Commissionerate	Appellate Authorities and Tribunals	
The Central Excise Act, 1944/ Custom Duty/Service Tax/ Interest & Penalty	FY 2001-02 to FY 2013-14	3,630.77	NIL	3,630.77
Income Tax Act/Tax Interest & Penalty	FY 2008-09, FY 2009-10, FY 2010-11	689.65	535.38	1,225.03
TOTAL		4,320.42	535.38	4,855.80



AARTI INDUSTRIES LIMITED

- (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 31st March, 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 or debenture holders.
- (x) In our opinion and according to the information and explanation given to us, the Company has not 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 ACCOUNTANTS
Firm Registration Number: 103264W

Sd/-
(TEJAS J. PARIKH)
PARTNER
M. No. 123215

Place: Mumbai
Date: May 13, 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
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	4,429.58	4,429.58
(b) Reserves and Surplus	2	86,354.10	73,439.88
		90,783.68	77,869.46
Non-Current Liabilities			
(a) Long-Term Borrowings	3	41,891.96	25,502.81
(b) Deferred Tax Liabilities (Net)	4	10,245.92	8,445.92
(c) Other Long-Term Liabilities	5	18.52	731.97
(d) Long-Term Provisions	6	30,016.61	25,566.61
		82,173.01	60,247.31
Current Liabilities			
(a) Short-Term Borrowings	7	64,732.17	68,583.76
(b) Trade Payables		25,266.28	36,783.59
(c) Other Current Liabilities	8	15,630.75	10,103.55
(d) Short-Term Provisions	9	3,302.73	2,898.19
		108,931.93	118,369.09
TOTAL		281,888.62	256,485.86
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	93,604.85	79,320.17
(ii) Intangible Assets	10	4.37	8.55
(iii) Capital Work-in-Progress	10	18,795.26	11,261.12
(b) Non-Current Investments	11	6,323.65	3,224.96
(c) Long-Term Loans and Advances	12	42,995.79	38,616.17
		161,723.92	132,430.97
Current Assets			
(a) Inventories	13	54,387.03	60,333.21
(b) Trade Receivables	14	46,681.43	46,577.32
(c) Cash and Cash Equivalents	15	2,633.01	1,235.42
(d) Short-Term Loans and Advances	16	13,741.32	12,959.18
(e) Other Current Assets	17	2,721.91	2,949.76
		120,164.70	124,054.89
TOTAL		281,888.62	256,485.86
Summary of Significant Accounting Policies and other Explanatory Information	25-36		

As per our report of even date
For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-
TEJAS J. PARIKH
PARTNER

Sd/-
RAJENDRA V. GOGRI
CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
RASHESH C. GOGRI
VICE CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
SHANTILAL T. SHAH
VICE CHAIRMAN

PLACE: Mumbai
DATE: 13th May, 2015

Sd/-
CHETAN GANDHI
CHIEF FINANCIAL OFFICER

Sd/-
MONA PATEL
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
REVENUE			
Revenue from Operations	18	287,064.54	263,277.72
Other Income	19	197.23	1,042.46
Total Revenue		287,261.77	264,320.18
EXPENSES			
Cost of Materials Consumed (Including Packing Materials, Fuel, Stores & Spares)	20	164,602.45	163,078.84
Purchases of Stock-in-Trade		13,213.82	11,685.89
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	1,721.99	(6,205.14)
Employee Benefits Expenses	22	8,971.42	7,572.74
Finance Costs	23	13,747.73	11,753.35
Depreciation and Amortisation Expenses		7,864.85	8,743.55
Other Expenses	24	52,907.95	47,596.45
Total Expenses		263,030.21	244,225.68
PROFIT BEFORE EXCEPTIONAL ITEM & TAX		24,231.56	20,094.50
EXCEPTIONAL ITEM			
Gain due to change in depreciation method	10.5	348.18	NIL
		348.18	NIL
PROFIT BEFORE TAX		24,579.74	20,094.50
TAX EXPENSES			
Current Tax		4,450.00	3,850.00
MAT Credit Entitlement		(450.00)	NIL
Deferred Tax		1,800.00	1,375.00
Total Tax Expenses		5,800.00	5,225.00
PROFIT AFTER TAX		18,779.74	14,869.50
Earnings Per Equity Share (EPS) (in ₹)			
Basic/Diluted	32	21.20	16.78
Summary of Significant Accounting Policies and other Explanatory Information	25-36		

As per our report of even date
For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-
TEJAS J. PARIKH
PARTNER

Sd/-
RAJENDRA V. GOGRI
CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
RASHESH C. GOGRI
VICE CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
SHANTILAL T. SHAH
VICE CHAIRMAN

PLACE: Mumbai
DATE: 13th May, 2015

Sd/-
CHETAN GANDHI
CHIEF FINANCIAL OFFICER

Sd/-
MONA PATEL
COMPANY SECRETARY



Significant Accounting Policies:

(a) Accounting Basis:

The financial statements are prepared under historical cost convention in accordance with generally accepted accounting principles in India (Indian GAAP) and comply in all material aspects with the applicable accounting standards notified under the relevant provisions of the Companies Act, 2013.

(b) Revenue Recognition:

- (i) Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Conversion, Sale of Scrap and obsolete stores is accounted for at the time of disposal.
- (ii) Export entitlements are recognized on realization.
- (iii) Revenue in respect of Interest, Insurance claims are recognized on the time proportion method.
- (iv) Subsidy from Department of Fertilizers is recognized, based on the eligible quantities supplied by the Company, at the rates as notified/announced by the Government of India.

(c) Fixed Assets and Depreciation:

(1) Fixed Assets

Fixed Assets are stated at cost of acquisition (net of CENVAT/VAT) inclusive of all expenditure of capital nature such as, inward freight, duties & taxes, installation and commissioning expenses, appropriate borrowing costs and incidental expenses related to acquisition.

(2) Depreciation

- (A) Depreciation on Fixed Assets other than Leasehold Land and those mentioned above are provided under Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 till financial year 2013-14. Further in case of Assets installed by the Company in one plant, taken on operating lease, the Depreciation was provided on Reducing Balance Method at the rate prescribed under Schedule XIV of the Companies Act, 1956 till financial year 2013-14.
- (B) Pursuant to the notification of Schedule II of the Companies Act, 2013, by the Ministry of Corporate Affairs effective 1st April, 2014, the Management has reassessed and changed based on an independent technical estimates, wherever necessary, the useful lives to compute depreciation, to confirm to the requirements of the Companies Act, 2013. The revised useful life for various class of assets is as follows:

Particulars	Depreciation/Amortisation
(i) Leasehold Land	Over the remaining tenure of lease
(ii) Building	Over a period of 19 years
(iii) Residential Quarters	Over a period of 30 years
(iv) Plant & Equipments	Over its useful life as technically assessed i.e. over a period of 9 - 19 years, based on the type of processes and the equipments installed.
(v) Computers	Over a period of 3 years
(vi) Furniture and Fixtures	Over a period of 10 years
(vii) Vehicles	Over a period of 7 years

(C) Product/Process Development Expenses are amortized over the estimated useful life of the product.

- (3) Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an assets 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.

(d) Investments:

- (i) Current investments are stated at lower of cost or fair market value.
- (ii) Long term investments are stated at cost less provision for permanent diminution in value if any, of investments.



(e) Valuation of Inventories:

Inventories are valued at Cost or Net Realizable Value whichever is lower.

Inventories have been valued on the following basis:

(i) Raw Materials, Packing Material, Stores and Spares	– At cost on Weighted Average basis.
(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.

(f) Retirement Benefits:

Employee benefits are charged off in the year in which the employee has rendered services.

(g) Foreign Currency Transactions:

Foreign currency transactions are accounted at the rates prevailing on the date of the transaction. The exchange rate differences arising out of such transactions are dealt with in the Profit and Loss Account, except in case of long-term loans, where they relate to acquisition of fixed asset, in which case they are adjusted to the carrying cost of such assets. The premium in case of future contracts is dealt with in the Profit and Loss Account proportionately over the period of the contracts.

(h) Research and Development:

Revenue Expenditure on Research and Development is charged to the Profit and Loss Account for the year. Capital Expenditure on Research and Development is included as part of fixed assets and depreciation is provided on the same basis as for other fixed assets.

(i) Operating Lease:

Operating Lease payments are recognized as an expense in the Profit and Loss Account of the year to which they relate.

(j) Deferred Revenue Expenditure:

Deferred Revenue Expenditure is amortized over the period of the agreement on pro rata basis.

(k) Income Tax:

Tax expenses comprise of current tax and deferred tax, current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act.

Deferred Tax reflects the impact of timing differences between Taxable Income and Accounting Income for the year and reversal of timing differences of earlier years. Deferred Tax is measured on the basis of Tax Rates and Tax Laws enacted or substantively enacted at the Balance Sheet.

Deferred Tax Assets are recognized only if there is reasonable certainty of their realization except in case of Deferred Tax Assets on unabsorbed depreciation and carried forward business losses, which are recognized only if there is virtual certainty of their realization.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the same at each balance sheet date.

(l) Borrowing Costs:

Borrowing cost directly related to the acquisition or construction of an asset is capitalized as part of the cost of that asset. Other borrowing costs are charged to the Profit and Loss Account.

(m) Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

**Notes on Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

1. SHARE CAPITAL:**Authorised Share Capital**

12,50,00,000 Equity Shares of ₹ 5/- each

Issued, Subscribed & Paid up

8,85,91,687 (previous year 8,85,91,687) Equity Shares of ₹ 5/- each fully paid up

TOTAL

As at 31 st March, 2015	As at 31 st March, 2014
6,250.00	6,250.00
4,429.58	4,429.58
4,429.58	4,429.58

1.1 Reconciliation of the number of Shares outstanding as on 31st March, 2015:

Particulars	No. of Shares outstanding	
	As at 31 st March, 2015	As at 31 st March, 2014
Equity Shares at the beginning of the year	88,591,687	79,120,073
Add: Shares Issued during the year	NIL	9,471,614
Less: Shares buy back during the year	NIL	NIL
Equity Shares at the end of the year	88,591,687	88,591,687

1.2 Details of Shareholders holding more than 5% shares:

Name of the Shareholders	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares	% held	No. of Shares	% held
Anushakti Holdings Ltd.	7,085,301	8.00	7,022,301	7.93
HDFC Trustee Company Ltd. – HDFC Prudence Fund	6,480,510	7.32	6,181,510	6.98
Gogri and Sons Investments Pvt. Ltd.	5,973,773	6.74	5,833,773	6.59
Alchemie Leasing & Financing Pvt. Ltd.	5,309,098	5.99	5,184,098	5.85

1.3 The details of Equity Shares outstanding during last 5 years:

Particulars	Financial Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
No. of Equity Shares outstanding: (Refer Note No. 1.4)	88,591,687	88,591,687	79,120,073	79,120,073	76,720,073

1.4 Note on Issued, Subscribed and Paid up Equity Share Capital:

- [a] 8,43,649 (previous year 8,43,649) were issued to Shareholders of Surfactant Specialities Ltd. pursuant to its Merger with the Company.
- [b] 42,000 (previous year 42,000) were issued to Shareholders of Avinash Drugs Ltd. pursuant to its Merger with the Company.
- [c] 30,25,000 (previous year 30,25,000) were issued towards Preferential allotment at a premium of ₹ 30.65 paise to Warranholders.
- [d] 24,00,000 (previous year 24,00,000) have been issued towards Preferential allotment at a premium of ₹ 53/- to Warranholders.
- [e] 94,71,614 (previous year 94,71,614) were issued to Shareholders of Anushakti Chemicals & Drugs Ltd. pursuant to its Scheme of arrangement with the Company.

**Notes on Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

2. RESERVE AND SURPLUS :

Sr. Particulars No.	As at 31 st March, 2015	As at 31 st March, 2014
a. Capital Reserves		
Opening Balance	6,921.71	6,921.71
Addition	NIL	NIL
Deduction	NIL	NIL
Closing Balance	6,921.71	6,921.71
b. Capital Redemption Reserve		
Opening Balance	55.33	55.33
Addition	NIL	NIL
Deduction	NIL	NIL
Closing Balance	55.33	55.33
c. Securities Premium Account		
Opening Balance	2,199.16	2,199.16
Addition	NIL	NIL
Deduction	NIL	NIL
Closing Balance	2,199.16	2,199.16
d. Debenture Redemption Reserve		
Opening Balance	NIL	NIL
Addition: Transferred from Profit & Loss Account	3,000.00	NIL
Deduction	NIL	NIL
Closing Balance	3,000.00	NIL
e. General Reserve		
Opening Balance	12,214.32	10,724.32
Addition: Transferred from Profit & Loss Account	1,900.00	1,490.00
Deduction	NIL	NIL
Closing Balance	14,114.32	12,214.32
f. Profit and Loss Account		
Opening Balance	50,736.42	42,021.06
Addition:		
Net Profit/(Loss) for the year	18,779.74	14,869.50
Deduction:		
1 st Interim Dividend	1,993.31	1,550.35
2 nd Interim Dividend	1,328.88	1,107.39
Proposed Dividend	1,550.35	1,328.87
Tax on Dividend	979.86	677.53
Transferred to General Reserve	1,900.00	1,490.00
Transferred to Debenture Redemption Reserve	3,000.00	NIL
Effect of change in useful life of Fixed Assets (Refer Note No. 10.4)	13.12	NIL
Closing Balance	58,750.64	50,736.42
g. Other Reserves		
State Investment Subsidy	51.82	51.82
Amalgamation Reserve	1,076.55	1,076.55
Forfeiture Reserve	184.57	184.57
Closing Balance	1,312.94	1,312.94
TOTAL	86,354.10	73,439.88

Notes on Financial Statements for the year ended 31st March, 2015

(₹ in Lakhs)

3. LONG-TERM BORROWINGS:

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Non-Current	Current	Non-Current	Current
Secured				
(a) Non Convertible Debentures (NCDs)	20,000.00	NIL	NIL	NIL
(b) ECB/Term loans from Banks/Financial Institutions	21,809.46	13,414.54	25,443.46	9,500.73
(c) Vehicle Loans from Banks/Financial Institutions	82.50	72.17	59.35	68.62
	41,891.96	13,486.71	25,502.81	9,569.35
Unsecured				
(a) Deposits	NIL	NIL	NIL	86.10
	NIL	NIL	NIL	86.10
TOTAL	41,891.96	13,486.71	25,502.81	9,655.45

- 3.1 (a) Secured, Redeemable, STRPPS NCDs bearing coupon rate of 11.75% p.a. Debentures of ₹ 20,000.00 Lakhs are secured by way of First Pari Passu Hypothecation of the Moveable Plant & Machinery, Machinery Spares, Tools and Accessories and other movable fixed assets, both present and future, wherever situated, excluding those charged exclusively to other Term Lenders. The NCDs are issued in the year 2014-15 and are redeemable in five equal installments commencing from the end of the 3rd year from the date of allotment of these Debentures.
- (b) Out of the total ECB/Term Loans from Banks/Financial Institutions to ₹ 35,224.01 Lakhs.
- (i) Outstanding Term Loans/ECBs to the extent of ₹ 24,599.01 Lakhs are secured/to be secured by way of Pari Passu Joint Equitable Mortgage of the Company's immovable properties situated at Sarigam, Vapi and Jhagadia, in the State of Gujarat, Pithampur in the State of Madhya Pradesh, Silvassa in the Union Territory of Silvassa and further by way of Pari Passu Hypothecation of the Moveable Plant & Machinery, Machinery Spares, Tools and Accessories and other movables, both present and future (except book debts, inventories and other current assets) wherever situated, excluding those charged exclusively to other Term Lenders.
- (ii) Term Loan from Citibank to the extent of ₹ 2,343.75 Lakhs is secured by way of Exclusive Charge on the Moveable Plant & Machinery, Machinery Spares, Tools and Accessories and other movables, both present and future (except book debts, inventories and other current assets) situated at the new hydrogenation unit at Jhagadia Unit II.
- (iii) ECB from DBS Bank to the extent of ₹ 781.25 Lakhs is secured by way of Joint Equitable Mortgage of the Company's immovable properties situated at Bhachau, in the State of Gujarat and further by way of Pari Passu Hypothecation of the Moveable Plant & Machinery, Machinery Spares, Tools and Accessories and other movables, both present and future (except book debts, inventories and other current assets) situated at the same unit.
- (iv) Term Loan of ₹ 7,500.00 Lakhs from Societe General is secured by way of Pari Passu Hypothecation of the Moveable Plant & Machinery, Machinery Spares, Tools and Accessories and other movables, both present and future (except book debts, inventories and other current assets) wherever situated, excluding those charged exclusively to other Term Lenders.
- (c) Vehicle loans from Banks/Financial Institutions are secured by way of hypothecation of respective vehicles.

3.2 Repayment Terms:

(₹ in Lakhs)

Particulars	Repayment Tenor			
	1-2 years	2-3 years	3-4 years	Beyond 4 years
NCDs/ECB/Term Loans from Banks/Financial Institutions	9,193.29	11,109.96	7,839.54	13,666.67
Vehicle Loans from Banks/Financial Institutions	71.21	11.29	NIL	NIL

(₹ in Lakhs)

4. DEFERRED TAX LIABILITIES (NET):

Deferred Tax Liabilities

Difference between net book value of depreciable capital assets as per books vis-a-vis written down value as per Tax Laws

Deferred Tax Assets

Items allowed for tax purpose on payment

Deferred Tax Liabilities (Net)

As at 31 st March, 2015	As at 31 st March, 2014
8,445.92	7,070.92
1,874.90	1,578.87
(74.90)	(203.87)
10,245.92	8,445.92

**Notes on Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

	As at 31 st March, 2015	As at 31 st March, 2014
5. OTHER LONG-TERM LIABILITIES:		
Unsecured Loan From Others	18.52	731.97
TOTAL	18.52	731.97
6. LONG-TERM PROVISIONS:		
Provision for Tax	30,016.61	25,566.61
TOTAL	30,016.61	25,566.61
7. SHORT-TERM BORROWINGS:		
Secured		
Working Capital Loan from Banks	60,462.25	67,004.05
	60,462.25	67,004.05
Unsecured		
From Banks	4,269.92	1,579.71
	4,269.92	1,579.71
TOTAL	64,732.17	68,583.76

7.1 Working Capital Loans availed from Scheduled Banks, are secured/to be secured by way of Pari Passu first charge by hypothecation of Raw Materials, Stock-In-Process, Semi-Finished Goods, Finished Goods, Packing Materials and Stores and Spares, Bills Receivables and Book Debts and all other moveable, both present and future. Also by way of Joint Equitable Mortgage of the Company's immovable properties situated at Sarigam, Vapi, Jhagadia and Bhachau in the State of Gujarat and at Tarapur in the State of Maharashtra and further by way of hypothecation of all moveable plant & machinery, machinery spares, tools and accessories and other movables, both present and future (except book debts & inventories) wherever situated, ranking second to the charge held by NCDs/ECB/Term Lenders.

(₹ in Lakhs)

	As at 31 st March, 2015	As at 31 st March, 2014
8. OTHER CURRENT LIABILITIES:		
(a) Current maturities of Long-Term Debt (Refer Note No. 3)	13,414.54	9,500.73
(b) Current maturities of Vehicle Loan (Refer Note No. 3)	72.17	68.62
(c) Current maturities of Deposit (Refer Note No. 3)	NIL	86.10
(d) Interest accrued but not due on borrowings	1,564.52	11.45
(e) Unpaid Dividends	200.08	172.89
(f) Deposits	15.65	18.65
(g) Sales Tax Deferred Liability	29.65	51.88
(h) Other Current Liabilities & Taxes	334.14	193.23
TOTAL	15,630.75	10,103.55
9. SHORT-TERM PROVISIONS:		
Provisions for		
Employees' Benefits	1,436.76	1,343.47
Proposed Dividend & Tax thereon	1,865.97	1,554.72
TOTAL	3,302.73	2,898.19



Notes on Financial Statements for the year ended 31st March, 2015

10. FIXED ASSETS:

(` in Lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at 1 st April, 2014	Additions/ (Disposals)	Deduction/ Adjustment	Balance as at 31 st March, 2015	Balance as at 1 st April, 2014	Depreciation charge for the year	Deduction/ Adjustment	Balance as at 31 st March, 2015	Balance as at 31 st March, 2014
(i) Tangible Assets									
Free Hold Land	356.46	NIL	NIL	356.46	25.75	NIL	NIL	330.71	330.71
Lease Hold Land	3,221.81	298.25	NIL	3,520.06	233.26	29.16	NIL	3,257.64	2,988.55
Buildings	10,130.32	2,031.22	42.24	12,119.30	2,939.27	580.26	15.39	8,615.16	7,191.05
Plant and Equipment	122,619.35	19,943.12	1,884.47	140,678.00	54,666.15	6,904.92	1,443.48	80,550.41	67,953.20
Furniture and Fixtures	1,646.56	223.40	19.75	1,850.21	1,260.18	185.06	3.21	408.18	386.38
Vehicles	1,414.59	133.14	NIL	1,547.73	944.31	161.27	0.60	442.75	470.28
TOTAL (i)	139,389.09	22,629.13	1,946.46	160,071.76	60,068.92	7,860.67	1,462.68	93,604.85	79,320.17
(ii) Intangible Assets									
Process Development	1,996.39	NIL	NIL	1,996.39	1,996.39	NIL	NIL	NIL	NIL
Technical Know-how	7.57	NIL	NIL	7.57	7.57	NIL	NIL	7.57	NIL
Goodwill	615.92	NIL	NIL	615.92	615.92	NIL	NIL	615.92	NIL
Computer Software	38.40	NIL	NIL	38.40	2985	4.18	NIL	34.03	8.55
Copyrights and Patents	965.50	NIL	NIL	965.50	965.50	NIL	NIL	965.50	NIL
TOTAL (ii)	3,623.78	NIL	NIL	3,623.78	3,615.23	4.18	NIL	4.37	8.55
GROSS TOTAL (i + ii)	143,012.87	22,629.13	1,946.46	163,695.54	63,684.15	7,864.85	1,462.68	93,609.22	79,328.72
Previous Year	121,449.90	21,732.92	169.95	143,012.87	55,027.29	8,743.55	86.69	79,328.72	
(iii) Capital Work-in-Progress								18,795.26	11,261.12

10.1 Gross Block of Plant & Equipments includes assets given on Lease with Gross Block ` 115.22 Lakhs (previous year ` 115.22 Lakhs).

10.2 Additions to Gross Block includes an amount of ` 1,035.92 Lakhs (previous year ` 1,272.04 Lakhs) being the net foreign exchange loss, arising on account of restatement and repayments of Long-term Foreign Currency Loans during the year.

10.3 Current year depreciation includes ` 118.82 Lakhs (previous year ` 116.71 Lakhs) on Assets deployed for Research & Development.

10.4 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 had been adjusted against opening Reserves & Surplus.

10.5 In order to bring about uniformity in the method of depreciation, the Company had changed the method of depreciation for one of its unit, taken on operating lease, from Written Down Value Method to Straight Line Method. This has resulted into an accumulated surplus of ` 348.18 Lakhs which is accounted as exceptional item in the Profit and Loss Statement.



Notes on Financial Statements for the year ended 31st March, 2015

(` in Lakhs)

11. NON-CURRENT INVESTMENTS:

Name of the Company	Number of Units / Shares (All fully paid up)				As at 31 st March, 2015	As at 31 st March, 2014
	Opening Balance	Acquisition	Disposal	Closing Balance		
Trade Investments – (Quoted) in Equity Shares						
Aarti Drugs Ltd.*	250,059	250,059	NIL	500,118	40.01	40.01
Bank of India	285	NIL	NIL	285	1.70	1.70
Glenmark Pharmaceuticals Ltd.	400	NIL	NIL	400	1.33	1.33
					43.04	43.04
Investments – (Unquoted) in Equity Shares of Subsidiary Companies						
Aarti Corporate Services Ltd.	2,024,680	NIL	NIL	2,024,680	172.91	172.91
Alchemie (Europe) Ltd.	80,000	NIL	NIL	80,000	54.39	54.39
Innovative Envirocare Jhagadia Ltd.#	350,000	NIL	NIL	350,000	35.00	3.50
					262.30	230.80
Investments – (Unquoted) in Equity Shares of Associate Companies						
Anushakti Holdings Ltd.	8,846,490	NIL	NIL	8,846,490	290.51	290.51
Anushakti Chemicals & Drugs Ltd.	15,529,136	NIL	NIL	15,529,136	751.21	751.21
Ganesh Polychem Ltd.	3,068,257	NIL	NIL	3,068,257	1,215.86	1,215.86
					2,257.58	2,257.58
Investments – (Unquoted) in Equity Shares of Other Companies						
Ichalkaranji Janata Sahakari Bank Ltd.	1,020	NIL	NIL	1,020	0.51	0.51
Damanganga Saha Khand Udyog Mandali Ltd.	61	NIL	NIL	61	1.22	1.22
Narmada Clean Tech Ltd.	102,230	NIL	NIL	102,230	13.26	13.26
Dilesh Roadlines Pvt. Ltd.	464,550	NIL	NIL	464,550	0.85	0.85
Indusken Pharmaceuticals Pvt. Ltd.	200,000	NIL	NIL	200,000	20.00	20.00
U.K.I.P. Co-Op. Soc. Ltd.	35	NIL	NIL	35	0.02	0.02
Perfect Enviro Control Systems Ltd.	36,800	NIL	NIL	36,800	3.68	3.68
Aarti Ventures Ltd.	190,000	NIL	NIL	190,000	19.00	19.00
Tarapur Environment Protection Society	NIL	7,188	NIL	7,188	7.19	NIL
					65.73	58.54
Investments – (Unquoted) in Limited Liability Partnership						
Aarti Udyog Limited Liability Partnership	NA	NA	NA	NA	380.00	380.00
Anushakti Specialities Limited Liability Partnership	NA	NA	NA	NA	2,490.00	5.00
					2,870.00	385.00
Investments – (Unquoted) in Unsecured Convertible Debentures						
Aarti Corporate Services Ltd.	250,000	NIL	NIL	250,000	250.00	250.00
Aarti Ventures Ltd.	NIL	575,000	NIL	575,000	575.00	NIL
					825.00	250.00
TOTAL					6,323.65	3,224.96

* Bonus Shares issued in the Ratio 1:1

Earlier partly paid up, now fully paid up equity shares.

Aggregate Market Value of Quoted Investments: (` in Lakhs)

As on 31.03.2015

3,253.96

As on 31.03.2014

661.57

**Notes on Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

	As at 31st March, 2015	As at 31st March, 2014
12. LONG-TERM LOANS AND ADVANCES:		
a. Capital Advances	2,888.68	4,545.50
b. Other Deposits	2,024.57	1,547.63
c. Other loans and advances:		
(i) Loans & Advances (Employees)	737.37	745.30
(ii) Loans & Advances (Others)	2,403.60	2,288.55
(iii) Advance Tax and Tax Deducted at Source	34,941.57	29,489.19
TOTAL	42,995.79	38,616.17
13. INVENTORIES:		
a. Raw Materials and Components (including In-transit stock)	16,165.18	21,970.33
b. Work-in-progress Finished Goods	17,353.49	19,277.36
c. Finished Goods (including In-transit stock)	17,543.28	16,767.91
d. Stock-in-trade	247.37	820.87
e. Stores and spares	715.59	492.29
f. Fuel (including In-transit stock)	2,014.17	651.66
g. Packing Materials	347.95	352.79
TOTAL	54,387.03	60,333.21
13.1 IN-TRANSIT INVENTORIES:		
Raw Materials	1,186.87	5,046.52
Finished Goods	2,632.15	2,952.40
Fuel	1,574.82	226.56
TOTAL	5,393.84	8,225.48
14. TRADE RECEIVABLES:		
Trade receivables outstanding for a period less than six months:		
Unsecured, considered good	43,624.84	44,081.67
Trade receivables outstanding for a period exceeding six months:		
Unsecured, considered good	3,056.59	2,495.65
TOTAL	46,681.43	46,577.32
15. CASH AND CASH EQUIVALENTS:		
Cash on hand	132.63	150.41
Bank balance in Current Accounts	2,144.54	244.52
Bank deposits kept as Margin Money	155.76	667.60
Earmarked Balances (Unpaid Dividend Accounts)	200.08	172.89
TOTAL	2,633.01	1,235.42
16. SHORT-TERM LOANS AND ADVANCES:		
Balances with Customs, Port Trust, Central Excise & Sales tax Authorities	13,741.32	12,959.18
TOTAL	13,741.32	12,959.18
17. OTHER CURRENT ASSETS:		
Others Receivables	21.40	1.69
Prepaid Insurance	166.43	165.26
Subsidy Receivable	2,074.69	2,295.35
Gratuity Receivable	34.02	35.78
Insurance Claim Receivable	425.37	451.68
TOTAL	2,721.91	2,949.76

**Notes on Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

18. REVENUE FROM OPERATIONS (Refer Note No. 18.1):

	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Sale of Products	303,112.54	278,535.78
Sale of Services	710.98	391.47
Other Operating Revenues (Refer Note No. 18.2)	4,651.89	3,409.35
GROSS REVENUE OPERATIONS	308,475.41	282,336.60
Less: Excise Duty/Vat	21,410.87	19,058.88
NET REVENUE FROM OPERATIONS	287,064.54	263,277.72

18.1 NET SALES & OPERATING REVENUES:**Local Sales:**

Speciality Chemicals	110,932.44	108,675.41
Pharmaceuticals	13,909.12	13,204.15
Home & Personal Care Chemicals	17,292.45	13,267.78
Total (A)	142,134.01	135,147.34

Export Sales:

Speciality Chemicals	125,131.93	113,020.63
Pharmaceuticals	16,410.19	11,693.96
Home & Personal Care Chemicals	3,388.41	3,415.79
Total (B)	144,930.53	128,130.38

TOTAL (A+B)**287,064.54** 263,277.72**18.2 OTHER OPERATING REVENUES:**

Export Benefits	1,194.67	598.85
Fertilizers Subsidy Received	2,462.67	2,245.54
SHIS Scheme Income	461.63	171.70
Insurance Claim Received	2.15	2.07
Scrap Sales	530.77	391.19
TOTAL	4,651.89	3,409.35

19. OTHER INCOME:

Dividend Received	129.87	53.32
Profit on Sale of Assets	20.38	216.33
Profit on Sale of Investments	NIL	695.37
Lease Rent Income	23.90	30.05
Other Income	23.08	47.39
TOTAL	197.23	1,042.46

**Notes on Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

20. COST OF MATERIALS CONSUMED:

	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
Consumption of Raw Materials	145,628.37	145,023.80
Consumption of Packing Materials	4,287.36	4,160.11
Consumption of Fuel	9,830.75	9,139.56
Consumption of Stores & Spares	4,855.97	4,755.37
TOTAL	164,602.45	163,078.84

21. CHANGE IN INVENTORY:**Opening Stock**

Finished Goods	17,588.78	15,650.43
Work-in-Progress	19,277.36	15,010.57
Total (A)	36,866.14	30,661.00

Closing Stock

Finished Goods	17,790.66	17,588.78
Work-in-Progress	17,353.49	19,277.36
Total (B)	35,144.15	36,866.14
TOTAL (A-B)	1,721.99	(6,205.14)

22. EMPLOYEE BENEFITS:

Salaries, Wages & Bonus	8,206.00	6,913.56
Contribution to PF and other Funds	304.41	254.48
Workmen & Staff Welfare Expenses	461.01	404.70
TOTAL	8,971.42	7,572.74

23. FINANCE COST:

Interest on NCD's	1,564.52	NIL
Other Interest Expenses	10,888.19	10,557.24
Other Borrowing Costs	1,295.02	1,196.11
TOTAL	13,747.73	11,753.35

**Notes on Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

24. OTHER EXPENSES:**Manufacturing Expenses:**

Freight, Cartage & Transport	8,507.67	7,141.85
Power	8,156.97	6,894.44
Water Charges	626.57	596.99
Processing Charges	2,129.37	1,547.79
Other Manufacturing Expenses	7,145.34	6,279.15
Repairs & Maintenance	4,345.30	3,656.55
Insurance Charges	258.50	301.30
Research & Development Expenses	939.24	926.76
Factory Administrative Expenses	1,908.06	1,816.58

Total (A)

34,017.02 29,161.41

Office Administrative Expenses:

Rent, Rates and Taxes	246.94	205.56
Travelling and Conveyance	392.68	383.83
Auditor's Remuneration (Refer Note No. 24.1)	14.69	14.65
Legal & Professional Charges	251.28	214.86
Postage, Telegraph & Telephone	60.99	70.94
Printing & Stationery Expenses	74.52	55.95
Other Administrative Expenses	472.05	895.88

Total (B)

1,513.15 1,841.67

Selling & Distribution Expenses:

Advertisement & Sales Promotion	474.58	426.78
Export Freight Expenses	5,848.56	6,096.49
Freight and Forwarding Expenses	7,530.11	6,849.98
Commission	1,038.00	1,012.53
Export Insurance Charges	174.64	201.06
Sample Testing & Analysis Charges	104.41	69.88
Bad Debts Written Off.	NIL	85.15
Discount Given	1,782.00	1,385.71
Sundry Balance Written Off./(Back)	56.89	52.20

Total (C)

17,009.19 16,179.78

Non-Operating Expenses:

Donations and CSR Expenses	368.59	401.01
Loss on Sale of Assets	NIL	12.58

Total (D)

368.59 413.59

TOTAL (A+B+C+D)

52,907.95 47,596.45

24.1 AUDITOR'S REMUNERATION:

Audit Fees	12.50	11.75
Certification Charges	1.42	2.24
Out of Pocket Expenses	0.77	0.66
TOTAL	14.69	14.65

**Notes on Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

25. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for):**(i) Contingent Liabilities:**

- (a) Claims against the Company not acknowledged as Debts
- (b) Letters of Credit, Bank Guarantees & Bills Discounted

(ii) Commitments:

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances

As at 31 st March, 2015	As at 31 st March, 2014
4,855.80	3,908.53
3,318.44	7,539.89
8,174.24	11,448.42
2,604.04	1,108.28
2,604.04	1,108.28
10,778.28	12,556.70

TOTAL

26. There are no Micro and Small Enterprise, 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 Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

27. Interest received of ₹ 395.29 Lakhs (Tax Deducted at Source ₹ 33.53 Lakhs) [previous year ₹ 334.77 Lakhs (Tax Deducted at Source ₹ 29.14 Lakhs)] is netted off against interest paid on Working Capital.

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

29. RESEARCH & DEVELOPMENT ACTIVITIES:

(₹ in Lakhs)

EXPENDITURE	As at 31 st March, 2015	As at 31 st March, 2014
Revenue	939.24	926.76
Capital	419.60	470.76

30. SEGMENT REPORTING:

(₹ in Lakhs)

Sr. No.	Particulars	Financial Year 2014-15	Financial Year 2013-14
(A)	Primary Segments: Business Segments		
	1. Segment Revenue:		
	a) Speciality Chemicals	236,065	221,696
	b) Pharmaceuticals	30,320	24,898
	c) Home & Personal Care Chemicals	20,680	16,683
	Total	287,065	263,277
	2. Segment Results Profit/(Loss):		
	Before Tax and Interest from each Segment		
	a) Speciality Chemicals	39,516	33,262
	b) Pharmaceuticals	3,581	2,975
	c) Home & Personal Care Chemicals	327	411
	Total (A)	43,424	36,648
	Less: Interest	13,748	11,753
	Other Unallocable Expenditure (Net)	5,096	4,801
	Total (B)	18,844	16,554
	Total Profit before Tax (A-B)	24,580	20,094

**Notes on Financial Statements for the year ended 31st March, 2015****30. SEGMENT REPORTING:**

(₹ in Lakhs)

Sr. No.	Particulars	Financial Year 2014-15	Financial Year 2013-14
	3. Capital Employed:		
	a) Speciality Chemicals	144,634	140,134
	b) Pharmaceuticals	48,505	37,720
	c) Home & Personal Care Chemicals	8,743	8,747
	d) Unallocated Capital	5,816	4,187
	TOTAL	207,698	190,788
(B)	Secondary Segments: Geographical Segments		
	a) India	142,134	135,147
	b) Out of India	144,931	128,130
	Total	287,065	263,277

31. RELATED PARTY DISCLOSURE UNDER ACCOUNTING STANDARD (AS: 18):**I Following are the Subsidiaries of the Company as defined in Para 3(a) of Accounting Standard - 18.**

- | | |
|--|--|
| 1. Aarti Corporate Services Ltd. | 2. Nascent Chemical Industries Ltd. (Through its holding Company: Aarti Corporate Services Ltd.) |
| 3. Shanti Intermediates Pvt. Ltd. (Through its holding Company: Aarti Corporate Services Ltd.) | 4. Anushakti Specialities Limited Liability Partnership (LLP) |
| 5. Alchemie (Europe) Ltd. | 6. Innovative Envirocare Jhagadia Ltd. |

II Following are the Associates of the Company as defined in Para 3(b) of the Accounting Standard - 18.

- | | |
|---|---|
| 1. Ganesh Polychem Ltd. | 2. Anushakti Chemicals and Drugs Ltd. |
| 3. Anushakti Holdings Ltd. | 4. Aarti Biotech Ltd. (Through its holding Company: Aarti Corporate Services Ltd.) |
| 5. Aarti Intermediates Pvt. Ltd. (Through its holding Company: Aarti Corporate Services Ltd.) | 6. Perfect Enviro Control Systems Ltd. (Through its holding Company: Aarti Corporate Services Ltd.) |

III Following are the Enterprises/Firms over which controlling individuals/Key Management Personnel, of the Company along with their relatives, have significant influence as defined in Para 3(e) of the Accounting Standard - 18.

- | | |
|---|---|
| 1. Alchemie Industries | 2. Gogri and Sons Investments Pvt. Ltd. |
| 3. Alchemie Leasing and Financing Pvt. Ltd. | 4. Alchemie Laboratories |
| 5. Aarti Drugs Ltd. | 6. Alchemie Dye Chem Pvt. Ltd. |

IV Following are the individuals who with their relatives as defined in Para 3(c) and 3(d) of the Accounting Standard - 18 own Directly/indirectly 20% or more voting power in the Company or have significant influence or are Key Management Personnel.

Sr. No.	Name	Status
1.	Shri Rajendra V. Gogri	Director
2.	Smt. Hetal Gogri Gala	Director
3.	Shri Rashesh C. Gogri	Director
4.	Shri Shantilal T. Shah	Director
5.	Shri Parimal H. Desai	Director

Sr. No.	Name	Status
6.	Shri Kirit R. Mehta	Director
7.	Shri Manoj M. Chheda	Director
8.	Shri Renil R. Gogri	Director
9.	Smt. Mona Patel	Company Secretary
10.	Shri Chetan Gandhi	Chief Financial Officer



Notes on Financial Statements for the year ended 31st March, 2015

The following transactions were carried out during the year with the related parties in the ordinary course of business

(A) Details relating to parties referred to in items I, II and III above.

(` in Lakhs)

Sr. No.	Description of Transaction	Year	Subsidiaries	Associates	Other related Enterprises Firms
			[I]	[II]	[III]
1.	Sales of Finished Goods/Sales Income	CY	8,345.00	5,510.95	2,646.31
		PY	7,957.32	4,143.94	2,048.88
2.	Purchases of Raw Materials/Finished Goods	CY	503.28	874.25	2,040.27
		PY	495.51	625.47	63.05
3.	Other Manufacturing Expenses	CY	1,698.96	—	490.77
		PY	1,412.15	—	663.20
4.	Rent paid	CY	—	—	36.00
		PY	—	—	51.00
5.	Other Income	CY	—	—	3.00
		PY	—	—	3.00
6.	Sale of Fixed Assets	CY	4.50	—	891.41
		PY	0.95	—	100.00
7.	Purchase of Fixed Assets	CY	5.02	4.54	—
		PY	8.26	—	—
8.	Inter-Corporate Deposits taken/(Repaid) during the year	CY	—	(650.00)	—
		PY	—	650.00	26.00
9.	Inter-Corporate Deposits given/(Received back) during the year	CY	—	—	—
		PY	—	(336.40)	(26.00)
10.	Interest Expense on the Inter-Corporate Deposits taken	CY	—	—	—
		PY	—	10.62	0.38
11.	Interest Income on the Inter-Corporate Deposits placed/unsecured loans/NCDs	CY	10.00	—	—
		PY	8.33	—	2.23
12.	Dividend Received	CY	91.11	—	38.76
		PY	—	0.03	53.26
13.	Equity Contribution/increase in investment in cash or in kind made during the year	CY	2,516.50	—	—
		PY	282.35	—	—
14.	Profit / (Loss) on sale of Fixed Assets	CY	4.50	—	—
		PY	0.95	—	78.51
15.	Outstanding items pertaining to the related parties at the balance sheet date – Receivable/(Payable)	CY	5,605.30	260.74	24.35
		PY	7,305.88	(551.64)	271.00

**Notes on Financial Statements for the year ended 31st March, 2015**

		(₹ in Lakhs)	
(B) Details relating to persons referred to in item IV above*		Financial Year 2014-15	Financial Year 2013-14
a.	Remuneration including perquisites [#]	360.16	255.37
b.	Commission to Directors	500.34	396.92
c.	Sitting Fees	2.24	2.60
d.	Rent paid	87.26	83.15
e.	Travelling Expenses	74.22	106.61
f.	Telephone Expenses	3.19	3.84
TOTAL		1027.41	848.49

* Excluding the payments made to Independent Directors & Relative of Directors as per Accounting Standard Interpretation 21 issued by the Institute of Chartered Accountants of India.

Value of Perquisites includes non Cash Perquisites of ₹ 1.94 Lakhs (previous year ₹ 1.94 Lakhs).

32. EARNING PER SHARE (EPS):**Particulars**

		Financial Year 2014-15	Financial Year 2013-14
Net Profit available for Equity Shareholders	(₹ in Lakhs)	18,779.74	14,869.50
No. of Equity Shares	(Nos.)	88,591,687	88,591,687
Basic & Diluted EPS	(₹)	21.20	16.78
Nominal Value of Equity Share	(₹)	5.00	5.00

33. EMPLOYEE BENEFITS:**Defined Benefit Plan**

The employees' gratuity fund scheme managed by Life Insurance Corporation 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)	
Particulars		Gratuity (funded) 2014-15	Gratuity (funded) 2013-14
a. Reconciliation of Opening and Closing balances of Defined Benefit Obligation			
Defined Benefit Obligation at beginning of the Year		704.55	571.88
Current Service Cost		64.09	52.24
Interest Cost		65.59	47.18
Actuarial(gain)/ loss		179.91	40.68
Benefits Paid		(56.97)	(7.43)
Defined Benefit Obligation at year end		957.17	704.55

**Notes on Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

Particulars	Gratuity (funded) 2014-15	Gratuity (funded) 2013-14
b. Reconciliation of opening and closing balances fair value of plan assets		
Fair value of plan assets at beginning of the year	567.59	484.26
Expected return of plan assets	49.38	42.13
Actuarial(gain)/loss	3.36	3.68
Employer Contribution	252.92	44.95
Benefits Paid	(47.71)	(7.43)
Fair value of plan assets at year end	825.54	567.59
Actual return on plan assets	52.74	45.81
c. Reconciliation of fair value of assets and obligations		
Fair value of plan assets	825.54	567.59
Present value of obligation	957.17	704.55
Amount Recognized in Balance Sheet	131.63	136.96
d. Expenses recognized during the year		
Current Service Cost	64.09	52.24
Interest Cost	65.59	47.18
Expected return on plan assets	(49.38)	(42.13)
Actuarial(gain)/ loss	176.55	37.00
Net Cost	256.85	94.29
e. Investment Details		
L.I.C. Group Gratuity (Cash Accumulation) Policy	100% Invested with L.I.C.	100% Invested with L.I.C.
f. Actuarial assumptions		
Mortality Table (L.I.C.)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	9.31%	9.31%
Expected rate of return on plan assets (per annum)	8.70%	8.70%
Rate of escalation in Salary (per annum)	5%	5%

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion, other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Leave Encashment:

Leave Encashment liability amounting to ₹ 449.12 Lakhs (previous year ₹ 346.88 Lakhs) has been provided in the Books of Accounts.



Notes on Financial Statements for the year ended 31st March, 2015

34. DERIVATIVES & FORWARD CONTRACT INSTRUMENTS:

- (A) The Company uses Forward Exchange Contract to hedge against its Foreign Exchange exposures relating to underlying transactions and firm commitments. The Company does not enter into any derivatives instruments for Trading or Speculative purposes.

As at 31st March, 2015 the Company had hedged in aggregate an amount of ₹ 15,747.61 Lakhs (previous year ₹ 299.50 Lakhs) out of its annual trade related operations (Exports & Imports) aggregating to ₹ 182,575.79 Lakhs (previous year ₹ 160,963.49 Lakhs).

The Company had hedged its currency risks to the tune of ₹ 9,839.14 Lakhs (previous year ₹ 11,980.00 Lakhs), in respect of its long term Foreign Currency Loans/Borrowings. Relating to the same, the Company had also swapped its floating interest rate borrowing of ₹ 13,622.89 Lakhs (previous year ₹ 19,010.75 Lakhs) into a fixed rate loan through an interest rate swap.

- (B) Net foreign exchange loss of ₹ 1,742.87 Lakhs (previous year ₹ 2,121.63 Lakhs) is included in Profit & Loss Account.

35. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3, 4C, 4D AND PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

	(₹ in Lakhs)	
	Financial Year	Financial Year
	2014-15	2013-14
(A) Details of Raw Material Consumption		
Benzene	31,764.42	48,208.65
Alpha Olifine (AO)	9,394.15	7,006.82
Concentrated Nitric Acid (C.N.A.)	7,526.36	6,082.59
Sulphur	7,247.25	5,268.72
Phthalic Anhydride	3,744.78	15,062.90
Aniline	2,689.32	9,874.00
Others	83,262.09	53,520.12
TOTAL	145,628.37	145,023.80
(B) Sales of Products		
Speciality Chemicals	236,064.37	221,696.04
Pharmaceuticals	30,319.31	24,898.11
Home & Personal Care Chemicals	20,680.86	16,683.57
TOTAL	287,064.54	263,277.72
(C) Details of Trading Purchases		
Ortho Anisidine	1,522.66	2,041.35
Diethyl Phthalate	1,489.65	NIL
Para Nitro Aniline	1,309.51	1,456.37
Methanol	1,213.92	2,325.17
Fast Bardeaux GP Base	1,173.64	507.79
Others	6,504.44	5,355.21
TOTAL	13,213.82	11,685.89

**Notes on Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

(D) Value and percentage of Raw Materials and Stores and Spares consumed**Raw Materials:**

Indigenous

Imported

TOTAL**Stores and Spares:**

Indigenous

Imported

TOTAL**Fuel:**

Indigenous

Imported

TOTAL

Financial Year	Financial Year
2014-15	2013-14
105,497.75	108,703.00
72.44%	74.96%
40,130.63	36,320.80
27.56%	25.04%
145,628.38	145,023.80
100.00%	100.00%
4,729.03	4,686.09
97.39%	98.54%
126.94	69.28
2.61%	1.46%
4,855.97	4,755.37
100.00%	100.00%
5,526.64	6,441.57
56.22%	70.48%
4,304.11	2,697.99
43.78%	29.52%
9,830.75	9,139.56
100.00%	100.00%

(E) C.I.F. Value of Imports:

Capital Goods

Raw Materials

Stores and Spares

Fuel

465.46	607.80
33,165.33	37,699.24
126.94	69.28
5,082.22	2,468.50

(F) Expenditure in Foreign Currency:

Commission on Export Sales

Import of Goods for Resale

Other Expenses

607.56	425.12
2,020.43	1,376.67
2,074.17	1,503.90

(G) Earnings in Foreign Currency:

F.O.B. Value of Export Sales

133,590.42	121,437.12
------------	------------

36. The figures of previous year have been regrouped and rearranged wherever necessary.

As per our report of even date
For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-
TEJAS J. PARIKH
PARTNER

Sd/-
RAJENDRA V. GOGRI
CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
RASHESH C. GOGRI
VICE CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
SHANTILAL T. SHAH
VICE CHAIRMAN

PLACE: Mumbai
DATE: 13th May, 2015

Sd/-
CHETAN GANDHI
CHIEF FINANCIAL OFFICER

Sd/-
MONA PATEL
COMPANY SECRETARY

**Cash Flow Statement for the year ended 31st March, 2015**

(₹ in Lakhs)

Sr. No.	Particulars	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 Exceptional/Extraordinary Items	24,231.56	20,094.50
	Adjustments for:		
	Interest and Finance Charges Paid	13,747.73	11,753.35
	Depreciation	7,864.85	8,743.55
	Loss on Sale of Assets	NIL	12.58
		45,844.14	40,603.98
	Profit on Sale of Investments	NIL	(695.37)
	Profit on Sale of Assets	(20.38)	(216.33)
	Dividend Received	(129.87)	(53.32)
	Lease Rent Received	(23.90)	(30.05)
	Operating Profit before Working Capital Changes	45,669.99	39,608.91
	Adjustments for:		
	(Increase)/Decrease in Trade and Other Receivables	414.36	(11,023.89)
	(Increase)/Decrease in Trade Payables and other Current Liabilities	(10,441.54)	19,901.30
	(Increase)/Decrease in Inventories	5,946.18	(14,120.90)
	Cash Generated from Operations	41,588.99	34,365.42
	Direct Taxes Paid	(5,892.46)	(5,140.87)
	Net Cash Flow from Operating Activities (A)	35,696.53	29,224.55
B.	Cash Flow from Investing Activities:		
	Addition to Fixed Assets/Capital WIP	(30,163.27)	(26,793.20)
	Sale/Written Off of Fixed Assets	839.23	287.01
	(Increase)/Decrease in Other Investments	(3,067.19)	501.08
	(Increase)/Decrease in Investments in Associate Companies	NIL	(1,138.80)
	(Increase)/Decrease in Investment in Subsidiary Companies	(31.50)	(32.35)
	Dividend Received from Other Investments	38.76	53.29
	Dividend Received from Associate Companies	NIL	0.03
	Dividend Received from Subsidiary Companies	91.11	NIL
	Lease Rent Received	23.90	30.05
	Net Cash Flow from Investing Activities (B)	(32,268.96)	(27,092.89)
C.	Cash Flow from Financing Activities:		
	Proceeds of Long Term Borrowings	28,500.00	18,786.74
	Repayment of Long Term Borrowings	(8,279.59)	(4,958.00)
	Proceeds/(Repayment) of Other Borrowings	(3,851.59)	82.92
	Interest and Finance Charges Paid	(13,747.73)	(11,753.35)
	Dividend Paid	(4,651.07)	(4,025.61)
	Net Cash Flow from Financing Activities (C)	(2,029.98)	(1,867.30)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	1,397.59	264.36
	Cash and Cash Equivalents (Opening Balance)	1,235.42	971.06
	Cash and Cash Equivalents (Closing Balance)	2,633.01	1,235.42

Notes: (i) Cash and Cash Equivalent is Cash and Bank Balances as per Balance Sheet.

(ii) Amounts of the previous year have been regrouped and rearranged wherever necessary.

As per our report of even date

For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-

TEJAS J. PARIKH
PARTNER

Sd/-

RAJENDRA V. GOGRI
CHAIRMAN AND
MANAGING DIRECTORPLACE: Mumbai
DATE: 13th May, 2015



Independent Auditors' Report

To the Board of Directors of AARTI INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **AARTI INDUSTRIES LIMITED** ("the Company") and its subsidiaries and associates which comprise the Consolidated Balance Sheet as at 31st March, 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 subsidiaries and associates 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 respective Board of Directors of the Company including its subsidiaries and associates have responsibility in each of the respective Companies 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 auditors 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 auditors on the financial statements/financial information of the subsidiaries and associates 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 subsidiaries and associates as at 31st March, 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 five subsidiaries whose financial statements/financial information reflect total assets of ` 4,254.92 lakhs as at 31st March, 2015, total revenues of ` 14,293.33 lakhs and net cash inflows of ` 478.66 lakhs for the year then ended as considered in the consolidated financial statements. The consolidated financial statements also include share of net profit of ` 1,299.84 lakhs for the year ended 31st March, 2015 as considered in the consolidated financial statements, in respect of four associates, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports 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 these subsidiaries and associates is based solely on the reports of the other auditors.

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 reports of the other auditors 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 including its subsidiaries and associates 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 subsidiaries and associates 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, its subsidiaries and associates 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 31st March, 2015 taken on record by the Company's Directors and the relevant assertion contained in reports of the statutory auditors of its subsidiaries and associates incorporated in India, none of the directors of the Company, subsidiaries and associate companies incorporated in India is disqualified as on 31st March, 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 25 of the Consolidated Financial Statements.
 - ii. The Company, along with subsidiaries and associates, 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 companies and associate companies did not have any amounts required to be transferred to the Investor Education and Protection Fund.

For **GOKHALE & SATHE**
Chartered Accountants
Firm Reg. No.: 103264W

Sd/-
TEJAS. J. PARIKH
Partner

Place: Mumbai

Date: May 13, 2015

Membership No: 123215



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 including its subsidiaries and associates.

- i) a. The Company including its subsidiaries and associates, incorporated in India, have maintained proper records showing full particulars including quantitative details and situation of its fixed assets. However two of its subsidiaries and four of its associate companies do not hold any fixed assets; therefore paragraph 3(i) of the order is not applicable to them.
- b. The Company including its subsidiaries and associates, incorporated in India, have phased programme of physical verification of fixed assets, wherever applicable, by which all fixed assets are verified largely over a period of three years. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company, its subsidiaries and associates 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, its subsidiaries and associates incorporated in India at reasonable intervals, except stock lying with third parties of the Company including its subsidiaries and associates incorporated in India, written confirmations have been obtained wherever applicable. In our opinion, frequency of such verification is reasonable. However four of its subsidiaries and four of its associate companies do not hold any inventories; therefore paragraph 3(ii) of the order is not applicable to them.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore provisions of clause 3(iii) of the CARO are not applicable. However one of its subsidiary and two of its associate companies have granted loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In respect of these loans, the terms of arrangements do not stipulate any repayment schedule of principal amount and accordingly paragraph 3(iii)(b) of the order is not applicable to them in respect of repayment of the principal amount. The borrowers are regular in payment of interest as stipulated and there are no overdue amounts of more than one lakh in respect of these loans.
- iv) In our opinion and according to the information and explanation obtained by the respective statutory auditors, the Company, its subsidiaries and associates, 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 in any of these companies.
- v) The Company, its subsidiaries and associates, 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 statutory auditors of the Company, its subsidiaries and associates, incorporated in India, have broadly reviewed books of accounts pursuant to the rules prescribed by the Central Government for maintenance of cost records as required under sub section 1 of Section 148 of the Companies Act, 2013; wherever applicable. However in case of four of its subsidiaries and five associate companies, the Central Government has not prescribed maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013.
- vii) a. According to the information and explanation given to the respective statutory auditors, the Company, its subsidiaries and associates 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, its subsidiaries and associates, 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:

Name of the Statute/Nature of the Dues	Financial Year	Forum where dispute is pending (` in Lakhs)		Total (` in Lakhs)
		Commission- erate	Appellate Authorities and Tribunals	
Aarti Industries Limited (the Company)				
The Central Excise Act, 1944/Custom Duty/ Service Tax/Interest & Penalty	FY 2001-02 to FY 2013-14	3,630.77	NIL	3,630.77
Income Tax Act/Tax Interest & Penalty	FY 2008-09, FY 2009-10, FY 2010-11	689.65	535.38	1,225.03
Shanti Intermediates Private Limited (Subsidiary Company)				
The Central Excise Act, 1944/Custom Duty/ Service Tax/Interest & Penalty	April 2007- March 2012	26.59	–	26.59
TOTAL (` in Lakhs)		4,347.01	535.38	4,882.39



AARTI INDUSTRIES LIMITED

- 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 companies and associate companies did not have any dues on account of Investor Education and Protection Fund.
- viii) On a consolidated basis, the Company including its subsidiaries and associates, 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 one subsidiary have not defaulted in repayment of dues for loan taken from financial institutions or bank or debenture holders. Other subsidiaries and associate companies, incorporated in India have not borrowed any money from any financial institutions or bank or debenture holders and hence provision of this clause is not applicable to them.
- x) In our opinion and according to the information and explanation given to the respective statutory auditors, the Company, its subsidiaries and associates, incorporated in India, have not given any guarantee for loans taken by others from bank or financial institutions.
- xi) In our opinion and according to the information and explanation obtained by us, the term loans were applied for the purpose for which the loans were obtained. The subsidiary companies and associate companies have not taken any term loan during the year and hence provision of this clause is not applicable to them.
- xii. According to the information and explanation given to the respective statutory auditors of the Company, its subsidiaries and associates, no fraud on or by each Company has been noticed or reported during the course of audit by the respective statutory auditors of the Company, its subsidiaries and associates, incorporated in India.

Place: Mumbai

Date: May 13, 2015

For **GOKHALE & SATHE**

Chartered Accountants

Firm Reg. No.: 103264W

Sd/-

TEJAS. J. PARIKH

Partner

Membership No: 123215

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

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March, 2015	As at 31 st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	4,429.58	4,429.58
(b) Reserves and Surplus	2	97,211.09	82,646.35
		<u>101,640.67</u>	<u>87,075.93</u>
Minority Interest		585.90	426.11
Non-Current Liabilities			
(a) Long-Term Borrowings	3	41,906.24	25,525.09
(b) Deferred Tax Liabilities (Net)	4	10,265.59	8,466.34
(c) Other Long-Term Liabilities	5	18.52	731.97
(d) Long-Term Provisions	6	30,585.06	26,057.06
		<u>82,775.41</u>	<u>60,780.46</u>
Current Liabilities			
(a) Short-Term Borrowings	7	64,832.17	68,683.76
(b) Trade Payables		24,883.36	36,895.63
(c) Other Current Liabilities	8	15,660.37	10,161.28
(d) Short-Term Provisions	9	3,404.47	2,989.92
		<u>108,780.37</u>	<u>118,730.59</u>
TOTAL		<u>293,782.35</u>	<u>267,013.09</u>
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	96,689.28	82,614.92
(ii) Intangible Assets	10	4.37	8.55
(iii) Capital Work-in-Progress	10	19,296.63	11,744.47
(b) Non-Current Investments	11	13,919.66	11,723.54
(c) Long-Term Loans and Advances	12	44,106.10	38,437.78
		<u>174,016.04</u>	<u>144,529.26</u>
Current Assets			
(a) Inventories	13	55,173.19	60,612.37
(b) Trade Receivables	14	43,898.43	44,319.76
(c) Cash and Cash Equivalents	15	3,371.16	1,485.30
(d) Short-Term Loans and Advances	16	14,092.54	13,108.30
(e) Other Current Assets	17	3,230.99	2,958.10
		<u>119,766.31</u>	<u>122,483.83</u>
TOTAL		<u>293,782.35</u>	<u>267,013.09</u>
Summary of Significant Accounting Policies and other Explanatory Information	25-31		

As per our report of even date
For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-
TEJAS J. PARIKH
PARTNER

Sd/-
RAJENDRA V. GOGRI
CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
RASHESH C. GOGRI
VICE CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
SHANTILAL T. SHAH
VICE CHAIRMAN

PLACE : Mumbai
DATE : 13th May, 2015

Sd/-
CHETAN GANDHI
CHIEF FINANCIAL OFFICER

Sd/-
MONA PATEL
COMPANY SECRETARY

**Consolidated 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
REVENUE			
Revenue from Operations	18	290,796.08	263,249.04
Other Income	19	552.40	1,096.96
Total Revenue		291,348.48	264,346.00
EXPENSES			
Cost of materials consumed (Including Packing Material, Fuel, Stores & Spares)	20	164,432.17	162,979.56
Purchases of Stock-in-Trade		17,058.63	11,685.89
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	1,722.00	(6,205.15)
Employee Benefits Expense	22	9,364.80	7,876.01
Finance Costs	23	13,797.21	11,783.68
Depreciation and Amortization Expenses		8,197.52	8,851.80
Other Expenses	24	51,649.18	46,764.73
Total Expenses		266,221.51	243,736.52
PROFIT BEFORE EXCEPTIONAL ITEM & TAX		25,126.97	20,609.48
EXCEPTIONAL ITEM			
Gain due to change in depreciation method	10.7	348.18	NIL
		348.18	NIL
PROFIT BEFORE TAX		25,475.15	20,609.48
TAX EXPENSE			
Current Tax		4,749.67	4,024.58
MAT Credit Entitlement		(450.00)	NIL
Deferred Tax		1,799.25	1,376.74
Short/(Excess) Tax provisions of earlier years		4.42	1.26
Total Tax Expenses		6,103.34	5,402.58
PROFIT AFTER TAX		19,371.81	15,206.90
Profit attributable to Minority Interest		(174.25)	(50.80)
Share of Profit/(Loss) of Associates		1,390.14	1,087.63
PROFIT FOR THE PERIOD		20,587.70	16,243.73
Earnings Per Equity Share (EPS)			
Basic/Diluted (in ₹)	29	23.24	18.34
Summary of Significant Accounting Policies and other Explanatory Information	25-31		

As per our report of even date
For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Sd/-
TEJAS J. PARIKH
PARTNER

Sd/-
RAJENDRA V. GOGRI
CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
RASHESH C. GOGRI
VICE CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
SHANTILAL T. SHAH
VICE CHAIRMAN

PLACE : Mumbai
DATE : 13th May, 2015

Sd/-
CHETAN GANDHI
CHIEF FINANCIAL OFFICER

Sd/-
MONA PATEL
COMPANY SECRETARY



Significant Accounting Policies

(a) Background :

	Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest (%)
	Indian Subsidiary		
(i)	Aarti Corporate Services Limited	India	100%
(ii)	Nascent Chemical Industries Limited (Through its Holding Company: Aarti Corporate Services Limited)	India	50.49%
(iii)	Shanti Intermediates Private Limited (Through its Holding Company: Aarti Corporate Services Limited)	India	100%
(iv)	Anushakti Specialties Limited Liability Partnership (LLP)	India	100%
(v)	Innovative Envirocare Jhagadia Limited	India	100%
	Foreign Subsidiary		
(vi)	Alchemie (Europe) Limited	United Kingdom	88.89%

(b) Accounting Basis :

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

(c) Principles of Consolidation :

- (i) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 — Consolidated Financial Statements & Accounting Standard 23 — Accounting for Investments in Associates in Consolidated Financial Statements.
- (ii) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company and Subsidiary Companies drawn up to the same reporting date i.e. 31st March, 2015. In case of foreign subsidiary, the financial statements have been drawn for a period of 16 months and the reporting period had been extended upto 31st March, 2015, so as to have the same reporting date with the parent entity.
- (iii) In case of Foreign Subsidiary, revenue items are consolidated at the average rate prevailing during the period. All Assets (except Fixed Assets) and liabilities are converted at the rates, prevailing at the end of the year. In case of Fixed Assets, the same is consolidated at the rate applicable in the year of acquisition of the said assets. Any exchange difference arising on consolidation is recognised as translation difference in Reserves & Surplus.
- (iv) The consolidation of financial statements of the Parent Company and its Subsidiaries is done on line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances, intra-group transactions and unrealized profit or loss, except where cost cannot be recovered. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.
- (v) Minorities' interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately.
- (vi) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. Differences in accounting policies if any will be disclosed separately.



- (vii) Investments in associates are accounted for using equity method in accordance with Accounting Standard 23 (AS-23) "Accounting for Investment in Associates in Consolidated Financial Statements" under which the investment is initially recorded at cost, identifying any goodwill or capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses are recouped.

(d) Revenue Recognition:

- (i) Sale of goods is recognized on dispatch of goods to customers and is recorded net of claims, etc., as considered appropriate. Revenue from Conversion, Sale of Scrap and obsolete stores is accounted for at the time of disposal.
- (ii) Export entitlements are recognized on realization.
- (iii) Revenue in respect of Interest, Insurance claims are recognized on the time proportion method.
- (iv) Subsidy from Department of Fertilizers is recognised, based on the eligible quantities supplied by the Company, at the rates as notified/announced by the Government of India.

(e) Fixed Assets and Depreciation:

(i) Fixed Assets:

Fixed Assets are stated at cost of acquisition (net of CENVAT/VAT) inclusive of all expenditure of capital nature such as, inward freight, duties & taxes, installation and commissioning expenses, appropriate borrowing costs and incidental expenses related to acquisition.

(ii) Depreciation:

- (A) Depreciation on Fixed Assets other than Leasehold Land and those mentioned above are provided under Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 till FY 2013-14. Further in case of Assets installed by the Company in one plant, taken on operating lease, the Depreciation was provided on Reducing Balance Method at the rate prescribed under Schedule XIV of the Companies Act, 1956 till FY 2013-14.
- (B) Pursuant to the notification of Schedule II of the Companies Act, 2013, by the Ministry of Corporate Affairs effective from 1st April, 2014, the management has reassessed and changed based on an independent technical estimates, wherever necessary, the useful lives to compute depreciation, to confirm to the requirements of the Companies Act, 2013. The revised useful life for various class of assets is as follows:

<u>Particulars</u>	<u>Depreciation/Amortisation</u>
(i) Leasehold Land	Over the remaining tenure of lease
(ii) Building	Over a period of 19 years
(iii) Residential Quarters	Over a period of 30 years
(iv) Plant & Equipment	Over its useful life as technically assessed, i.e over a period of 9–19 years, based on the type of processes and equipments installed.
(v) Computers	Over a period of 3 years
(vi) Furniture and Fixtures	Over a period of 10 years
(vii) Vehicles	Over a period of 7 years

- (C) Product/Process Development Expenses are amortized over the estimated useful life of the product.

- (iii) Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of net selling price of an assets 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.

(f) Investments:

- (i) Current investments are stated at lower of cost or fair market value.
- (ii) Long term investments are stated at cost less provision for permanent diminution in value if any, of investments.



(g) Valuation of Inventories:

Inventories are valued at Cost or Net Realizable Value whichever is lower.

Inventories have been valued on the following basis:

- | | |
|--|---|
| (i) Raw Materials, Packing Material, Stores and Spares | – At cost on Weighted Average basis. |
| (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. |

(h) Retirement Benefits:

Employee benefits are charged off in the year in which the employee has rendered services.

(i) Foreign Currency Transactions:

Foreign currency transactions are accounted at the rates prevailing on the date of the transaction. The exchange rate differences arising out of such transactions are dealt with in the Profit and Loss Account, except in case of long-term loans, where they relate to acquisition of fixed asset, in which case they are adjusted to the carrying cost of such assets. The premium in case of future contracts is dealt with in the Profit and Loss Account proportionately over the period of the contracts.

(j) Research and Development:

Revenue Expenditure on Research and Development is charged to the Profit and Loss Account for the year. Capital Expenditure on Research and Development is included as part of fixed assets and depreciation is provided on the same basis as for other fixed assets.

(k) Operating Lease:

Operating Lease payments are recognized as an expense in the Profit & Loss Account of the year to which they relate.

(l) Deferred Revenue Expenditure:

Deferred Revenue Expenditure is amortized over the period of the agreement on pro rata basis.

(m) Income Taxes:

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred Tax reflects the impact of timing differences between Taxable Income and Accounting Income for the year and reversal of timing differences of earlier years. Deferred Tax is measured on the basis of Tax Rates and Tax Laws enacted or substantively enacted at the Balance Sheet. Deferred Tax Assets are recognized only if there is reasonable certainty of their realization except in case of Deferred Tax Assets on unabsorbed depreciation and carried forward business losses, which are recognized only if there is virtual certainty of their realization.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the same at each Balance Sheet date.

(n) Borrowing Costs:

Borrowing cost directly related to the acquisition or construction of an asset is capitalized as part of the cost of that asset. Other borrowing costs are charged to the Profit and Loss Account.

(o) Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a Cash Outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that a Cash Outflow will not be required to settle the obligation.

**Notes on Consolidated Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

1. SHARE CAPITAL:**Authorised Share Capital**

12,50,00,000 Equity Shares of ₹ 5/- each

Issued, Subscribed & Paid up

8,85,91,687 (previous year 8,85,91,687) Equity Shares of ₹ 5/- each fully paid up

TOTAL

As at 31 st March, 2015	As at 31 st March, 2014
6,250.00	6,250.00
4,429.58	4,429.58
4,429.58	4,429.58

1.1 Reconciliation of the number of Shares outstanding as on 31st March, 2015:

Particulars	No. of Shares outstanding	
	As at 31 st March, 2015	As at 31 st March, 2014
Equity Shares at the beginning of the year	88,591,687	79,120,073
Add: Shares Issued during the year	NIL	9,471,614
Less: Shares buy back during the year	NIL	NIL
Equity shares at the end of the year	88,591,687	88,591,687

1.2 Details of Shareholders holding more than 5% Shares:

Name of the Shareholders	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares	% held	No. of Shares	% held
Anushakti Holdings Ltd.	7,085,301	8.00	7,022,301	7.93
HDFC Trustee Company Ltd. – HDFC Prudence Fund	6,480,510	7.32	6,181,510	6.98
Gogri and Sons Investments Pvt. Ltd.	5,973,773	6.74	5,833,773	6.59
Alchemie Leasing & Financing Pvt. Ltd.	5,309,098	5.99	5,184,098	5.85

1.3 The details of Equity Shares outstanding during last 5 years:

Particulars	Financial Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
No. of Equity Shares outstanding: (Refer Note No. 1.4)	88,591,687	88,591,687	79,120,073	79,120,073	76,720,073

1.4 Note on issued, Subscribed and Paid up Equity Share Capital:

- [a] 8,43,649 (previous year 8,43,649) were issued to Shareholders of Surfactant Specialities Ltd. pursuant to its Merger with the Company.
- [b] 42,000 (previous year 42,000) were issued to Shareholders of Avinash Drugs Ltd. pursuant to its Merger with the Company.
- [c] 30,25,000 (previous year 30,25,000) were issued towards Preferential allotment at a premium of ₹ 30.65 per share to Warranholders.
- [d] 24,00,000 (previous year 24,00,000) have been issued towards Preferential allotment at a premium of ₹ 53/- to Warranholders.
- [e] 94,71,614 (previous year 94,71,614) were issued to Shareholders of Anushakti Chemicals & Drugs Ltd. pursuant to its Scheme of arrangement with the Company.

Notes on Consolidated Financial Statements for the year ended 31st March, 2015

2. RESERVE AND SURPLUS:

(₹ in Lakhs)

Particulars

a. Capital Reserves

Opening Balance

Addition

Deduction

Closing Balance

b. Capital Redemption Reserve

Opening Balance

Addition

Deduction

Closing Balance

c. Securities Premium Account

Opening Balance

Addition

Deduction

Closing Balance

d. Capital Reserve on Consolidation

Opening Balance

Addition – Adjustment on Consolidation

Deduction – Adjustment on Consolidation

Closing Balance

e. RBI Reserve U/S 45(IC)

Opening Balance

Addition : Transferred from Profit & Loss Account

Deduction

Closing Balance

f. Debenture Redemption Reserve

Opening Balance

Addition: Transferred from Profit & Loss Account

Deduction

Closing Balance

g. General Reserve

Opening Balance

Addition : Transferred from Profit & Loss Account

Deduction

Closing Balance

h. Profit and Loss Account

Opening Balance

Addition :

Net Profit/(Loss) for the year

Deduction :

1st Interim Dividend2nd Interim Dividend

Proposed Dividend

Tax on Dividend

Transfer to Reserves

Adjustment on Consolidation

Foreign Exchange Difference on Translation

Intergroup Dividend

Effect of change in useful life of Fixed Assets (Refer Note No. 10.6)

Closing Balance

i. Other Reserves

State Investment Subsidy

Amalgamation Reserve

Forfeiture Reserve

Revaluation Reserve

Closing Balance

TOTAL

As at 31 st March, 2015	As at 31 st March, 2014
6,921.71	6,921.71
16.10	NIL
NIL	NIL
6,937.81	6,921.71
55.33	55.33
NIL	NIL
NIL	NIL
55.33	55.33
2,199.16	2,199.16
42.84	NIL
NIL	NIL
2,242.00	2,199.16
462.93	445.08
3.75	17.85
13.74	NIL
452.94	462.93
58.34	32.62
85.16	25.72
NIL	NIL
143.50	58.34
NIL	NIL
3,000.00	NIL
NIL	NIL
3,000.00	NIL
12,214.32	10,724.32
1,900.00	1,490.00
NIL	NIL
14,114.32	12,214.32
59,421.62	49,504.79
20,587.70	16,243.73
2,144.42	1,610.35
1,388.88	1,107.40
1,670.35	1,448.88
1,027.89	706.72
4,985.16	1,515.72
48.05	(35.24)
(18.51)	63.95
(151.71)	(90.88)
16.42	NIL
68,898.37	59,421.62
51.82	51.82
1,076.55	1,076.55
184.57	184.57
53.88	NIL
1,366.82	1,312.94
97,211.09	82,646.35



Notes on Consolidated Financial Statements for the year ended 31st March, 2015

3. LONG-TERM BORROWINGS:

(` in Lakhs)

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Non-Current	Current	Non-Current	Current
Secured				
(a) Non Convertible Debentures (NCDs)	20,000.00	NIL	NIL	NIL
(b) ECB/Term Loans from Banks/Financial Institutions	21,823.74	13,414.54	25,443.46	9,500.73
(c) Vehicle Loans from Banks/Financial Institutions	82.50	72.17	81.63	97.32
	41,906.24	13,486.71	25,525.09	9,598.05
Unsecured				
(a) Deposits	NIL	NIL	NIL	86.10
TOTAL	41,906.24	13,486.71	25,525.09	9,684.15

(` in Lakhs)

4. DEFERRED TAX LIABILITIES (NET):

Deferred Tax Liabilities

Difference between net book value of depreciable capital assets as per books vis-a-vis written down value as per Tax Laws

Deferred Tax Assets

Items allowed for tax purpose on payment

Deferred Tax Liabilities (Net)

5. OTHER LONG-TERM LIABILITIES:

Unsecured Loan from Others

TOTAL

6. LONG-TERM PROVISIONS:

Provision for Tax

Provision for Gratuity

TOTAL

7. SHORT-TERM BORROWINGS:

Secured

Working Capital Loan from Banks

Unsecured

From Banks

From Others

TOTAL

8. OTHER CURRENT LIABILITIES:

(a) Current Maturities of Long-Term Debt (Refer Note No. 3)

(b) Current Maturities of Vehicle Loan (Refer Note No. 3)

(c) Current Maturities of Deposit (Refer Note No. 3)

(d) Interest accrued but not due on borrowings

(e) Unpaid dividends

(f) Deposits

(g) Sales tax deferred liability

(h) Other Current Liabilities & Taxes

TOTAL

9. SHORT-TERM PROVISIONS:

Provisions for

Employees' Benefits

Proposed Dividend & Tax thereon

TOTAL

As at 31 st March, 2015	As at 31 st March, 2014
8,466.34	7,089.60
1,874.15	1,580.61
(74.90)	(203.87)
10,265.59	8,466.34
18.52	731.97
18.52	731.97
30,578.87	26,052.28
6.19	4.78
30,585.06	26,057.06
60,462.25	67,004.05
60,462.25	67,004.05
4,269.92	1,579.71
100.00	100.00
4,369.92	1,679.71
64,832.17	68,683.76
13,414.54	9,500.73
72.17	97.32
NIL	86.10
1,576.27	12.00
200.08	172.89
15.65	18.65
29.65	51.88
352.01	221.71
15,660.37	10,161.28
1,455.11	1,356.33
1,949.36	1,633.59
3,404.47	2,989.92



Notes on Consolidated Financial Statements for the year ended 31st March, 2015

(` in Lakhs)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at 1 st April, 2014	Additions/ (Disposals)	Deduction/ Adjustment	Balance as at 31 st March, 2015	Balance as at 1 st April, 2014	Depreciation charge for the year	Deduction/ Adjustment	Balance as at 31 st March, 2015
(i) Tangible Assets								
Free hold Land	368.25	NIL	NIL	368.25	25.75	NIL	NIL	342.50
Lease hold Land	3,919.34	298.25	NIL	4,217.59	235.00	29.68	(1.05)	3,684.34
Residential Flat	0.49	NIL	NIL	0.49	0.20	0.01	NIL	0.29
Buildings	10,308.72	2,094.45	42.24	12,360.93	3,026.59	584.94	15.39	7,282.13
Plant and Equipment	126,129.31	20,001.82	1,884.47	144,246.66	55,823.01	7,211.38	1,444.41	70,306.30
Furniture and Fixtures	1,688.58	224.75	19.75	1,893.58	1,277.48	187.30	2.51	411.10
Vehicles	1,582.93	134.27	NIL	1,717.20	994.67	181.27	0.60	588.26
TOTAL (i)	143,997.62	22,753.54	1,946.46	164,804.70	61,382.70	8,194.58	1,461.86	96,689.28
(ii) Intangible Assets								
Process Development	1,996.38	NIL	NIL	1,996.38	1,996.38	NIL	NIL	NIL
Technical Knowhow	7.57	NIL	NIL	7.57	7.57	NIL	NIL	NIL
Goodwill	615.92	NIL	NIL	615.92	615.92	NIL	NIL	NIL
Computer Software	38.40	NIL	NIL	38.40	29.85	4.18	NIL	8.55
Copyrights and Patents	965.50	NIL	NIL	965.50	965.50	NIL	NIL	NIL
Goodwill on consolidation	81.84	NIL	NIL	81.84	81.84	NIL	NIL	NIL
TOTAL (ii)	3,705.61	NIL	NIL	3,705.61	3,697.06	4.18	NIL	8.55
TOTAL (i + ii)	147,703.23	22,753.54	1,946.46	168,510.31	65,079.76	8,198.76	1,461.86	96,693.65
Previous Year	123,679.32	24,210.67	186.76	147,703.23	56,313.86	8,852.40	86.50	82,623.47
(iii) Capital Work-in-Progress:								
								19,296.63
								11,744.47

- 10.1 Gross Block of Plant & Equipments includes assets given on Lease with Gross Block ` 115.22 Lakhs (previous year ` 115.22 Lakhs).
- 10.2 Additions to Gross Block includes an amount of ` 1,035.92 Lakhs (previous year ` 1,272.04 Lakhs) being the net foreign exchange loss, arising on account of restatement and repayments of Long-term Foreign Currency Loans during the year.
- 10.3 Current year depreciation includes ` 118.82 Lakhs (previous year ` 116.71 Lakhs) on Assets deployed for Research & Development.
- 10.4 Depreciation for Anushakti Specialities LLP of ` 0.56 Lakhs (previous year ` 0.57 Lakhs) has been considered under its Capital Work in Progress, as it has not commenced its operations.
- 10.5 Depreciation for Nascent Chemicals Industries Ltd of ` 0.68 Lakhs (previous year ` 0.68 Lakhs) in respect of its revalued assets have been adjusted against its Revaluation Reserve.
- 10.6 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 had been adjusted against opening Reserves & Surplus.
- 10.7 In order to bring about uniformity in the method of depreciation, the Company had changed the method of depreciation for one of its unit, taken on operating lease, from Written Down Value Method to Straight Line Method. This has resulted into an accumulated surplus of ` 348.18 Lakhs which is accounted as exceptional item in the Profit and Loss Statement.



Notes on Consolidated Financial Statements for the year ended 31st March, 2015

11. NON-CURRENT INVESTMENTS:

(` in Lakhs)

A. Name of the Company	Number of Units/Shares (All fully paid up)				As at 31 st March 2015	As at 31 st March 2014
	Opening Balance	Acquisitions	Disposals	Closing Balance		
Trade Investments – (Quoted) in Equity Shares						
Aarti Drugs Ltd.*	250,059	250,059	NIL	500,118	40.01	40.01
Bank of India	285	NIL	NIL	285	1.70	1.70
Glenmark Pharmaceuticals Ltd.	400	NIL	NIL	400	1.34	1.34
TOTAL					43.05	43.05
Investments – (Unquoted) in Equity Shares of other Companies						
Ichalkaranji Janata Sahakari Bank Ltd.	1,020	NIL	NIL	1,020	0.51	0.51
Damanganga Saha Khand Udyog Mandali Ltd.	61	NIL	NIL	61	1.22	1.22
Narmada Clean Tech Ltd.	102,230	NIL	NIL	102,230	13.26	13.26
Dilesh Roadlines Pvt. Ltd.	2,013,050	NIL	1,548,500	464,550	0.86	3.71
Indusken Pharmaceuticals Pvt. Ltd.	200,000	NIL	NIL	200,000	20.00	20.00
U.K.I.P. Co-Op. Soc. Ltd.	35	NIL	NIL	35	0.02	0.02
Perfect Enviro Control Systems Ltd.	380,640	NIL	NIL	380,640	NIL	17.65
Aarti Ventures Ltd.	190,000	NIL	NIL	190,000	19.00	19.00
Aarti Biotech Ltd.	421,700	NIL	NIL	421,700	NIL	5.11
Dispo dychem Ltd.	240,005	NIL	NIL	240,005	21.28	21.28
Aarti Intermediates Pvt. Ltd.	22,125	NIL	NIL	22,125	NIL	0.22
Amery Trading Pvt. Ltd.	5,000	NIL	NIL	5,000	0.50	0.50
SBPP Bank Ltd.	783	NIL	NIL	783	0.78	0.78
Deltecs Infotech Pvt. Ltd.	858	NIL	NIL	858	28.33	0.03
Bewakoof Brands Pvt. Ltd.	4,033	NIL	NIL	4,033	57.00	57.00
Dragon Drugs Pvt. Ltd.	64,500	NIL	NIL	64,500	65.50	65.50
Polygamma Industries Pvt. Ltd.	67,834	4,502	NIL	72,336	76.77	6.78
Trans Retail Ventures Pvt. Ltd.	6,566	NIL	NIL	6,566	107.67	0.66
Gujarat State Financial Corporation	300	NIL	NIL	300	0.06	0.06
Numbermask Digital Pvt. Ltd.	NIL	1,125	NIL	1,125	23.31	NIL
Tarapur Environment Protection Society	NIL	7,188	NIL	7,188	7.19	NIL
					443.26	233.29
Investments – (Unquoted) in Limited Liability Partnership						
Aarti Udyog Limited Liability Partnership	NA	NA	NA	NA	380.00	380.00
					380.00	380.00
Investments - (Unquoted) in Unsecured Convertible Debentures						
Aarti Ventures Ltd.	NIL	5,750,000	NIL	5,750,000	575.00	NIL
					575.00	NIL
TOTAL (A)					1,441.31	656.34



Notes on Consolidated Financial Statements for the year ended 31st March, 2015

B. Investments in Associate Companies (Unquoted) in Equity Shares

(` in Lakhs)

Name of the Company	Numbers	Original Investment As on 1 st April, 2014	Addition During the year	Adjustment on Consolidation	Additions to cost as on 1 st April, 2014	Share of Profit/(Loss)	Adjustment on Consolidation	Additions to cost as on 31 st March, 2015	As at 31 st March 2015 (at cost)	As at 31 st March 2014 (at cost)
Ganesh Polychem Ltd.	3,068,257	1,215.86	NIL	NIL	2,518.33	1,115.71	NIL	3,634.04	4,849.90	3,734.19
Anushakti Holding Ltd.	8,846,490	290.51	NIL	NIL	1,993.36	182.12	NIL	2,175.48	2,465.99	2,283.86
Anushakti Chemicals & Drugs Ltd.	15,529,136	751.21	NIL	NIL	4,297.94	89.67	NIL	4,387.61	5,138.82	5,049.15
Aarti Biotech Ltd.	421,700	5.11	NIL	3.75	NIL	0.62	NIL	0.62	9.48	NIL
Aarti Intermediates Pvt. Ltd.	22,125	0.22	NIL	(0.22)	NIL	NIL	NIL	NIL	NIL	NIL
Perfect Enviro Control Systems Ltd.	380,640	17.65	NIL	(5.49)	NIL	2.00	NIL	2.00	14.16	NIL
Total (B)									12,478.35	11,067.20
GRAND TOTAL (A + B)									13,919.66	11,723.54

*Bonus Shares issued in Ratio 1:1

Aggregate Market Value of Quoted Investments: (` in Lakhs)

As on 31.03.2015 3,253.96

As on 31.03.2014 661.57

12. LONG-TERM LOANS AND ADVANCES

- a. Capital Advances
- b. Other Deposits
- c. Other loans and advances
 - (i) Loans & Advances (Employees)
 - (ii) Loans & Advances (Others)
- Share Application Money Given
- Advance Tax and Tax Deducted at Source

TOTAL

13. INVENTORIES:

- a. Raw Materials and Components
- b. Work-in-progress Finished Goods
- c. Finished Goods
- d. Stock-in-trade
- e. Stores and spares
- f. Fuel
- g. Packing Materials

TOTAL

(` in Lakhs)

As at 31 st March, 2015	As at 31 st March, 2014
3,795.60	3,444.11
2,037.45	1,609.22
737.37	755.22
2,462.79	2,300.25
NIL	370.86
35,072.89	29,958.12
44,106.10	38,437.78
16,167.49	21,970.88
17,353.49	19,277.36
18,327.14	16,747.69
247.37	1,119.70
715.58	492.29
2,014.17	651.66
347.95	352.79
55,173.19	60,612.37

**Notes on Consolidated Financial Statements for the year ended 31st March, 2015**

	(` in Lakhs)
	As at 31 st March, 2015
	As at 31 st March, 2014
14. TRADE RECEIVABLES:	
Trade receivables outstanding for a period less than six months	
Unsecured, considered good	40,841.94
Trade receivables outstanding for a period exceeding six months	
Unsecured, considered good	3,056.49
TOTAL	43,898.43
15. CASH AND CASH EQUIVALENTS:	
Cash on hand	139.82
Bank balance in Current Accounts	2,875.50
Bank deposits kept as Margin Money	155.76
Earmarked Balances (Unpaid Dividend Accounts)	200.08
TOTAL	3,371.16
16. SHORT-TERM LOANS AND ADVANCES:	
Balances with Custom, Port Trust, Central Excise & Sales Tax Authorities	13,741.32
Loan Given to Others	351.22
TOTAL	14,092.54
17. OTHER CURRENT ASSETS:	
Others Receivables	530.48
Prepaid Insurance/Expenses	166.43
Subsidy Receivable	2,074.69
Gratuity Receivable	34.02
Insurance Claim Receivable	425.37
TOTAL	3,230.99

**Notes on Consolidated Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

18. REVENUE FROM OPERATIONS:

Sale of Products	
Sale of Services	
Other Operating Revenues (Refer Note No. 18.1)	

GROSS REVENUE OPERATIONS

Less: Excise Duty/Vat

Net revenue from operations**18.1 OTHER OPERATING REVENUES:**

Export Benefits	
Fertilizers Subsidy Received	
SHIS Scheme Income	
Insurance Claim Received	
Scrap Sales	

TOTAL**19. OTHER INCOME:**

Dividend Received	
Profit on Sale of Assets	
Profit on Sale of Investments	
Lease Rent Income	
Interest Income	
Other Income	

TOTAL**20. COST OF MATERIALS CONSUMED:**

Consumption of Raw Materials	
Consumption of Packing Materials	
Consumption of Fuel	
Consumption of Stores & Spares	

TOTAL**21. CHANGE IN INVENTORY:****Opening Stock**

Finished Goods	
Work-in-Progress	

TOTAL (A)**Closing Stock**

Finished Goods	
Work-in-Progress	

TOTAL (B)**TOTAL (A-B)****22. EMPLOYEE BENEFITS:**

Salaries, Wages & Bonus	
Contribution to PF and other Funds	
Workmen & Staff Welfare Expenses	

TOTAL

For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
306,896.11	278,507.10
710.98	391.47
4,651.89	3,409.35
312,258.98	282,307.92
21,462.90	19,058.88
290,796.08	263,249.04
1,194.67	598.85
2,462.67	2,245.54
461.63	171.70
2.15	2.07
530.77	391.19
4,651.89	3,409.35
101.32	55.82
20.38	215.38
337.82	737.55
23.90	30.20
42.09	31.37
26.89	26.64
552.40	1,096.96
145,396.21	144,853.13
4,287.36	4,160.11
9,830.75	9,139.56
4,917.85	4,826.76
164,432.17	162,979.56
17,588.78	15,650.43
19,277.37	15,010.57
36,866.15	30,661.00
17,790.66	17,588.78
17,353.49	19,277.37
35,144.15	36,866.15
1,722.00	(6,205.15)
8,278.49	7,195.34
325.99	266.59
760.32	414.08
9,364.80	7,876.01

**Notes on Consolidated Financial Statements for the year ended 31st March, 2015**

(₹ in Lakhs)

23. FINANCE COST:

Interest on NCDs
Other Interest Expenses
Other Borrowing Costs

TOTAL

For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
1,564.52	NIL
10,932.03	10,586.54
1,300.66	1,197.14
13,797.21	11,783.68

24. OTHER EXPENSES:**Manufacturing Expenses:**

Freight, Cartage & Transport
Power
Water Charges
Processing Charges
Other Manufacturing Expenses
Repairs & Maintenance
Insurance Charges
Research & Development Expenses
Factory Administrative Expenses

TOTAL (A)**Office Administrative Expenses:**

Rent, Rates and Taxes
Travelling and Conveyance
Auditor's Remuneration (Refer Note No. 24.1)
Legal & Professional Charges
Postage, Telegraph & Telephone
Printing & Stationery Expenses
Other Administrative Expenses

TOTAL (B)**Selling & Distribution Expenses:**

Advertisement & Sales Promotion
Export Freight Expenses
Freight and Forwarding Expenses
Commission
Export Insurance Charges
Sample Testing & Analysis Charges
Bad Debts Written Off.
Discount Given
Sundry Balance Written Off./(Back)

TOTAL (C)**Non-Operating Expenses:**

Donations and CSR Expenses
Loss on Sale of Assets

TOTAL (D)**TOTAL (A+B+C+D)**

8,507.67	7,145.15
8,238.36	6,964.39
628.20	598.48
1,768.00	1,547.79
5,911.98	5,207.23
4,419.32	3,708.09
270.33	301.30
939.24	926.76
2,019.33	1,816.58
32,702.43	28,215.77
248.69	207.25
398.25	393.29
24.18	15.86
277.69	233.63
69.44	71.22
75.70	56.47
466.10	950.84
1,560.05	1,928.56
475.73	427.31
5,856.30	6,096.49
7,530.11	6,849.98
1,038.00	1,012.53
174.64	201.06
104.42	69.88
NIL	85.31
1,782.00	1,385.71
56.91	60.14
17,018.11	16,188.41
368.59	416.66
NIL	15.33
368.59	431.99
51,649.18	46,764.73

**Notes on Consolidated Financial Statements for the year ended 31st March, 2015****24.1 AUDITOR'S REMUNERATION:**

Audit Fees
Certification Charges
Other Matters Charges
Service Tax Charges
Out of Pocket Expenses

TOTAL

	(` in Lakhs)
For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
21.64	12.81
1.42	2.24
0.25	NIL
NIL	0.16
0.87	0.65
24.18	15.86

Auditor's Remuneration includes ` 9.49 Lakhs (previous year ` 1.21 Lakhs) for Subsidiary Company.

**25. CONTINGENT LIABILITIES AND COMMITMENTS:
(to the extent not provided for)****(i) Contingent Liabilities:**

- Claims against the Company not acknowledged as Debts
- Letters of Credit, Bank Guarantees & Bills Discounted

(ii) Commitments:

- Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances

TOTAL

	(` in Lakhs)
As at 31 st March, 2015	As at 31 st March, 2014
4,882.40	3,908.53
3,318.44	7,539.89
8,200.84	11,448.42
2,604.04	1,108.28
2,604.04	1,108.28
10,804.88	12,556.70

26. RELATED PARTY DISCLOSURE UNDER ACCOUNTING STANDARD (AS: 18):**I. Following are the Associates of the Company as defined in para 3(b) of the Accounting Standard - 18.**

- | | |
|----------------------------------|--|
| 1. Ganesh Polychem Ltd. | 2. Anushakti Chemicals and Drugs Ltd. |
| 3. Anushakti Holdings Ltd. | 4. Aarti Biotech Ltd. |
| 5. Aarti Intermediates Pvt. Ltd. | 6. Perfect Enviro Control Systems Ltd. |

II. Following are the Enterprises/Firms over which controlling individuals/Key Management Personnel, of the Company along with their relatives, have significant influence as defined in Para 3(e) of the Accounting Standard - 18.

- | | |
|---|---|
| 1. Alchemie Industries | 2. Gogri and Sons Investments Pvt. Ltd. |
| 3. Alchemie Leasing and Financing Pvt. Ltd. | 4. Alchemie Laboratories |
| 5. Aarti Drugs Ltd. | 6. Alchemie Dye Chem Pvt. Ltd. |

III. Following are the individuals who with their relatives as defined in Para 3(c) and 3(d) of the Accounting Standard - 18 own Directly/indirectly 20% or more voting power in the Company or have significant influence or are Key Management Personnel.

- | | | | |
|---------------------------|----------|-------------------------|-------------------------|
| 1. Shri Rajendra V. Gogri | Director | 6. Shri Kirit R. Mehta | Director |
| 2. Smt. Hetal Gogri Gala | Director | 7. Shri Manoj M. Chheda | Director |
| 3. Shri Rashesh C. Gogri | Director | 8. Shri Renil R. Gogri | Director |
| 4. Shri Shantilal T. Shah | Director | 9. Smt. Mona Patel | Company Secretary |
| 5. Shri Parimal H. Desai | Director | 10. Shri Chetan Gandhi | Chief Financial Officer |



Notes on Consolidated Financial Statements for the year ended 31st March, 2015

The following transactions were carried out during the year with the related parties in the ordinary course of business:

(A) Details relating to parties referred to in items I and II above.

(` in Lakhs)

Sr. No.	Description of Transaction	Year	Associates [I]	Other related Enterprises Firms [II]
1.	Sales of Finished Goods/Sales Income	CY PY	5,510.95 4,143.94	2,646.31 2,048.88
2.	Purchases of Raw Materials/Finished Goods	CY PY	874.25 625.47	2,040.27 63.05
3.	Other Manufacturing Expenses	CY PY	— —	490.77 663.20
4.	Rent paid	CY PY	— —	36.00 51.00
5.	Other Income	CY PY	— —	3.00 3.00
6.	Sale of Fixed Assets	CY PY	— —	891.41 100.00
7.	Purchase of Fixed Assets	CY PY	4.54 —	— —
8.	Inter-corporate Deposits taken/(Repaid) during the year	CY PY	(650.00) 650.00	— 26.00
9.	Inter-corporate Deposits given/(Received back) during the year	CY PY	— (336.40)	— (26.00)
10.	Interest Expense on the Inter-corporate Deposits taken	CY PY	— 10.62	— 0.38
11.	Interest Income on the Inter-corporate Deposits placed/unsecured loans	CY PY	— —	— 2.23
12.	Dividend Received	CY PY	— 0.31	38.76 53.26
13.	Equity Contribution/Increase in investment in cash or in kind made during the year	CY PY	— 1,138.80	— —
14.	Profit/(Loss) on Sale of Fixed Assets	CY PY	— —	— 78.51
15.	Outstanding items pertaining to the related parties at the balance sheet date – Receivable/(Payable)	CY PY	260.74 (551.64)	24.35 271.00

(B) Details relating to persons referred to in item IV above*

- Remuneration including perquisites[#]
- Commission to Directors
- Sitting Fees
- Rent paid
- Travelling Expenses
- Telephone Expenses

TOTAL

Financial Year 2014-15	Financial Year 2013-14
640.39	481.57
500.34	396.92
2.24	2.60
87.26	83.15
74.22	106.61
3.19	3.84
1,307.64	1,074.69

* Excluding the payments made to Independent Directors & Relative of Directors as per Accounting Standard Interpretation 21 issued by the Institute of Chartered Accountants of India.

Value of Perquisites includes non Cash Perquisites of ` 1.94 Lakhs (previous year ` 1.94 Lakhs).

Notes on Consolidated Financial Statements for the year ended 31st March, 2015**27. TREATMENT OF ASSOCIATES IN CONSOLIDATION:**

The Share of Profit in respect of Investment in Associate Companies include the figure which are considered as per Audited Financial Statements for the year ended 31st March, 2015 as per details given below:

(Amount in `)

Sr. No.	Name of Associates	Ownership Interest %	Opening Original Investment as on 01.04.2014	Additional Investment during the year	Deduction	Adjustment on Consolidation	Total Original Investment as on 31.03.2015	Carrying cost of Investment as on 01.04.2015	Adjustment on Consolidation	Share of Profit/(loss) of the year	Carrying cost of Investment as on 31.03.2015
1	Ganesh Polychem Ltd.	50.00	1,215.86	NIL	NIL	NIL	1,215.86	2,518.33	NIL	1,115.71	4,849.90
2	Anushakti Holding Ltd.	48.99	290.51	NIL	NIL	NIL	290.51	1,993.36	NIL	182.12	2,465.99
3	Anushakti Chemicals & Drugs Ltd.	49.59	751.21	NIL	NIL	NIL	751.21	4,297.94	NIL	89.67	5,138.82
4	Aarti Biotech Ltd.	30.21	5.11	NIL	NIL	NIL	5.11	NIL	3.75	0.62	9.48
5	Aarti Intermediates Pvt. Ltd.	49.98	0.22	NIL	NIL	NIL	0.22	NIL	(0.22)	NIL	NIL
6	Perfect Enviro Control Systems Ltd.	40.93	17.65	NIL	NIL	NIL	17.65	NIL	(5.49)	2.00	14.16
	TOTAL		2,280.56	NIL	NIL	NIL	2,280.56	8,809.63	(1.96)	1,390.12	12,478.35



Notes on Consolidated Financial Statements for the year ended 31st March, 2015

28. CONSOLIDATED SEGMENT REPORTING:

(` in Lakhs)

Sr. No.	Particulars	Financial Year	
		2014-2015	2013-2014
(A)	Primary Segments: Business Segments		
1	Segment Revenue:		
	(a) Speciality Chemicals	239,796	221,667
	(b) Pharmaceuticals	30,320	24,898
	(c) Home & Personal Care Chemicals	20,680	16,684
	TOTAL	290,796	263,249
2	Segment Results Profit/(Loss):		
	Before Tax and Interest from each Segment		
	(a) Speciality Chemicals	40,809	33,262
	(b) Pharmaceuticals	3,581	2,975
	(c) Home & Personal Care Chemicals	327	411
	TOTAL	44,717	36,648
	Less: Interest	13,797	11,784
	Other Unallocable Expenditure (Net)	5,445	4,255
	TOTAL	19,242	16,039
	TOTAL PROFIT BEFORE TAX	25,475	20,609
3	Capital Employed:		
	(a) Speciality Chemicals	148,590	141,440
	(b) Pharmaceuticals	48,505	37,720
	(c) Home & Personal Care Chemicals	8,743	8,747
	(d) Unallocated Capital	13,412	12,686
	TOTAL	219,250	200,593
(B)	Secondary Segments: Geographical Segments		
	(a) India	145,865	135,119
	(b) Out of India	144,931	128,130
	TOTAL	290,796	263,249

29. EARNING PER SHARE (EPS):

		Financial Year 2014-15	Financial Year 2013-14
Net Profit after Tax	(` in Lakhs)	19,371.81	15,206.90
Less : Profit attributable to Minority Interest	(` in Lakhs)	(174.25)	(50.80)
Add: Share of Profit/(Loss) of Associates	(` in Lakhs)	1,390.14	1,087.63
Net Profit After Consolidation available for Equity Shareholders	(` in Lakhs)	20,587.70	16,243.73
No. of Equity Shares	(Nos.)	88,591,687	88,591,687
Basic & Diluted EPS	(`)	23.24	18.34
Nominal Value of Equity Share	(`)	5.00	5.00

**Notes on Consolidated Financial Statements for the year ended 31st March, 2015****30. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates.**

Name of Enterprise	Net Assets (i.e. Total Assets minus total liabilities)		Share in Profit or Loss	
	As % of Consolidated net assets	(Amt. in Lakhs)	As % of Consolidated Profit or Loss	(Amt. in Lakhs)
Parent				
Aarti Industries Ltd.	89.32%	90,784	90.55%	18,780
Subsidiaries				
Alchemie (Europe) Ltd.	0.03%	26	(0.06%)	(13)
Aarti Corporate Services Ltd.	0.86%	879	1.95%	405
Nascent Chemical Industries Ltd.	0.67%	685	1.71%	355
Shanti Intermediates Pvt. Ltd.	0.08%	76	(0.00%)	(1)
Anushakti Specialities LLP	2.45%	2,489	(0.01%)	(3)
Innovative Envirocare Jhagadia Ltd.	0.03%	31	0.00%	NIL
Minority Interest in all Subsidiaries	(0.58%)	(586)	(0.84%)	(174)
Associates (Investments as per the equity method)				
Ganesh Polychem Ltd.	4.77%	4,850	5.38%	1,116
Anushakti Chemicals & Drugs Ltd.	5.06%	5,139	0.43%	90
Anushakti Holdings Ltd.	2.43%	2,466	0.88%	182
Aarti Biotech Ltd.	0.01%	9	0.00%	1
Aarti Intermediates Pvt. Ltd.	0.00%	NIL	0.00%	NIL
Perfect Enviro Control System Ltd.	0.01%	14	0.01%	2

31. The figures of the previous years have been regrouped and rearranged whenever necessary.

As per our report of even date
For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS

Sd/-
TEJAS J. PARIKH
PARTNER

Sd/-
RAJENDRA V. GOGRI
CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
RASHESH C. GOGRI
VICE CHAIRMAN AND
MANAGING DIRECTOR

Sd/-
SHANTILAL T. SHAH
VICE CHAIRMAN

PLACE: Mumbai
DATE: 13th May, 2015

Sd/-
CHETAN GANDHI
CHIEF FINANCIAL OFFICER

Sd/-
MONA PATEL
COMPANY SECRETARY

FOR AND ON BEHALF OF THE BOARD

**Consolidated Cash Flow Statement for the year ended 31st March, 2015**

(₹ in Lakhs)

Particulars	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 Exceptional Extraordinary Items	25,126.97	20,609.46
Adjustments for:		
Interest and finance charges paid	13,797.21	11,783.67
Depreciation	8,197.52	8,851.80
Consolidated adjustments	18.51	(61.67)
Loss on sale of assets	NIL	15.33
	47,140.21	41,198.59
Profit on sale of investment	(337.82)	(737.55)
Profit on sale of assets	(20.38)	(215.38)
Dividend received from other investments	(101.32)	(55.82)
Lease rent received	(23.90)	(30.20)
Operating profit before Working Capital Changes	46,656.79	40,159.64
Adjustments for:		
(Increase)/Decrease in Trade and Other Receivables	(1,389.35)	(7,884.59)
Increase/(Decrease) in Trade Payables and Other Current Liabilities	(10,932.02)	18,879.82
(Increase)/Decrease in Inventories	5,439.18	(14,397.10)
Cash generated from operations	39,774.60	36,757.77
Direct taxes paid	(5,825.28)	(5,257.23)
Net Cash From Operating Activities (A)	33,949.32	31,500.54
B. Cash Flow From Investing Activities:		
Addition to Fixed Assets/CWIP	(30,305.70)	(29,086.40)
Sale/Written Off. of Fixed Assets	836.75	300.32
(Increase)/Decrease in Other Investments	(424.17)	755.46
(Increase)/Decrease in Investments in Associate Companies	NIL	(1,138.80)
Dividend Received From Other Investments	101.32	55.82
Lease Rent Received	23.90	30.20
Net Cash From Investing Activities (B)	(29,767.90)	(29,083.40)
C. Cash Flow From Financing Activities:		
Proceeds from Long Term Borrowings	28,500.00	18,756.32
Repayment of Long Term Borrowings	(8,316.29)	(4,958.00)
Proceeds/(Repayments) of Other Borrowings	(3,851.59)	(43.02)
Interest and Finance Charges Paid	(13,797.21)	(11,783.67)
Dividend Paid	(4,830.47)	(4,145.61)
Net Cash From Financing Activities (C)	(2,295.56)	(2,173.98)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	1,885.86	243.16
Cash and Cash Equivalents (Opening Balance)	1,485.30	1,242.14
Cash and Cash Equivalents (Closing Balance)	3,371.16	1,485.30

Notes: (i) Cash and Cash Equivalent is Cash and Bank Balances as per Balance Sheet.

(ii) Amounts of the previous year have been regrouped and rearranged wherever necessary.

As per our report of even date

For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS

Sd/-

TEJAS J. PARIKH
PARTNERPLACE : Mumbai
DATE : 13th May, 2015

FOR AND ON BEHALF OF THE BOARD

Sd/-

RAJENDRA V. GOGRI
CHAIRMAN AND
MANAGING DIRECTOR





करिज्मा
कोटा जायब
मो. 98260 12345
मो. 98260 12345
मो. 98260 12345

पार्श्वभूमी

श्रद्धाचार झाला नाही तर कसे काम होते हे सेवाभावी संस्थेने दाखवून दिले

पिंपळनेरमधील बंधारे एकाच पावसात भरले

पिंपळनेरमधील बंधारे एकाच पावसात भरले. श्रद्धाचार झाला नाही तर कसे काम होते हे सेवाभावी संस्थेने दाखवून दिले. पिंपळनेरमधील बंधारे एकाच पावसात भरले.



चरखा ड्रेडर्स
अतिरिक्त सेवा
मो. 98260 12345
मो. 98260 12345

रिपोर्ट्स

सिंचनासाठी लोक सहभाग दाखवणाऱ्या गावांच्या पाठिशी जिल्हा प्रशासन

जिल्हाधिकारी नवलाकिताय रायम यांचे प्रतिपादन



जिल्हाधिकारी नवलाकिताय रायम यांचे प्रतिपादन. सिंचनासाठी लोक सहभाग दाखवणाऱ्या गावांच्या पाठिशी जिल्हा प्रशासन.

दुष्काळाशी झगडतानाच जलसिद्धी

पुणेकरांच्या अजरी हाताळीत या पंचांगानुसार सिंचनाकाल घडवून आणणे. दुष्काळाशी झगडतानाच जलसिद्धी.



दुष्काळाशी झगडतानाच जलसिद्धी. पुणेकरांच्या अजरी हाताळीत या पंचांगानुसार सिंचनाकाल घडवून आणणे.

आता मरणाची वाढ नाही बघणार!

एकदा दुःखी झालो, दुसऱ्यांदा अश्रू ढाळले. आता मरणाची वाढ नाही बघणार!



एकदा दुःखी झालो, दुसऱ्यांदा अश्रू ढाळले. आता मरणाची वाढ नाही बघणार!



CSR Initiatives

Tulsi Vidya Mandir at Kutch



Women Empowerment Workshop at Beed



RELIEF MEASURES IN JAMMU & KASHMIR

Health Camp & Distribution of Medical Kits



Reconstruction of Houses



Aarti Garden at Vapi





Photo Gallery



VAPI PLANT



JHAGADIA PLANT



R & D UNIT



SECTION OF USFDA UNIT



AUTOMATION CONTROL ROOM



TRAINING SESSION

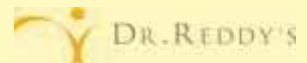


Our valued customers

Speciality Chemicals



Pharmaceuticals



Home & Personal Care Chemicals





AARTI INDUSTRIES LIMITED

CIN: L24110GJ1984PLC007301

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

ATTENDANCE SLIP

32ND ANNUAL GENERAL MEETING – THURSDAY, 24TH DAY OF SEPTEMBER, 2015

Registered Folio no. /DP ID no./Client ID no.:	Number of shares held:
--	------------------------

I/we hereby record my/our presence at the 32nd Annual General Meeting of the Company at Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi - 396 195, Dist. Valsad, Gujarat on Thursday, 24th day of September, 2015 at 11.30 a.m.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: Please fill up the attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.



AARTI INDUSTRIES LIMITED

CIN: L24110GJ1984PLC007301

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

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

Note: Please read instructions given at Note no. 14 of the Notice of the 32nd Annual General Meeting carefully before voting electronically

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



AARTI INDUSTRIES LIMITED

CIN: L24110GJ1984PLC007301

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

32ND ANNUAL GENERAL MEETING – THURSDAY, 24TH DAY OF SEPTEMBER, 2015

Name of the member(s):

Registered address:

E-mail Id:

Folio No./ Client Id: DP ID:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I/We, being the member(s) of.....shares of the above named company, hereby appoint:

- Name:..... Address:.....
E-mail Id:..... Signature..... or failing him;
- Name:..... Address:.....
E-mail Id:..... Signature..... or failing him;
- Name:..... Address:.....
E-mail Id:..... Signature..... or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on the Thursday, 24th day of September, 2015 at 11.30 a.m. at Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi - 396 195, Dist. Valsad, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Optional*	
		For	Against
Ordinary Business			
1	Adoption of Financial Statements for the year ended 31 st March, 2015.		
2	Declaration of a final dividend for the year ended 31 st March, 2015.		
3	Re-appointment of Shri Renil R. Gogri, who retires by rotation and being eligible, seeks reappointment.		
4	Re-appointment of Shri Shantilal T. Shah, who retires by rotation and being eligible, seeks reappointment.		
5	Ratification of the appointment of the Statutory Auditor.		
Special Business			
6	Appointment of Prof. Ganapati D. Yadav, as an Independent Director for a period of 3 (three) years with effect from date of this Annual General Meeting i.e. 24 th September, 2015.		
7	Appointment of Smt. Priti Paras Savla, as an Independent Director for a period of 3 (three) years with effect from date of this Annual General Meeting i.e. 24 th September, 2015.		
8	Re-appointment of Shri Kirit R. Mehta, as Whole-time Director for a period of 5 (five) years with effect from 18 th September, 2015.		
9	Re-appointment of Shri Parimal H. Desai, as Whole-time Director for a period of 5 (five) years with effect from 10 th February, 2016.		
10	Ratification of the appointment and Remuneration of the Cost Auditor.		
11	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 to consent for borrowing funds upto ₹ 2,500 crore.		
12	Special Resolution to consider and approve the issue of Non-Convertible Debentures on private placement.		

Signed this..... day of..... 2015.

Signature of shareholder

Signature of Proxy holder(s)

Affix
Re. 1/-
Revenue
Stamp

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
 - A person can act as proxy on behalf of Members upto and not exceeding fifty 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.
- * It is optional to put a '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



AARTI INDUSTRIES LIMITED

Regd. Off. : Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi-396 195, Dist. Valsad, Gujarat.
www.aartigroup.com