

# The Chemistry of Sustained Relationships



# AARTI DRUGS AND ITS GLOBAL PRESENCE

## Country

- |               |                |                 |               |               |
|---------------|----------------|-----------------|---------------|---------------|
| 1. Albania    | 9. Bosnia      | 17. Croatia     | 25. Georgia   | 33. India     |
| 2. Algeria    | 10. Brazil     | 18. Cuba        | 26. Germany   | 34. Indonesia |
| 3. Argentina  | 11. Bulgaria   | 19. Cyprus      | 27. Ghana     | 35. Iran      |
| 4. Australia  | 12. Canada     | 20. Denmark     | 28. Greece    | 36. Iraq      |
| 5. Bangladesh | 13. Chile      | 21. Ecuador     | 29. Guatemala | 37. Ireland   |
| 6. Belgium    | 14. China      | 22. Egypt       | 30. Honduras  | 38. Israel    |
| 7. Belarus    | 15. Colombia   | 23. El salvador | 31. Hongkong  | 39. Italy     |
| 8. Bolivia    | 16. Costa rica | 24. France      | 32. Hungary   | 40. Japan     |







- |               |                 |                        |                       |                |
|---------------|-----------------|------------------------|-----------------------|----------------|
| 41. Jordan    | 52. Netherlands | 63. Rep. of Yemen      | 74. Spain             | 85. U.A.E.     |
| 42. Kenya     | 53. New zealand | 64. Rep. Of dominicana | 75. Sudan             | 86. U.K.       |
| 43. Korea     | 54. Nicaragua   | 65. Rep. Of kazakhstan | 76. Sultanate of oman | 87. U.S.A.     |
| 44. Kuwait    | 55. Nigeria     | 66. Romania            | 77. Swedan            | 88. Ukraine    |
| 45. Latvia    | 56. Pakistan    | 67. Russia             | 78. Switzerland       | 89. Uruguay    |
| 46. Lithuania | 57. Panama      | 68. S.africa           | 79. Syria             | 90. Uzbekistan |
| 47. Macedonia | 58. Paraguay    | 69. Saudi arabia       | 80. Taiwan            | 91. Venezuela  |
| 48. Malaysia  | 59. Peru        | 70. Senegal            | 81. Tanzania          | 92. Vietnam    |
| 49. Mexico    | 60. Philippines | 71. Sri lanka          | 82. Thailand          | 93. Yugoslavia |
| 50. Morocco   | 61. Poland      | 72. Singapore          | 83. Tunisia           | 94. Zimbabawe  |
| 51. Nepal     | 62. Portugal    | 73. Slovenia           | 84. Turkey            |                |



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## Mission

- Aarti Drugs Limited will seek global market leadership.
- Development and growth in the products will be our focus.
- We will continue to create a winning culture, operating in highest standards of ethics and values with co-operation among competitors.
- We will strive for excellence in customer service, quality and R&D.



## Vision

- To be the preferred vendor for the Products in India and World.
- 







## Plant More Trees

Our children and their grand children-may find this planet as green as it was



**SAVE THE EARTH  
GO GREEN**

## Corporate Information

### Board of Directors

**Chandrakant V. Gogri**  
Chairman

**Prakash M. Patil**  
Managing Director & CEO

**Harshit M. Savla**  
Jt. Managing Director & CFO

**Whole-time Directors**  
Harit P. Shah  
Uday M. Patil

**Rajendra V. Gogri**  
Non-Executive Director

**Independent Directors**  
Ramdas M. Gandhi  
Bhavesh R. Vora  
Prof. Krishnacharya G. Akamanchi  
Dr. Vilas G. Gaikar  
Sunil M. Dedhia  
Navin C. Shah

**Company Secretary**  
Sunny Pagare

### Auditors

M/s. Parikh Joshi & Kothare,  
49/2341, M.H.B. Colony, Gandhi Nagar,  
Bandra (East), Mumbai-400 051.

### Solicitors

M/s. M. P. Savla & Co.  
Bharat House, 2nd floor,  
104 Mumbai Samachar Marg,  
Mumbai- 400 001.

### Registrar & Transfer Agent

M/s. Sharepro Services (India) Pvt. Ltd  
13 AB Samhita Warehousing Complex,  
2nd Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri-Kurla Road, Sakinaka, Andheri (E),  
Mumbai - 400 072.

### Bankers:

Union Bank of India  
Bank of Baroda  
State Bank of India  
The Bank of Nova Scotia  
Standard Chartered Bank  
DBS Bank Ltd.  
IDBI Bank Ltd.  
Citi Bank N.A.  
HSBC

## Company's Locations

### Registered Office

Plot No. N - 198, M.I.D.C.,  
Tarapur, Village-Pamtembhi,  
Taluka-Palghar,  
Dist. Thane- 401 506,

### Plants

Plot Nos. N-198, G-60, E-120,  
K-40, K41, E-9/3-4 and E-21/22,  
MIDC Industrial Area,  
Tarapur, Tal- Palghar,  
Dist. Thane- 401 506, Maharashtra

Plot Nos. 2902/2904, GIDC,  
Sarigam – 396 155 Dist. Valsad, Gujarat.

### Corporate Office

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

### R & D Centres

Plot Nos. N- 198 & G- 60, MIDC Industrial Area,  
Tarapur, Village Pamtembhi, Tal- Palghar,  
Dist. Thane- 401 506, Maharashtra.

Plot Nos.D-277/278, TTC Industrial Area,  
Turbhe, Navi Mumbai, Maharashtra.

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## FINANCIAL HIGHLIGHTS

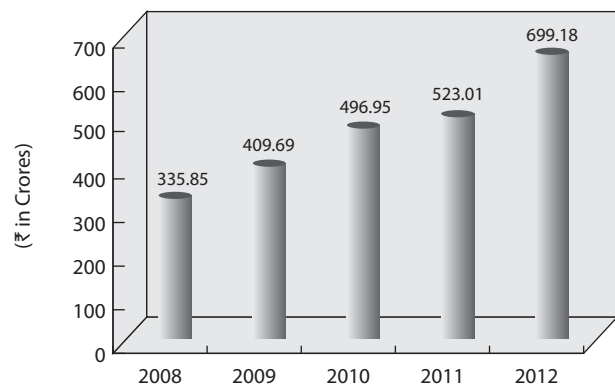
(₹ in Lakhs)

Particulars	Financial Year Ended on									
	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11*	31-Mar-12*		
<b>Sales</b>	<b>26,527.27</b>	<b>27,900.01</b>	<b>31,330.26</b>	<b>33,584.79</b>	<b>40,968.87</b>	<b>49,694.87</b>	<b>52,301.38</b>	<b>69,917.64</b>		
Profit Before Interest, Depreciation and Amortization	3,362.00	3,144.38	3,449.75	3,930.01	5,690.35	7,207.99	6,269.13	8,027.03		
Interest	586.08	841.68	986.3	1183.81	2,271.69	1,474.45	1,347.80	2,267.19		
Depreciation and Amortization	714.70	791.80	861.72	962.93	1,103.92	1,351.75	1,774.06	2,421.59		
<b>Profit Before Tax</b>	<b>2,061.22</b>	<b>1,510.90</b>	<b>1,601.73</b>	<b>1,783.27</b>	<b>2,314.75</b>	<b>4,381.79</b>	<b>3,147.27</b>	<b>3,221.98</b>		
<b>Profit After Tax</b>	<b>1,406.22</b>	<b>1,272.86</b>	<b>1,276.98</b>	<b>1,307.32</b>	<b>1,504.75</b>	<b>2,609.79</b>	<b>2,247.29</b>	<b>2,246.10</b>		
Dividend (%)	30	15	12	18	30	50	50	50		
Payout	351.26	175.62	140.5	210.75	351.26	605.43	605.43	605.43		
Equity Capital	1,170.86	1,170.86	1,170.86	1,170.86	1,170.86	1,210.86	1,210.86	1,210.86		
Reserves & Surplus	6,486.07	7,556.89	8,673.66	9734.41	10,827.49	12,898.30	14,440.78	16,437.13		
Less : Miscellaneous Expenditure	339.32	226.92	114.93	3.72	-	-	-	-		
<b>Net Worth</b>	<b>7,317.61</b>	<b>8,500.83</b>	<b>9,729.59</b>	<b>10,901.54</b>	<b>11,998.35</b>	<b>14,109.16</b>	<b>15,651.63</b>	<b>17,647.99</b>		
<b>Borrowings</b>										
Long Term	4,680.16	3,094.12	4,263.63	4795.06	7,204.25	7,818.18	7,434.15	6,692.38		
Short-Term-Bank	4,524.31	6,701.47	7,493.42	7070.50	8,070.95	6,047.94	16,866.01	21,723.88		
Short-Term-Others	4,923.25	8,413.26	7,499.31	8651.20	2,572.65	3,898.38	85.01	1,374.94		
<b>Total Borrowings</b>	<b>14,127.72</b>	<b>18,208.85</b>	<b>19,256.36</b>	<b>20,516.76</b>	<b>17,847.85</b>	<b>17,764.50</b>	<b>24,385.18</b>	<b>29,791.20</b>		
Gross Block	15,037.17	20,059.68	21,253.39	23359.01	26,725.92	28,748.23	34,579.98	43,938.29		
Less : Depreciation	4,262.30	5,095.16	6,236.45	7446.69	8,788.25	10,394.66	12,159.02	16,584.66		
<b>Net Block</b>	<b>10,774.87</b>	<b>14,964.52</b>	<b>15,016.94</b>	<b>15,912.33</b>	<b>17,937.66</b>	<b>18,353.57</b>	<b>22,420.96</b>	<b>27,353.63</b>		
Capital Work In Progress	2,260.06	Nil	1375.20	1466.9	64.42	340.35	1,037.47	299.09		
Investments	145.70	2,040.49	2,134.85	3352.82	2,137.85	2,137.85	2,461.29	691.84		
Current Assets, Loans and Advances	15,131.79	17,098.48	17,231.02	18767.55	18,513.71	20,020.43	25,669.13	32,917.38		
Less : Current Liabilities	5,866.42	6,298.15	5,547.41	6626.63	7,076.76	6,998.89	9,322.39	11,375.56		
<b>Net Working Capital</b>	<b>9,265.37</b>	<b>10,800.32</b>	<b>11,683.60</b>	<b>12,140.92</b>	<b>11,436.96</b>	<b>13,021.54</b>	<b>16,346.74</b>	<b>21,541.83</b>		
Book Value (₹)	62.50	72.60	83.10	93.11	102.47	116.52	129.26	145.75		
EPS (Basic & Diluted) (₹)	12.01	10.85	10.90	11.17	12.85	22.08	18.56	17.84		

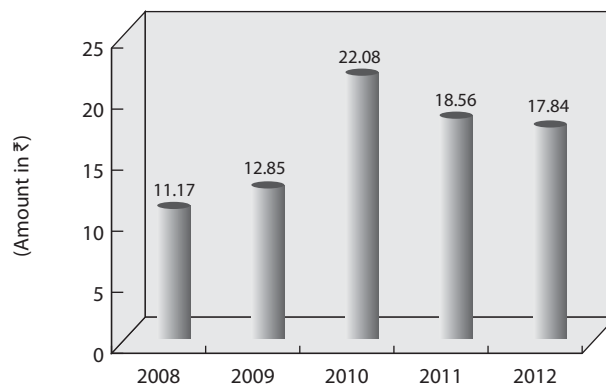
\* Note :- Regrouped as per Revised Schedule (vi)

## FINANCIAL HIGHLIGHTS

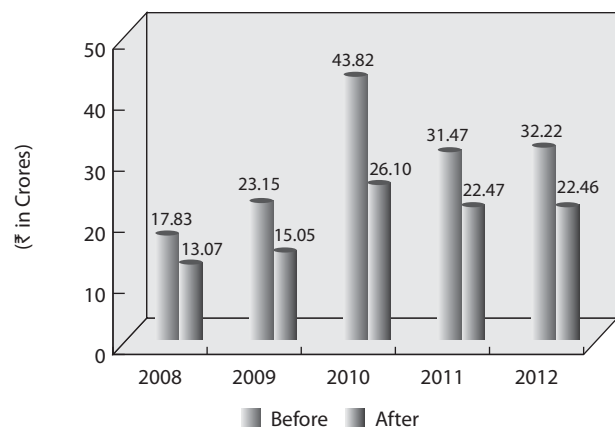
### Turnover



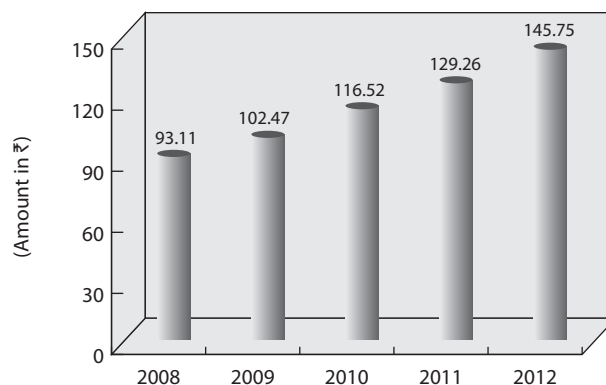
### Earning Per Shares



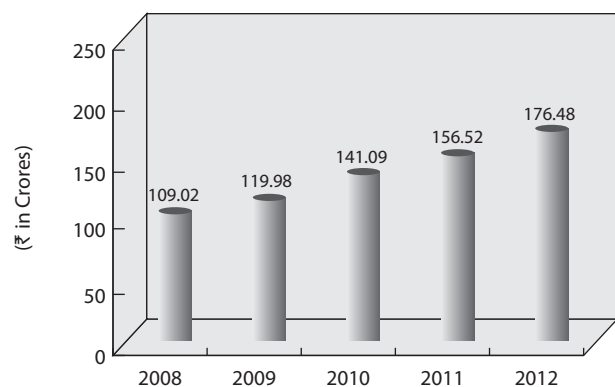
### Profit Before & After Tax



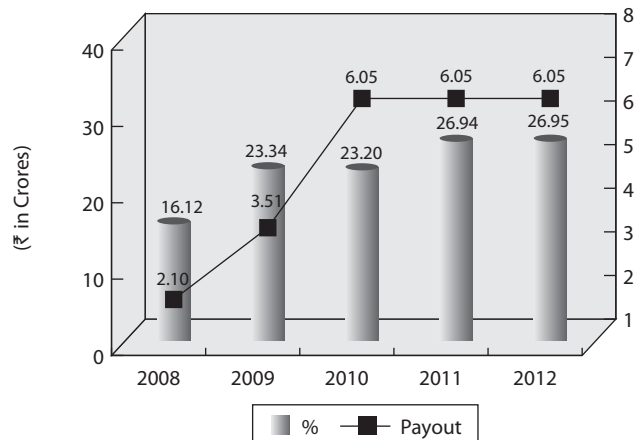
### Book Value



### Network



### Dividend Payout





### NOTICE

Notice is hereby given that the Twenty-Seventh Annual General Meeting of the Members of Aarti Drugs Limited will be held on Wednesday, the 29<sup>th</sup> day of August, 2012, at 11.00 am at TIMA Hall, MIDC Tarapur, Taluka Palghar, Dist.: Thane- 401 506, Maharashtra, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors' and Auditors' thereon.
2. To declare a final dividend for the financial year ended 31<sup>st</sup> March, 2012.
3. To appoint a Director in place of Dr. Vilas G. Gaikar, who is liable to retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Bhavesh R. Vora, who is liable to retire by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Uday M. Patil, who is liable to retire by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Sunil M. Dedhia, who is liable to retire by rotation and being eligible, offers himself for re-appointment.
7. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Parikh Joshi & Kothare, Chartered Accountants (Registration No. 107547W), be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 317 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 ("the Act"), the Company hereby approves the re-appointment and terms of remuneration of Shri Prakash M. Patil as the Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> June, 2012 upon the terms and conditions set out in the draft Agreement to be entered into by the Company with him and submitted to this meeting, duly initialled by the Chairman for the purpose of the identification, which agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement so as not to exceed the limits specified in Schedule XIII of the Act and as may be agreed between the Board of Directors and Shri Prakash M. Patil.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to 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 pursuant to provisions of Sections 198, 269, 309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 ("the Act"), the Company hereby approves the re-appointment and terms of remuneration of Shri Harshit M. Savla as the Joint Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> June, 2012 upon the terms and conditions set out in the draft Agreement to be entered into by the Company with him and submitted to this meeting, duly initialled by the Chairman for the purpose of the identification, which agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement so as not to exceed the limits specified in Schedule XIII of the Act and as may be agreed between the Board of Directors and Shri Harshit M. Savla.

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

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

“RESOLVED THAT pursuant to provisions of Sections 198, 269, 309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 (“the Act”), the Company hereby approves the re-appointment and terms of remuneration of Shri Harit P. Shah, Whole-time Director of the Company for a period of five years with effect from 1<sup>st</sup> June, 2012 upon the terms and conditions set out in the draft Agreement to be entered into by the Company with him and submitted to this meeting, duly initialled by the Chairman for the purpose of the identification, which agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement so as not to exceed the limits specified in Schedule XIII of the Act and as may be agreed between the Board of Directors and Shri Harit P. Shah.

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

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

“RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Act and subject to the approval of the Central Government, if and when necessary, consent of the Company be and is hereby accorded to Shri Adhish P. Patil, to hold and continue to hold an Office of Profit as Chief Financial Officer of the Company, with effect from 6<sup>th</sup> July, 2012 on the terms and conditions including remuneration as set out in the letter of appointment issued by the Company to him and submitted to this meeting duly initialled by the Chairman for the purpose of identification, which is hereby specifically sanctioned, with power to the Chairman of the Company to alter and vary the terms of appointment subject to limit prescribed under the relevant rules prescribed under Section 314 of the Act and/or approval of the Central Government, as the case may be.”

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

“RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to appoint, in consultation with the Statutory Auditors, such person(s) or firm(s) of persons qualified to be appointed as Auditor of the Company under Section 226 of the Act, as the Branch Auditors as and when considered necessary, to audit the Accounts in respect of the Branch Offices of the Company; at a remuneration and on the other terms and conditions as may be fixed by the Board of Directors.”

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

Place: Mumbai  
Date: 9<sup>th</sup> July, 2012

By Order of the Board  
Sd/-  
**Sunny Pagare**  
Company Secretary

#### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON POLL) INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

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 173(2) of the Companies Act, 1956 in respect of the Special Business at Item No. 8 to 12 above is annexed hereto and forms part of the Notice.
3. Corporate members intending to send their authorised 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 22<sup>nd</sup> August, 2012 to 29<sup>th</sup> August, 2012 (both days inclusive)
5. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days except Saturdays, between 11.00 a.m. and 1.00 p.m., upto the date of the AGM.
6. The Members are requested to note:
  - (i) **Change of Address/Bank details:** 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 dematerialized form are requested to intimate all changes with respect to their address, bank details, mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. This will help the Company to provide efficient and better service to the Members.
  - (ii) 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.
  - (iii) Members holding shares in physical form are requested to provide their latest Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code) along with their Folio Number and PAN to the Company's Registrars and Transfer Agents (RTA), M/s. Sharepro Services (India) Private Limited.
  - (iv) Section 109A of the Companies Act, 1956 provides for **Nomination by the shareholders** of the Company in the prescribed Form No. 2B for shares held in physical form. Blank forms will be supplied by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
  - (v) 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.
  - (vi) The Company has transferred unclaimed amounts of final dividend declared for the year 2003-04 and interim dividend declared for the year 2004-05 to the Investor Education and Protection Fund as required under Sections 205A and 205C of the Companies Act, 1956.
7. "GO GREEN" initiative of the Ministry of Corporate Affairs (MCA) :

The MCA has vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 announced a "Green Initiative in Corporate Governance" allowing companies paperless compliance by sending documents to shareholders through electronic mode to the registered e-mail addresses of shareholders. Corresponding changes have also been made by SEBI in the Listing Agreement. This is a welcome move as it will benefit the society at large through reduction in paper consumption and contribution towards a greener environment. The Company has started sending correspondence and documents such as Notices of General Meetings, Annual Reports and other shareholder communications to the shareholders in electronic form to their respective e-mail address registered with their respective Depository Participant.

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 IDs to the Sharepro Services (India) Private Limited (RTA) sending an e-mail at [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com).

We are sure you would appreciate the Go Green Initiative taken by MCA. We solicit your patronage and support in helping the Company to implement the e-governance initiatives of the Government.



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

Particulars	Dr. Vilas G. Gaikar	Shri Bhavesh R. Vora
Date of birth and age	28.08.1960 (52 years)	13.07.1967 (45 years)
Date of Appointment	31.12.2005	31.07.2006
Qualifications	Ph. D. (Tech)	B. Com, Chartered Accountant
Experience and expertise in specific functional areas	He is a Professor at ICT (Formerly known as UDCT) since 2002 and Head of Department of Chemical Engineering. He has over 25 years of experience in the industry as a consultant. He has won several accolades for his founding contribution in the field of Chemical Engineering. He has also successfully published vis a vis Demonstration Experiments in Chemical Engineering and Biotransformations and Bioprocesses.	He is practicing Chartered Accountant with more than 25 years of experience in working in the field of Stock Brokers, Audit Compliances, Derivative, Future and Options, Accounting Standards and Internal & Management Audit Areas.
Directorships held in other (excluding foreign) Companies	No other Directorship	Aarti Industries Ltd.
Membership/Chairmanships of committees across public companies	<b>Audit Committee</b> Aarti Drugs Limited - Member <b>Remuneration Committee</b> Aarti Drugs Limited - Member	<b>Audit Committee</b> Aarti Industries Limited - Member Aarti Drugs Limited - Member <b>Share Holders Grievance Committee</b> Aarti Drugs Limited - Member <b>Remuneration Committee</b> Aarti Drugs Limited - Member
Number of shares held in the Company	NIL	NIL

Particulars	Shri Harshit M. Savla	Shri Harit P. Shah
Date of birth and age	19.11.1962 (49 years)	12.10.1963 (48 years)
Date of Appointment	02.01.1987	15.09.1995
Qualifications	B. Com.	B. Com.
Experience and expertise in specific functional areas	He is a commerce graduate having more than 26 year of experience in finance, export and administration. He heads the finance function of the Company. He played crucial role in expanding the export market for the product of the Company.	He has experience of over 20 years handling commercial functions encompassing Sales, Purchases and Exports. He looks after Local Sales and Export as well.
Directorships held in other (excluding foreign) Companies	Dhaval Realtors (India) Pvt. Ltd. Crystal Millennium Realtors Pvt. Ltd.	Aarti Ventures Ltd. Radiant Entertainment Pvt. Ltd. Aarti Corporate Service Ltd. Spark Academy Pvt. Ltd. Unidas Developers & Logistics Pvt. Ltd.
Memberships/Chairmanships of committees across public companies	<b>Share Holders Grievance Committee</b> Aarti Drugs Limited - Member <b>Share Holders Transfer Committee</b> Aarti Drugs Limited - Member	<b>Share Holders Grievance Committee</b> Aarti Drugs Limited - Member
Number of shares held in the Company	353348	302503

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

<b>Particulars</b>	<b>Shri Sunil M. Dedhia</b>	<b>Shri Uday M. Patil</b>	<b>Shri Prakash M. Patil</b>
Date of birth and age	20.06.1965 (47 years)	23.06.1963 (49 years)	16.08.1947(65 years)
Date of Appointment	31.12.2005	18.10.2000	05.01.1985
Qualifications	B. Com, ACA, FCS	H.S.C.	B. Chem.
Experience and expertise in specific functional areas	He is a Practicing Company Secretary and has over 23 years of experience in the field of Corporate Laws.	He has good experienced in factory administration work and liaising with various Government/ Semi Government department and agencies.	He is chemical engineer having more than 28 years of experience in the field of Chemical and Pharmaceutical Industry. He is the head of production and Project Implementation Function of the Company. His technical expertise has helped the company to emerge as one of the leading Pharmaceutical Company in the Country.
Directorships held in other (excluding foreign) Companies	Aarti Industries Ltd.	Alchemie Gases & Chemicals Pvt. Ltd.	Alchemie Gases & Chemicals Pvt. Ltd. Tarapur Environment Protection Society
Memberships/Chairmanships of committees across public companies	<b>None</b>	<b>None</b>	<b>Audit Committee</b> Aarti Drugs Limited- Member <b>Remuneration Committee</b> Aarti Drugs Limited- Member
Number of shares held in the Company	NIL	6300	925427

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

Place: Mumbai  
Date: 9<sup>th</sup> July, 2012

By order of the Board

Sd/-  
**Sunny Pagare**  
Company Secretary

## Annexure to the Notice

### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

#### Item Nos. 8 to 10

The term of appointment of Shri Prakash M. Patil as Managing Director, Shri Harshit M. Savla as Joint Managing Director and Shri Harit P. Shah as Whole-time Director of the Company expired on 31<sup>st</sup> May, 2012. At the meeting of the Board of Directors of the Company held on 25<sup>th</sup> May, 2012. based on the recommendation of the Remuneration Committee duly approved by a resolution passed at its meeting, Shri Prakash M. Patil have been re-appointed as Managing Director, Shri Harshit M. Savla as Joint Managing Director and Shri Harit P. Shah as Whole-time Director of the Company for a period of five years with effect from 1<sup>st</sup> June, 2012 upon the terms and conditions contained in the draft Agreements to be entered into by the Company with them subject to the approval of the Company in General Meeting.

The said draft Agreements, inter-alia, contain the following material terms and conditions:

1. **Period of Agreement(s)** : From 01/06/2012 to 31/05/2017.

2. **Remuneration** :

(a) **Salary** :

Shri Prakash M. Patil	Managing Director	₹ 207,150 per month
Shri Harshit M. Savla	Joint Managing Director	₹ 167,150 per month
Shri Harit P. Shah	Whole-time Director	₹ 147,300 per month

The Board of Directors shall have specific authority to revise or vary salary payable to the said Managing Director, Joint Managing Director and Whole-time Director from time to time, subject to recommendation/approval by the Remuneration Committee, up to an amount not exceeding ₹ 3,50,000/- per month in each case.

(b) **Commission** :

Each of the said Managing/Joint Managing/Whole-time Directors shall be entitled to be paid shares in aggregate commission calculated at the rate of 2% of net profit of the Company computed under Section 349 of the Companies Act, 1956. The share of such commission payable to each of the said Directors shall be determined by the Board of Directors of the Company. Such commission shall be payable annually after the annual accounts for the relevant year are adopted by the members of the Company.

(c) **Perquisites/Allowances** :

In addition to Salary and Commission, the Managing/Joint Managing/Whole-time Directors 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 and such other perquisites and special allowances as may be determined by the Board of Directors from time to time in each case individually.

Explanation :- "Family" means the spouse, the dependent children and dependent parents of the Managing/Joint Managing/Whole-time Directors.

The perquisites and allowances together with the salary and commission payable as aforesaid shall be restricted to and subject to the applicable overall maximum ceiling limits set out in Sections 198, 309 read with Schedule XIII of the Companies Act, 1956 for the time being in force.



The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

- (a) Contribution to provident fund, super annuation fund or annuity fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- (c) Encashment of leave at the end of the tenure.

For the purposes of calculating the ceiling, perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be valued at actual cost.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- 3. **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.
- 4. Managing/Joint Managing/Whole-time Directors shall not be paid any sitting fees for attending the Meetings of the Board of Directors and/or Committee thereof.
- 5. The Company shall pay to the said Managing/Joint Managing/Whole-time Directors remuneration by way of salary and perquisites as specified above, notwithstanding the inadequacy of profits or no profits in any financial year during the tenure of their respective office as such, subject to the approval of the Central Government, if required.
- 6. Either party shall be entitled to terminate the agreement by giving to the other party 180 days' notice in writing without showing any cause provided that the same may be waived mutually.
- 7. The terms and conditions of the said reappointment and/or remuneration and/or agreement may be altered and varied from time to time, by the Board of Directors so as not to exceed the limits set out in Sections 198, 309 read with Schedule XIII of the Companies Act, 1956 including any statutory modifications or re-enactment thereof, for the time being in force or any amendments or modifications that may be made thereto by the Central Government in that behalf from time to time, or any amendments thereto.
- 8. The other terms and conditions of the agreement are such as are customarily contained in agreements of similar nature.

The above may also be treated as an abstract of the said agreement(s) pursuant to Section 302 of the Companies Act, 1956.

Your Directors recommend the said resolutions for your approval.

Shri Prakash M. Patil, Shri Harshit M. Savla and Shri Harit P. Shah, are interested in the resolution pertaining to their own agreement and reappointment. Shri Uday M. Patil is deemed to be concerned or interested in the resolution at Item No.8 of the Notice as he is related to Shri Prakash Patil. None of the other Directors is, in any way, concerned or interested in the said resolutions.

#### **Item No. 11**

Shri Adhish P. Patil, who is related to Shri Prakash M. Patil, Managing Director of the Company is appointed to hold office of profit as Chief Financial Officer under the Company post merger of Suyash Laboratories Ltd., wholly owned subsidiary of the Company, wherein he was the Managing Director, with the Company at a gross remuneration of ₹ 1,462,200 per annum including perquisites in terms of letter issued by the Company with power to the Chairman to make annual increment on time scale subject to limit prescribed under the relevant rules prescribed under Section 314 of the Act and/ or approval of the Central Government, as the case may be.

Shri Adhish P. Patil, aged 29 years, is an Engineer with Masters in Business Administration (Major- Finance & Minor-Marketing) from, Warrington College of Business, University of Florida. He has worked with Tata Consultancy Services

Ltd. as Assistant Systems Engineer. He also has experience in Wealth Management. He has worked as Vice President-Business Development & Finance in Suyash Laboratories Ltd. He has forex risk management experience, which involved hedging of ECB loans and taking forward contracts against foreign currency packing credit. He has developed Active Pharmaceutical Intermediate business in regulated European market worth \$1 million per year. He has directed the procurement of IT infrastructure services and market research database.

Under the provisions of Section 314(1) of the Companies Act, 1956, consent of the Company by way of special resolution is necessary for a relative of a Director to hold and continue to hold an office of profit under the Company carrying a monthly remuneration of ₹ 50,000/- or more. Further, prior consent of the Company by way of special resolution and approval of the Central Government is necessary for a relative of a Director to hold and continuing to hold an office of profit under the Company carrying a monthly remuneration of ₹ 2,50,000/- or more in terms of relevant rules prescribed under Section 314(1B) of the said Act.

In view of the business expediency, administrative convenience and to ensure due compliance of the applicable law, it is thus proposed to obtain consent of the Company as such for the payment of remuneration as aforesaid.

Your Directors recommend the resolution at Item No.11 of the Notice for your approval.

Shri Prakash M. Patil is deemed to be concerned or interested in the resolution. None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

#### **Item No. 12**

Section 228 of the Companies Act, 1956, requires that where the Company in General Meeting decides to have the accounts of a Branch Office audited other than by the Statutory Auditors, the Company in that meeting shall for the audit of those accounts appoint a person(s) qualified for the appointment as auditors of the Company under Section 226 of the Companies Act, 1956 or shall authorise the Board of Directors to appoint such person(s) in consultation with the Statutory Auditors. For operational and administrative convenience, it is proposed to authorise the Board of Directors to appoint such Branch Auditors in consultation with the Statutory Auditors for audit of accounts of the Branches of the Company and to fix the terms and conditions, and remuneration, of such Branch Auditors.

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

Place: Mumbai  
Date: 9<sup>th</sup> July, 2012

By Order of the Board

Sd/-  
**Sunny Pagare**  
Company Secretary

Your Directors have pleasure in presenting the Twenty-Seventh Annual Report together with the Audited Statements of Accounts along with the Report of the Auditors for the year ended 31<sup>st</sup> March, 2012.

## COMPANY'S FINANCIAL RESULTS

		(₹ in Lakhs)
	2011-12	2010-11
Net Sales/ Income from Operations	65926	49642
Other Operating Income	610	8
Total income from operation	66536	49650
Less: (Increase) / Decrease in Stock-in-Trade	(92)	(1618)
Consumption of Raw Materials	45750	35721
Staff Cost	2483	1787
Other Expenditure	10368	7490
Total Expenditure	58509	43381
Profit/(Loss) Before Depreciation, Amortization, Finance Cost and Tax Expenses	8027	6269
Less: Interest	2267	1348
Depreciation & Amortization	2422	1774
Profit/(Loss) Before Exceptional Items	3338	3147
Less: Exceptional Items	116	-
Profit/(Loss) Before Tax	3222	3147
Less: Provision for taxation - Current	800	650

During the year under review, your Company had declared and paid interim dividend of ₹ 2/- @ 20% per equity share of ₹ 10/- each. Your Directors have recommended a final Dividend of ₹ 3/- @ 30% per share for the financial year 2011-12 (Previous Year: 50%). Total cash outflow on account of dividend payment including dividend distribution tax will be ₹ 703 Lakhs for the financial year 2011-12 (Previous Year: ₹ 705 Lakhs).

During the year under review, the Company has, post merger of its wholly owned subsidiary, namely, Suyash Laboratories Ltd., achieved Sales Turnover of ₹ 69918 lakhs (Previous Year: ₹ 52301 lakhs) registering a growth of 33.68%.

Similarly, the Company has achieved Export Turnover of ₹ 28071 Lakhs as against ₹ 21537 lakhs for the last year, registering a growth of 30.34%.

Operating Profit before Interest, Depreciation, Amortization & Tax, post merger has been ₹ 8027 lakhs (Previous Year ₹ 6269 lakhs)



Profit After Tax, post merger has been ₹ 2246 lakhs (Previous Year ₹ 2247 lakhs).

Figures for the year 2011-12, being post merger, are not comparable with standalone Company figures for 2010-11 to that extent.

## AMALGAMATION

Scheme of Amalgamation of Suyash Laboratories Ltd., wholly owned subsidiary of the Company, with the Company has become operative w.e.f. from 1<sup>st</sup> April, 2011 ("Appointed Date") upon filing of the High Court order sanctioning the said scheme with the Registrar of Companies on 6<sup>th</sup> July, 2012.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required u/s. 217 (2AA) of the Companies Act, 1956, your Directors hereby state that –

- (i) in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared Annual Accounts on a going concern basis.

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr. Vilas G. Gaikar, Shri Bhavesh R. Vora, Shri Uday M. Patil and Shri Sunil M. Dedhia retire by rotation and being eligible, offer themselves for re-appointment.

Shri Chandrakant V. Gogri, Chairman would retire on his attaining age of 66 years on 16<sup>th</sup> August, 2012. The Directors acknowledge with great pride his founding contribution to the growth of the Company to its present state. The Board of Directors have also resolved to appoint him as **Chairman Emeritus**.

As a part of Succession Plan approved by the Board, Shri Rajendra V. Gogri would be Chairman of the Company post retirement of Shri Chandrakant V. Gogri.

The Board of Directors have resolved to appoint Shri Rashesh C. Gogri as Director to fill casual vacancy upon retirement of Shri Chandrakant V. Gogri with effect from 16<sup>th</sup> August, 2012.

## 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## DISCLOSURE OF PARTICULARS

Pursuant to section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules 1975, as amended up to date, the names and other particulars are set out in the Annexure to the Directors' Report. However, as per the provisions of the section 219(1)(b)(iv) of the Companies Act, 1956, this Report is sent to the shareholders excluding the said information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Particulars required u/s. 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy, research & development, technology absorption, foreign exchange earnings and outgo are given in the annexure to this Report.

#### **AUDITORS & AUDITORS REPORT**

M/s. Parikh Joshi & Kothare, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. Members are requested to appoint Auditors and to fix their remuneration.

#### **COST AUDIT**

The Cost Auditor Mr. Girish S. Maniar re-appointed by the Company under Section 233B of the Companies Act, 1956 attend the Audit Committee Meeting, where Cost Audit Reports are discussed.

The due date for filing the Cost Audit Reports for the financial year ended March 31, 2011 was September 30, 2011 and the Cost Audit Reports were filed by the Cost Auditor on March 14, 2012. The due date for filing the Cost Audit Reports for the financial year ended March 31, 2012 is September 30, 2012.

#### **HUMAN RESOURCES**

Your Company recognizes its human resources as one of its prime & critical resources. The relations between the Management and the Staff Members remained very cordial throughout the year under review.

#### **GREEN INITIATIVE**

During the previous fiscal, we started a sustainability initiative with the aim of being green and minimizing our impact on the environment. Like last year, this year too we are sending the Annual Report to the registered e-mail addresses of the shareholders.

#### **ACKNOWLEDGEMENT**

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

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

By Order of the Board

Sd/-

**Chandrakant V. Gogri**  
Chairman

Place: Mumbai

Date: 9<sup>th</sup> July, 2012.

## Annexure to Director's report

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

#### 1. CONSERVATION OF ENERGY:

##### a. Energy Conservation Measures Taken:

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

- Installation of energy efficient aerodynamically designed FRP fans replacing regular Aluminium fans for cooling towers.
- Installation capacitor banks for improvement of power saving.
- Rationalization of usage of utility pumps for electrical power saving.
- Installation of auto star-delta switches for centrifuges.
- Continuous overhauling of all thermal insulations to reduce loss of heat due to radiation.
- Tuning of boilers/thermopacs for optimum Air-Fuel ratio to increase efficiency.
- Condensate recovery improved to reduce fuel consumption.
- Reduced furnace oil percentage that was use as a supplementary fuel along with liquid effluent in waste heat recovery boiler.
- Tried to run refrigeration plants at optimum capacity & efficiency.
- Replaced furnace oil fired boiler with Briquette as a solid fuel boiler.
- Installation of Thermostat to control cooling tower temperature to reduce electricity consumption.
- Implemented PINCH technology successfully & expected fuel saving.
- Use of variable frequency drives for power saving in centrifuges.

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

The proposals being considered for reduction of conservation of energy include

- Use of charcoal/carbon briquettes as a solid fuel in boilers
- Use of variable frequency drives for power saving in pumps.

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



**d. Total energy consumption and energy consumption per unit of production:**
**I Power & Fuel Consumption**

	<u>Current Year</u>	<u>Previous Year</u>
<b>1 Electricity</b>		
Purchased Units (KWH)	<b>34674360</b>	24721125
Total Amount (₹ in Lakhs)	<b>2305.77</b>	1390.97
Per Unit (₹)	<b>6.65</b>	5.63
<b>2 L.D.O.</b>		
Purchased Units (MT)	<b>9.00</b>	79.05
Total Amount (₹ in Lakhs)	<b>4.80</b>	34.42
Per Unit (₹) (Per Kg)	<b>53.33</b>	43.54
<b>3 Furnace Oil</b>		
Purchased Units (MT)	<b>3447.67</b>	2612.46
Total Amount (₹ in Lakhs)	<b>1222.82</b>	680.85
Per Unit (₹) (Per Kg)	<b>35.47</b>	26.06
<b>4 Others (₹ in Lakhs)</b>		
Diesel (₹ in Lakhs)	<b>63.76</b>	85.15
Coal (₹ in Lakhs)	<b>824.96</b>	579.24
Briquettes (₹ in Lakhs)	<b>185.81</b>	0.00

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

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

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

The Company's two State-of-the Art R&D Centres at Plot No.N-198 and G-60, MIDC industrial Area, Tarapur, recognized by Department of Science and Industry Research, Government Of India and other R&D center at Turbhe, Navi Mumbai, carry R&D activities for developing technology, scale up and its transfer to manufacturing location for commercialization of APIs and intermediates as well.

**(A) Specific areas in which R&D carried out by the Company during the year 2011-12:**

Development of indigenous technologies for major Bulk Drugs and Intermediates, improvement of existing process enhancing yields, quality, reducing cost etc, are as follows:

**I) Bulk Drugs:**

Anti-inflammatory, Anti-diabetic, Antihypertensive, Anti-thrombotic, Antibacterial, Anti BPH (benign prostatic hypertrophy), Cardioprotectant, Antiarthritis / Osteoporosis, Antidiarrheal's, Alzheimer's treatment, Vitamins etc.

**II) Intermediates:**

Besides these, Company's R&D has improved process development work for various intermediates used by the Company.

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

- (I) R&D efforts have helped for improvement in process and operating efficiency.
- (II) Development/Commercialization of various APIs and intermediates.
- (III) Development of new markets, penetration in to regulatory markets through quality upgradation and cost reduction.
- (IV) Improve quality of products to fulfill existing in-house demands of customers.

**(C) Future plans of Action:**

The Company will continue to harness the strength in high volume products by focusing on process improvement of its existing products as well as by introducing new blockbuster molecule in its product line. Products with patents expiring within next 5 years will be of key interest. At the same time we will try some innovation in process development also so that Aarti's name will appear in IPR regime.

**(D) Expenditure on R&D:**

	(₹ in lakhs)	
	<u>Current Year</u>	<u>Previous Year</u>
Capital	<b>101.15</b>	243.25
Recurring	<b>463.12</b>	437.53
Total	<b><u>564.27</u></b>	<u>680.78</u>

### 3. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

The Company has successfully validated processes for Valsartan, Ofloxacin and its intermediates, Moxifloxacin and its intermediates.

The Company has successfully validated Manufacturing process for Pioglitazone Hydrochloride USP having individual impurity less than 0.1% & total impurity less than 0.3% at USFDA approved.

Process improvement work was carried out which lead to Improvement in Quality as well as cost-reduction.

Clopidogrel Bisulphate, Ketoconazole, Pioglitazone Hydrochloride, are the examples in which we improved the quality of these products. Clopidogrel & Ketoconazole are examples in which we have reduced the costing. In Clopidogrel we have recovered one of the costly raw material thiophene-ethanol from mother liquor. It was demonstrated at commercial scale. Yield improvement in Clopidogrel stage-I to the tune of around 10 % was also demonstrated. In Ketoconazole we improved the yield & manufacturing process was shortened, it is commercialized. We have also recovered bromine from Ketoconazole process thus reducing ETP load & improving on costing. We have improved quality of one of the intermediate, namely, G-bromide, reducing ethylene dibromide content to below 500 ppm. This product is being exported to European country.

We have developed process for recovery of Tartaric acid and recycling of mother liquor from Clopidogrel.

We have developed process for recovery of Dichlorophenol from Diclofenac mother liquor.

We are ready with the process for Niacin free Niacinamide, process to manufacture 2-EPE, one of the key raw material for Pioglitazone and are also ready with the process to manufacture Hydroxy analogue of Raloxifene intermediate.

Presently, we are developing manufacturing process for Q-Acid an intermediate for Ciprofloxacin & Metformine Hydrochloride, in which solvent input will be reduced drastically. We are also developing manufacturing process for Gatifloxacin for overseas market. We are also working to develop manufacturing process for Atorvastatin intermediate ATS - 8.

The process development for the key intermediates, will help us to surge further in competitions.

**4. TOTAL FOREIGN EXCHANGE EARNINGS AND OUTGO**

	(₹ in Lakhs)	
	<u>Current Year</u>	<u>Previous Year</u>
Total Foreign Exchange Earned	<u>24605.01</u>	<u>18327.09</u>
Total Foreign Exchange Used		
CIF Value of Imports :		
- Raw Material	17933.61	13856.43
- Capital Goods	49.16	182.28
Expenditure in Foreign Currency		
- Commission	273.80	254.25
- Travelling Expenses	39.33	31.71
- Sales Promotion	21.40	26.48
- Foreign Bank charges	40.57	38.47
- Interest on F.C.loan	996.86	546.05
- Others	19.83	22.52
<b>TOTAL</b>	<u>19374.55</u>	<u>14470.24</u>

For and on behalf of the Board

Sd/-  
**Chandrakant V. Gogri**  
Chairman

Place: Mumbai  
Date: 9<sup>th</sup> July, 2012.

## MANAGEMENT DISCUSSIONS AND ANALYSIS

### Pharmaceutical Industry – Global & Indian

The exports of drugs and pharmaceuticals grew by 25% y-o-y to \$13 billion (₹ 715 billion) in FY 2011-12 indicating good export potential for the Indian pharmaceutical industry. The exports are expected to reach \$18 billion (₹ 990 billion) in FY 2012-13 with an estimated 38% y-o-y growth and expected to grow further to \$25 billion (₹ 1,375 billion) in FY 2013-14 with 39% y-o-y growth. Emerging markets currently represent 16% of the global market (source: IMS Health), but are expected to contribute to 40% of growth by 2014. India produces 20% of generic drugs in the world and is the third largest producer of drugs and 14<sup>th</sup> largest by volume. Overall, it is expected that the Indian Pharmaceutical Industry will grow by 17-18% in FY 2012-13.

The domestic pharmaceutical industry is currently placed at \$20 billion (₹ 1,100 billion) and is expected to touch \$75 billion (₹ 4,125 billion) by 2020 with a CAGR of 15-20% indicating a healthy growth

### Business Strategy

- Domestic Market and Trends:

Aarti Drugs Limited (ADL) is constantly gearing up to cater the demand with a diversified product basket of Anti-diabetic, Anti-inflammatory, Anti-hypertensive and Cardio vascular therapeutic drugs. ADL increased market share of its existing molecules in the Antibiotic and Anti-fungal segment in the year 2011-12. Indian pharmaceutical market is growing fast due to penetration of health services in rural areas of the country. To cope up with the above demand ADL has already expanded its existing product-line's capacities. There is also a shift in demand from, drugs treating hygiene related diseases to drugs treating lifestyle related diseases in the urban sector. With growing exports of finished dosage formulations to regulated countries, even API facilities must have cGMP certifications. ADL facilities meet high-standards and are approved to supply API to many such ready-formulations exported to regulated markets.

- Export Market and Trends:

ADL facilities are cGMP approved with certifications like USFDA, WHO GMP, EUGMP, TGA and ISO. ADL is constantly growing its presence in regulated markets by offering series of products from its USFDA, TGA certified plants, as well as Japanese accredited plants. Recently, ADL also get cGMP certification from ANVISA of Brazilian authorities and COFEPRIS of Mexican authorities to cater to Latin American market in two of its major products.

ADL is constantly working to keep its facilities up to the standards of cGMP as we plan to harness and grow our market share in semi-regulated & regulated markets. We are now looking to increase our hold on South East Asian markets as well.

ADL will continue to cater global pharmaceutical markets through following channels:

- Contract Manufacturing and strategic alliance
- Direct Exports  
Introduce ADL in the list of approved vendors for regulated market customers and focus on products going off-patent in next 5 years
- Indirect Exports  
Supplying APIs to domestic formulations manufacturers for regulated markets
- Products in R&D Pipeline



**SWOT Analysis****Strengths & Opportunities**

ADL continues to enjoy economies of scale due to its large production capacities in Anti Diarrhea, Anti Inflammatory, Anti Fungal, and Anti Biotic segment. Bigger market share will automatically help us to be competitive in market due to lower overheads and better bargaining power. Since inception, ADL has exported to 97 countries worldwide indicating strong logistics and geographic spread of ADL brand.

ADL is operating its two State-of-the Art R&D Centers, at Tarapur, which is recognized by Department of Science and Industry Research, Government of India, and the other at Turbhe, Navi Mumbai. Our scientists are constantly working for developing technology, non-infringing route of synthesis, scale up and its transfer to manufacturing location for commercialization. They actively work not only on bulk drugs in various therapeutic categories but also on specialty chemicals for non-API related applications. ADL has 28 years of manufacturing experience and has developed expertise in various reactions for bigger volumes of production, which is a key strength in API manufacturing industry.

ADL has custom synthesis facilities for reactions like Nobel Metal Hydrogenation (Catalytic Reduction), Oxidation, Fischer Idolization Balz Schiemann (halex) (Flourination of Amines) Esterification (including Asymmetric Esterification) Sulfonation, Alkylation, Methoxylation, Halogenation, (Cl, BR, I) Acetylation, Diazotization & Related Chemistry, Grignard Reaction, Friedel Craft, Aldol Condensation, Cynation, Chloro Sulfonation etc.

Besides various certifications for API manufacturing, ADL has ISO 9001:2000 approved plants for manufacturing specialty chemicals.

USFDA approved plants will help to increase regulated market share for drugs, which recently went off patent. We already have fourteen USDMFs assigned and eight European COS approvals, which has opened up opportunities in North American & European markets. Entry in regulated markets will be a steady and systematic process, as we will have to go through different stages of product approval.

**Weaknesses, Risks and Concerns**

Crude oil prices have gone up and are expected to continue to grow due to perennial need and limited supply. ADL has already adapted to newer and greener technologies like briquette fired boilers etc to save power and fuel costs. ADL was able to cope up with these pressures due to strong operational efficiency and increased market share of its products.

Exchange rate of rupee against US dollar has been very volatile last year. Volatility of US dollar against rupee is always a concern for us. However, significant portion of ADL's foreign exchange risk is naturally hedged by its imports that partially balance its exports.

Chinese currency has appreciated against USD and Indian rupee has depreciated against USD, which has impacted our Chinese imports unfavorably. However, on the exports side the same has been favorable making us more competitive against Chinese competition.

**Internal control System and their Adequacy**

The Company has sound and adequate internal control systems commensurate with its size and nature of business.

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

The Audit Committee also regularly reviews the periodic reports of the Internal Auditors. Issues raised by Internal Auditors and Statutory Auditors are discussed and addressed by the Audit committee. Audit Committee constantly tries to add value by evaluating existing systems.

## Discussion on Financial & Operational Performance

During the year under review, the Company has achieved topline of ₹ 699.18 Crores, achieving a y-o-y growth of 33.68% EBIDTA worked out to ₹ 80.27 crores as against ₹ 62.69 crores in the previous year. Net profit after tax registered ₹ 22.46 crores as against ₹ 22.47 crores of previous year.

Loss of production due to some environmental issues lead to under absorption of overheads. Increase in crude prices, appreciation of Chinese currency, depreciation and high volatility of rupees against Dollar affected raw material cost power & fuel cost and freight cost. Also increase in interest rates by RBI to control inflationary conditions, increase in LIBOR rate and forward premium affected the financial cost of the company. Above factors impacted on the margin of the company year under review.

Utilization of expanded capacity increase gradually during the year and from November 2011 onwards it was utilize at normal level. We expect to reap benefits out of expansion carried out in last 2 years.

Loss of production due to expansion program carried out in the existing facilities and some environmental issues lead to under absorption of overheads. This coupled with the rising costs of raw material and perennial lag of rise in prices between raw materials and finished goods has squeezed our margins in the year under review. However, we expect to reverse this situation and reap benefits out of this expansion program.

## Human Resources

Human capital has always been the most important and valuable asset to the Company. HRD center had conducted number of training programs during the year 2011-12 as well on the various topics related to Technological Development, Quality System Management, Behavioral Change Modules, Individual and Operational Safety, Personality Development, Computerization of Systems etc. Apart from these internal training programs, employees are also sent for training / seminars at prominent training institutes on regular basis for upgrading their knowledge and skill level.

## Corporate Social Responsibility

As contribution towards Community Development to fulfill Company's obligations towards the Society, Company organizes many activities on regular basis including Blood donation, Eye and Health check up camps, and Career guidance workshops for young students. The Company has also made donations to hospitals. Contributions are made to primary schools of surrounding villages for painting of school buildings, purchase of benches & furniture, sports equipments, records storage facilities etc. We have been providing maintenance services to the Palghar-Dahanu Taluka Sport Association.

## Environment Health and Safety

All our plants are designed with appropriate Waste Management Systems and operate in harmony with the surrounding ecosystem. Safe disposal of waste, treating effluents to manufacture an eco-friendly by-product, generating steam through a waste heat recovery plant, and In-house R&D team ensuring pollution control & energy conservation are some of the ways adopted by ADL to operate in a eco-friendly manner. Environmental requirements are incorporated into the plant design right from the preliminary stage of a process. Air scrubbers, dust filters, fire protection systems and an Effluent Treatment Plants are in place & well maintained. Regular safety drills ensure that readiness for safety gets top priority.

## Outlook

The Company R&D programs are currently focused on new products amongst therapeutic categories such as Antipsychotic, Antitussive, Antifungal, Antihypertensive, Anticonvulsant, Alcoholism treatment and Anti-inflammatory. These products would be launched in a time-horizon of 2-4 years depending upon patents. Company will continue to do R&D on APIs that are off patents and will work on non-infringing synthesis routes.

ADL has expanded the capacities of its existing products in Anti-Biotic, Anti-Diabetic, Anti-Fungal, and Anti-Diarrhea segments. This has given an impetus to sales volumes. ADL is planning to expand the capacity of its Cardio-protectant, anti-biotic & anti-diabetic and lifestyle related drugs in future.

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### Cautionary Statement

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

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## REPORT ON CORPORATE GOVERNANCE

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

### (I) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

### (II) MANDATORY REQUIREMENTS:

#### (1) BOARD OF DIRECTORS

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

**Aarti Drugs Limited** (ADL) Board presently consists of 12 (Twelve) Directors out of which 8 (Eight) are Non-Executive (including the Chairman who is Non-Executive) and 6 (Six) Directors are Independent Directors. Except Managing Director, 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 Chandrakant V. Gogri	Chairman Non-Executive	2	2	None	5	No
Shri Prakash M. Patil	Managing Director	1	None	1	3	Yes
Shri Harshit M. Savla	Joint Managing Director	None	None	1	5	Yes
Shri Rajendra V. Gogri	Non Executive	4	None	2	5	No
Shri Harit P. Shah	Executive	2	None	1	3	Yes
Shri Uday M. Patil	Executive	None	None	None	3	Yes
Shri Ramdas M. Gandhi	Independent	5	5	2	5	Yes
Dr. Vilas G. Gaikar	Independent	None	None	1	2	No
Shri Bhavesh R. Vora	Independent	1	None	3	5	Yes
Shri Sunil M. Dedhia	Independent	1	None	None	5	Yes
Prof. Krishnacharya G. Akamanchi	Independent	None	None	None	4	No
Shri Navin C. Shah	Independent	None	None	None	3	No

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

\*\* Includes Audit Committee and the shareholders'/ Investors' Grievance committee only.



**(b) Board Meetings:**

During the Year 2011-12, total five Board Meetings were held on 25.05.2011, 29.07.2011, 11.11.2011, 01.02.2012 and 09.02.2012.

**(c) Code of Conduct:**

Aarti Drugs Limited Code of Conduct laid down by the Board of Directors is applicable to all the Directors and Senior Management of the Company. The Code of Conduct is posted on the Company's website [www.aartidrugs.com](http://www.aartidrugs.com). All the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2012. A declaration to this effect, duly signed by the Managing Director (CEO) is annexed hereto.

**(2) COMMITTEES**
**(a) Audit Committee:**

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges. 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.

During the year 2011-12, Five Audit Committee Meetings were held on 11.04.2011, 25.05.2011, 29.07.2011, 11.11.2011, 01.02.2012.

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 <i>Chairman</i>	Non-executive (Independent)	Solicitor	5
Shri Prakash M. Patil <i>Member</i>	Managing Director & CEO	Industrialist	4
Shri Bhavesh R. Vora <i>Member</i>	Non-executive (Independent)	Professional	5
Dr. Vilas G. Gaikar <i>Member</i>	Non-executive (Independent)	Service	2

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

**(b) Shareholders' Grievance Committee:**

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 Investor's Grievances.

During the year 2011-12, Four Shareholders' Grievance Committee Meetings were held on 15.06.2011, 15.09.2011, 15.12.2011 and 15.02.2012.

The composition of the Shareholders' Grievance Committee and other relevant details are given below:

Name of Directors	Category	No. of meetings attended
Shri Chandrakant V. Gogri, <i>Chairman</i>	Non-Executive	4
Shri Bhavesh R. Vora, <i>Member</i>	Independent	4
Shri Harit P. Shah, <i>Member</i>	Whole-time Director	4
Shri Harshit M. Savla, <i>Member</i>	Joint Managing Director	4

**(c) Shareholders' complaints:**

During the year, 14 Complaints were received All the complaints were resolved to the satisfaction of the Shareholders. No request for Share Transfers or Dematerialization was pending for approval as on 31<sup>st</sup> March, 2012.

**(3) SUBSIDIARY COMPANY**

The Company did not have any material Non-listed Indian Subsidiary Company and hence it was not necessary to have an independent Director of the Company on the Board of such Subsidiary Company. The minutes of the wholly owned subsidiary, namely, Suyash Laboratories Ltd., which has since been merged with the Company, were placed before the Board. Directors were also informed about all the significant transactions and arrangements entered into by the said subsidiary company.

**(4) DISCLOSURES**

- (a) The Company has been continuously complying with the requirements of Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the said authorities relating to the above.
- (b) There have been no materially significant Related Party Transactions that may have potential conflict with the interests of the Company at large. Transactions with related party set out in Note No. 23.11 of Notes on Accounts, forming part of the Annual Report.
- (c) All mandatory Accounting Standards have been followed in preparation of financial statements and no deviation has been made in following the same.

**(5) REMUNERATION OF DIRECTORS**

The Remuneration payable to the Directors is considered and approved by the Remuneration Committee constituted in accordance with the Corporate Governance Code and the Provisions of the Companies Act, 1956, having due regard to the relevant factors. Non-executive Directors are paid Sitting fees at the rate of ₹ 7000/- for each of the meetings of the Board or Committee thereof attended by them. The details of remuneration paid / payable to each Director for the year ended 31<sup>st</sup> March, 2012 are as under:

(Amount in ₹)

Name of Director	Inter se Relationship	Category	Salary and Perquisites	Commission	Sitting Fees	Total Remuneration
Shri Chandrakant V. Gogri	Brother of Shri R. V. Gogri	Non-Executive Chairman, Promoter	NIL	NIL	90000	90000
Shri Prakash M. Patil	Brother of Shri U. M. Patil	Managing Director, Promoter	8758529*	2376346	NIL	11134875
Shri Harshit M. Savla	-	Joint Managing Director, Promoter	8154225*	2376346	NIL	10530571
Shri Rajendra V. Gogri	Brother of Shri C. V. Gogri	Non-Executive, Promoter	NIL	NIL	71000	71000
Shri Harit P. Shah	-	Whole-time Director	7853222*	2376346	NIL	10229568

(Amount in ₹)

Name of Director	Inter se Relationship	Category	Salary and Perquisites	Commission	Sitting Fees	Total Remuneration
Shri Uday M. Patil	Brother of Shri P. M. Patil	Whole-time Director, Promoter	443004	NIL	NIL	443004
Shri Ramdas M. Gandhi	-	Non-Executive, Independent	NIL	NIL	77000	77000
Dr. Vilas G. Gaikar	-	Non-Executive, Independent	NIL	NIL	35000	35000
Shri Bhavesh R. Vora	-	Non-Executive, Independent	NIL	NIL	89000	89000
Shri Sunil M. Dedhia	-	Non-Executive, Independent	NIL	NIL	35000	35000
Prof. Krishnacharya G. Akamanchi	-	Non-Executive, Independent	NIL	NIL	28000	28000
Shri Navin C. Shah	-	Non-Executive, Independent	NIL	NIL	21000	21000

\* includes one time assigned value of keymen's insurance policy.

- (a) All Executive Directors except Shri Uday M. Patil are appointed under the contracts each for a period of five years and with termination notice period of 180 days.
- (b) The Non-executive Directors, apart from receiving Directors' remuneration by way of sitting fees or other fees, if any, approved by the Board of Directors within the limit fixed and approved by the shareholders, do not have any other material pecuniary relationship or transactions with the Company.

**Shares held by Non-Executive Directors in the Company as on 31<sup>st</sup> March, 2012**

Name	Number of shares held	% of total shareholding
Shri Chandrakant V. Gogri	334990	2.77
Shri Rajendra V. Gogri	330980	2.73
Shri Ramdas M. Gandhi	9500	0.07
Dr. Vilas G. Gaikar	NIL	NIL
Shri Bhavesh R. Vora	NIL	NIL
Shri Sunil M. Dedhia	NIL	NIL
Prof. Krishnacharya G. Akamanchi	NIL	NIL
Shri Navin C. Shah	NIL	NIL

## (6) GENERAL BODY MEETINGS

Details of last three Annual General Meetings are as under:

Year	Day, Date & Time	Venue	Special Resolutions passed for
2009	Saturday, 01.08.2009 At 11.00 am	TIMA Hall, MIDC Tarapur, Taluka - Palghar, Dist. Thane - 401 506, Maharashtra	-
2010	Friday, 27.08.2010 At 11.00 am	TIMA Hall, MIDC Tarapur, Taluka - Palghar, Dist. Thane - 401 506, Maharashtra	-
2011	Saturday, 23.07.2011 At 11.00 am	TIMA Hall, MIDC Tarapur, Taluka - Palghar, Dist. Thane - 401 506, Maharashtra	-

**Note:** No Special resolution was passed through postal ballot during the previous year. At present no special resolution is proposed to be passed through postal ballot.

## (7) MEANS OF COMMUNICATION

- Financial results and all materially important communications are promptly shared with the Stock Exchanges. Company's results are also published in newspapers pursuant to applicable regulatory provisions and hosted on its website at [www.aartidrugs.com](http://www.aartidrugs.com). The quarterly and half yearly declaration of financial performance are published in a National English daily newspaper (Economic Times) and a Local Marathi daily newspaper (Maharashtra Times) having a wide circulation in Mumbai.
- NSE Electronic Application Processing System (NEAPS) is a web based application designed by NSE for corporates. The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.

## (8) GENERAL SHAREHOLDERS INFORMATION

### (a) The day, date, time & venue of the 27<sup>th</sup> Annual General Meeting:

Day	Date	Time	Venue
Wednesday	29 <sup>th</sup> August, 2012	11.00 a.m.	TIMA Hall, MIDC Tarapur, Taluka-Palghar Dist. Thane - 401 506, Maharashtra.

### (b) Financial Calendar:

Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
<b>Adoption of Quarterly Results for the quarter ending :</b> June, 2012 September, 2012 December, 2012 March, 2013	4 <sup>th</sup> /5 <sup>th</sup> week of July, 2012 4 <sup>th</sup> /5 <sup>th</sup> week of October, 2012 1 <sup>st</sup> /2 <sup>nd</sup> week of February, 2013 4 <sup>th</sup> /5 <sup>th</sup> week of May, 2013
<b>Dates of Book Closure (Both days inclusive)</b>	22 <sup>nd</sup> August, 2012 to 29 <sup>th</sup> August, 2012



**(c) Listing on Stock Exchanges:**

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

**(d) Liquidity of Shares:**

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

**(e) Listing fees and Annual Custodial Fees:**

The Company has paid the Annual Listing Fees of the Stock Exchanges and Annual Custodial Fees of the Depositories for the year 2012-2013.

**(f) Dematerialization status:**

Equity Shares of the Company are traded compulsorily in Dematerialized 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-767A01016** As on 31<sup>st</sup> March, 2012, **11642341** Equity Shares representing **96.15%** of the Paid-up Share Capital of the Company are held in dematerialized form.

**(g) Share Transfer Agents & address for Correspondence:****M/s. Sharepro Services (India) Pvt. Ltd.**

13 AB Samhita Warehousing Complex,  
2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri-Kurla Road, Sakinaka,  
Andheri (E), Mumbai - 400 072.  
Telephone: 022-67720300/400  
Fax No.: 022-28591568.

e-mail: [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

Website: [www.shareproservices.com](http://www.shareproservices.com)

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

**(h) Compliance Officer:****Shri Sunny Pagare, Company Secretary**

222, Udyog Kshetra, 2<sup>nd</sup> Floor,  
Mulund-Goregaon Link Road,  
Mulund (West), Mumbai 400 080.

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

**(i) Share Transfer System:**

To expedite the transfer process in the physical segment, authority has been delegated to the Share Transfer Committee, which comprises of Shri Chandrakant V. Gogri, Shri Rajendra V. Gogri and Shri Harshit M. Savla. Committee meets every fortnightly for approval of the transfer request.

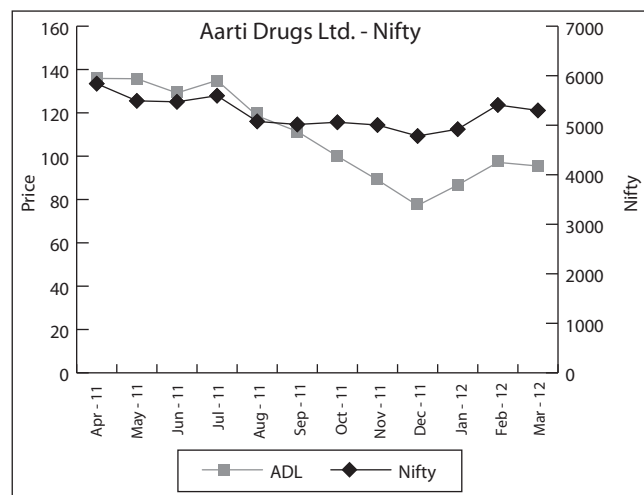
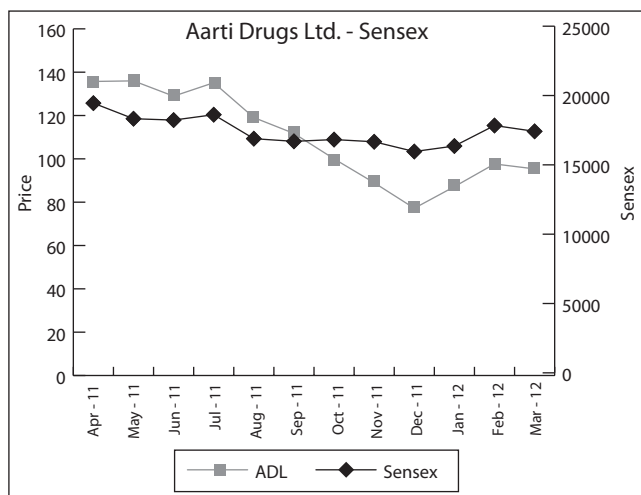
Reports on Share Transfer/Transmission are placed before the Shareholders' Grievances Committee and the Board from time to time.

### (j) Undelivered Share Certificate as per Clause 5A of Listing Agreement:

As per Clause 5A of Listing Agreement, the Company has identified unclaimed share certificates for 119 folios comprising around 12500 equity shares of the Company. The Company has sent a reminder letters vide dated 12<sup>th</sup> March, 2012, 12<sup>th</sup> April, 2012, and 12<sup>th</sup> May, 2012 to all the Shareholders whose Share Certificates returned undelivered. The Company will transfer the Shares in dematerialised form. The Company is in the process of opening an Unclaimed Suspense Account and further disclosure under Clause 5A(II)(h) will be made in due course.

### (9) MARKET PRICE DATA

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2011	149.80	126.50	523391	149.75	126.55	1182576
May 2011	144.00	124.00	37668	143.80	126.00	80044
June 2011	142.00	119.20	126657	141.00	120.00	209809
July 2011	153.50	126.05	169259	154.00	128.60	250823
August 2011	139.50	105.00	48328	136.00	110.10	70815
September 2011	121.00	104.00	49606	126.55	104.00	74709
October 2011	106.80	95.65	28750	109.95	96.00	46304
November 2011	101.75	78.00	52179	107.55	79.00	54053
December 2011	83.50	72.20	53234	83.85	72.50	56310
January 2012	103.00	75.00	39533	102.45	74.75	61743
February 2012	107.00	91.30	50364	112.00	91.05	78518
March 2012	113.00	82.70	119946	114.00	89.35	340793



**(10) SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2012**

Category	No. of Shares	%
Promoters – Indian	6729305	55.57
Bodies Corporate	265898	2.20
Banks, Financial Institutions	2	0.00
Mutual Funds/Trust	575	0.00
FII/NRI/OCB	211405	1.75
Public	4901365	40.48
<b>Total</b>	<b>12108550</b>	<b>100.00</b>

**Distribution of Shareholding as on 31<sup>st</sup> March, 2012**

No. of Shares	Shareholders		Shares	
	Number	%	Number	%
Less than 250	7588	77.413	723388	5.974
251-500	1078	10.998	421002	3.477
501-1000	563	5.744	449779	3.715
1001-2000	248	2.530	374324	3.091
2001-3000	95	0.969	247221	2.042
3001-4000	51	0.520	184327	1.522
4001-5000	34	0.347	157040	1.297
5001-10000	47	0.479	342006	2.825
10001-999999999998	98	1.000	9209463	76.058
<b>Total</b>	<b>9802</b>	<b>100.000</b>	<b>12108550</b>	<b>100.000</b>

**(11) REGISTERED OFFICE:** Plot No.N-198, MIDC, Tarapur, Village-Pamtembhi, Taluka-Palghar, Dist. Thane - 401 506.

**(12) PLANT LOCATIONS**

Plot No. N-198, G-60, E-120, K-40, K-41, E-9/3, E-9/4, E-21 and E-22 MIDC Industrial Area, Tarapur, Village Pamtembhi, Tal-Palghar, Dist. Thane – 401 506.

Plot Nos. 2902/2904, GIDC, Sarigam – 396155, Dist. Valsad, Gujarat.

**(13) CEO/CFO CERTIFICATION**

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Managing Director (CEO) and Joint Managing Director (CFO) was placed at the meeting of the Board of Directors held on 9<sup>th</sup> July, 2012.

**(III) NON-MANDATORY REQUIREMENTS:**

**REMUNERATION COMMITTEE:**

The Terms of Reference of the Committee is to review and recommend/approve remuneration payable to the Managerial Personnel.

During the year 2011-12, meeting of the Remuneration committee was held on 16.05.2011.

**The composition of the Remuneration Committee and other relevant details are given below:**

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

For and on behalf of the Board

Place: Mumbai  
Date : 9<sup>th</sup> July 2012

Sd/-  
**Prakash M. Patil**  
Managing Director

**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

Place: Mumbai  
Date : 9<sup>th</sup> July, 2012

Sd/-  
**Prakash M. Patil**  
Managing Director



**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To The Members of  
Aarti Drugs Ltd.,  
Mumbai

We have examined the compliance of conditions of corporate governance by Aarti Drugs Ltd., for the year ended on 31<sup>st</sup> March 2012, 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 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 state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

**For PARIKH JOSHI & KOTHARE**  
CHARTERED ACCOUNTANTS

sd/-

**(YATIN R. VYAVAHARKAR)**

M. No.33915

PARTNER

Firm Registration No.: 107547W

Place: Mumbai  
Dated: 9<sup>th</sup> July, 2012

A grayscale illustration of a globe. A chrome faucet is attached to the globe, with a single water drop falling from its spout. The globe shows continents and oceans, with labels like 'AFRICA', 'INDIAN OCEAN', and 'MAURITIUS'.

## Save Water

Turn off the water while brushing your teeth and save 25 gallons of water a month. Take shorter showers to reduce water use.

**SAVE** THE EARTH  
**GO** GREEN

**AUDITORS' REPORT****Auditor's Report to the Members of  
AARTI DRUGS LIMITED,  
Mumbai.**

1. We have audited the attached Balance Sheet of **AARTI DRUGS LIMITED**, as at 31<sup>st</sup> March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. As stated in Note 23.2, Suyash Laboratories Ltd. (SLL), an erstwhile 100 % subsidiary of Aarti Drugs Ltd. (ADL) was amalgamated on 6<sup>th</sup> July, 2012, with ADL with effect from April 1, 2011, in accordance with a scheme of Amalgamation sanctioned by the Hon'ble High Court of Judicature at Bombay. These financial statements include the financial statements of the erstwhile SLL for the year ended March 31, 2012, which have not been audited by us and have been audited by another auditor whose report have been furnished to us. Our opinion on the financial statements, to the extent they have been derived from the financial statements of the erstwhile SLL, is based solely on the report of the other auditor.
5. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) 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;
  - (iii) The Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
    - (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
    - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **PARIKH JOSHI & KOTHARE**  
CHARTERED ACCOUNTANTS

Sd/-  
**(CA YATIN R. VYAVAHARKAR)**  
M.No.33915  
PARTNER  
Firm Registration No.: 107547W

Place: Mumbai,  
Date: 9<sup>th</sup> July, 2012

**ANNEXURE TO THE AUDITORS' REPORT****(Referred to in para 3 of our Report of even date)**

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and explanations given to us and on the basis of such checks, as we considered appropriate, we have to state that:

The nature of the Company's business during the year has been such that clause (xiii) pertaining to Chit Funds etc, and clause (xiv) pertaining to Dealing/Trading in Securities etc, of paragraph 4 of the Companies (Auditor's Report) Order, 2003, are not 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 fixed assets were physically verified by the Management during the year.  
We have been informed that no material discrepancies were noticed on such physical verification.  
(c) Substantial part of fixed assets has not been disposed of during the year.  
(d) On 27<sup>th</sup> February, 2012 some part of manufacturing plant of division erstwhile company Suyash Laboratories Ltd. (Amalgamating Company) was destroyed by fire.
- (ii) (a) The stock of inventory has been physically verified during the year by the Management at reasonable intervals.  
(b) 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.  
(c) 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 properly dealt with in the books of account.
- (iii) (a) The Company has not granted unsecured loan to any parties covered in the register maintained under section 301 of the Companies Act, 1956.  
(b) The Company has taken loans from parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 524.01 lakhs and the year- end balance of the loans taken was ₹ 481.01 lakhs.  
(c) In our opinion, the rate of interest and other terms and conditions on which the loans had been taken by the company from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.  
(d) The loans are repayable on demand.  
(e) There are no overdue amounts of the loans taken by the company.
- (iv) In our opinion, there is an adequate internal control system, 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. During the course of our audit no major weakness has been observed in the internal controls.
- (v) (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) In our opinion, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has accepted deposits from the public. In our opinion, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA and other relevant provisions of the Act and the rules framed there under, where applicable, have been complied with.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

- (ix) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts were payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, for more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of Sales Tax, Income-Tax, Customs, Wealth-Tax, Service Tax, Excise Duty, Cess, which have not been deposited on account of disputes and the Forum where the dispute is pending are as under:

Nature of Statute	Nature of the Dues Pending	Amount (₹ in lakhs)	Forum where Dispute is pending
Central Excise	Excise Demand	102.90	CEGAT Supreme Court
Income Tax Act, 1961	Income Tax Demand in dispute pertaining to erstwhile Suyash Laboratories Ltd.	27.34	CIT ( Appeals )

- (x) The Company does not have accumulated losses. The Company has not incurred cash losses in the financial year under report and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, no guarantee has been given for loans taken by others from banks or financial institutions.
- (xiv) Term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- (xv) On an overall basis, the funds raised on short-term basis have, prima facie, not been used for long-term investment.
- (xvi) The Company has not made preferential allotment of shares to parties and companies covered in the Register, maintained under section 301 of the Companies Act, 1956, during the year.
- (xvii) The company has not issued debentures and hence requirement of reporting regarding creation of security in respect of debentures issued does not arise.
- (xviii) Based on the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the year.

For **PARIKH JOSHI & KOTHARE**  
CHARTERED ACCOUNTANTS

Sd/-  
**(CA YATIN R. VYAVAHARKAR)**  
M.No.33915  
PARTNER  
Firm Registration No.: 107547W

Place: Mumbai,  
Date: 9<sup>th</sup> July, 2012



**Balance Sheet as at 31<sup>st</sup> March, 2012**

(Amount in ₹)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	1	121,085,500	121,085,500
Reserves & Surplus	2	1,643,713,123	1,444,077,769
		<b>1,764,798,623</b>	1,565,163,269
<b>Non-current Liabilities</b>			
Long- term Borrowings	3	669,237,804	743,415,243
Deferred Tax Liabilities (Net)		244,719,979	222,966,133
Other Long- term Liabilities	4	77,099,541	75,684,019
Long-term Provisions		-	-
		<b>991,057,323</b>	1,042,065,395
<b>Current Liabilities</b>			
Short-term Borrowings	5	2,055,704,967	1,472,275,567
Trade Payables	6	937,856,764	773,628,970
Other Current Liabilities	7	286,560,556	241,625,988
Short-term Provisions	8	90,216,250	64,127,158
		<b>3,370,338,536</b>	2,551,657,683
<b>TOTAL</b>		<b>6,126,194,482</b>	5,158,886,346
<b><u>ASSETS</u></b>			
<b>Non-current Assets</b>			
Fixed Assets	9	2,735,363,343	2,242,096,387
Capital Work-in-Progress		29,908,977	103,747,333
Non-current Investments	10	69,183,930	246,129,410
Long-term Loans & Advances	11	22,658,885	86,257,148
Other Non Current Assets		-	-
		<b>2,857,115,135</b>	2,678,230,278
<b>Current Assets</b>			
Inventories	12	979,076,448	831,589,823
Trade Receivable	13	1,806,035,270	1,258,301,283
Cash and Cash Equivalents	14	49,438,513	35,854,902
Short-terms Loans and Advances	15	271,486,505	227,621,040
Other Current Assets	16	163,042,610	127,289,021
		<b>3,269,079,347</b>	2,480,656,068
<b>TOTAL</b>		<b>6,126,194,482</b>	5,158,886,346
Notes on Financial Statement	23		

AS PER OUR REPORT OF EVEN DATE.

For **PARIKH JOSHI AND KOTHARE**  
CHARTERED ACCOUNTANTS

For and on Behalf of the Board of Directors

Sd/-  
**(CA Y.R.VYAVAHARKAR)**  
PARTNER  
Place : Mumbai  
Date : 9<sup>th</sup> July, 2012Sd/-  
**Prakash M. Patil**  
(Managing Director)Sd/-  
**Harshit M. Savla**  
(Jt. Managing Director)Sd/-  
**Sunny Pagare**  
(Company Secretary)

## Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2012

(Amount in ₹)

Particulars	Note No.	For the Year Ended 31 <sup>st</sup> March, 2012	For the Year Ended 31 <sup>st</sup> March, 2011
<b>Income from Operations</b>			
(a) Gross Sales / Income from Operations		6,991,764,019	5,230,138,405
Less : Excise Duty & Sales Tax		399,154,744	265,896,576
Net Sales / Income from Operations		6,592,609,275	4,964,241,829
(b) Other Operating Income	17	61,016,633	778,196
<b>Total income from operations (net)</b>		<b>6,653,625,908</b>	<b>4,965,020,025</b>
<b>Expenditure:</b>			
(a) Cost of materials consumed	18	3,841,401,288	2,730,004,993
(b) Purchase of stock-in-trade		733,601,781	842,131,795
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(9,166,086)	(161,819,561)
(d) Employee benefits expense	19	248,267,539	178,745,584
(e) Depreciation and amortization expense	20	242,158,530	177,406,190
(f) Other expenses	21	1,036,818,217	749,044,001
<b>Total expenses</b>		<b>6,093,081,269</b>	<b>4,515,513,002</b>
<b>Profit from Operations before Other Income, finance costs and exceptional items</b>		<b>560,544,639</b>	<b>449,507,023</b>
Other Income		-	-
<b>Profit from ordinary activities before finance cost and exceptional items</b>		<b>560,544,639</b>	<b>449,507,023</b>
Finance costs (interest)	22	226,719,328	134,779,527
<b>Profit from ordinary activities after finance cost but before Exceptional Items</b>		<b>333,825,311</b>	<b>314,727,496</b>
Exceptional Items		11,627,396	-
<b>Profit from Ordinary activities before Tax</b>		<b>322,197,915</b>	<b>314,727,496</b>
<b>Tax Expenses (Includes)</b>		<b>97,588,396</b>	<b>90,000,000</b>
Provision for Taxation		80,000,000	65,000,000
Provision for Deferred Taxation		17,588,396	25,000,000
<b>Net profit from ordinary activities after Tax</b>		<b>224,609,519</b>	<b>224,727,496</b>
<b>Earning per Equity Share (EPS)</b>			
Basic/Diluted (in ₹)		17.84	18.56
Notes on Financial Statement	23		

AS PER OUR REPORT OF EVEN DATE.

For **PARIKH JOSHI AND KOTHARE**  
CHARTERED ACCOUNTANTS

For and on Behalf of the Board of Directors

Sd/-  
**(CA Y.R.VYAVAHARKAR)**  
PARTNER  
Place : Mumbai  
Date : 9<sup>th</sup> July, 2012

Sd/-  
**Prakash M. Patil**  
(Managing Director)

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

Sd/-  
**Sunny Pagare**  
(Company Secretary)

## Notes forming part of Balance Sheet as at 31<sup>st</sup> March, 2012

(Amount in ₹)

### NOTE NO. 1 – SHARE CAPITAL

#### AUTHORISED :

2,15,00,000 Equity shares of ₹ 10/- each

#### ISSUED, SUBSCRIBED & PAID-UP :

1,21,08,550 Equity Shares of ₹ 10/- each Issued, subscribed and fully paid up

#### Reconciliation

Opening outstanding shares

Closing outstanding shares

Note: There is no movement in shares during the year

#### Disclosures of shares held by :-

##### Nature

Holding Company

##### Name of the Company

N.A.

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

Name of Shareholders	As at 31 <sup>st</sup> March, 2012		As at 31 <sup>st</sup> March, 2011	
	No. of Share held	% held	No. of Share held	% held
Prakash M. Patil	925,427	7.64	899,436	7.43
Aarti Industries Ltd.	651,059	5.38	651,060	5.38

### NOTE NO. 2 – RESERVES & SURPLUS

(Amount in ₹)

Particulars	As on 1 <sup>st</sup> April, 2011	Adjustments on Amalgamation	Addition during the year	Appropriation During the year	As at 31 <sup>st</sup> March, 2012
Capital Reserves	20,074,336	-	-	-	20,074,336
Capital Redemption Reserve	13,009,500	8,017,340	-	-	21,026,840
Securities Premium Account	32,963,781	93,308,649	-	-	126,272,430
General Reserve	127,401,642	-	23,600,000	-	151,001,642
Profit & Loss Account (Refer Note 2 (a) & (b))	1,250,628,510	(47,363,595)	224,609,519	102,536,559	1,325,337,875
Total Reserves - 31 <sup>st</sup> March, 2012	1,444,077,769	53,962,394	248,209,519	102,536,559	1,643,713,123
Previous years figures 31 <sup>st</sup> March, 2011	1,289,830,420	-	247,228,570	92,981,221	1,444,077,769

#### Note No. 2 (a)

 P&L Balance of Suyash Laboratories Ltd. as on 1<sup>st</sup> April, 2011

#### Adjustments on Amalgamation

Un-realised profits in Inventories

Adjustment in Investments

#### TOTAL

#### Note No. 2 (b)

Income Tax of Earlier Year

Transfer to General Reserve

1st Interim Dividend

Final Proposed Dividend

Dividend Tax of C.Y.

#### TOTAL

31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
147,431,458	-

152,793	-
194,642,260	-
(47,363,595)	-

31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
8,572,801	-
23,600,000	22,500,000
24,217,100	30,271,375
36,325,650	30,271,375
9,821,008	9,938,471
102,536,559	92,981,221

## Notes forming part of Balance Sheet as at 31<sup>st</sup> March, 2012

	(Amount in ₹)
	As at 31 <sup>st</sup> March, 2012
	As at 31 <sup>st</sup> March, 2011
<b>NOTE NO. 3 – LONG-TERM BORROWINGS</b>	
<b>Term loans</b>	
<b>Secured borrowings</b>	
From Financial Institutions	246,666,664
From Scheduled Banks	422,571,140
(Refer Note No 23.7)	
<b>TOTAL</b>	<b>669,237,804</b>
<b>NOTE NO. 4 – OTHER LONG-TERM LIABILITIES</b>	
Trade payables of Project	
Due to micro enterprises and small enterprises (refer note 23.8)	-
Due to others	33,284,098
<b>Other</b> - Deferred Payment Liability	36,428,223
- Trade Deposits	7,387,220
<b>TOTAL</b>	<b>77,099,541</b>
<b>NOTE NO. 5 – SHORT-TERM BORROWINGS</b>	
<b>Loans repayable on demand</b>	
<b>From Banks</b>	
Secured Borrowings	1,173,064,214
Unsecured Borrowings	745,146,753
<b>Loans &amp; advances from related parties</b>	
From Directors - Unsecured	28,700,000
From Other - Unsecured	108,794,000
<b>TOTAL</b>	<b>2,055,704,967</b>
<b>NOTE NO. 6 – TRADE PAYABLE</b>	
Trade payables of Goods, Services & Expenses	
Due to micro enterprises and small enterprises (see note 23.8)	-
Due to others	937,856,764
<b>TOTAL</b>	<b>937,856,764</b>
<b>NOTE NO. 7 – OTHER CURRENT LIABILITIES</b>	
Interest accrued but not due on Loans	16,428,780
Unpaid Dividend	3,869,937
Other Payable - Duties & Taxes	12,084,399
Long term borrowing repayable in within 12 months (refer note 23.7)	254,177,440
<b>TOTAL</b>	<b>286,560,556</b>
<b>NOTE NO. 8 – SHORT-TERM PROVISION</b>	
Provision for Employee benefits (Bonus)	9,767,747
Other Short Term Provisions - Goods & expenses	44,122,853
Proposed dividend	36,325,650
<b>TOTAL</b>	<b>90,216,250</b>

## Notes forming part of Balance Sheet as at 31<sup>st</sup> March, 2012

### NOTE NO. 9 – FIXED ASSETS

(Amount in ₹)

ITEM	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As on 1 <sup>st</sup> April, 2011	Addition on Amalgamation	Addition	Deduction	As at 31 <sup>st</sup> March, 2012	As on 1 <sup>st</sup> April, 2011	Addition on Amalgamation	Current Depreciation	Deduction	Up to 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
TANGIBLE ASSETS												
LEASEHOLD LAND	38,033,791	8,611,442	85,873,550	-	132,518,783	-	-	-	-	-	132,518,783	38,033,791
BUILDING	458,482,273	24,509,595	64,855,627	15,356,064	532,491,432	97,059,492	4,944,037	16,887,033	3,417,568	115,472,994	417,018,439	361,422,784
PLANT & MACHINERY	2,694,727,052	147,240,128	429,570,399	97,478,270	3,174,059,310	992,512,018	43,437,632	167,232,233	30,460,806	1,172,721,077	2,001,338,233	1,702,307,238
OFFICE EQUIPMENTS	26,626,752	811,236	1,602,087	486,742	28,553,334	21,689,445	758,506	3,718,082	518,233	25,647,801	2,905,533	4,937,307
FURNITURE	43,746,922	3,090,775	8,112,127	2,237,606	52,712,217	12,229,271	863,710	3,199,137	634,677	15,657,441	37,054,776	31,517,651
VEHICLES	17,318,367	1,177,893	11,079,881	4,273,226	25,302,915	8,641,950	295,182	1,598,417	3,316,642	7,218,908	18,084,007	8,676,417
INTANGIBLE ASSETS												
TRADENAME		22,500,000	-	-	22,500,000	-	15,750,000	2,250,000	-	18,000,000	4,500,000	-
TECHNICAL KNOWHOW		246,720,000	-	-	246,720,000	-	172,704,000	24,672,000	-	197,376,000	49,344,000	-
TOTAL (A)	3,278,935,158	454,661,068	601,093,672	119,831,906	4,214,857,992	1,132,132,177	238,753,067	219,556,902	38,347,925	1,552,094,221	2,662,763,771	2,146,895,187
PROCESS DEVELOPMENT (R&D)												
	178,971,112	-	-	-	178,971,112	83,769,912	-	22,601,628	-	106,371,540	72,599,572	95,201,200
TOTAL (B)	178,971,112	-	-	-	178,971,112	83,769,912	-	22,601,628	-	106,371,540	72,599,572	95,201,200
TOTAL (A + B)	3,457,906,270	-	601,093,672	119,831,906	4,393,829,104	1,215,902,089	-	242,158,530	38,347,925	1,658,465,761	2,735,363,343	2,242,096,387
PREVIOUS YEAR	2,874,823,386	-	585,204,234	2,029,144	3,457,998,476	1,039,465,919	-	177,406,190	970,020	1,215,902,089	2,242,096,387	1,835,357,469

Pursuant to the Scheme of Amalgamation with the Suyash Laboratories Ltd., the Gross value of Fixed Assets taken over of ₹ 45,46,61,067/- and corresponding depreciation of ₹ 23,87,53,067/- as on 1<sup>st</sup> April, 2011 are included in Addition on Amalgamation under Gross Block and Depreciation respectively.

Trade name and Technical knowhow are not internally generated while process development are internally generated

Plant & Machinery addition includes Capital Expenditure incurred on R&D of ₹ 1,01,51,121 (previous year ₹ 2,43,25,148)

Remaining periods of amortization of intangible assets mentioned above are as follows:

Particulars	WDV as on 31 <sup>st</sup> March, 2012	Remaining period of Amortization
Tradename	4,500,000	2 Years
Technical Knowhow	49,344,000	2 Years
Process Development (06-07)	430,464	3 Months
Process Development (07-08)	6,669,018	2 Years - 3 Months
Process Development (08-09)	65,500,050	3 Years - 9 Months
<b>TOTAL</b>	<b>126,443,532</b>	



# Notes forming part of Balance Sheet as at 31<sup>st</sup> March, 2012

## NOTE NO. 10 – NON-CURRENT INVESTMENTS

(Amount in ₹)

Name of the company	Opening Balance	Add Acquisition during the year	Less Disposed during the year	Closing Balance	Face Value (₹)	31 <sup>st</sup> March, 2012 (₹)	As at 31 <sup>st</sup> March, 2011 (₹)
<b>A . TRADE INVESTMENTS</b>						Nil	Nil
<b>B. OTHER INVESTMENTS</b>							
<b>a. Investments in Equity Instruments</b>							
Aarti Industries Ltd.	750	Nil	Nil	750	5/-	6,066	6,066
Alembic Ltd.	90	Nil	Nil	90	2/-	1,315	1,315
Alembic Pharmaceuticals Ltd.	Nil	90	Nil	90	2/-	-	-
Aurobindo Pharma Ltd.	50	Nil	Nil	50	1/-	1,700	1,700
Aventis Pharma Ltd.	5	Nil	Nil	5	10/-	1,630	1,630
Cadila Healthcare Ltd.	15	Nil	Nil	15	10/-	655	655
Cipla Ltd.	62	Nil	Nil	62	2/-	7,050	7,050
Dabur India Ltd.	300	Nil	Nil	300	1/-	5,530	5,530
Dr Reddy's Laboratories Ltd.	4	Nil	Nil	4	5/-	1,912	1,912
Dr Reddy's Laboratories Ltd. (NCD)	Nil	24	Nil	24	5/-	-	-
Fresenius Kabi Oncol (Dabur Pharma Ltd.)	25	Nil	Nil	25	10/-	-	-
Glenmark Pharmaceuticals Ltd.	100	Nil	Nil	100	1/-	1,330	1,330
Ipca Lab. Ltd.	1,050	Nil	Nil	1,050	2/-	25,490	25,490
Ind-Swifts Lab Ltd.	5	Nil	Nil	5	10/-	112	112
Ind-Swifts Ltd.	25	Nil	Nil	25	2/-	345	345
Jagsonpal Pharma Ltd.	40	Nil	Nil	40	5/-	463	463
J.B. Chemicals & Pharmaceuticals Ltd.	500	Nil	Nil	500	2/-	21,120	21,120
Kopran Ltd.	5	Nil	Nil	5	10/-	172	172
Krebs Bio Chemicals & Industries Ltd.	100	Nil	Nil	100	10/-	25,907	25,907
Kojam Fininvest Ltd.(Piramal Glass)	14	Nil	Nil	14	10/-	-	-
Lupin Laboratories Ltd.	50	Nil	Nil	50	2/-	1,135	1,135
Matrix Laboratories Ltd. (Mylan Lab. Ltd.)	50	Nil	Nil	50	2/-	2,365	2,365
Morepen Laboratories Ltd.	5	Nil	Nil	5	2/-	85	85
Natco Lab Ltd.	5	Nil	Nil	5	10/-	345	345
Neuland Lab. Ltd.	100	Nil	Nil	100	10/-	34,375	34,375
Piramal Heath Care. Ltd.	290	7	Nil	297	2/-	43,816	43,816
Novartis (I) Ltd.	5	Nil	Nil	5	5/-	1,155	1,155
Orchid Chemicals & Pharmaceuticals Ltd.	5	Nil	Nil	5	10/-	595	595
Panacea Biotech Ltd.	5	Nil	Nil	5	1/-	158	158
Pfizer Ltd.	10	Nil	Nil	10	10/-	4,950	4,950
Piramal Life Science Ltd.	29	Nil	Nil	29	10/-	-	-
Ranbaxy Laboratories Ltd.	4	Nil	Nil	4	5/-	1,410	1,410
Reliance Capital Ltd.	5	Nil	Nil	5	10/-	-	-
Reliance Communication Ltd.	116	Nil	Nil	116	10/-	-	-
Reliance Energy (Infrastr.) Ltd.	8	Nil	Nil	8	10/-	-	-
Reliance Industries Ltd.	232	Nil	Nil	232	10/-	10,000	10,000
Reliance Power Ltd.	29	Nil	Nil	29	10/-	-	-
Shasun Chemicals & Drugs Ltd.	500	Nil	Nil	500	2/-	16,875	16,875
Strides Arcolab Ltd.	100	Nil	Nil	100	10/-	22,282	22,282
Sun Parma Advan. Ltd.	10	Nil	Nil	10	10/-	-	-
Sun Pharmaceuticals Ind Ltd.	50	Nil	Nil	50	1/-	1,660	1,660
Tasc Pharmaceuticals Ltd. (Marksans)	1,000	Nil	Nil	1,000	1/-	5,219	5,219
Torrent Pharmaceuticals Ltd.	20	Nil	Nil	20	5/-	990	990
Unichem Laboratories Ltd.	1,000	Nil	Nil	1,000	2/-	24,825	24,825
Wyeth Ltd.	5	Nil	Nil	5	10/-	1,300	1,300
Zydus Wellness Ltd.	2	Nil	Nil	2	10/-	-	-
Bank of Baroda	1,500	Nil	Nil	1,500	10/-	126,000	126,000
Bank of India	2,300	Nil	Nil	2,300	10/-	103,500	103,500
Union Bank of India	2,523	Nil	Nil	2,523	10/-	277,530	277,530
						<b>781,367</b>	<b>781,367</b>
Perfect Enviro Control Systems Ltd.	240,200	Nil	Nil	240,200	10/-	2,402,000	2,402,000
Tarapur Environment Protection Society	166,450	Nil	Nil	166,450	10/-	1,664,500	-
Amit Hetrochem (I) Ltd.	291,690	Nil	Nil	291,690	Nil	22,223,440	-
Suyash Laboratories Ltd. (Refer Note 1)	619,116	Nil	619,116	Nil	10/-	-	200,833,420
Aarti Biotech Ltd.	1,200	Nil	Nil	1,200	10/-	12,000	12,000
<b>Associates</b>							
Huanggang Yinhe Aarti Pharmaceutical Co. Ltd.	386	Nil	Nil	386	1,690,000	23,780,623	23,780,623
						<b>50,082,563</b>	<b>227,028,043</b>
<b>b. Investment in Government or Trust Securities</b>							
N.S.C	1	Nil	Nil	1		1,000	1,000
(One Certificate of ₹ 1000/- Face Value)							
<b>c. Investment in Debentures or Bonds</b>							
Unit Trust of India (US-64)	190	Nil	Nil	190	100/-	19,000	19,000
SBI Capital Protection Fund	30,000	Nil	Nil	30,000	-	300,000	300,000
						<b>319,000</b>	<b>319,000</b>
<b>e. Other Non-Current Investments</b>							
Aarti Udyog (LLP)						18,000,000	18,000,000
<b>Aggregate Amount of Quoted Investments &amp; Market Value</b>						<b>1,100,367</b>	<b>1,100,367</b>
<b>Aggregate Amount of Unquoted Investment</b>						<b>50,082,563</b>	<b>227,028,043</b>
<b>TOTAL</b>						<b>69,183,930</b>	<b>246,129,410</b>

Note 1 - Disposal of Investment on Account of Merger with Aarti Drugs Ltd.  
(Aggregate market value of quoted investment : as at 31<sup>st</sup> March, 2012 ₹ 4,162,741/- and as at 31<sup>st</sup> March, 2011 ₹ 5,041,479/-)

## Notes forming part of Balance Sheet as at 31<sup>st</sup> March, 2012

	(Amount in ₹)
	As at 31 <sup>st</sup> March, 2012
	As at 31 <sup>st</sup> March, 2011
<b>NOTE NO. 11 – LONG-TERM LOANS &amp; ADVANCES</b>	
Unsecured - consider good	
Capital Advances -	10,787,390
Advance Tax & TDS (Net of Provision)	65,151,463
	11,871,495
	21,105,685
<b>TOTAL</b>	<b>22,658,885</b>
	86,257,148
<b>NOTE NO. 12 – INVENTORIES</b>	
Stores & Spares	25,944,986
Packing Materials	21,085,731
Raw Materials	3,440,082
Finished Goods	3,274,141
Trading Goods	437,053,212
Work in process	351,257,025
[refer note no 23.1.(d)]	221,727,228
	214,233,903
	-
	5,700,000
	290,910,940
	236,039,023
<b>TOTAL</b>	<b>979,076,448</b>
	831,589,823
<b>NOTE NO. 13 – TRADE RECEIVABLES</b>	
Unsecured, considered good	
Trade Receivable O/s exceeding 6 months	44,367,583
Others	46,849,332
	1,761,667,687
	1,211,951,950
	1,806,035,270
	1,258,801,283
Less: Provision for Doubtful Debts	-
	500,000
<b>TOTAL</b>	<b>1,806,035,270</b>
	1,258,301,283
<b>NOTE NO. 14 – CASH &amp; CASH EQUIVALENTS</b>	
Cash on Hand	1,669,916
Cheques on Hand	2,685,490
Balances with Scheduled Banks :	29,710,673
- Current Accounts	18,896,136
- Deposit Accounts	8,119,485
Earmarked balance - unpaid dividend	4,558,828
	6,068,502
	6,647,669
	3,869,937
	3,066,779
<b>TOTAL</b>	<b>49,438,513</b>
	35,854,902
<b>NOTE NO. 15 – SHORT TERM LOANS &amp; ADVANCES</b>	
Unsecured, Consider good	
Advances recoverable in cash or kind or for value to be received	267,429,721
Advances and loans - Staff & workers	224,833,267
	4,056,784
	2,787,773
<b>TOTAL</b>	<b>271,486,505</b>
	227,621,040
<b>NOTE NO. 16 – OTHER CURRENT ASSETS</b>	
Deposits	33,072,862
Preliminary Exps	24,227,024
Insurance claim receivable	6,565
Others - Excise & Service Tax	99,100,000
	-
	30,863,182
	103,061,996
<b>TOTAL</b>	<b>163,042,610</b>
	127,289,021

## Notes forming part of Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2012

	(Amount in ₹)	
	For the Year Ended 31 <sup>st</sup> March, 2012	For the Year Ended 31 <sup>st</sup> March, 2011
<b>NOTE NO. 17 – OTHER OPERATING INCOME</b>		
Dividend	99,483	68,012
Interest (Gross)	8,447,985	217,968
Miscellaneous income	22,269,165	492,217
Insurance Claim Recd	30,200,000	-
<b>TOTAL</b>	<b>61,016,633</b>	<b>778,196</b>
<b>NOTE NO. 18 – COST OF MATERIALS CONSUMED</b>		
Raw Material Consumption	3,682,448,424	2,606,733,694
Packing Materials	66,786,251	48,689,551
Freight Inward	92,166,613	74,581,748
<b>TOTAL</b>	<b>3,841,401,288</b>	<b>2,730,004,993</b>
<b>NOTE NO. 19 – EMPLOYEE BENEFITS EXPENSE</b>		
Salaries,Wages and Bonus (Mfg)	167,769,776	124,550,441
Labour Welfare Expenses	14,764,967	12,371,817
Salaries and Bonus (Admin)	31,837,807	26,000,806
Provident Fund Contribution	822,280	763,194
Staff Welfare Expenses	734,691	888,488
Directors' Remuneration	15,493,738	14,170,838
Keyman Insurance Assigned	16,844,280	-
<b>TOTAL</b>	<b>248,267,539</b>	<b>178,745,584</b>
<b>NOTE NO. 20 – DEPRECIATION AND AMORTIZATION</b>		
Depreciation	219,556,902	154,804,562
Amortization	22,601,628	22,601,628
<b>TOTAL</b>	<b>242,158,530</b>	<b>177,406,190</b>
<b>NOTE NO. 21 – OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Processing Charges	48,533,781	79,645,009
Labour Charges	99,286,030	56,585,324
Insurance Expenses	9,126,552	5,834,896
Lease Expenses	3,900,000	6,000,000
Power & Fuel	460,792,529	277,064,276
Stores & Spares	48,969,063	36,021,652
Repairs & Maintenance - Building	934,346	198,144
- Plant & Machinery	8,442,027	4,712,279
Research & development	23,710,587	21,151,058
Other Manufacturing Expenses	-	-
Water Charges	12,093,975	7,422,204
Laboratory Expenses	14,246,977	8,673,032
Other Factory Expenses	63,716,265	39,544,167
<b>Sub Total (a)</b>	<b>793,752,132</b>	<b>542,852,041</b>

Contd...

## Notes forming part of Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2012

	(Amount in ₹)	
	For the Year Ended 31 <sup>st</sup> March, 2012	For the Year Ended 31 <sup>st</sup> March, 2011
<b>Office &amp; Administration Expenses</b>		
Books & Periodicals	9,008	8,362
Auditors' Remuneration	483,951	374,488
Conveyance Expenses	2,115,352	1,699,476
Legal & Professional Charges	7,229,862	7,315,383
Membership & Subscriptions	292,547	187,881
Printing & Stationery	2,467,389	1,510,518
Postage, Telegram & Telephone	2,248,830	2,650,697
Office Electricity Charges	2,244,442	2,037,357
Insurance Charges	781,608	1,627,764
Repairs & Maintenance - Others	2,145,770	3,055,942
Entertainment Expenses	1,564,987	933,746
Miscellaneous Expenses	3,227,393	1,481,801
Vehicle Expenses	916,489	510,576
Traveling Expenses - Directors	1,770,441	1,148,673
- Others	3,152,464	2,746,078
Directors' Sitting Fees	446,000	415,000
Loss on sale of Assets	503,015	743,511
<b>Sub Total (b)</b>	<b>31,599,548</b>	<b>28,448,328</b>
<b>Selling &amp; Distribution</b>		
Advertisement & Sales Promotion	4,716,795	5,233,948
Freight & Forwarding Charges	106,817,507	92,863,664
Commission Expenses	52,262,331	41,164,110
Insurance Expenses	776,068	541,791
Postage & Telegram	1,375,660	1,613,487
Other Export Expenses	9,833,477	7,872,908
Bad Debts & other written off	5,541,773	3,500,000
<b>Sub Total (c)</b>	<b>181,323,610</b>	<b>152,789,909</b>
<b>Finance Cost (d)</b>		
Bank Charges	26,924,090	21,560,717
<b>Non-Operative Expenses</b>		
Donations	3,215,557	3,393,007
Preliminary Exps W/off	3,280	-
<b>Sub Total (e)</b>	<b>3,218,837</b>	<b>3,393,007</b>
<b>TOTAL (a+b+c+d+e)</b>	<b>1,036,818,217</b>	<b>749,044,001</b>
<b>NOTE NO. 22 – FINANCE COST</b>		
Interest on Term Loans	84,850,037	65,094,269
Interest on Working Capital	119,810,875	58,609,136
Interest on Others	22,058,416	11,076,121
<b>TOTAL</b>	<b>226,719,328</b>	<b>134,779,527</b>

## Notes annexed to and forming part of accounts for the year ended 31<sup>st</sup> March, 2012

### PART - A

The Board of Directors of the Company had approved Financial Statements for the year ended 31<sup>st</sup> March, 2012, at its meeting held on 25<sup>th</sup> May, 2012 without considering the effect of the proposed amalgamation of Suyash Laboratories Ltd (Amalgamating company) with the Aarti Drugs Ltd (Amalgamated company), pending approval of the scheme by the Hon'ble High Court of Mumbai. The said Financial Statements were approved mainly for compliance of the Listing Agreements of the Bombay Stock Exchange and National Stock Exchange.

Pursuant to the approval of the scheme of amalgamation by the Hon'ble High Court of Mumbai on 11<sup>th</sup> May, 2012, the amalgamation became effective with effect from 1<sup>st</sup> April, 2011, fresh Financial Statements as at 31<sup>st</sup> March, 2012 have been drawn up as per the decision taken by the Board of Directors of the Company.

### PART - B

#### 23.1 Accounting Policies :

##### a) Recognition of Income and expenditure

These accounts are prepared under the historical cost convention on accrual basis and under the going concern assumption in accordance with the accounting principles generally accepted in India and the relevant provisions of the Companies Act, 1956.

##### b) Fixed assets and depreciation

- i) Fixed assets include all expenditure of capital nature and are stated at cost of acquisition, installation and commissioning and related borrowing cost less depreciation. Fixed asset values are stated at historical cost. Depreciation on fixed assets other than land is charged under the straight-line method in accordance with Schedule XIV of the Companies Act, 1956. Product/Process development costs arising out of R&D are carried forward when their future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortized over the period of expected future economic benefit, from the related project, not exceeding ten years.
- ii) Impairment loss indicates the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of the net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The Company will recognize such losses whenever they arise.

##### c) Investments

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

##### d) Valuation of Inventories

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

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

##### e) Retirement Benefits

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

##### f) Revenue Recognition

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

##### 1. Sale of Goods :

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

##### 2 Export Benefits :

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

**Notes annexed to and forming part of accounts for the year ended 31<sup>st</sup> March, 2012****g) Borrowing Cost**

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

**h) Foreign Currency Transactions**

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

**i) Research & Development Expenditure:**

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

**j) Deferred Taxation**

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

**23.2 Principles of Amalgamation & Disclosures:**

- In terms of the Scheme approved by the Hon'ble High Court, the entire business of Suyash Laboratories Ltd., stands transferred to and vested in the Company with effect from April 01, 2011, as a going concern.
- As Suyash Laboratories Ltd. was a wholly owned subsidiary of the Company, no consideration was payable pursuant to amalgamation of Suyash Laboratories Ltd. with the Company.
- The amalgamation of the financial statements of the Aarti Drugs Ltd. and Suyash Laboratories Ltd. is done on line by line basis by adding together like items of assets, liabilities, income and expenses. All intra group transactions, unrealized inter company profits and balances have been eliminated in the course of amalgamation.
- The financial statements of Aarti Drugs Ltd. and Suyash Laboratories Ltd. have been amalgamated using uniform accounting policies for like transactions and other events in similar circumstances.
- Amalgamation is carried out as per Accounting Standard 14, issued by the Institute of Chartered Accounts of India.
- The difference, being the excess of the book value of the investment of the Company in the equity shares of Suyash Laboratories Ltd over the net assets of Suyash Laboratories Ltd. transferred to the Company has been adjusted in Reserves & Surplus of the Company.
- Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the scheme, such assets and liabilities remain in the name of the Amalgamating Company.
- The merged company will continue to carry on the business of manufacturers, producers, processors, buyers, sellers, importers, exporters and/or otherwise dealers in pharmaceuticals, drugs, medicines, medicinal preparations, tabulating formulations, injections, alkalies, acids, chemicals and allied products including fine chemicals, perfumes, flavors, cosmetics and other pharmaceutical products as Aarti Drugs Limited.

**23.3** Previous year's figures are of Aarti Drugs Ltd. stand alone and hence are not comparable with the current year.

**23.4** Figures of previous year have been rearranged or regrouped wherever necessary.

**23.5** On 27<sup>th</sup> February, 2012 fire occurred in Suyash Laboratories Ltd., loss on account of fire of Stock and fixed assets is debited to statement of Profit and Loss ₹ 1.16 crores.

**23.6 Contingent Liabilities :**

- In respect of bank guarantees issued and L/C opened by the Company's bankers ₹ 2257.87 lakhs (As at 31<sup>st</sup> March, 2011 ₹ 1512.17 lakhs)
- Demand in respect of additional income tax disputed in appeal ₹ 250.64 lakhs. (As at 31<sup>st</sup> March, 2011 ₹ 34.95 lakhs)
- Demand /Rebate in respect of Excise duty in case of Ammonium Sulphate of ₹ 102.90 Lakhs (as at 31<sup>st</sup> March, 2011 ₹ 102.90 lakhs). The Hon'ble High Court of Mumbai has decided the appeal in favour of the Company in February 2010 on the basis of its earlier judgement in a similar case. However, as per information available with the Company, the Department of Central Excise has filed an appeal in that precedent case in the Supreme Court, hence the company has continued to disclose this matter.
- Liability for duty on raw material imported under advance licence benefit scheme against which export obligation remained to be fulfilled ₹ 55.38 lakhs (As at 31<sup>st</sup> March, 2011 ₹ 34.63 lakhs)
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 412.72 lakhs. (As at 31<sup>st</sup> March, 2011 ₹ 697.02 lakhs)

**23.7 Securities for loans taken from Banks:**

- Balances in respect of outstanding term loan from The Industrial Development Bank of India ₹ **1083.33 lakhs** (As at 31<sup>st</sup> March, 2011 ₹ 2055.56 lakhs), of which ₹ 750 repayable up to F.Y. end 2012-13 and balance ₹ 333.33 lakhs up to F.Y. end 2013-14, Out of the above the loan sanctioned by IDBI on 25<sup>th</sup> March, 2008 for ₹ 3000 lakhs also secured by second charge on the current assets of the company both present and future as a collateral security. The Export Import Bank of India ₹ **2847.62 lakhs** (As at 31<sup>st</sup> March, 2011 ₹ 1663.87 lakhs), of which ₹ 1047.62 lakhs repayable up to F.Y. end



## Notes annexed to and forming part of accounts for the year ended 31<sup>st</sup> March, 2012

2014-15 and balance ₹ 1800 up to F.Y. end 2016-17 Standard Chartered Bank ₹ 3483.20 lakhs (As at 31<sup>st</sup> March, 2011 ₹ 4123.00 lakhs), of which ₹ 1820 lakhs repayable upto 2014-15 and balance ₹ 1663.20 is upto F.Y. end 2015-16. DBS Bank Ltd ₹ 1820.00 lakhs (As at 31<sup>st</sup> March, 2011 ₹ 1820.00 lakhs), will be repayable up to F.Y. end 2015-16, are secured by pari-passu first charge by way of mortgage of immovable properties and hypothecation of moveable fixed assets, both present and future situated at MIDC Boisar, Maharashtra viz. Plot No. N-198, G-60, E-21 & 22, K-40 & K-41, E-120 and E-9/3 & E-9/4, at GIDC, Bhilad, Sarigam, Gujarat viz. Plot No. 2902 & 2904 and at Turbhe Plot No. D-277 & D-278.

- b. Loans from Scheduled Banks ₹ 9540.47 lakhs are secured by hypothecation of Company's raw materials stock, stock-in-process, finished goods, packing materials, stores & spares, book debts, and all other current assets including goods in transit governed by documents of title and also pari-passu second charge by way of mortgage of immovable properties and hypothecation of moveable fixed assets. both present and future situated at MIDC Boisar, Maharashtra viz. Plot No. N-198, G-60, E-21 & 22, K-40 & K-41, E-120 and E-9/3 & E-9/4, GIDC, Bhilad, Sarigam- Gujarat viz. Plot No. 2902, 2904 and at Turbhe Plot No. D-277 & D-278. The working Directors of the Company have personally guaranteed these loans
- c. Loan from IDBI Bank as Working Capital Lender to amalgamating company ₹ 930.74 lakhs is secured by way of Exclusive First Charge by way of hypothecation of raw material, stock in process, finish goods, packing material, stores & spares, book debts and all also second charge by way of hypothecation of moveable fixed assets, both present and future situated at MIDC Boisar, Maharashtra viz W-60(B) 61(B) 62(B) 71(B) 72(B).

**23.8** There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

### 23.10 Segment-wise Disclosure as per Accounting Standard: 17.

#### I. BUSINESS SEGMENTS AS PRIMARY SEGMENTS

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

#### II. GEOGRAPHICAL SEGMENTS AS SECONDARY SEGMENTS

(₹ In Lakhs)

	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
Segment Revenue		
a) Exports	28,071/-	21,537/-
b) Others	41,847/-	30,765/-
<b>Total</b>	<b>69,918/-</b>	<b>52,302/-</b>

#### Notes:

#### Segmental capital employed:

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

### 23.11 Related party transactions:

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

#### A Name and Relationship of the Related Parties :

##### 3(b) Associates

Huanggang Yinhe Aarti Pharmaceutical Co. Ltd.

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

##### 1. Individuals

Mr. Chandrakant V. Gogri

Mr. Rajendra V. Gogri

## Notes annexed to and forming part of accounts for the year ended 31<sup>st</sup> March, 2012

### 2. Relatives of Individuals

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

### 3(d) Key Management personnel alongwith their relatives have significant influence.

#### • Key Management Personnel

Mr. Prakash M. Patil	Mr. Harit. P. Shah
Mr. Harshit M. Savla	Mr. Uday M. Patil

#### • Relatives of Key Management Personnel

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

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

- Aarti Industries Ltd.
- Anushakti Holdings Ltd. (formerly known as Anushakti Chemical & Drugs Ltd.)
- Rupal Drugs LLP (formerly known as Rupal Drugs Ltd.)
- Anushakti Chemical & Drugs Ltd. (formerly known as Aarti Healthcare Ltd.)

**Note :** Sr. 3(b),3(c),3(d),3(e) refer to the relevant paras of AS-18.

### B Transactions with the related parties during the year :

**Note :** Proportions given in the following statement belong to the respective accounting group as shown in the financial statements for the year ended 31<sup>st</sup> March, 2012

Transaction with Related Parties	Associates & Joint Ventures		Enterprise/firms over which controlling individuals have significant influence	
	C.Y.	P.Y.	C.Y.	P.Y.
	%	%	%	%
Sales & Income from Operations	Nil	Nil	0.04	0.09
Manufacturing Expenses	0.94	Nil	1.91	2.81
Outstanding Payable	2.21	Nil	6.29	4.24
Outstanding Receivable	Nil	Nil	0.00	0.00

## Notes annexed to and forming part of accounts for the year ended 31<sup>st</sup> March, 2012

Transaction with Related Parties	Individuals		Relatives of Individuals		Key Management Personnel		Relative of Key Management Personnel	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
	%	%	%	%	%	%	%	%
Office & Administration Expenses	0.14	0.25	0.60	Nil	35.21	21.96	Nil	Nil
Borrowing costs	Nil	Nil	1.08	Nil	0.88	0.07	1.73	0.32
Unsecured Loans Accepted	Nil	Nil	0.23	Nil	0.78	0.04	1.42	0.06
Unsecured Loans Repaid	Nil	Nil	0.26	Nil	Nil	Nil	0.19	0.00
Outstanding Unsecured Loan	Nil	Nil	3.09	0.01	4.61	0.25	5.84	0.96

23.12 Sales and other sales income include export benefits amounting to ₹ 23,57,98,005/- (As at 31<sup>st</sup> March, 2011 ₹18,13,12,308/-)

### 23.13. (a) Directors Remuneration :

(Amount in ₹)

Particulars	Current Year	Previous Year
Salary to Managing Director and Whole-time Directors	59,36,964	54,11,040
Bonus/Leave Travel Allowance/House Rent Allowance/Medical/Leave Salary	8,92,846	7,76,500
Key-man Insurance policy assigned	1,68,44,280	-
Commission payable to Directors	71,29,038	65,92,858
Contribution to Provident Fund	37,440	37,440
Superannuation fund scheme	14,97,450	13,53,000
<b>Total Remuneration</b>	<b>3,23,38,018</b>	<b>1,41,70,838</b>

**Note:** The above figures do not include contribution to gratuity fund as separate figures are not available for the Managing Director / Whole-time Directors.

### 23.14. Auditors' remuneration includes

(Amount in ₹)

Particulars	Current Year	Previous Year
Statutory Audit	3,35,000	2,50,000
Other Audit Services	1,22,666	88,488
Certification	26,285	36,000
<b>Total</b>	<b>4,83,951</b>	<b>3,74,488</b>

### 23.15. Earning Per Share :

(Amount in ₹)

Particulars	Current Year	Previous Year
Net Profit as per Statement of Profit & Loss (₹)	22,46,09,519	22,47,28,570
Less – Income Tax of Earlier Years	85,72,801	Nil
Net Profit available for Equity Shareholder	21,60,36,718	22,47,28,570
Weighted Number of Equity Shares (Nos.)	1,21,08,550	1,21,08,550
Basic & Diluted EPS (₹)	17.84	18.56
Nominal value per share (₹)	10.00	10.00

## Notes annexed to and forming part of accounts for the year ended 31<sup>st</sup> March, 2012

### 23.16. Deferred Tax Liability (Net)

(Amount in ₹)

Sr. No.	Particulars	Current Year	Previous Year
	<b>Deferred Tax Liabilities</b>	<b>22,71,31,583</b>	19,79,66,133
I	Difference between depreciation between depreciation as per Co. Act and Income Tax act as on 31 <sup>st</sup> March, 2012 after considering Amortization.	<b>1,75,88,396</b>	2,55,19,100
	<b>Deferred Tax Assets</b>		
II	Items allowed for tax purpose on payment	<b>0</b>	(5,19,100)
	<b>Net Deferred Tax Liabilities</b>	<b>24,47,19,979</b>	22,29,66,133

### 23.17. Disclosure Regarding Scientific Research & Development Expenditure

(Amount in ₹)

YEAR	REVENUE EXPENDITURE	CAPITAL EXPENDITURE
2006-2007	1,49,77,691	2,03,09,256
2007-2008	3,06,36,169	2,21,11,822
2008-2009	2,32,50,086	60,75,391
2009-2010	4,55,18,360	43,90,328
2010-2011	4,37,52,686	2,43,25,148
2011-2012	4,63,12,215	1,01,51,121

### 23.18. Employee Benefits:

#### Defined Benefit Plan

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

#### a. Reconciliation of Opening and Closing balances of Defined Benefit Obligation

	Gratuity (Funded) Current Year	Gratuity (Funded) Previous Year
Defined Benefit Obligation at beginning of the Year	<b>2,88,46,198</b>	2,47,32,874
Current/Past Service Cost	<b>22,36,629</b>	44,79,992
Interest Cost	<b>23,79,811</b>	19,78,630
Actuarial(gain)/ loss	<b>70,02,041</b>	(12,43,701)
Benefits Paid	<b>(18,80,848)</b>	(11,01,597)
Defined Benefit Obligation at year end	<b>3,85,83,831</b>	2,88,46,198

#### b. Reconciliation of opening and closing balances fair value of plan assets

Fair value of plan assets at beginning of the year	<b>3,11,67,085</b>	2,61,54,641
Expected return of plan assets	<b>24,93,367</b>	20,92,371
Actuarial gain/(loss)	<b>4,11,398</b>	5,02,410
Employer Contribution	<b>41,37,185</b>	35,19,260
Benefits Paid	<b>(18,80,848)</b>	(11,01,597)
Fair value of plan assets at year end	<b>3,63,28,187</b>	3,11,67,085
Actual return on plan assets	<b>29,04,765</b>	25,94,781

## Notes annexed to and forming part of accounts for the year ended 31<sup>st</sup> March, 2012

	Gratuity (Funded) Current Year	Gratuity (Funded) Previous Year
<b>c. Reconciliation of fair value of assets and obligations</b>		
Fair value of plan assets as at 31 <sup>st</sup> March, 2012	3,63,28,187	3,11,67,085
Present value of obligation as at 31 <sup>st</sup> March, 2012	(3,85,83,831)	2,88,46,198
Amount Recognized	(22,55,644)	23,20,887
<b>d. Expenses recognized during the year</b>		
Current/Past Service cost	22,36,629	44,79,992
Interest cost	23,79,811	19,78,630
Expected return on plan assets	(24,93,367)	(20,92,371)
Actuarial(gain)/ loss	65,90,643	(17,46,111)
Net Cost	87,13,716	26,20,140
L.I.C Group Gratuity (Cash Accumulation) Policy	100% Invested with L.I.C.	100% Invested with L.I.C.
<b>e. Actuarial assumptions</b>		
Mortality Table (L.I.C.)	- 1994-96 (Ultimate)	- 1994-96 (Ultimate)
Discount rate (per annum)	8.75%	8%
Expected rate of return on plan assets (per annum)	8%	8%
Rate of escalation of in Salary (per annum)	5%	5%
The estimate of rate of escalation in salary considered in Actuarial valuation, take into account inflation, seniority, promotion, other relevant factors' including supply and Demand in the employment market. The above information is certified by the actuary.		

### Leave Encashment :

Leave Encashment liability amounting to ₹ 75,91,440/- previous year (₹ 73,65,845/-) has been provided in the Accounts

### 23.19. Additional information pursuant to the provisions of paragraphs 3, 4CD, 4D and part II of Schedule VI of the Companies Act, 1956 (Figures in bracket relate to 31<sup>st</sup> March, 2011)

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

Class of Goods	Units	* Licensed	Installed	Production	Captive	Net Production
Pharmaceutical	Kgs	-	29,016 (26280)	20,963.34 (17433.85)	2250.27 (1362.70)	18,713.07 (16071.15)

\* As license is not required Licensed Capacity not given.

	Quantity	Amount ₹
<b>a) Purchase of trading items:</b>		
No. of Strips	10,18,20,260 (11,25,96,893)	51,35,72,780 (60,16,40,835)
Kgs.	14,24,671 (12,56,476)	22,00,29,001 (24,04,90,960)

**Notes annexed to and forming part of accounts for the year ended 31<sup>st</sup> March, 2012****b) Value of Raw materials and spares consumed**

	Percentage (%)	Amount (₹)
Raw Material:		
Indigenous	<b>48.79</b> (49.08)	<b>1,79,64,68,326</b> (1,27,94,28,329)
Imported	<b>51.21</b> (50.92)	<b>1,88, 58,67,270</b> (1,32,73,05,365)
Stores and spares :		
Indigenous	<b>100</b> (100)	<b>4,49,00,214</b> (3,62,21,652)
<b>c) C.I.F Value of Imports</b>	<b>Current Year</b>	<b>Previous Year</b>
Raw Material	<b>1,79,33,60,545</b>	1,38,56,43,645
Capital Goods	<b>49,15,759</b>	1,82,28,614
<b>d) Expenditure in Foreign Currency</b>	<b>Current Year</b>	<b>Previous Year</b>
Commission	<b>2,73,79,598</b>	2,54,25,521
Travelling Expenses	<b>39,33,095</b>	31,71,100
Sales Promotion	<b>21,40,022</b>	26,48,804
Foreign Bank Charges	<b>40,57,381</b>	38,47,497
Interest on F.C. Loan	<b>9,96,85,872</b>	5,46,05,401
Others	<b>19,83,358</b>	22,52,394
<b>e) Earnings in Foreign Exchange</b>		
F.O.B. Value of Exports	<b>2,46,05,01,915</b>	1,83,27,09,733

AS PER OUR REPORT OF EVEN DATE.

For **PARIKH JOSHI AND KOTHARE**  
CHARTERED ACCOUNTANTS

For and on Behalf of the Board of Directors

Sd/-  
**(CA Y.R.VYAVAHARKAR)**  
PARTNERSd/-  
**Prakash M. Patil**  
(Managing Director)Sd/-  
**Harshit M. Savla**  
(Jt. Managing Director)Sd/-  
**Sunny Pagare**  
(Company Secretary)Place : Mumbai  
Date : 9<sup>th</sup> July, 2012



## CASH FLOW STATEMENT

Sr. No.	Particulars	(₹ in Lakhs)	
		FOR THE YEAR ENDED 31 <sup>st</sup> March 2012	FOR THE YEAR ENDED 31 <sup>st</sup> March 2011
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit before Tax and Extraordinary items	3,221.98	3,147.29
	<b>ADJUSTMENT FOR:</b>		
	Depreciation	2,195.57	1,548.05
	Expenses Amortised	226.05	226.02
	Interest Paid	2,531.28	1,563.40
	Interest Received	(84.48)	(2.18)
	Dividend Received	(0.99)	(0.68)
	Loss on Sale of Asset	5.03	-
	Exceptional Items	116.27	7.44
	Operating Profit before Working Capital Changes	8,210.70	6,489.33
	Trade & Other Receivable	(3,996.00)	(2,480.71)
	Inventories	(557.88)	(2,458.25)
	Trade & other Payable	702.26	2,162.54
	Cash generated from operation	4,359.09	3,712.91
	Direct Taxes Paid	(695.01)	(872.81)
	Net Cash Flow from Operating Activities	3,664.08	2,840.11
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets / Capital work in progress/ Advances	(4,726.55)	(7,042.16)
	Sales/ (Purchase) of Investment	(132.88)	(323.44)
	Sale of Fixed Assets	778.54	3.16
	Interest Received	84.48	2.18
	Dividend Received	0.99	0.68
	Net Cash Flow from Investing Activities	(3,995.42)	(7,359.59)
<b>C.</b>	<b>Cash Flow from Financing Activities</b>		
	Net proceeds /(Net repayment) from Long Term Borrowings	(428.27)	1,844.24
	Net proceeds from Unsecured Loans & from Scheduled Bank	3,802.86	5,140.72
	Dividend Paid	(544.88)	(908.14)
	Interest Paid	(2,531.28)	(1,563.40)
	Net Cash Flow from Financing Activities	298.43	4,513.42
	Net Increase in Cash and Cash Equivalents (A+B+C)	(32.91)	(6.07)
	Opening Cash and Cash Equivalents	358.55	365.00
	Acquired pursuant to Scheme of Amalgamation	168.75	-
	Closing Cash and Cash Equivalents	494.39	358.55

Note : (i) Figures in brackets indicate outflows  
(ii) Cash and cash equivalent is cash and bank balance as per balance sheet  
(iii) Fixed Deposits with bank amounting to ₹ 60.68 lakhs (Previous year ₹ 66.48 lakhs) under lien are considered as cash & cash equivalents

AS PER OUR REPORT OF EVEN DATE  
**FOR PARIKH JOSHI AND KOTHARE**  
CHARTERED ACCOUNTANT.

For and on Behalf of the Board of Directors

Sd/-  
**(CA. Y.R.VYAVAHARKAR)**  
PARTNER

Sd/-  
**Prakash M. Patil**  
(Managing Director)

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

Sd/-  
**Sunny Pagare**  
(Company Secretary)

Place : Mumbai  
Date : 9<sup>th</sup> July, 2012

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# AARTI DRUGS LTD

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

## FORM OF PROXY

I/We \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ being a member/members of the above named Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Company to be held on Wednesday, 29<sup>th</sup> day of August, 2012 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature \_\_\_\_\_

Affix  
Re. 1/-  
Revenue  
Stamp

L.F.No. \_\_\_\_\_

\*Depository : NSDL/CDSL \_\_\_\_\_

\*DP.ID \_\_\_\_\_

\*Client ID \_\_\_\_\_

(\*For Shares held in Electronic Form)

No. of Share(s) held \_\_\_\_\_

Notes:

- (1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
- (2) A proxy need not be a member.
- (3) The completed form should be deposited at the Registered Office of the Company, Plot No.N-198, MIDC, Tarapur, Village-Pamtembhi, Taluka-Palghar, Dist.-Thane 401 506, Maharashtra not less than 48 hours before the time for holding the meeting.



# AARTI DRUGS LTD

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

## ATTENDANCE SLIP

I hereby record my presence at the **TWENTY SEVENTH ANNUAL GENERAL MEETING** held at TIMA Hall, MIDC Tarapur, Taluka-Palghar, Dist. Thane 401 506, Maharashtra on Wednesday 29<sup>th</sup> day of August, 2012 at 11.00 a.m.

1. L.F.No. \_\_\_\_\_

2. \*Depository : NSDL/CDSL \_\_\_\_\_

3. \*DP.ID \_\_\_\_\_

4. \*CLIENT ID \_\_\_\_\_

(\*FOR SHARES HELD IN ELECTRONIC FORM)

5. FULL NAME OF THE SHAREHOLDER: \_\_\_\_\_  
(IN BLOCK LETTERS)

6. NO. OF EQUITY SHARES HELD: \_\_\_\_\_

7. SIGNATURE OF THE SHAREHOLDER \_\_\_\_\_

OR PROXY ATTENDING:

(PLEASE GIVE FULL NAME OF THE 1<sup>ST</sup> JOINTHOLDER)

MR./MRS./MISS \_\_\_\_\_

(TO BE USED ONLY WHEN FIRST NAMED SHAREHOLDER IS NOT ATTENDING)

NOTE: PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.



**Aarti Drugs Ltd.**

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

Tel.: ++91 22 2401 9025

Fax: ++91 22 2407 3462 / ++91 22 2407 0144

[www.aartidrugs.com](http://www.aartidrugs.com)