

BOOK - POST

To,



**Aarey**

**DRUGS & PHARMACEUTICALS LTD.**

If undelivered please, return to :

**Aarey** DRUGS & PHARMACEUTICALS LTD.

**Registered Office :**  
E-34, MIDC, TARAPUR,  
BOISAR, DIST. THANA.

**21<sup>st</sup> Annual Report**  
**2010 - 2011**

### BOARD OF DIRECTORS

Mihir R.Ghatalia  
Jagdish K.Shah  
Lalit R.Tulsiani  
Chetan K.Mehta  
Satish M.Sheth

Managing Director  
Chairman  
Director  
Director  
Director

### REGISTERED OFFICE

E-34, M.I.D.C.,  
Tarapur, Boisar,  
Dist.Thane.  
Pincode - 401 506.

### HEAD OFFICE

107, Sahakar Bhavan,  
340/348, Narshi Natha Street,  
Masjid, Mumbai - 400 009.

### WORKS

E-34, M.I.D.C,  
Tarapur, Boisar,  
Dist.Thane.  
Pincode - 401 506.

### BANKERS

STATE BANK OF PATIALA  
Seepz++,  
Andheri (East) Branch  
INDIAN OVERSEAS BANK  
Vile Parle (East) Branch  
CANARA BANK  
Vile Parle (East) Branch  
HDFC BANK  
Lokhandwala Branch

### AUDITORS

DMKH & Co.  
C-9, Sanjay Apartment,  
Near Gokul Hotel,  
SVP Road, Borivali (W),  
Mumbai - 400 092.

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF AAREY DRUGS & PHARMACEUTICALS LIMITED WILL BE HELD ON, 30<sup>TH</sup> SEPTEMBER, 2011 AT E-34, MIDC, TARAPUR, BOISAR, DIST. THANE TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March 2011 and the Balance Sheet as on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Lalit Radhakrishna Tulsani, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint M/s DMKH and Company, as auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

By order of the Board of Directors  
FOR AAREY DRUGS & PHARMACEUTICALS LIMITED

**Mihir R. Ghatalia**  
*Managing Director*

**REGISTERED OFFICE :**  
E-34, MIDC, TARAUR,  
BOISAR, DIST. THANA

**Date :** 25<sup>th</sup> August'2011  
**Place :** Mumbai

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

A proxy form duly completed and stamped, must reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

2. The relevant Explanatory Statement pursuant to the Section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The register of members and the share transfer books of the company will remain closed from 24<sup>th</sup> September'2011 to 30<sup>th</sup> September'2011 (both days inclusive) in connection with the Annual General Meeting.
4. Members are requested to send all transfer deeds, share certificates and other correspondence relating to registration of transfers, transmission endorsement of payment of allotment moneys, change in their address etc to the Registrar & Share Transfer Agents i.e

### LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound, LBS Marg,  
Bhandup (West), Mumbai 400 078.

5. As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed and reappointed is furnished below:

1	Name Of Director	Mr. Lalit Radhakrishna Tulsani
2	Age	53 Years
3	Date of Appointment	02 <sup>nd</sup> December'2004
4	Expertise in specific	Production
5	Qualification	Mechanical Engineer
6	Directorship held in other Limited Companies (Excluding Foreign Companies)	Nil
7	Committee position held in other companies	Nil
8	Number of Shares held	Nil

6. Members are requested to bring their copy of the Annual Report at the meeting.

By order of the Board of Directors  
FOR AAREY DRUGS & PHARMACEUTICALS LIMITED

**Mihir R. Ghatalia**  
*Managing Director*

**REGISTERED OFFICE :**  
E-34, MIDC, TARAUR,  
BOISAR, DIST. THANA

**Date :** 25<sup>th</sup> August'2011  
**Place :** Mumbai

## DIRECTORS REPORT

To,  
The Shareholders,  
Your Directors have pleasure in presenting the Twenty First Annual Report together with Audited Accounts for the year-ended 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS:

(In Rs.)

Particular	31 <sup>st</sup> March' 2011	31 <sup>st</sup> March' 2010
Income	678404953.00	466466632.00
Expenditure	668449763.00	456955200.00
(Loss) / Profit Before Exceptional Item & Tax	9955190.00	9511432.00
Profit Before Tax	9955190.00	9511432.00
(Less)/ Add: Balance Brought Forward From Previous Year	40075767.00	31970732.00
Balance Carried To Balance Sheet	47981323.00	40075767.00

The Board of Directors has already under proceeds issuing the Rights Shares in the ratio of 2:1 at a price of Rs. 25.00 per share (including premium of Rs. 15.00 per share or such other price as may be decided by the board)

### REVIEW OF OPERATIONS & FUTURE OUTLOOK

- PROFIT FROM WASTE** : Company plans to manufacture Ammonium Sulphate from effluent, which at present is drained away, additional investment of Rs. 95.22 lacs is required, the company has already invested Rs. 90 lacs from internal accruals & Share application money, company has already placed order for required machinery & expects to start productions by 31<sup>st</sup> March'2012. This will add to profitability of company.
- CREATING NEW CAPACITIES** : Company plans to increase capacity by app. 80% of existing capacity of Metronidazole (MTZ) and Metronidazole Benzoate (MBO) i.e. from 35 M.T. (MTZ) to 65 M.T.(MTZ) and from 10.50 M.T. (MBO) to 20 M.T. (MBO) respectively, Additional investment of Rs.177.76 lacs is required the Company has already invested Rs. 160 lacs through internal accruals & Share application money. Company has already placed order for required machinery & expects to starts production by 31<sup>st</sup> March'2012.
- EXPANDING PRODUCT BASKET**: Company plans to add new products i.e. Tinidazole, Glyoxal and Sildenafil Citrate. The total requirement for addition of this 3 products is Rs.875.76 lacs out of which the company has already invested Rs.672.91 lacs towards expansion. This investment is done through Internal accruals & Share application money. Company has already placed order for required machinery & expects to starts production by September' 2012.

### DIVIDEND

Your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2011.

### DEPOSITS

The Company has not accepted the deposits from the public as per the Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

### DIRECTOR

Mr. Lalit Radhakrishna Tulsiani Directors of the company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### DIRECTORS RESPONSIBILITY STATEMENT

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm:

- that in preparation of the Annual Accounts for the year ended 31<sup>st</sup> March,2011, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of financial year ended 31<sup>st</sup> March, 2011 and the profit / (Loss) of the Company for the year under review;
- that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act ,1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the annual accounts for the year ended 31<sup>st</sup> March,2011 have been prepared on a "going concern basis"

### AUDITORS

M/s. DMKH & Company, who were appointed as Auditors to hold office until the conclusion of the ensuing Annual General Meeting are eligible for re-appointment. The Company has received the Certificate from them to this effect.

### AUDIT COMMITTEE

The Company has formed the Audit Committees as per Section 292A of the Companies Act, 1956. The Members of the Committees are experts in finance matters, company law and general business practice.

### CORPORATE GOVERNANCE

A separate report on Corporate Governance is produced as a part of the Annual Report along with the Auditors statement on its compliance.

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

Information in accordance with the provisions of Section 217(1)(e) of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in annexure and forms part of this report.

### EMPLOYEES:

There were no employees coming under the purview of Section 217(2A) of the Companies Act, 1956 and the rules frame there under.

### DISCLOSURE UNDER SECTION 274

None of the Directors of the company are disqualified for being appointed as Directors as specified under section 274 of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

### ACKNOWLEDGEMENTS

Your Directors wish to place on record, the appreciation for the continued support of the customers, Bankers and Suppliers. Your Directors acknowledge and thank the employees for their valuable contribution and involvement.

For and on behalf of the Board of Directors

Jagdish K.Shah  
CHAIRMAN

Place: Mumbai  
Date: 25<sup>th</sup> August'2011