



Aarti Drugs Ltd.

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15TH ANNUAL REPORT 1999-2000

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DIRECTORS

| | |
|----------------------|---------------------------|
| CHANDRAKANT V. GOGRI | <i>Chairman</i> |
| MANILAL P. SAVLA | <i>Vice Chairman</i> |
| PRAKASH M. PATIL | <i>Managing Director</i> |
| SATISH P. NACHANE | <i>Managing Director</i> |
| HARSHIT M. SAVLA | <i>Wholetime Director</i> |
| HARIT P. SHAH | <i>Wholetime Director</i> |
| RAJENDRA V. GOGRI | |
| SHANTILAL T. SHAH | |

AUDITORS

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

BANKERS

Union Bank of India
Bank of Baroda
Bank of India
Times Bank Limited
State Bank of India

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

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

SECRETARIAL DEPARTMENT

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

Shareholders are requested to bring their copy of the Annual Report alongwith them as the same will not be distributed at the Meeting.



NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of AARTI DRUGS LIMITED will be held on Saturday, the 17th day of June, 2000 at 9.30 a.m. at Plot No. N-198, MIDC, Tarapur, Village-Pantembhi, Taluka-Palghar, Dist. Thane 401 506 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Chandrakant V. Gogri, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri. Harshit M. Savla, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, 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 and further subject to all such sanctions as may be necessary, the Company hereby approves the reappointment of Shri. Chandrakant V. Gogri as the Wholtime Director of the Company for a period of five years with effect from 1st July, 2000 on the terms and conditions including remuneration as 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 draft agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said draft agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act as may be agreed between the Board of Directors and Shri. Chandrakant V. Gogri."

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

"RESOLVED THAT pursuant to the provisions of Section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, approval and consent be and is hereby accorded to Shri. Arun M. Patil holding and continuing to hold an Office of Profit as Vice President-Commercial under the Company from 1st July, 2000 on a gross remuneration of Rs. 2,97,880/- per annum inclusive of perquisites/allowances as are normally provided by the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 approval and consent be and is hereby accorded to Shri. Sudhir Nachane holding and continuing to hold an Office of Profit as Manager Administration under the Company from 1st April, 2000 on a gross remuneration of Rs. 2,04,545/- per annum

inclusive of perquisites/allowances as are normally provided by the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 approval and consent be and is hereby accorded to Shri. Digvijay Jadeja holding and continuing to hold an Office of Profit as Export Manager under the Company from 1st April, 2000 on a gross remuneration of Rs. 1,79,025/- per annum inclusive of perquisites/allowances as are normally provided by the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 approval and consent be and is hereby accorded to Smt. Manjari Sabnis holding and continuing to hold an office of profit as Manager Finance under the Company from 1st April, 2000 on a gross remuneration of Rs. 1,77,600/- per annum inclusive of perquisites/allowances as are normally provided by the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum of Association of the Company be and is hereby altered and extended by inserting the following sub-clause as new sub-clause 86 immediately after the existing sub-clause 85 of Clause IIIC of the Memorandum of Association of the Company:

'86. To carry on the business of developers, designers, manufacturers, assemblers, repairers, servicers, researchers, discoverers, maintenance engineers, buyers, sellers, publishers, importers, exporters, agents licensors, hirers, consultants/advisors and dealers in all types of Information Technology (IT) and IT related, hardware and hardware related, software and software related research and development, education, training and services, telecommunications and telecommunications related, network and networking related, Internet and Internet related activities including Internet Service Providers (ISP), use and development of convergent technologies E-commerce and E-commerce related and generally to carry on the business related to computers, computing, IT both in India and overseas'."

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

"RESOLVED THAT pursuant to the provisions of Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for commencing and undertaking all or any of the business specified in the newly introduced sub-clause (86) of Clause IIIC of the Memorandum of Association of the Company as and when deemed fit by the Board of Directors upon the aforesaid sub-clause becoming effective."

15TH ANNUAL REPORT 1999-2000**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business at Item Nos. 5 to 11 are annexed hereto.
3. Members are requested to notify immediately any change in their address to the Company's Secretarial Department at Udyog Kshetra, Mulund-Goregaon Link Road, L.B.S. Marg, Mulund (West), Mumbai - 400 080.

4. The Register of Members and Share Transfer Books of the Company will remain closed on Monday, the 29th May, 2000.
5. Members/Proxies should bring the admission slip duly filled in for attending the meeting.

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

Place: Mumbai
Date: 18th April, 2000

BY ORDER OF THE BOARD

Sd/-
CHANDRAKANT V. GOGRI
Chairman

ANNEXURE TO NOTICE**Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.**

The following Explanatory Statement sets out the material facts relating to Item Nos. 5 to 11 of the Notice convening the 15th Annual General Meeting.

Item No. 5

Shri. Chandrakant V. Gogri has been holding office of the Wholtime Director of the Company with effect from 1st July, 1995 for a period of five years which term expires on 30th June, 2000. At the meeting of the Board of Directors (Board) of the Company held on 18th April, 2000, Shri.Chandrakant V. Gogri has been reappointed as Wholtime Director of the Company upon the terms and conditions contained in the draft agreement to be entered into by the Company with him subject to the approval of the Company in General Meeting. The said draft agreement, interalia, contains the following material terms and conditions :

1. Period of Agreement : From 01/07/2000 to 30/06/2005
2. Remuneration :
 - a) Salary : Rs.45,000/- per month
The above salary per month shall be paid with power to the Board of Directors to increase the salary from time to time subject to ceiling of Rs.1,00,000/- per month.
 - b) Perquisites/Allowances :
In addition to salary as above, the Wholtime Director shall be entitled to following perquisites/allowances :
 - i) House Rent Allowance : Rs. 81,000/- p.a.
 - ii) Servant(s) at Residence for official work assistance: Rs. 36,000/- p.a.
 - iii) Bonus: Rs. 54,000/- p.a.
 - iv) Leave Travel Allowance of Rs. 54,000/- p.a. (payable yearly for self and family).
 - c) Fees of Club subject to a maximum of two clubs will be allowed. This will not include admission and life membership fees.
 - d) The Wholtime Director shall also be entitled to following perquisites which shall not be included in

the computation of the ceiling on remuneration specified herein:

- (i) Contribution to provident fund, super annuation fund or annuity fund as per the rules of the Company to the extent there either singly or put together are not taxable under the Income Tax Act, 1961.
 - (ii) Gratuity payable at rate not exceeding half a month's salary for each completed year of service.
 - (iii) Encashment of leave at the end of the tenure.
 - (iv) Provision of car for business of the Company as well as for personal use.
 - (v) Telephone at residence: Personal long distance calls on telephone shall be billed by the Company.
3. Annual Privilege Leave to Wholtime Director: On full salary for a period of thirty days and shall be entitled to accumulate such leave for maximum of 90 days. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
 4. Wholtime Director 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 Wholtime Director the above salary/perquisites/allowances, notwithstanding the inadequacy of profits or no profits in any financial year during the tenure of his office as such.
 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 agreement may be altered and varied from time to time, so as not to exceed the limits specified in Schemdule XIII to the Companies Act, 1956, or any amendments made hereafter in that regard.
 8. The other terms and conditions of the draft agreement are such as are customarily contained in agreement of similar nature.

9. The said draft agreement including the remuneration payable to Wholtime Director of the Company shall be subject to the approval of the Company and all such sanctions as may be necessary and shall be given effect to as per the modifications, if any, made/approved as aforesaid.
10. The said draft agreement is available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays upto the date of Annual General Meeting.

Your Directors recommend the resolution at Item No.5 of the accompanying Notice for your approval.

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

Shri. Chandrakant V. Gogri is interested in the resolution pertaining to his reappointment as Wholtime Director of the Company. Shri. Rajendra V. Gogri, Director is deemed to be concerned or interested in the said resolution as he is related to him. None of the other Directors is, in any way, concerned or interested in the said resolution.

Item No. 6

Shri. Arun M. Patil, relative (brother) of Shri. Prakash M. Patil, Managing Director of the Company has been holding and continuing to hold office of profit under the Company on gross remuneration of Rs. 2,35,230/- p.a. It is proposed to vary the remuneration payable to him w.e.f. 1st July, 2000 to Rs. 2,97,880/- p.a. inclusive of perquisites/allowances as are normally provided by the Company.

Under the provision of Section 314 (1B) of the Companies Act, 1956 prior consent of the Company by way of special resolution and approval of the Central Government is necessary to a relative of a Director holding and continuing to hold an office of a profit under the Company carrying a monthly remuneration of Rs.20000/- or more. Your Directors thus, recommend the said resolution for your approval to be passed as special resolution.

Your Directors recommend the resolution at Item No.6 of the accompanying Notice for your approval.

Shri. Prakash M. Patil is deemed to be concerned or interested in the resolution at Item No.6 as he is related to him.

None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

Item Nos. 7 to 9

Shri. Sudhir Nachane, Shri. Digvijay Jadeja and Smt. Manjari Sabnis, relatives of Directors of the Company have been holding and continuing to hold offices of profit under the Company with effect from 1st April, 2000 as stated in the respective resolutions set out at Item Nos. 7 to 9 of the Notice

on gross monthly remuneration exceeding Rs.10000/- per month as stated in the draft resolutions.

Under the provision of Section 314 of the Companies Act, 1956 consent of the Company by way of special resolution is necessary to a relative of a Director holding and continuing to hold an office of a profit under the Company carrying a monthly remuneration of Rs.10000/- or more. Your Directors thus, recommend the said resolutions for your approval to be passed as special resolutions.

Your Directors recommend the resolutions at Item Nos. 7 to 9 of the accompanying Notice for your approval.

Shri. Satish P. Nachane and Shri. Shantilal T. Shah are deemed to be concerned or interested in the resolutions at Item Nos. 7 to 9 as they are related to Shri. Sudhir Nachane, Smt. Manjari Sabnis and Shri. Digvijay Jadeja respectively.

None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

Item Nos. 10 and 11

With a view to exploit high growth opportunities in the field of information technology, your Directors have considered appropriate to provide enabling clause in the Object Clause in the Memorandum of Association of the Company as set out in the resolution at Item No. 10 of the Notice and further approval of the Company to take up any business in the said field at an appropriate time in terms of resolution set out at Item No. 11 of the Notice. Your Directors are of the view that the proposed additional object may conveniently and advantageously be combined with the existing business of the Company.

The said resolutions have been proposed to be passed as special resolutions in view of provisions of Sections 17 and 149(2A) of the Companies Act, 1956.

Your Directors recommend the said resolutions for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said resolutions.

A copy of the Memorandum of Association together with the proposed amendment is available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. except Saturdays upto the date of Annual General Meeting.

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

Place: Mumbai
Date: 18th April, 2000

BY ORDER OF THE BOARD

Sd/-

CHANDRAKANT V. GOGRI
Chairman