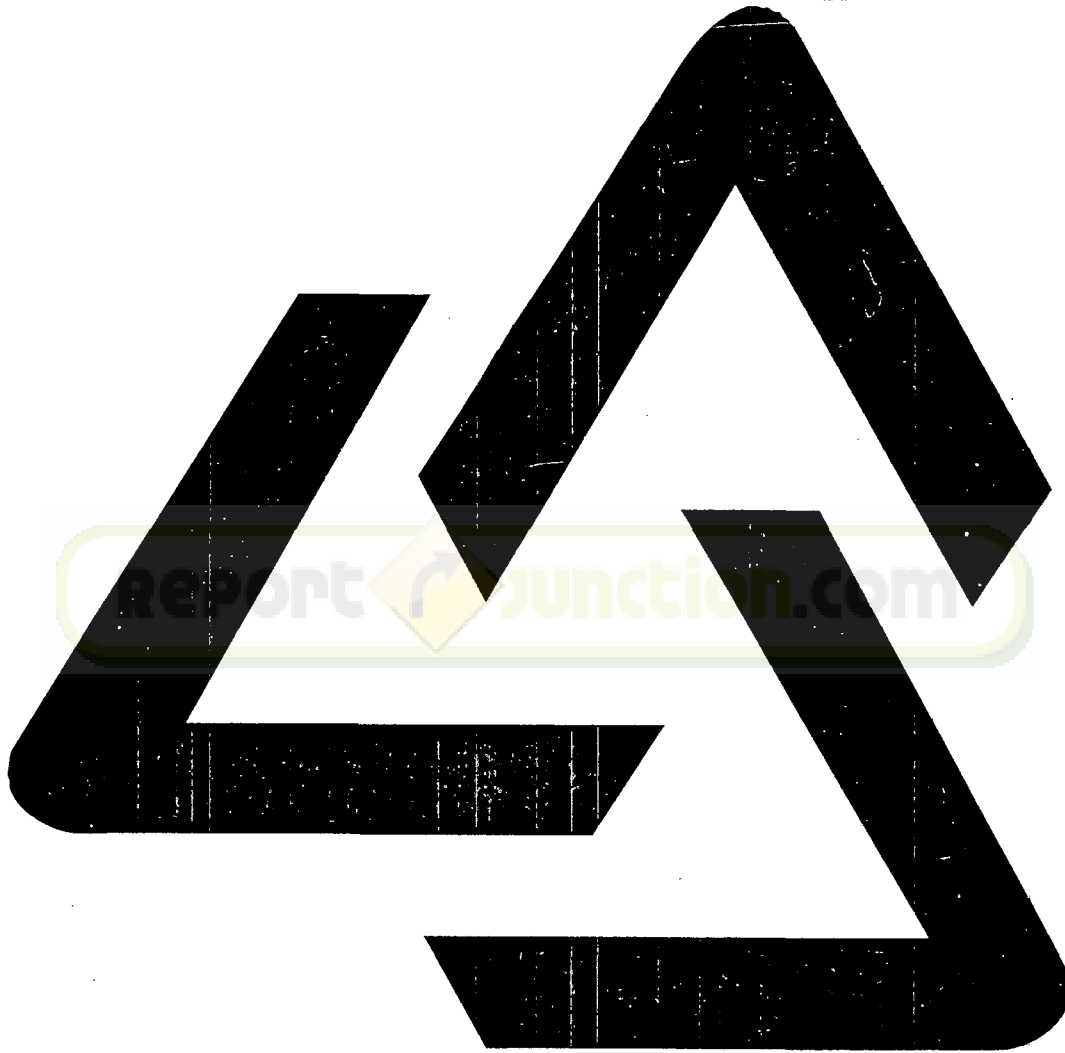


ANNUAL REPORT 1996-97

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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



American Remedies Limited



American Remedies Limited



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**TWELFTH
ANNUAL GENERAL MEETING**



DATE :

28TH AUGUST 1997



TIME :

11.30 A.M.



VENUE :

**KASTHURI SRINIVASAN HALL,
MUSIC ACADEMY, 306, T T K ROAD,
CHENNAI - 600 014.**

American Remedies Limited



BOARD OF DIRECTORS

R.K. Ramanathan
G.K. Ramani
S.R. Ramaswamy Iyer
V. Subbaraman
K.S. Ramanathan



COMPANY SECRETARY

K.Mohan



BANKERS

ANZ Grindlays Bank Ltd.,
Allahabad Bank
Bank of Baroda
Union Bank of India



AUDITORS

M/s. Karra & Co.
Chartered Accountants
Chennai.



LEGAL ADVISOR

R.Subramanian
Chennai.



REGISTERED OFFICE

14, Lattice Bridge Road,
Adyar, Chennai - 600 020.



CORPORATE OFFICE

K R Buildings,
124, Lattice Bridge Road,
Adyar, Chennai-600 020.



FACTORIES

Plot No.288 & 299, SIDCO Estate,
Ambattur, Chennai-600 098.

Plot Nos.16, 17, 31 & 32
SIDCO PHARMACEUTICAL COMPLEX,
Alathur, Kancheepuram Dist.,
Chennai-603 110.

15, Industrial Development Area,
Bala Nagar, Hyderabad-500 037.



American Remedies Limited

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twelfth Annual General Meeting of the company will be held on THURSDAY, the 28th day of AUGUST, 1997, AT 11.30 A.M. at KASTHURI SRINIVASAN HALL (MINI HALL), The Music Academy, 306, T T K Road, Chennai-600 014 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date, together with the Report of the Directors' and Auditors' there on.
2. To declare dividend.
3. To elect a Director in the place of Mr. G.K. Ramani, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS

ORDINARY RESOLUTION

5. To Consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. K. S. Ramanathan, who was appointed an Additional Director of the company by the Board of Directors, at their meeting held on 05.05.97 and who holds office as such upto the date of 12th Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956, have been received from a member signifying his intention to propose Mr. K. S. Ramanathan as a Candidate for the Office of Director of the Company, be and is hereby appointed as a Director of the Company".

By order of the Board
for **AMERICAN REMEDIES LIMITED**

CHENNAI,
26-06-97.

K. MOHAN
Company Secretary

NOTES

1. A member entitled to attend and vote is entitled to appoint a Proxy to attend and to vote on poll, instead of himself and such Proxy need not be a member.
2. The instrument appointing proxy should be deposited with the Company not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20-08-97 to 28-08-97 (both days inclusive).
4. The dividend, as recommended by the Board of Directors, if declared at the meeting, shall be paid to those members, whose names appear in the Register of Members of the Company on 28-08-97 or to their mandatees.
5. Members are requested to notify immediately change of their address, if any, and their Bank Account particulars for incorporating on the Dividend Warrant.

**ANNEXURE TO THE NOTICE**

Explanatory Statement pursuant to the provision of Section 173(2) of the Companies Act, 1956, in respect of item No.5.

Mr. K.S. Ramanathan was appointed as Additional Director of the Company on the 5th May of 1997, by the Board of Directors of the Company. According to the provisions of section 260 of the Companies Act, 1956, he holds office as Director only up to the date of the ensuing Annual General Meeting. As required by section 257 of the Act, a notice has been received from a member signifying his intention to propose his appointment as a Director alongwith a deposit of Rupees Five Hundred. The Board considers it desirable, that the Company should continue to avail itself of his service.

By Order of the Board
for **AMERICAN REMEDIES LIMITED**

Chennai,
26-06-97.

K. MOHAN
Company Secretary

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American Remedies Limited

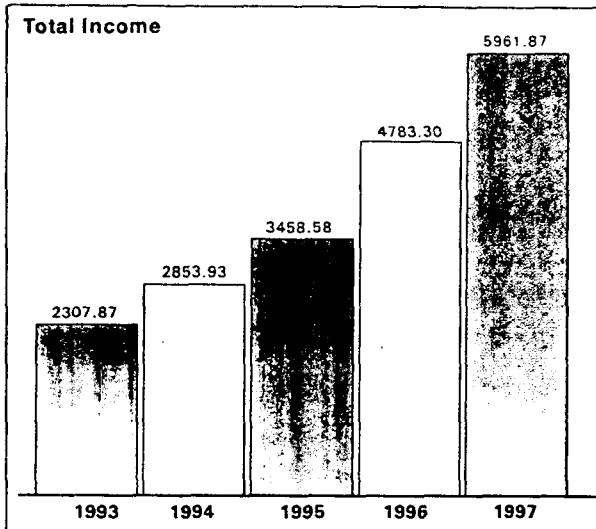
FIVE YEAR FINANCIAL HIGHLIGHTS

OPERATING RESULTS	31.03.1993	31.03.1994	31.03.1995	31.03.1996	31.03.1997
	Rs.	Rs.	Rs.	Rs.	Rs.
Sales/Income from operations	22,47,30,818	28,40,22,572	34,25,93,749	47,45,92,442	59,43,74,320
Other Income	60,56,676	13,70,008	32,64,459	37,37,253	18,12,230
Profit before Depreciation & Tax	82,23,459	2,01,42,629	3,49,83,754	4,77,14,461	5,85,24,069
Profit before Tax	66,00,504	1,68,22,092	2,94,31,288	3,59,67,921	4,30,66,709
Profit after Tax	33,00,504	81,22,092	2,29,31,288	3,02,67,921	3,30,66,709
Dividend	8,45,000	16,56,600	32,34,370	72,24,210	1,05,30,800

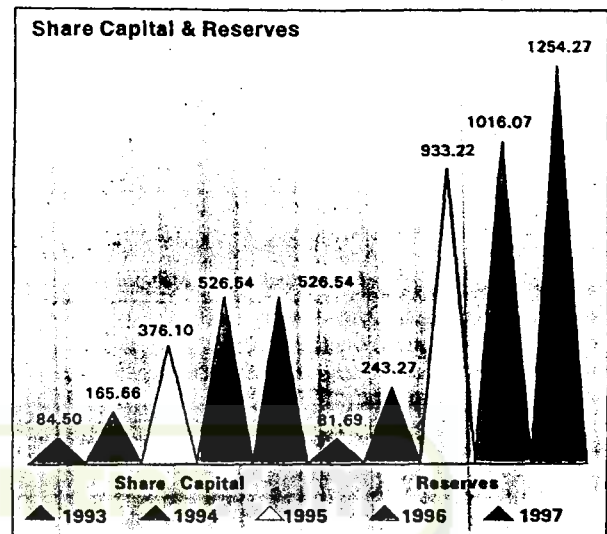
YEAR END POSITIONS	31.03.1993	31.03.1994	31.03.1995	31.03.1996	31.03.1997
	Rs.	Rs.	Rs.	Rs.	Rs.
Fixed Assets	1,04,36,859	2,97,78,877	6,53,32,297	11,97,56,317	18,93,19,978
Investments	98,501	1,94,501	29,24,501	33,86,501	4,92,501
Net Current Assets & Miscellaneous Expenses	3,33,52,444	6,67,40,985	12,87,09,230	14,09,26,851	14,56,06,328
Total Assets	4,38,87,804	9,67,14,363	19,69,66,028	26,40,69,669	33,54,18,807
Share Capital	84,50,000	1,65,66,000	3,76,10,000	5,26,54,000	5,26,54,000
Reserves	81,69,698	2,43,27,404	9,33,22,322	10,16,07,127	12,54,26,926
Loan Funds	2,72,68,106	5,58,20,959	6,60,33,706	10,98,08,542	15,73,37,881
Total Liabilities	4,38,87,804	9,67,14,363	19,69,66,028	26,40,69,669	33,54,18,807



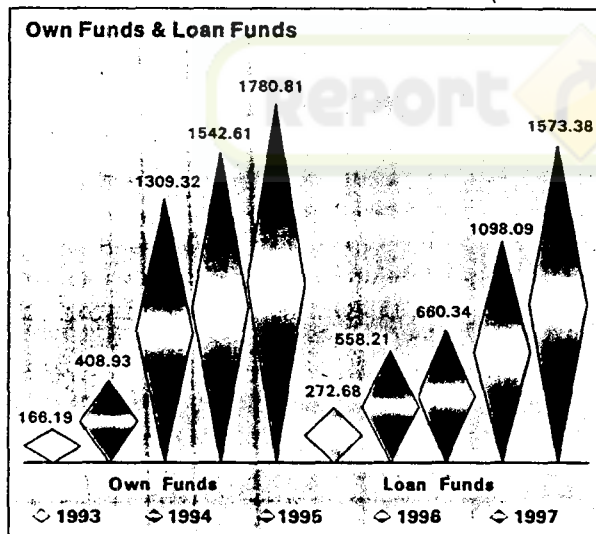
(Rs. in Lacs)



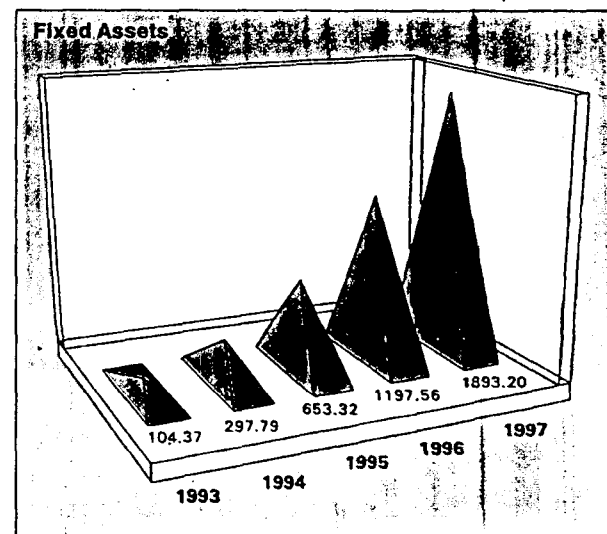
(Rs. in Lacs)



(Rs. in Lacs)



(Rs. in Lacs)





American Remedies Limited

REPORT OF THE DIRECTORS' TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Twelfth Annual Report of the Company alongwith the audited accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 1997 are summarised below:

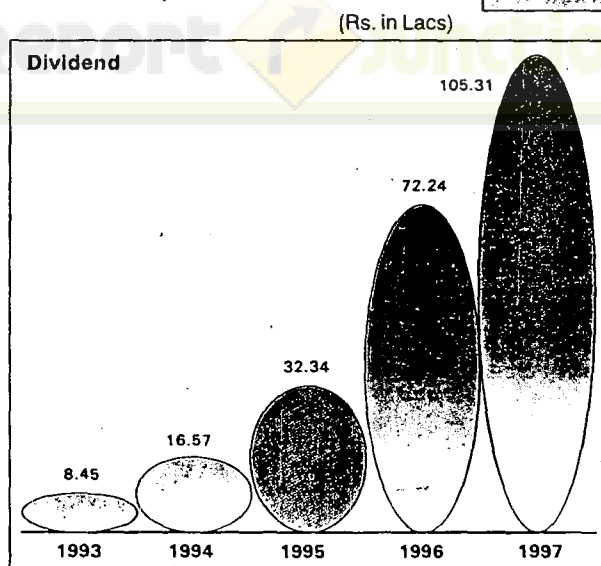
	(Rs. in lacs)
Profit before Depreciation	585.24
Less: Depreciation for the year	154.57
Profit before taxation	430.67
Balance in Profit & Loss Account b/f	0.54
Profit available for appropriation	431.21

Your Directors recommended the following appropriations and transfers

General Reserves	225.00
Provision for Taxation	100.00
Proposed Dividend (20%)	105.31

DIVIDEND

Based on the results for the year, your Directors recommend a dividend of 20% for the year 1996-97

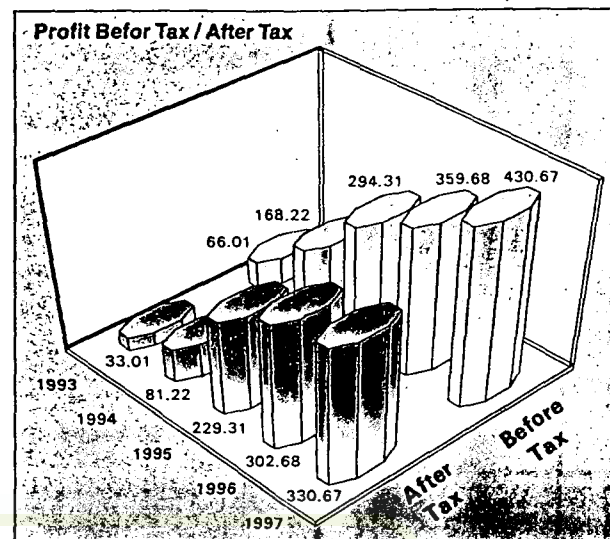


Ambattur Facility which has significantly improved the yield of the product apart from providing an environment comparable to the international GMP standards.

FIXED DEPOSITS

The deposits from the Public and the shareholders as on 31.03.97 amounted to Rs.18,47,000 of which Rs.8,34,000 (51 deposits) were renewals. Deposits maturing during the year were paid on respective due dates; there were no unpaid matured deposits. The company has complied with the provisions of Section 58A of the Companies Act, 1956.

(Rs. in Lacs)



OPERATIONS

During the year under review, your company has registered an all round improvement.

Your company has achieved an Income of Rs. 5961.87 Lacs registering an increase of 24.64% over the previous year.

During February '97, your Company has successfully commissioned Phase I of the state of the art of Bulk Drug manufacturing facility at Alathur. Phase II of the project is expected to be commissioned by August '97.

During the year, your Company has installed a sophisticated High Speed Automatic Capsule Filling line at its

Ambattur Facility which has significantly improved the yield of the product apart from providing an environment comparable to the international GMP standards.

**ENERGY CONSERVATION etc.,**

The details regarding Technology Absorption, Energy Consumption, Foreign Exchange Earnings and outgo are given separately in ANNEXURE A to this Report.

DIRECTORS

Mr. G. K. Ramani, Director, retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

AUDITORS

Members are requested to appoint M/s. Karra & Co., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

FINANCE

Your Directors would like to express their appreciation of the understanding and continued support received from Consortium bankers and Financial Institutions.

PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the ANNEXURE to the Directors Report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts is being sent to all the shareholders of the Company excluding the aforementioned information. Any shareholder interested in obtaining such particulars may write to the Registered Office of the Company.

STATEMENT UNDER CLAUSE 43 OF THE LISTING AGREEMENT.

The amount collected through Boughtout deal and private placement of shares aggregating to Rs. 700 lacs has been utilised for financing the new project at Alathur and modernising the existing factory at Ambattur.

Projections Vs Performance:

For the year ended 31-03-97

(Rs. in lacs)

	Projections (as indicated in Offer for Sale Document Dated 05-09-95)	Performance
Total Income	6000.00	5961.87
Profit after Tax	502.25	330.67
Earnings per share (Rs.)	9.54	6.28

There has been a delay in commissioning of the Bulk Drug Project at Alathur. Phase I of the Project has already been commissioned during February 1997. Phase II of the Project is expected to be commissioned by August 1997. This delay has resulted in the reduced contribution and profitability, notwithstanding the achievement of the projected sales/income from operations by the company.

ACKNOWLEDGEMENT

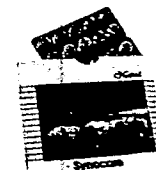
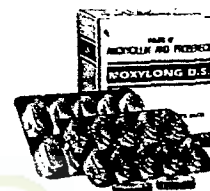
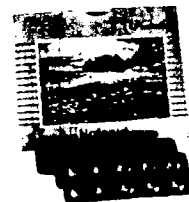
The industrial relations as ever, continued to remain cordial throughout the year.

Your Directors wish to place on record their deep sense of appreciation of the devoted services rendered by the managers, executives, officers, employees and wellwishers of the company towards achieving the objectives of the Company.

ON BEHALF OF THE BOARD OF DIRECTORS

R.K. RAMANATHAN
V. SUBBARAMAN
Directors.

Chennai,
26-06-97.





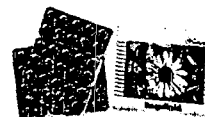
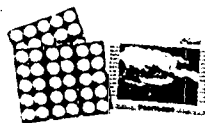
American Remedies Limited

ANNEXURE TO CONSERVATION OF ENERGY

FORM - A

(See rule 2)

Form for disclosure of particulars with respect to conservation of energy.



A. Power and Fuel Consumption	1996-97	1995-96
I. Electricity		
(a) Purchased		
Unit	668138	522650
Total amount (Rs.)	2138042	1674402
Rate (Rs.)	3.20	3.20
(b) Own Generation		
1. Through diesel generator	413251	51769
Unit	2.50	2.50
Unit per-ltr. of diesel oil	6.00	6.00
Cost/Unit (Rs.)	-	-
2. Coal quantity	-	-
Total cost	-	-
Average rate	-	-
3. Furnace oil	-	-
Quantity	-	-
Total amount	-	-
Average rate	-	-
4. Natural gas quantity	-	-

B. CONSUMPTION PER UNIT OF PRODUCTION

The Consumption per unit depends on the product mix since it consists of different types of products and variable batch sizes. Hence there is no specific standard.

On Behalf of the Board of Directors

Chennai,
26.06.97.

R. K. Ramanathan
V. Subbaraman
Directors.

