

ANNUAL REPORT 1998 - 99



 **American Remedies Limited**

BOARD OF DIRECTORS

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

COMPANY SECRETARY

K. Mohan

BANKERS

Allahabad Bank
ANZ Grindlays Bank Ltd
Bank of Baroda
Centurion Bank Ltd
IDBI Bank Ltd
State Bank of India
Union Bank of India

AUDITORS

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

LEGAL ADVISOR

R. Subramanian
Chennai.

CORPORATE OFFICE

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

REGISTERED OFFICE

14, 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 (Via), Thiruporur, Pin. 603 110.
Kancheepuram District.

A -14,
SIDCO PHARMACEUTICAL COMPLEX,
Alathur (Via), Thiruporur, Pin. 603 110.
Kancheepuram District.

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

No. 63/3 & 63/4,
Mannadipet Commune,
Thiruvandarkoil,
Pondicherry - 605 102.



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11th ANNUAL GENERAL MEETING

DATE : 7th SEPTEMBER 1999

AT : 10.45 A.M.

AT : KASTHURI SRINIVASAN HALL
MUSIC ACADEMY
306, T T K ROAD
CHENNAI - 600 014



Notice to Shareholders

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Tuesday, the 7th September, 1999 at 10.45 A.M. at KASTHURI SRINIVASAN HALL (MINI HALL), 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, 1999 and the Profit and Loss Account for the year ended on that date, together with the Report of Directors' and Auditors' thereon.
2. To declare dividend.
3. To elect a Director in place of Mr. G. K. Ramani, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in place of Mr. S. R. Ramaswamy Iyer, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the provisions of Sec. 198, 269, 309 & 310 and other applicable provisions, if any, read with the provisions Schedule XIII of the Companies Act, 1956, the consent of the company be and is hereby accorded with respect to the payment of increased remuneration to the Whole-Time Directors for a period of one year with effect from 1-04-1999 on the terms and conditions including remuneration determined by the Board from time to time with the maximum limits specified below :

Mr. R. K. Ramanathan, Whole-time Director.

- I. Salary : Rs. 50,000 per month.
- II. Perquisites : In addition to the salary Mr. R.K. Ramanathan, Whole-Time Director shall also be entitled to the following perquisites:
 - a) Housing : 60% of the salary subject to the Income Tax Rules, 1962.
 - b) Leave Travel Assistance : for Self and Family, once in a year in accordance with the rules of the company.
 - c) Medical benefit : for Self and Family, Reimbursement of expenses actually incurred, the total costs of which to the company shall not exceed one month's salary in a year or 3 months salary over a period of three years.
 - d) Club Fees : Subject to a maximum of two clubs, not including admission and Life membership fees.

The total perquisites shall not exceed Rs. 4,50,000 per annum.

Company's contribution to Provident Fund, Superannuation fund and Gratuity, provision for use of car on company's business and telephone at residence shall not be included in the computation limit for remuneration or perquisites aforesaid.

RESOLVED FURTHER THAT commission will be allowed in addition to salary and perquisites, the amount of which, based on the net profits of the company in a particular year, shall be subject to the overall ceilings laid down in sections 198 and 309 of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of Loss, the above will be the minimum remuneration.





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

RESOLVED THAT pursuant to the provisions of Sec. 198, 269, 309 & 310 and other applicable provisions, if any, read with the provisions Schedule XIII of the Companies Act, 1956, the consent of the company be and is hereby accorded with respect to the payment of increased remuneration to the Whole-Time Directors for a period of one year with effect from 1-04-1999 on the terms and conditions including remuneration determined by the Board from time to time with the maximum limits specified below :

Mr. G. K. Ramani, Whole-time Director.

- I. Salary : Rs. 50,000 per month.
- II. Perquisites : In addition to the salary Mr. G.K. Ramani, Whole-Time Director shall also be entitled to the following perquisites:
 - a) Housing : 60% of the salary subject to the Income Tax Rules, 1962.
 - b) Leave Travel Assistance : for Self and Family, once in a year in accordance with the rules of the company.
 - c) Medical benefit : for Self and Family, Reimbursement of expenses actually incurred, the total costs of which to the company shall not exceed one month's salary in a year or 3 months salary over a period of three years.
 - d) Club Fees : Subject to a maximum of two clubs, not including admission and Life membership fees.

The total perquisites shall not exceed Rs. 4,50,000 per annum.

Company's contribution to Provident Fund, Superannuation fund and Gratuity, provision for use of car on company's business and telephone at residence shall not be included in the computation limit for remuneration or perquisites aforesaid.

RESOLVED FURTHER THAT commission will be allowed in addition to salary and perquisites, the amount of which, based on the net profits of the company in a particular year, shall be subject to the overall ceilings laid down in sections 198 and 309 of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of Loss, the above will be the minimum remuneration.

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

RESOLVED THAT pursuant to the provisions of Sec. 198, 269, 309 & 310 and other applicable provisions, if any, read with the provisions Schedule XIII of the Companies Act, 1956, the consent of the company be and is hereby accorded with respect to the payment of increased remuneration to the Whole-Time Directors for a period of one year with effect from 1-04-1999 on the terms and conditions including remuneration determined by the Board from time to time with the maximum limits specified below :

Mr. S. R. Ramaswamy Iyer, Whole-time Director.

- I. Salary : Rs. 50,000 per month.
- II. Perquisites : In addition to the salary Mr. S. R. Ramaswamy Iyer, Whole-Time Director shall also be entitled to the following perquisites:
 - a) Housing : 60% of the salary subject to the Income Tax Rules, 1962.
 - b) Leave Travel Assistance : for Self and Family, once in a year in accordance with the rules of the company.
 - c) Medical benefit : for Self and Family, Reimbursement of expenses actually incurred, the total costs of which to the company shall not exceed one month's salary in a year or 3 months salary over a period of three years.
 - d) Club Fees : Subject to a maximum of two clubs, not including admission and Life membership fees.

The total perquisites shall not exceed Rs. 4,50,000 per annum.

Company's contribution to Provident Fund, Superannuation fund and Gratuity, provision for use of car on company's business and telephone at residence shall not be included in the computation limit for remuneration or perquisites aforesaid.



RESOLVED FURTHER THAT commission will be allowed in addition to salary and perquisites, the amount of which, based on the net profits of the company in a particular year, shall be subject to the overall ceilings laid down in sections 198 and 309 of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of Loss, the above will be the minimum remuneration.

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

RESOLVED THAT pursuant to the provisions of Sec. 198, 269, 309 & 310 and other applicable provisions, if any, read with the provisions Schedule XIII of the Companies Act, 1956, the consent of the company be and is hereby accorded with respect to the payment of increased remuneration to the Whole-Time Directors for a period of one year with effect from 1-04-1999 on the terms and conditions including remuneration determined by the Board from time to time with the maximum limits specified below :

Mr. V. S. Raaman, Whole-time Director.

I. Salary : Rs. 50,000 per month.

II. Perquisites : In addition to the salary Mr. V. S. Raaman, Whole-Time Director shall also be entitled to the following perquisites:

a) Housing : 60% of the salary subject to the Income Tax Rules, 1962.

b) Leave Travel Assistance : for Self and Family, once in a year in accordance with the rules of the company.

c) Medical benefit : for Self and Family, Reimbursement of expenses actually incurred, the total costs of which to the company shall not exceed one month's salary in a year or 3 months salary over a period of three years.

d) Club Fees : Subject to a maximum of two clubs, not including admission and Life membership fees.

The total perquisites shall not exceed Rs. 4,50,000 per annum.

Company's contribution to Provident Fund, Superannuation fund and Gratuity, provision for use of car on company's business and telephone at residence shall not be included in the computation limit for remuneration or perquisites aforesaid.

RESOLVED FURTHER THAT commission will be allowed in addition to salary and perquisites, the amount of which, based on the net profits of the company in a particular year, shall be subject to the overall ceilings laid down in sections 198 and 309 of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of Loss, the above will be the minimum remuneration.

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 31 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the Articles of Association of the Company be and are hereby amended, altered and/or substituted in the manner and to the extent as is set out herein below:

Article 2 of the Articles of Association shall include the following definitions in alphabetical order with marginal notes:

Beneficial owner "Beneficial Owner" shall mean beneficial owner as defined in Clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

Depositories Act Depositories Act, 1996, shall include any statutory modification or re-enactment thereof; and

Depository Depository shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

Member The term "Member" be inserted in Article 2 after the definition of "Persons".

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.



Register and index of Members

Article 142 of the Articles of Association be substituted by the following:

The Company shall cause to be kept a Register and Index of Members and other books and documents in accordance with all applicable provisions of the Companies Act, 1956 and Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

Company not bound to recognise any interest in shares other than that of the registered holders

Article 8 of the Articles of Association be substituted by the following:

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.

Dematerialised shares

The following Article with marginal note be inserted after the existing Article 8 and be numbered as Article 8A.

The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and/or to offer its shares in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder if any.

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

K. MOHAN
Company Secretary.

Place : Chennai
Date : 29-05-99

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY 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 explanatory statement pursuant to section 173 of the Companies Act, 1956 is annexed and forms part of the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 25.08.99 to 07.09.99 (both days inclusive).
5. 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 07-09-99 or to their mandatees.
6. Members are requested to notify immediately change of their address, if any, and their Bank Account particulars for incorporating on the Dividend Warrant.
7. Copy of the Memorandum and Articles of Association together with the proposed amendments will be available for inspection by the members of the Company at the Corporate Office of the Company during normal business hours on any working day upto the date of Annual General Meeting.
8. While opening a depository account with participants of NSDL, you may have given your bank account details, which will be used by your company for printing on dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the account specified on the dividend warrant. This ensures safety for investors. However, you may want to receive dividend in an account other than the one specified, while opening the depository account. If so, you may change/correct bank account details with your depository participant. We also request you to kindly give MICR code of your bank to your depository participant.





Annexure to the Notice

Explanatory Statement pursuant to the provision of Section 173(2) of the Companies Act, 1956, in respect of item Nos. 6, 7, 8, 9 & 10.

Item No : 6, 7, 8 & 9

Mr. R. K. Ramanathan, Mr. G. K. Ramani, Mr. S. R. Ramaswamy Iyer and Mr. V. S. Raaman were appointed as whole-time directors of the company on 1-4-1995 for a period of five years. The Board of Directors at their meeting held on 29th May, 1999 had approved payment of increased remuneration to the Whole-Time Directors with a basic pay of Rs. 50,000/- per month with effect from 1-04-99 plus perquisites as detailed in the resolutions, subject to the approval of shareholders.

As per the provisions of the Companies Act, 1956, approval of the shareholders is required for revising the remuneration to whole-time directors. Hence, the proposed ordinary resolutions seeking the approval of the shareholders.

None of the Directors except Mr. R.K. Ramanathan, Mr. G.K. Ramani, Mr. S.R. Ramaswamy Iyer and Mr. V.S. Raaman are interested in the respective resolutions.

This Explanatory Statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956

Item No : 10.

Consequent to the passing of the Depositories Act, 1996 and introduction of the depository system, some of the provisions of the Companies Act, 1956 pertaining to issue, holding, transfer and dealing in shares and other securities as also certificates thereof have been amended so as to facilitate the Depository System. Accordingly, the Articles of Association of the Company need to be amended as proposed in the resolution to be in line with the provisions of Depositories Act, 1996

The Board of Directors accordingly recommend the Resolution for approval of the Members. Any amendment to the Articles of Association of the Company requires approval of the Shareholders.

Hence, the proposed special resolution.

None of the Directors of the Company are interested or concerned in the resolution.

All the documents referred to in the Notice and Explanatory Statement above are open for inspection at the Corporate Office of the Company between 10.00 a.m. and 12 noon on all days except Sundays and holidays, until the date of the Annual General Meeting or any adjournment or adjournments thereof.

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

K. MOHAN
Company Secretary.

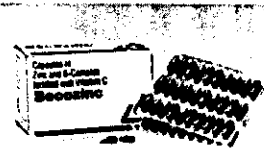
Place : Chennai.
Date : 29-05-99.



Five Year Financial Highlights

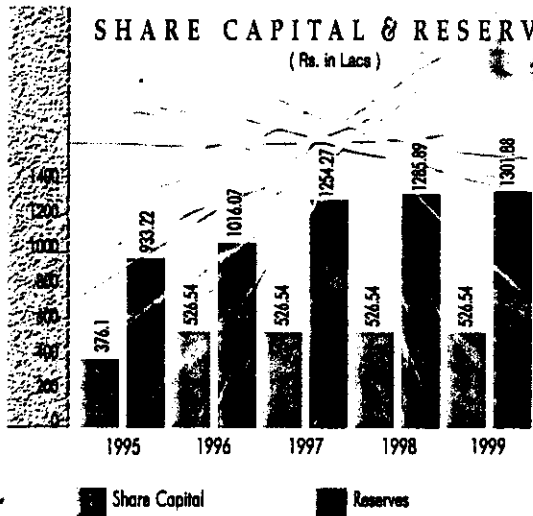
OPERATING RESULTS	31-03-95	31-03-96	31-03-97	31-03-98	31-03-99
	Rs.	Rs.	Rs.	Rs.	Rs.
Sales/Income from Operations	34,25,93,749	47,45,92,442	59,43,74,320	68,22,03,987	91,92,01,152
Other Income	32,64,459	37,37,253	18,12,230	34,03,017	72,56,661
Profit before Depreciation & Tax	3,49,83,754	4,77,14,461	5,85,24,069	5,20,42,699	5,00,57,345
Profit before Tax	2,94,31,288	3,59,67,921	4,30,66,709	2,55,33,512	1,61,87,697
Profit after Tax	2,29,31,288	3,02,67,921	3,30,66,709	2,05,33,512	1,21,29,697
Dividend	32,34,370	72,24,210	1,05,30,800	1,05,30,800	1,05,30,800

YEAR END POSITIONS	31-03-95	31-03-96	31-03-97	31-03-98	31-03-99
	Rs.	Rs.	Rs.	Rs.	Rs.
Fixed Assets	6,53,32,297	11,97,56,317	18,93,19,978	26,43,29,397	26,43,03,331
Investments	29,24,501	33,86,501	4,92,501	2,42,501	6,66,995
Net Current Assets & Misc. Expenses	12,87,09,230	14,09,26,851	14,56,06,328	17,59,51,202	22,65,85,607
Total Assets	19,69,66,028	26,40,69,669	33,54,18,807	44,05,23,100	49,15,55,933
Share Capital	3,76,10,000	5,26,54,000	5,26,54,000	5,26,54,000	5,26,54,000
Reserves	9,33,22,322	10,16,07,127	12,54,26,926	12,85,89,242	13,01,88,139
Loan Funds	6,60,33,706	10,98,08,542	15,73,37,881	25,92,79,858	30,87,13,794
Total Liabilities	19,69,66,028	26,40,69,669	33,54,18,807	44,05,23,100	49,15,55,933

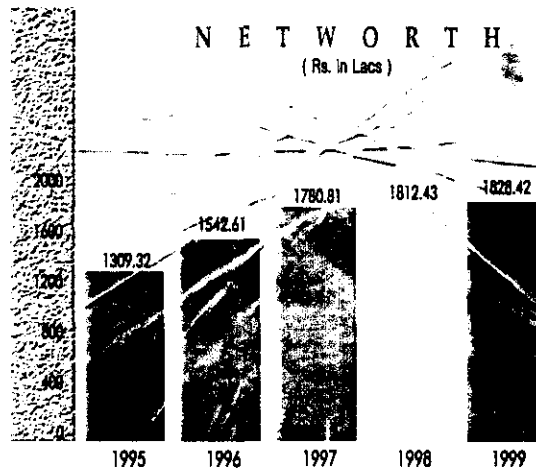


Financial Highlights

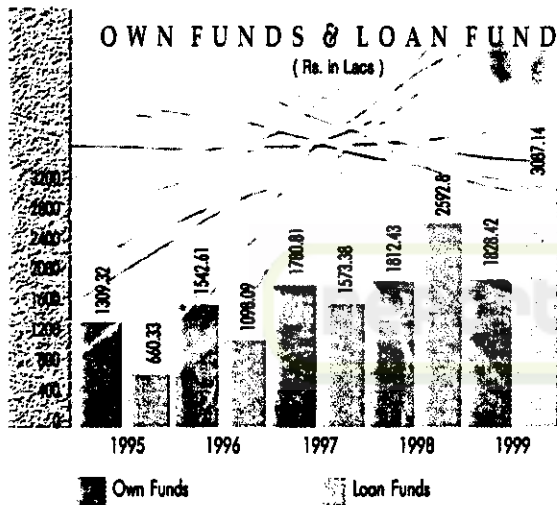
SHARE CAPITAL & RESERVES (Rs. in Lacs)



NETWORTH (Rs. in Lacs)



OWN FUNDS & LOAN FUNDS (Rs. in Lacs)



FIXED ASSETS (Rs. in Lacs)

