


8th Annual Report

2000-2001

CERTIFIED TRUE COPY

For Mervin Drug Products Ltd.


Authorised Signatory

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MERVEN 
MERVEN DRUG PRODUCTS LIMITED

MERVEN DRUG PRODUCTS LIMITED



Board of Directors

Mr. T. Mallikarjuna Reddy
Chairman

Mr. Ajit Annu Kamath
Director

Mr. Manoj Tejraj Jain
Director

Mr. Bhupathiraju Venkatarama Raju
Director

Manager

Mr. M.V. Prasad Reddy
General Manager- Technical

Compliance Officer

Mr. R.S.G. Krishna Reddy
Asst. Manager – Secretarial

Auditors

M/s. Nayak & Rane.
Chartered Accountants,
Mumbai.

Request to Members

- Members are requested to bring their copies of Annual Report to the meeting.
- Members are requested to avoid being accompanied by non-members and/or children.
- Members/Bodies Corporate/Proxies should bring the attendance slip duly filled-in for attending the Meeting.
- Members desiring any information as regards accounts are requested to write to the Company at least seven days before the Meeting to enable the Management to keep the information ready.

Audit Committee Members

Mr. Bhupathiraju Venkatarama Raju
Chairman of the Committee
Mr. Manoj Tejraj Jain
Mr. Ajit Annu Kamath

Bankers

Bank of Baroda
State Bank of Hyderabad

Registrars & Transfer Agents

Sathguru Management Consultants (P) Ltd.,
Plot No. 15, Hindi Nagar,
Punjagutta,
Hyderabad – 500 034.

Registered Office & Works

Survey No. 323,
Gundlamachnur Village,
Hathnoora Mandal,
Medak District,
Pin – 502 296,
Andhra Pradesh.

MERVEN**MERVEN DRUG PRODUCTS LIMITED****NOTICE**

NOTICE is hereby given that the 8th Annual General Meeting of the members of Merven Drug Products Limited will be held at its registered office at Survey No. 323, Gundlamachnur Village, Hathnoora Mandal, Medak, Pin : 502296, Andhra Pradesh, on **Saturday, September 22, 2001** at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the balance sheet as at March 31, 2001 and the Profit and Loss Account for the year ended as on that date and the reports of the directors and auditors thereon.
2. To appoint a director in place of Mr. Bhupathiraju Venkatarama Raju, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint the auditors and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Manoj T. Jain, be and is hereby appointed as a director of the company, whose period of office shall be liable to determination by retirement of director by rotation."

5. 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 31 and all other applicable provisions, if any, of the Companies Act, 1956, and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities or bodies, the Articles of Association of the Company be and are hereby altered by insertion of the following Article No.40(a) after the existing Article No. 40.

Art. No 40(A)

Notwithstanding anything contained in this Articles of Association, the Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act, 1996, including any statutory modification(s) or re-enactment(s) thereof and to offer for subscription in a dematerialized form. The Company shall further be entitled to maintain a register of members with details of members holding shares in both material and dematerialized form(s) in any media as permitted by law including any form of electronic media.

(Company entitled to dematerialize its shares).

A "Beneficial Owner" means any person or persons whose name(s) is recorded as such with a Depository and the Company shall be entitled to treat the person(s) whose name(s) appears as the beneficial owner of the shares in the records of the

Depository defined in the Depositories Act, 1996 as the absolute owner thereof as regard receipt of dividend or bonus or rights and other entitlements or service of notices and all or any other matter connected with the shares and accordingly the Company shall not (except as ordered by a competent court of jurisdiction or a by law as required) be bound to recognise any benami trust or equity or equitable, contingent or whatsoever other claim to or interest in such share(s) on the part of any other person whether or not the Company shall have express or implied notice thereof.

(Beneficial owner deemed as absolute owner).

Notwithstanding anything contained in this Articles of Association and in any other law for the time being in force, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of the shares, debentures or other securities on behalf of a Beneficial Owner. Save as otherwise provided herein above, the depository as a registered owner shall not have any voting rights or any other rights in respect of shares, debentures or any other securities held by it; and the beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his shares, debentures or any other securities held by a Depository.

(Rights of Depositories and Beneficial Owner).

Every person holding equity shares of the company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the company.

(Beneficial owner deemed as a member).

The Company can hold investments in the name of a depository when such investments are in the form of securities held by the company as a Beneficial Owner.

(Investments in the name of a Depository)

When the shares or debentures or any other securities are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the company by means of electronic mode or by delivery of floppies or disks.

(Service of documents on Company)

The provisions contained in this articles of Association with regard to transfer or transmission of shares, debentures or any other securities shall not apply to transfer or transmission of shares, debentures or any other securities effected by the transfer and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(Transfer of shares and debentures)

With regard to the rectification of register of transfer, all the provisions of Section 111a of the Companies Act, 1956, as may be in force from time to time shall also apply.

MERVEN DRUG PRODUCTS LIMITED**MERVEN**

(Rectification of register of transfer)

Notwithstanding anything contained in subsection (1) of Section 113 of the Companies Act, 1956, or any other modification(s) or re-enactment(s) thereof, where the shares, debentures or any other securities are dealt with in a depository, the company shall intimate the details thereof to the depository immediately on allotment of such shares, debentures or any other securities as far as practicable.

(Allotment of shares, debentures or any other securities to a depository).

Provisions contained in this Articles of Association about recording distinctive numbers of shares or debentures held by each member or debenture holder respectively in the register of members or register of debenture holders of the company shall not apply to the shares or debentures or any other securities which are held with a depository.

(Distinctive number of shares and debentures held with a depository not required)

The register and index of beneficial owners maintained by a depository under section 11 of the depositories Act, 1996, shall also be deemed to be a register and index of members and register and index of Debenture holders, as the case may be, for the purposes of this Articles of Association and the Companies Act, 1956.

(Register and Index of Beneficial Owners)

The Shares, Debentures or any other securities of the company held by a depository shall be in a fungible form. In case of transfer or transmission of shares or other marketable securities where the company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the depositories act, 1996, as may be in force from time to time shall apply.

(Securities in fungible form).

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT in accordance with the provisions of section 81 and all other applicable provisions, if any of the companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and the listing agreements entered into by the company with the stock exchanges where the shares of the company are listed and subject to the approval, permission or sanction of the Financial Institutions (FIS), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities or entities, if any, to the extent such approval, permission or sanction may be necessary,

and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approval, permission or sanction and which may be agreed to by the Board of Directors of the Company (herein after referred to "The Board"), the consent of the Company be and is hereby accorded to the board to issue/offer unsecured fully convertible debentures (FCDS) as the Board at its sole discretion may at any time or times herein after decides when issued or allotted and if converted to equity would ultimately result in an increase in the nominal value of the paid up equity share capital of the company, by an amount not exceeding Rs. 5.00 crores to the members, employees, Non Resident Indians, Overseas Corporate Bodies (OCB), Foreign Institutional Investors (FIIS), Bodies corporate, mutual funds, other entities/ authorities and to such other persons whether through private placement, exchange of securities conversion of loans or otherwise, for general corporate purposes including capital expenditure, for expansion, modernization, diversification including backward integration, working capital requirements and strategic investments by the above FCDS in one or more tranches, at such price(s) or in such manner as the board may, in consultations with the lead managers and/or advisors and/or underwriters think fit. And on such terms and conditions including the number of unsecured FCDS to be issued, face value, rate of interest, redemption period, manner of redemption, amount of premium redemption, number of equity shares to be allotted on conversion/extinguishments of debts, the ratio of exchange of shares, period of conversion and all other related, incidental matters thereto".

"RESOLVED FURTHER that such unsecured FCDS as are offered but not subscribed may be disposed off by the board in such manner and on such terms as the board may in its absolute discretion think most beneficial to the company including offering or placing them with banks/ financial institutions/ investment institutions/mutual funds/foreign institutional investors or such other person or otherwise as the board may in its absolute discretion may decide".

**FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS.**

**SD/-
T. MALLIKARJUNA REDDY
CHAIRMAN.**

PLACE : MEDAK

DATE : AUGUST 10, 2001.

REGISTERED OFFICE:

**SURVEY NO.323, GUNDLAMACHNUR VILLAGE,
HATHNOORA MANDAL, MEDAK : 502 296, A. P.**

NOTES:

1. A member entitled to attend and vote is entitled to appoint a

Proxy to attend and vote instead of himself and the proxy need not be a member of the company.

The Proxy form should be lodged with the company at its registered office atleast 48 hours before the commencement of the meeting.

The register of members and share transfer books of the company will remain closed from Saturday, September 15, 2001 to Saturday, September 22, 2001 (both days inclusive.)

2. Members are requested to promptly notify any changes in their addresses to the company at its Registered Office.
3. All documents referred to in the notice are open for inspection at the registered office of the company during office hours on all days except sunday, wednesday & public holidays between 11.00 a.m. And 1.00 p.m. Up to the date of Annual General Meeting.
4. For convenience of members, an attendance slip is annexed to the Proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The Proxy of a member should mark on the attendance slip as 'Proxy'.

5. If the members have any queries on the Audited Accounts, Directors' Report & Auditor's Report, the same should be forwarded to the company in writing at its registered office at least 10 days before the meeting so that the same can be replied at the time of annual general meeting to the members' satisfaction.

6. Members are requested to bring their copies of the reports to Annual General Meeting.

7. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios alongwith share certificates to the company.

8. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item Nos. 4, 5 & 6 of the notice set out is annexed hereto.

9. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents / correspondence, if any, directly to:

Sathguru Management Consultants (P) Ltd.
Unit: Merven Drug Products Ltd.
Plot no.15, Hindi Nagar Colony,
Punjagutta, Hyderabad: 500 034.

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MERVEN DRUG PRODUCTS LIMITED**MERVEN****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. (4):**

The Board of Directors of your Company has appointed Mr. Manoj Jain as an Additional Director w.e.f. January 02, 2001, and pursuant to the provisions of Article 61 of your Company's Articles of Association read with Section 260 of the Companies Act, 1956, Mr. Manoj Jain will hold office until the date of forthcoming Annual General Meeting. Your company has received notice in writing from some of the members in terms of Section 257 of the Companies Act, signifying their intention to propose the appointment of Mr. Manoj Jain as Director of your company.

Mr. Manoj Jain is willing to act as a Director of your Company, if so appointed, and he has filed with your company his consent pursuant to Section 264(1) of the Act.

Mr. Manoj Jain has been a Chartered Accountant, possess good knowledge in financial field and thus, considering the level of business contacts possessed by him, the board consider that the appointment of Mr. Manoj Jain will be beneficial to the company in long run and accordingly recommends the acceptance of the resolution set out in Item No.4 of the convening notice.

Mr. Manoj Jain is concerned and interested in the resolution concerning his appointment.

Save as aforesaid no Director of your Company is concerned or interested in the passing of the said resolution.

ITEM NO. (5):

The depositories act, 1996, was enacted to bring in transparency in the transfer and transmission of shares, debentures and other marketable securities by means of electronic mode. This will minimize the frauds and forgeries that take place during the transfer or transmission of securities which is beneficial to both the shareholders and the company.

As per Securities and Exchange Board of India circular viz. SMDRP/Policy/Cir-23/2000 dated may 29, 2000, it was decided that trading would be compulsory in dematerialized form by all investors of the company w.e.f. October 30, 2000.

Also, the Stock Exchange, Mumbai has decided that all B2 Group Companies (including your company since your company falls under the said B2 group) on

exchange must be traded in dematerialized form and accordingly to enable the company to dematerialize the shares of the company, it is proposed to make suitable alteration in Articles of Association of the Company and other alterations are made to comply with the amended provisions of the Companies Act, 1956.

Thus article no. 40 (a) is inserted after the existing article no 40 of the articles of association of the company which provides necessary sub-clauses for dematerialization of the securities of the company.

Hence the board recommends for your approval and consent the said special resolution.

None of the directors of the company are in any way concerned or interested in passing of the said special resolution.

ITEM NO. 6

As the members of the company are aware that the company has made an application to BIFR under sick industrial companies (special provisions) Act, 1985 and is in need of further infusion of funds to expand its business opportunities, the board of directors have analysed various external fund raising alternatives.

After detailed discussion and analysis on different investment options for generating funds, the board of directors of the company propose to issue unsecured fully convertible debentures to various bodies/persons.

Hence the Board recommends for your approval and consent the said special resolution.

**FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS.**

**SD/-
T.MALLIKARJUNA REDDY
CHAIRMAN.**

**PLACE: MEDAK
DATE : AUGUST 10, 2001.**