

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.

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,
Gundlamachur Village,
Hathnoora Mandal,
Medak District,
Pin – 502 296,
Andhra Pradesh.

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.

NOTICE

Notice is hereby given that the **9th 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, 27th July, 2002 at 10.00 A.M** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2002 and the Profit and Loss Account for the year ended as on that date and the reports of the Directors and Auditor thereon.
2. To appoint a director in place of Mr. Ajit Kamath, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint the Auditor 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 in accordance with the provisions of section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s), or redeemed-enactment thereof, for the time being in force), the Authorised Share Capital of the company, be and is hereby divided into 1,70,00,000 (One Crore Seventy Lakhs) Equity Shares of Rs.10/-each and 3,00,000 (Three Lakhs) Redeemable Preference Shares of Rs.100/- each and consequently the existing clause V of the Memorandum of Association of the company, relating to share capital, be and is hereby altered by deleting the same and substituting in its place and read the following as new clause V :

- V. The Authorised Share Capital of the company is Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 1,70,00,000 (One Crore Seventy Lakhs) Equity Shares of Rs.10/-each and 3,00,000 (Three Lakhs) Redeemable Preference Shares of Rs.100/- each, with power to increase or reduce the capital of the company, to divide the shares in the capital for the time being, into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions as may be determined by or in accordance with Articles of Association of the company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the company.

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

"RESOLVED THAT in accordance with the provisions of section 31, and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s), or redeemed-enactment thereof, for the time being in force), and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the company be and hereby altered as follows:

Existing Article No 2 of the Articles of Association of the company be and is hereby deleted and be substituted in its place by the following new Article :

The Authorised Share Capital of the company is Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 1,70,00,000 (One Crore Seventy Lakhs) Equity Shares of Rs.10/-each and 3,00,000 (Three Lakhs) Redeemable Preference Shares of Rs.100/- each, with power to increase or reduce the capital of the company, to divide the shares in the capital for the time being, into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions as may be determined by or in accordance with Articles of Association of the company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the company.

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

"RESOLVED THAT in accordance with the provisions of section 31, read with section 192A and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s), or redeemed-enactment thereof, for the time being in force), and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the company be altered by adding a new Article No 143A which will be read as follows:

MERVEN DRUG PRODUCTS LIMITED**MERVEN****143A PASSING OF RESOLUTION BY POSTAL BALLOT:**

Notwithstanding anything contained in the Articles of Association of the company, the company do adopt the mode of passing a resolution by the members of the company by means of a postal ballot and/or other ways as may be prescribed by the central government in this behalf

- Particularly in respect of the following matters:
 - a. Alteration in the object clause of Memorandum;
 - b. Alteration of Articles of Associations in relation to insertion of provisions defining company;
 - c. Buy-back of own shares by the company under sub-section (1) of section 77A;
 - d. Issue of shares with differential voting rights as to voting or dividend or otherwise under sub-clause (ii) of clause (a) of section 86;
 - e. Change in place of registered office out side local limits of any city, town or village as specified in sub-section (2) of section 146;
 - f. Sale of whole or substantially the whole of the undertaking of the company as specified under clause (a) of sub-section (1) of section 293;
 - g. Giving loans or extending guarantee or providing security in excess of the limit prescribed under sub-section (1) of section 372A;
 - h. Election of a director under proviso to sub-section (1) of section 252 of the Act;
 - i. Variation in the rights attached to a class of shares or debentures or other securities as specified under section 106.

instead of transacting such business in a general meeting of the company:

- Any business that can be transacted by the company in general meeting; and
- Particularly, resolutions relating to such business, as the central government may by notification, declare to be conducted only by postal ballot.

The company shall comply with the procedure for such postal ballot and/or other ways prescribed by the central government in this regard.

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

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

Place: Gundlamarachur, Medak Dt.
Date : 6th June 2002.

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 at least 48 hours before the commencement of the meeting.

2. The Register of Members and Share Transfer Books of the company will remain closed from, Saturday, 20th July 2002 to Saturday, 27th July 2002 (both days inclusive.)
3. Consequent upon amendment of section 205A of the Companies Act, 1956 and introduction of section 205C, by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education & Protection Fund.
4. Members are requested to promptly notify any changes in their addresses to the company at its registered office.
5. 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'.
- IF THE MEMBERS HAVE ANY QUERIES, 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 MEMBER'S 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NOS. 4 & 5**

The present Authorised Capital of the company is Rupees twenty crores. It is now proposed to subdivide the Authorised Capital in the manner as set out in the item no.4 of the notice in accordance with section 16 and 94 of the Companies Act, 1956. The subdivision of the Authorised Capital is required to enable the company to issue preference shares to the banks/financial institutions/foreign financial institutions, etc., or other persons from the external resources for raising the finance.

The alteration of the capital clause of the Memorandum of Association and Article 2 of the Articles of Association of the company as set out in item no.5 of the notice are purely consequential to the subdivision of the Authorised Capital of the company.

None of the directors of the company is, in anyway concerned or interested in the said resolutions.

The directors recommend the resolutions for approval of the shareholders.

ITEM NO. 6

The members of the company may be aware that the Companies (Amendment) Act, 2000 has introduced a new section 192A, which permits passing of company resolutions by postal ballot by a listed company. Consequently, in furtherance of the same, the Department of Company Affairs has issued the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and has enumerated certain matters covered under the Companies Act, 1956, which can be passed only by way of postal ballot.

In order to comply with the aforesaid rules and the said section 192A of the Companies Act, 1956, it is mandatory for every listed company to introduce in its articles the powers to pass the certain enumerated matters by way of postal ballot.

Hence the said special resolution is recommended for your approval to introduce new Article 143A for passing of the resolutions by way of postal ballot.

None of the directors of the company is, in anyway concerned or interested in the said resolution.

**For and on behalf of the
Board of Directors.**

Sd/-
T.MALLIKARJUNA REDDY
Chairman.

Place: Gundlamachnur, Medak Dt.
Date : 6th June 2002.

Report  junction.com

MERVEN DRUG PRODUCTS LIMITED**MERVEN****DIRECTORS' REPORT****DEAR MEMBERS,**

Your Directors have pleasure in presenting Ninth Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

(Amount Rs. in Lakhs)

	MARCH 31, 2002	MARCH 31, 2001
INCOME	620.57	448.13
EXPENDITURE	678.96	441.68
INTEREST	88.72	40.32
DEPRECIATION	70.85	68.61
PROFIT BEFORE TAX/(LOSS)	(217.96)	(102.49)
PRIOR PERIOD ADJUSTMENTS	-	(16.76)
NET PROFIT/(LOSS) FOR THE YEAR	(217.96)	(119.25)
PROFIT/LOSS B/F FOREARLIER YEARS	(1286.73)	(1167.48)
REVALUATION RESERVE ON FIXED ASSETS W/O	422.77	-
BALANCE OF PROFIT/(LOSS) CARRIED FORWARD	(1081.92)	(1286.73)

DIVIDENDS:

Your Directors are unable to recommend any dividend for the year ended 31st March 2002 in view of the loss incurred by the Company for the year under review.

OPERATIONS

During the year under review the Company earned an income of Rs.414.85 Lakhs including Job Processing charges as against Rs. 193.41 lakhs for the previous year.

During the year the company has entered into One Time Settlement agreement with IDBI & Bank of Baroda for repayment of their dues. Concessions / waiver granted by IDBI and Bank of Baroda have been accounted for in the current year. One Time Settlement agreement with State Bank of Hyderabad is under progress and will be finalized soon.

The Company continued to be engaged in Job Processing Work for Arch Commerz Private Limited.

FUTURE PROSPECTS :

Your Company proposes to restructure itself either through Board for Industrial and Financial Reconstruction (BIFR) and / or relevant High Court and / or any other appropriate authority, so as to bring synergy in operation of your company.

INDUSTRIAL RELATIONS:

Industrial Relations remained cordial during the year under review.

DIRECTORS:

During the year under review Mr. Ajit Kamath, Director of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975.

FIXED ASSETS:

On 31st March 2002 total Fixed Assets of the company had been revalued. As per the valuation report submitted by Mr. M. N. Ramakrishna Iyer, Chartered Engineer, Govt. Approved Valuer, revalued value of total fixed assets was Rs. 15,48,42,197/-. Capital Reserve of Rs 4,22,76,611/- raised on revaluation of Fixed Assets has been set off against accumulated losses.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under section 217(1)(c) read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to the conservation of Energy and Technology Absorption forms part of this report and is given by way of Annexure.

The details of Foreign Exchange earnings and outgo is reported to be nil for the year ended March 31, 2002.

AUDITORS:

M/s. Nayak & Rane, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES:

The Company has no employees of the specified categories under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended upto date.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sec. 217(2AA) of the Companies Act, 1956:

- (i) that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimated that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

COMMENTS ON AUDITORS REPORT:

The notes to the accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further comments.

AUDIT COMMITTEE:

In accordance with the provisions of Section 292A of the Companies Act, 1956 the Company has reconstituted its Audit Committee comprising of the following Directors, which are same as for the previous year, namely, Mr. Bhupathiraju Venkatarama Raju (Chairman), Mr. Manoj Jain and Mr. Ajit Kamath for the Financial year 2002-03.

The Audit Committee acts in accordance with the terms of reference specified in writing from time to time by the Board.

DISCLOSURE UNDER THE STOCK EXCHANGE LISTING AGREEMENT:

In accordance with the amended Listing Agreement with respective Stock Exchanges, it is hereby confirmed that the Company's Shares are listed at the Stock Exchanges at Hyderabad, Chennai (Madras) and Mumbai.

Pursuant to Clause 49 of the listing requirement your Company has constituted a Committee for implementation of the Corporate Governance Code consisting of appropriate non-executive Directors during the financial year 2002-03.

APPLICATION TO B.I.F.R. UNDER THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985:

During the year under review the Company has re-applied to Board for Industrial & Financial Reconstruction (BIFR) (hereinafter referred to as the said Board) to be declared as a Sick Company pursuant to Sick Industrial Companies (Special Provisions) Act, 1985.

ACKNOWLEDGEMENTS:

The Board of Directors wishes to place on record its sincere appreciation for due co-operation received from the Industrial Development Bank of India, Bank of Baroda and State Bank of Hyderabad. The Directors are also thankful to the employees at all levels for their continued support.

For and on behalf of the Board of Directors

Sd/-
T. Mallikarjuna Reddy
(Chairman)

Place: Gundlamarachur, Medak Dt.
Date : 19th April, 2002.