

MD	✓		BKC	✓
CS	✓		DPY	ND
RO	✓		DIV	ND
TRA	✓		AC	
AGM	✓	✓	SH	
YE		✓		



ARVIND REMEDIES LTD.

A N N U A L

R E P O R T

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ARVIND REMEDIES LTD.

## Board of Directors

**Shri ARVIND KUMAR B SHAH**  
*Managing Director*

**Shri S.B. SHAH**

**Smt. BABY RANI**

**Prof. C.M.K. REDDY**

**Mr. CHOTALAL**

**Dr. Mrs. CHANDRA RAVINDRAN**

**Mr. V. SARATH**

*Alternate Director*

**Company Secretary**

**S.N. MADHAVAN**

**Auditors**

**M. RAGHUNATH & CO.,**

*Chartered Accountants*

4, Stringer Street, 3rd Floor,  
Broadway, Chennai - 600 108.

### **Registered & Corporate Office**

25/9, Nelson Manickam Road,  
Mehta Nagar, Chennai - 600 029.

### **Works**

25/9, Nelson Manickam Road,  
Mehta Nagar, Chennai - 600 029.

38,39,40, SIDCO Industrial Estate,  
Kakkalur - 602 003.  
Thiruvallur District.  
Tamil Nadu.

### **Bankers**

#### **BANK OF BARODA**

T. Nagar Branch,  
Chennai - 600 017.

#### **PUNJAB NATIONAL BANK**

150, Luz Church Road,  
Mylapore, Chennai - 600 004.

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ARVIND REMEDIES LTD.

## Notice

The Ninth Annual General Meeting of the Members of the Company will be held as scheduled below:

**Date :** Tuesday, 30th September, 1997

**Time :** 11.00 A.M.

**Place :** NEW WOODLANDS HOTEL PVT. LTD.,  
72-75, Dr. Radhakrishnan Road,  
Mylapore, Chennai - 600 004.

to transact the following business.

### ORDINARY BUSINESS

1. To consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 1997 and the Balance Sheet as at that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Prof. C.M.K. Reddy, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Dr. Mrs. Chandra Ravindran who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION.

"RESOLVED that consent of the Company be and is hereby accorded to the Board of Directors in terms of Section 293(1) (d) and other applicable provisions if any, of the Companies Act, 1956, for borrowing monies from time to time for the business and purpose of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided, however, that the aggregate amount of monies which may be borrowed shall not at any time exceed the limit of Rs. 50 Crores (Rupees Fifty Crores Only)".



ARVIND REMEDIES LTD.

**Notice**

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

"RESOLVED that consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any of the Companies Act, 1956 to the Board of Directors for mortgaging and/or changing in such form and manner and on such terms and at such time(s) as the Board may deem fit, the whole or substantially the whole of the undertaking of the Company whether situate, present and future whether presently belonging to the Company or not, with a right to take over the management of the business and undertaking of the company in certain events, in favour of any lender including financial/Investment Institution(s), bank(s), insurance company(ies) or other including trustees for the holders of debentures as may be required and approved by the lead institution in order to secure.

- A) the redemption of debentures issued/to be issued by the Company and/or the repayment of any loan(s) of credit facilities granted and/or to be granted from time to time to the Company by any one or more of the aforesaid institutions/persons; and
- B) the payment of interest at the respective agreed rates, compound/additional interest, liquidated damages, costs, charges, expenses and all other money(ies) in term of the respective Letters of Sanction/Offer, Prospectus or any other offer document, Loan Agreement, Trustees Agreement, Debenture Trust Deed, Agreements/Deeds of Hypothecation, etc., executed/to be executed by the Company in respect of the said loans/credit facilities/debentures, of such amount or amounts not exceeding Rs. 50 Crores.

"RESOLVED FURTHER that the Board be and is hereby authorised to finalise the form, extent and manner of, and the documents and deeds, where applicable, for creating the appropriate mortgages and/or charges on such of the immovable and/or movable properties of the Company on such terms and conditions as may be decided by the Board in consultation with the Lenders and/or the Trustees and for acts and things as may be necessary for giving effect to the resolution".

By order of the Board,  
for ARVIND REMEDIES LIMITED

S.N. MADHAVAN  
Company Secretary

Place : Chennai  
Date : 07th August 1997



ARVIND REMEDIES LTD.

## Notice

### NOTES

- 1) A member entitled to attend and vote at the meeting of the Company shall be entitled to appoint any other person, whether a member or not, as his proxy to attend instead of himself. Such proxy shall not be entitled to vote except on poll. A form of proxy is enclosed, Proxy Forms, in order to be effective, should be lodged with the company at any time not less than 48 hours before the meeting.
- 2) The Register of Members and the Share Transfer Books of the Company will remain closed from 25.09.97 to 30.09.97 (both days inclusive).
- 3) Share Transfer Forms, Intimation of Change of Address, Mandate Bank, Branch and Bank Account should be addressed to the Share Transfer Agents.

✓ Cameo Share Registry

(A Division of MCC Finance Ltd.,)

Unit Arvind Remedies Ltd.

No. 1, Subramaniam Building,

Club House Road,

Chennai - 600 002.

- 4) The relative Explanatory Statement in respect of Item No. 5 & 6 of the agenda is annexed to this notice.



ARVIND REMEDIES LTD.

**Annexure to the Notice****Explanatory Statement Pursuant to section 173 of the Companies Act, 1956****ITEM NO. 5**

Section 293(1) (d) of the Companies Act, 1956, provides that the Board of Directors of a Public Company shall not, except with the Consent of the Company in General Meeting, Borrow Monies which together with the monies already Borrowed (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital and free reserves, that is to say reserves not set apart for any specific purpose. Taking into account expansion/diversification plans which would require the company to resort to substantially higher Borrowings the existing limit earlier fixed by the shareholders is proposed to be enhanced to Rs. 50 Crores. Your Directors recommend passing of this resolution. None of the Directors of the Company is concerned or interested in this resolution.

**ITEM NO. 6**

Section 293(1) (a) of the Companies Act, 1956, provides that the Board of Directors of a public shall not, except with the consent of the company on General Meeting Sell, Lease or otherwise dispose of the Company. The terms of Item No. 5, may be in the form of Bonds/Debentures/ Loans etc. necessitating creations of security by mortgaging/charging of the Company's Properties. Additionally for the purpose of its Business, the company would be resorting or borrowing from time to time in the form of loans, debentures and/or other financial assistance from various Financial/Investments, Institutions, Banks, Insurance Companies and Other Lenders in addition to Working Capital facilities from Banks in the ordinary course of business. These may have to be secured by mortgage and/or charges on the movable and/or immovable properties of the Company, both present and future. The proposed resolution authorises the Board to secure such loans, credit facilities, etc., as may be availed of/raised by the Company from time to time. Your Directors recommend passing of this resolution. None of the Directors of the Company is concerned or interested in this resolution.

**By order of the Board,**  
**for ARVIND REMEDIES LIMITED**

**S.N. MADHAVAN**  
*Company Secretary*

Place : Chennai  
Date : 07th August 1997



ARVIND REMEDIES LTD.

## Directors Report

Your Directors have pleasure in presenting their Ninth Annual Report together with the Audited Profit and Loss Account for the year ended 31st March 1997 and the Balance Sheet as at that date.

### FINANCIAL RESULTS

(Rs. in Lakhs)

	1996-97	1995-96
Profit after interest and depreciation	65.31	61.95
Provision for tax	14.57	12.80
Profit for the year	49.89	49.15
Add : Balance of Profit brought forward from last year / prior period adjustment	48.57	34.22
Profit available for appropriation	98.46	83.37
Dividend Proposed	—	34.81
Balance carry forward to reserves and surplus	98.46	48.57

Your Directors are happy to report better results even inspite of the implementation of the Project was ongoing for the year ended 31st March 1997. The operations in the year 1996-97 has resulted in a gross profit of Rs. 86.41 lakhs as against Rs. 66.43 lakhs during the year 1995-96, thus recording more than 21% increase. The Company has a net profit of Rs. 49.89 lakhs after depreciation and interest against Rs. 49.15 lakhs in the previous year ended 31st March 1996.

As the Expansion Project envisaged for which your Company went for a Maiden Public Issue during 1996-97 is under Implementation process, your Directors have not recommended any dividend for the year ended 31st March 1997.

### YEAR IN RETROSPECT

Your Company undertook during the year mainly formulation of capsules and tablets and achieved a turn over of Rs. 1794.65 lakhs as against the turn over of Rs. 1319.20 lakhs for the year 31st March 1996. A sizeable quantity of sales was to institutions like DEFENCE, DGS&D, DGHS, ESI and others.



ARVIND REMEDIES LTD.

## Directors Report

Your Company has a measure of diversification and upgradation has embarked on a new project for manufacturing Liquid Orals, Suspensions, Dry syrups, Ointments, Injectables and Ophthalmic preparations. As there was a delay in the receipt of allotment money the project is being done in a phased manner and your directors are happy to state that the first phase of Manufacture of Liquid Orals, Suspensions, Dry Syrups and Ointments section at the new factory is getting ready and the commercial production is all set to begin during September 1997. As a part of the Phase II of the Project and with the increased availability of Land your directors are also planning to shift the entire manufacturing process from the existing place i.e., Nelson Manickam Road to the new factory premises which will give an value addition.

### PERFORMANCE Vs. PROMISE

Projections as per PROSPECTUS offered to Public dated 10.04.1996.

	PROMISE	ACTUALS
SALES	2012.78	1737.42
P A T	151.07	49.82
E P S	2.68*	2.18*

\* Weighted Average Method

### REASONS FOR VARIATIONS

The Company was not in a position to fully implement the Project due to the delay in the receipt of Allotment Money.

### FINANCE

The Company to part Finance the envisaged Project made a Maiden Public Issue of 30 Lakh Equity Shares at a price of Rs. 30/- per share aggregating Rs. 900 lacs and the Issue was a Grand Success even in this adverse market conditions by getting overwhelming response of more than 2 times subscription. Your Directors also take pleasure in thanking M/s. Bank of Baroda and M/s. Punjab National Bank in sanctioning a Working Capital Limit of Rs. 300 Lakhs under Consortium during the year 1996-97.

### DIRECTORATE

Prof. C M K Reddy and Dr. Mrs. Chandra Ravindran retire at the ensuing Annual General Meeting. Being eligible they have offered themselves for reappointment.

### DEPOSITS

Your company has not accepted deposits from the public.





ARVIND REMEDIES LTD.

## Directors Report

### PARTICULARS OF EMPLOYEES IN TERMS OF SEC. 217 (2A) OF THE COMPANIES ACT, 1956

Information under Sec. 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, form part of this 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 shareholders of the Company, excluding the aforesaid information. Shareholders interested in obtaining this information may write to the Company Secretary at the Regd. Office of the Company.

### PARTICULARS REGARDING ENERGY CONSERVATION, TECHNOLOGY OBSORPTION

In accordance with the requirements of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) rules 1988, statement showing particulars with respect to conservation of energy is given in the enclosed Annexure.

### FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review there was no foreign exchange earning and with regard to the outgo, Raw materials were imported to the tune of Rs. 9.45 lakhs.

### AUDITORS

M/s. M. Raghunath & Co., Chartered Accountants, Madras retire at this Annual General Meeting and are eligible for reappointment and given their consent to act as the auditors of your company, if appointed.

### AUDITOR'S REPORT

The observations made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments under Sec. 217 of the Companies Act, 1956.

### ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the continued co-operation and support extended to the Company by the Consortium Banks M/s. Bank of Baroda and M/s. Punjab National Bank and SIDCO. Your Directors also thank Medical Profession, the Trade and Consumers for their patronage of the Company's products. Your Directors also place on record their profound admiration and sincere appreciation of the continued hardwork put in by employees at all levels.

*For and On behalf of the Board*

Place : Chennai  
Date : 07th August 1997

**ARVIND KUMAR B SHAH**  
*Managing Director*

**BABY RANI**  
*Director*