



**ARVIND REMEDIES LTD.**

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**A N N U A L**  
**R E P O R T**  
**1 9 9 8 - 9 9**

**ARVIND REMEDIES LTD.****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****Mr. S.N. Madhavan****Auditors****Mr. 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, Thiruvallur District

Tamil Nadu 602 003.

**Bankers****BANK OF BARODA**

T. Nagar Branch,

Chennai - 600 017.

**PUNJAB NATIONAL BANK**

150, Luz Church Road,

Mylapore,

Chennai - 600 004.

**STATE BANK OF INDIA**

Commercial Branch,

Bombay Mutual Building,

232, NSC Bose Road,

Chennai - 600 001.

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## Annual Report 1998 - 99

### Notice

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The Eleventh ANNUAL GENERAL MEETING of the Members of the Company will be held as scheduled below:-

Date : Thursday, 2nd September, 1999

Time : 11.00 A.M

Place : Bala Mandir German Hall,  
17, Prakasam Street, T. Nagar,  
Chennai - 600 017.

to transact the following business.

#### ORDINARY BUSINESS

1. To receive consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 1999 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 herself 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 the following Resolution as an ORDINARY RESOLUTION

"RESOLVED that pursuant to Secs.198, 269, 309 and other applicable provisions if any read with Schedule XIII of the Companies Act, 1956, the Company hereby accords its approval for the appointment of Dr.Mrs.Chandra Ravindran as a whole time Director of the company for a period of 2 years with effect from 1st April 1999 on the following terms and conditions:

(A) Salary : Rs.10,000/-(Rupees Ten thousand only) per month.

(B) Perquisites : As specified in Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER that the above remuneration shall be payable to her on minimum remuneration Subject to the provisions of Schedule XIII of the Companies Act, 1956, if the Company has no Profits or its Profits are inadequate during any financial year.

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to vary and / or revise the remuneration of the whole time Director within the overall limits as specified in the Schedule XIII of the Companies Act, 1956, and further authorised to make the necessary changes in the Terms and Conditions of the appointment as and when the Government announces changes in the enactment viz., Schedule XIII and other applicable provisions of the Companies Act, 1956.



## Notice

**ARVIND REMEDIES LTD.**

6. To consider and if thought fit, to pass with or without modification the following Resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant of the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered in the manner and to the extent set out below:

- i) The existing Article 58 shall be substituted with a new heading as "COMMON SEAL" and the existing sentences of the Article be altered as;

The Directors shall provide a Common Seal of the Company and every instrument for which the seal is affixed shall be signed by atleast one Director.

- ii) After the existing Article 57 a new Article be inserted as 57 A;

No unclaimed dividends shall be forfeited by the Board and the Company shall comply with the provisions of Section 205 (A) of the Companies Act in respect of such dividends.

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

**S.N. MADHAVAN**  
Company Secretary

Chennai  
29/6/1999

### 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/herself. 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 27/8/99 to 02/9/99 (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 CORPORATE SERVICES 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.

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### Notice

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#### Annexure to the Notice

Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956.

#### Item No.5

Your Board of Directors subject to the approval of the Members, have appointed Dr.Mrs.Chandra Ravindran as a Whole Time Director of the Company for a period of 2 years with effect from 1st April 1999 on the terms and conditions contained in the resolution. Her appointment is necessary in connection with the development of the research activities and development of new formulations and molecules. She is a Doctorate in the Research Analysis and her appointment will help the Company in the invention and introduction of new products in the market and she will inter-alia look after the research and development activities besides helping the marketing team in identifying the core Doctors. She will also be assisting the Marketing Department in the appointment of Medical Professionals.

The Board commends passing the Resolution as set out in Item No.5 of the accompanying Notice.

None of the Directors except Dr.Mrs. Chandra Ravindran is concerned or interested in passing of the Resolution.

#### Item No.6

The existing Articles of Association does not contain a separate Common Seal clause. The Common Seal clause has been combined along with the dividend clause under Article 58.

*It has, therefore, become necessary to alter the Articles of Association of your Company as proposed in the Resolution set out in Item No.6.*

None of the Directors is concerned or interested in passing of the Resolution.

Chennai  
29/6/1999

By order of the Board,  
for ARVIND REMEDIES LIMITED

S.N. MADHAVAN  
Company Secretary



## Directors' Report

ARVIND REMEDIES LTD.

The Directors have pleasure in presenting their Eleventh Annual Report together with the Audited Accounts for the financial year ended 31st March 1999.

### FINANCIAL RESULTS

	(Rs. in lakhs)	
	1998-99	1997-98
Profit after interest and depreciation	131.64	80.90
Provision for tax	15.10	13.23
Profit for the year	110.04	64.23
Add: Balance of Profit brought forward from last year prior/period adjustment	162.69	98.46
Profit available for appropriation	272.73	162.69

### APPROPRIATION:

Dividend Proposed	—	—
Balance carry forward to Reserves and Surplus	272.73	162.69

Your Directors are happy to report better results even inspite of the adverse economic scenario presently prevailing in the country and implementation to the Project was ongoing for the year ended 31st March 1999. The operations in the year 1998-99 have resulted in a gross profit of Rs.181.72 lakhs as against Rs.123.16 lakhs during the year 1997-98, thus recording more than 48% increase. The Company has a net profit of Rs.110.04 lakhs after depreciation and interest against Rs.64.23 lakhs in the previous year ended 31st March 1998. As the Expansion Project envisaged is still under full implementation your Directors have not recommended any dividend for the year ended 31st March 1999.

### YEAR IN RETROSPECT

Your Company undertook during the year mainly formulation of capsules and tablets and achieved a turnover of Rs.3102.21 lakhs as against the turnover of Rs.2212.44 lakhs for the year 31st March 1998. A sizeable quantity of sales was to institutions like DEFENCE, TNMSC, AFMSD, DGHS, ESI various State Government agencies, Government aided Medical Schemes, Franchisees and others.

### PERFORMANCE vs PROMISE

Projections as per PROSPECTUS offered to Public dated 10/4/1996.

	PROMISE	ACTUALS (Rs.in lacs)
SALES	4225.69	3102.21
P A T	456.84	116.54
E P S	7.70	2.54

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### Directors' Report

#### REASONS FOR VARIATIONS

The Company was not in a position to fully implement the Project.

#### FINANCE

Your Company to meet out the short fall in the receipt of Allotment Money approached M/s.Industrial Development Bank of India, for their participation in implementing the project envisaged in full, in the form of Term Loan. The request was well accepted by IDBI and they sanctioned a RUPEE TERM LOAN of Rs. 500 Lacs in December 1998 for the completion of the Project in full. The Company has so far availed Rs. 400 Lacs out of the sanctioned limit and the proceeds are being utilised for the implementation of the Project. The Company, with an eye on the future, has obtained Working Capital facilities from State Bank of India, Commercial Branch, which has taken over all the existng Working Capital facilities from Bank of Baroda and Punjab National Bank with effect from April 1999.

#### CAPITAL EXPENDITURE

The total capital expenditure during the year amounted to Rs.538.50 Lacs including Capital Work in Progress of Rs.217.89 Lacs.

#### 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. Dr. Mrs. Chandra Ravindran was appointed as Whole Time Director of the Company with effect from 1st April 1999.

#### DEPOSITS

Your Company has not accepted deposits from the public.

#### 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, from 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 are 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 is given in the enclosed Annexure.

#### FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review there was foreign exchange earning to the extent of Rs. 2.28 lacs and with regard to the outgo, Raw materials were imported to the tune of Rs.7.5 lacs.

#### AUDITORS

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



## Directors' Report

**ARVIND REMEDIES LTD.**

### INDUSTRIAL RELATIONSHIP

The Industrial Relationship in the Company continued to be cordial.

### Y2K COMPLIANCE

The Company has already taken appropriate and effective steps to be Y2K compliant and the cost does not have any material Financial impact.

### LISTING STATUS

The Company's Shares are listed with Madras, Mumbai and Ahmedabad Stock Exchanges.

### 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, M/s Industrial Development Bank of India, M/s State Bank of India and SIDCO. Your Directors also thank Medical Profession, the Trade, the stockists 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 hard work put in by employees at all levels.

For and On behalf of the Board

Chennai  
29.06.99

**ARVIND KUMAR B SHAH**  
Managing Director

**BABY RANI**  
Director.

