

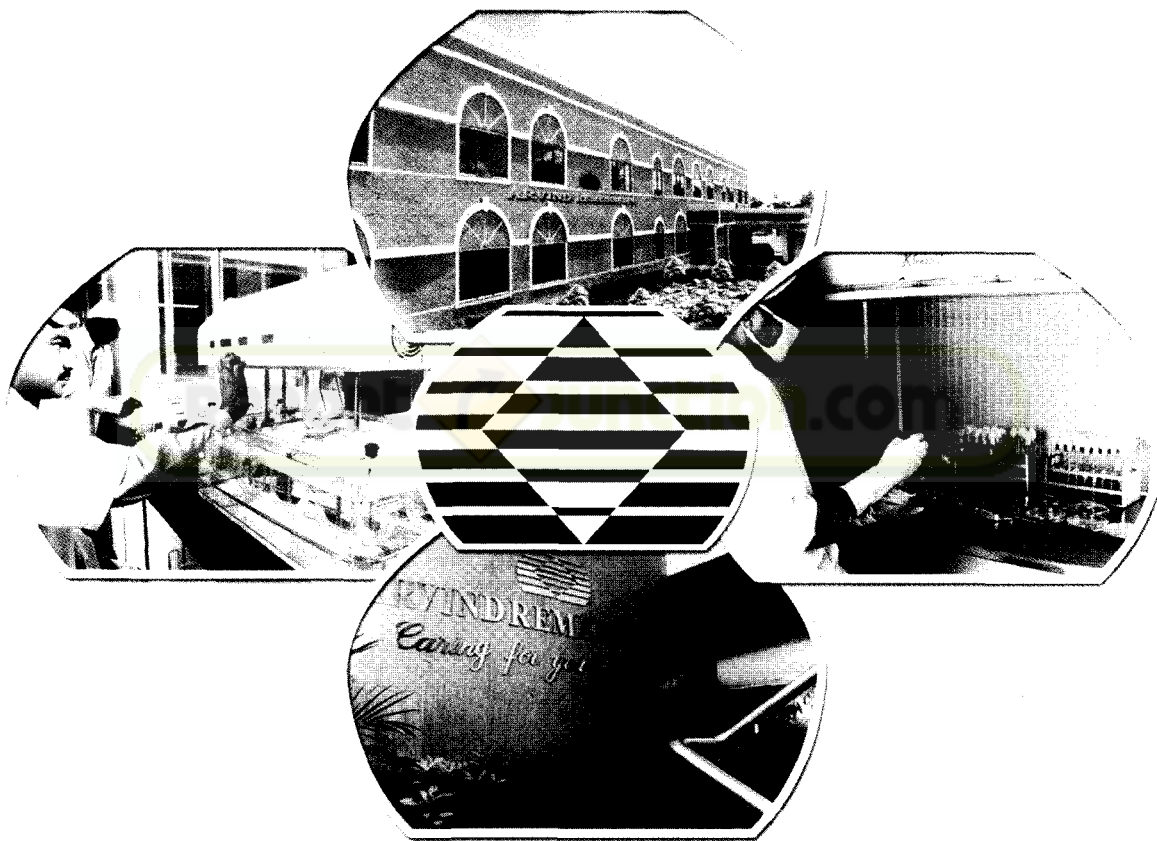
Annual Report
2005-2006



Caring for Your Health



ARVIND REMEDIES LTD.





ARVIND REMEDIES LTD.

18th Annual Report

2005 - 2006

Report  Junction.com

Works

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

Phone : 91-44-27660403, 27662144

Fax : 91-44-27609095

E-mail : factory@arvindremedies.com

Corporate & Registered Office

190, Poonamallee High Road, Chennai - 600 084.

Phone : +91-44-26414788 / 89 Fax : +91-44-26423296

E-Mail : arl@eth.net

Website : www.arvindremedies.com

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Board of Directors	Dr. B. Arvind Shah	CEO & Managing Director
	Dr. Chandra Ravindran	Whole-Time Director
	Mr. K.V. Narayan	Director
	Mr. S.B. Shah	Director
	Dr. C.M.K. Reddy	Director
	Mr. Chotalal	Director

Company Secretary Mr. K. Hari Prasath

Statutory Auditor M/s. Doshi, Chatterjee, Bagri & Co.,
Chartered Accountants
KBR Complex, 4, Ho Chi Minh Sarani
2nd Floor, Kolkata - 700 071.

Internal Auditors M/s. Siva Anantharaman and Co.,
No.16, Kariappa Street, Purasaiwakkam,
Chennai - 600 007.

**Bankers/
Financial Institutions** State Bank of India, Commercial Branch, Chennai.
United Bank of India, Main Branch, Chennai.
Allahabad Bank, George Town, Chennai.
IDBI, Chennai.
Oriental Bank of Commerce, Mylapore, Chennai.

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**Registrar and
Share Transfer Agent** M/s Cameo Corporate Services Limited
Subramanian Building,
No.1, Club House Road, Chennai - 600 002.
Phone : 044-28460390



NOTICE

Notice is hereby given that Eighteenth Annual General Meeting of the members of the Company will be held at "Golden Chakra Hall, V.G.P. Golden Beach Resort, E.C.R., Injambakkam, Chennai 600 041 at 9.00 a.m on Monday, 25th day of September, 2006 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March, 2006 and Profit and Loss Account for the Year then ended and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Dr. C. M.K. Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
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.

By Order of the Board
FOR ARVIND REMEDIES LTD

COMPANY SECRETARY

Place : Chennai

Dated : 29.08.2006

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 21.09.2006 to 25.09.2006 (both days inclusive).
3. Members are requested to bring their copy of the Annual Report to the Meeting.
4. The Dividend for the Year ended 31st March, 2006 as recommended by the Board, if sanctioned at the meeting, will be paid to those members whose names appear in the Company's register of members on 25th September, 2006. In respect of shares held in demat mode, the dividend will be paid on the basis of beneficial ownership details to be furnished by National Security Depository Limited and Central Depository Services (India) Limited for this purpose at the end of business day on 20th September 2006.
5. Dividend, as declared, shall be remitted through Electronic Clearing Service (ECS). This facility is currently available to shareholders located at 15 locations at Ahmedabad, Bangalore, Bhopal, Bhubaneshwar, Chandigarh, Chennai, Guwahati,



Hyderabad, Jaipur, Kanpur, Kolkatta, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram, wherever ECS details are available with the Company and in all other cases, through warrants payable at par.

6. Shareholders who would like to avail of the ECS facility/Bank Mandate facility are requested to complete and submit the ECS/ Bank Mandate Form that is also sent with this notice, to the Company's Registrar and Transfer Agent so as to reach them latest by 10th September 2006.
7. All member, who are holding shares in demat mode, are requested to intimate their Depository Participate of any change in address, Bank details, etc., and those, who are holding their share

in physical form, are requested to send all their correspondence including transfer of shares and change of addresses to the Registered Office of the Company and/or Share Transfer Agents of the Company, at the following address:

Registered Office:

ARVIND REMEDIES LTD.
No. 190, Poonamallee High Road,
Chennai - 600 084.

Share Transfer Agents:

M/s Cameo Corporate Services Limited
No.1, Club House Road,
Chennai - 600 002.

By Order of the Board
FOR ARVIND REMEDIES LTD

Place : Chennai

Dated : 29.08.2006

COMPANY SECRETARY



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Statement of Accounts for the year ended March 31st, 2006

FINANCIAL RESULTS

(Rs. in Crores)

Particulars	2005-06	2004-05
Gross Income	165.08	138.26
Profit before tax	5.02	3.66
Profit after tax	3.07	1.87
Profit available for appropriation (after considering the balance b/f from previous year and deferred tax liability)	10.87	8.57
APPROPRIATION		
Dividend	1.30	0.52
Corporate Dividend Tax	0.18	0.07
Transfer to General Reserve	0.31	0.19
Surplus carried to Balance Sheet	9.08	7.80

DIVIDEND

Considering the profits and the need to conserve the resources, your directors recommend a dividend of 5% on the paid up capital of the Company. The outflow on this account would be Rs. 130.02 Lakhs.

RESEARCH & DEVELOPMENTS:

During the year the research lab at ARL has received the recognition from the Department of Science and Industrial Research, Ministry of Science and Technology, Government of India.

The Company has entered into a collaborative research agreement with Sri Ramachandra Medical College and Research Institute (Deemed University) and Department of Science & Technology, Government of India, for project in research and development of Ayurvedic Herbal Medicine for Rheumatoid Arthritis.

UNIT AT HARIDWAR:

The Company in its growth path has made a conscious decision to expand its production facilities to grab and cater to the untapped market opportunities and is in the process of setting up a state of the art manufacturing unit at Haridwar, Uttaranchal.

DIRECTORS

Dr. C.M.K Reddy, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re appointment.

CORPORATE GOVERNANCE

The Company complies with the provisions of Corporate Governance as per the listing agreement with the Stock Exchanges. A separate report on Corporate Governance is attached to the annual report and Management Discussion Analysis along with the Auditors' Certificate thereon.



PARTICULARS OF ENERGY CONSERVATION ETC.

The details of energy conservation, technology absorption, foreign exchange earning and outgo are furnished in a separate statement attached to and forming part of this report, in accordance with 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.

PARTICULARS OF EMPLOYEES

During the year, the Company did not have any employee drawing remuneration of amounts specified under Section 217(2A) of The Companies Act, 1956, read with The Companies (Particulars of Employees) Rules, 1975 and hence the details are not furnished.

DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of Section 217(2 AA) of the Companies Act, 1956, your directors confirm

- (i) that in the preparation of the 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 estimates 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.

AUDITORS

The statutory auditors M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Statutory Auditor, if re-appointed.

AUDITORS' REPORT

The observations made in the Auditors Report are self-explanatory and hence no separate explanation has been provided.

INTERNAL AUDIT AND CONTROL

The company has a proper and adequate system of internal control. The internal auditor verifies the records and submits his report to the management for onward submission to the statutory auditors. There is an audit committee consisting of non-executive directors as members. The audit committee periodically reviews the internal control systems.

LISTING:

The Company's shares are presently listed at Bombay Stock Exchange Ltd and in National Stock Exchange of India Ltd. As per the shareholders' approval, in the last Annual General Meeting, the equity shares of the company had been delisted from the Madras Stock Exchange Ltd vide their Letter No. MSE/LD/PSK/731/839/05 dated 01.12.2005 and from the Ahmedabad Stock Exchange Ltd vide their Letter No. ASEL/2006/727 dated 20.02.2006.



ACKNOWLEDGEMENTS

The directors wish to place on record their appreciation for the continued co-operation of the banks and financial institution associated with the Company. Your Directors also thank Medical fraternity for the trust reposed on the Company and the trade, the stockist and consumers for their patronage to the Company's

product. Your Directors also place on record their profound admiration and sincere appreciation of the continued hard work put in by employees at all levels. We look forward to the same support in our future endeavours.

For and On behalf of the Board

Place : Chennai

Date : 29.08.2006

Dr. B. ARVIND SHAH

Managing Director

Dr. CHANDRA RAVINDRAN

Director



Annexure to The Directors' Report

Information pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors') Rules, 1988.

A. CONSERVATION OF ENERGY

a) Energy Conservation measures taken:

The company has taken measures to maintain the power factor on an on going basis.

b) Additional Investment and proposals, if any, being implemented for reduction of consumption of energy - Nil

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact in reduction on the cost of production.

The above measures have resulted in general, in reducing the power consumption and the cost of production.

d) Total Energy Consumption and energy consumption per unit of production:

Enclosed in Form A and Form B