

Annual Report 2007-2008



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ARVIND REMEDIES LTD

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20th Annual Report

2007- 2008

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

Company Secretary Mr. V.Viswanathan

Statutory Auditor M/s. Doshi, Chatterjee, Bagri & Co.
Chartered Accountants
Flat 3A, Saket
No.2, Ho Chi Minh Sarani
Kolkata - 700 071

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

Bankers United Bank of India
Allahabad Bank
State Bank of India
Oriental Bank of Commerce
Bank of Rajasthan Ltd.

Corporate & Registered Office 190, Poonamallee High Road, Chennai - 600 084
Telephone : +91-44-43439595
+91-44-26414788/89
Fax : +91-44-26423296
E-mail : arl@eth.net
Website : www.arvindremedies.com

Works 38,39,&40 SIDCO Industrial Estate,
Kakkalur, Tiruvellore District, Tamil Nadu-602003
Telephone : +91-44-27660403, 27662144
Fax : +91-44-27609095
Email : factory@arvindremedies.com

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



NOTICE

Notice is hereby given that the Twentieth 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, the 29th September, 2008 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the Year ended 31st March 2008 and Audited Balance Sheet as at 31st March, 2008 and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. K.V. Narayan, 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

Date : 30.08.2008

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 the 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 25.09.2008 to 29.09.2008 (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, 2008 as recommended by the Board, if sanctioned at the meeting, will be paid to members whose names appear in the Company's Register of Members as on 29th September, 2008. In respect of shares held in demat mode, the dividend will be paid on the basis of beneficial ownership as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose at the end of business day on 24th September 2008.
5. Dividend, as declared, shall be remitted through Electronic Clearing Service (ECS). This facility is currently available to shareholders located at 16 locations, i.e., Ahmedabad, Bangalore, Bhopal,



Bhubaneswar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, 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 20th September 2008.
7. All members, who are holding shares in demat mode, are requested to intimate their Depository Participant 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
Date : 30.08.2008

COMPANY SECRETARY



DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2008.

FINANCIAL RESULTS

(Rs. in Crores)

| Particulars | 2007-2008 | 2006-2007 |
|---|-----------|-----------|
| Gross Income | 201.51 | 179.73 |
| Profit before tax | 6.89 | 5.49 |
| Profit after tax | 5.13 | 4.38 |
| Profit available for appropriation (after considering the balance b/f from previous year) | 16.63 | 13.46 |
| APPROPRIATION | | |
| Dividend | 1.30 | 1.30 |
| Corporate Dividend Tax | 0.22 | 0.22 |
| Transfer to General Reserve | 0.51 | 0.44 |
| Surplus carried to Balance Sheet | 14.59 | 11.50 |

OPERATIONS AND BUSINESS PERFORMANCE

During the year 2007-08, the sales increased from Rs.179.73 crores to Rs.201.51 crores, recording an increase of 12 % over the previous year, while profit before tax has increased from Rs.5.49 Crores to Rs.6.89 Crores.

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 following year, the Company completed the processes in anti-arthritis project - Sub-acute, chronic, toxicity profile of the

formulation and Long-term efficacy studies. The results have been very positive and the company is moving ahead with the further tests and development.

The company's research team is also working towards development of sustained release formulations in various ailments. The company is also working towards development of formulations in the anti Cardiac segment, anti cancer segment, anti - neoblastic, and Lipid lowering drugs.

DIRECTORS

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. K.V. Narayan Director of the Company, retires by rotation at the ensuing Annual General Meeting and being



eligible, offers himself for re-appointment. Directors recommend his reappointment.

CORPORATE GOVERNANCE

The Company has complied with the provisions of Corporate Governance as per Revised Clause 49 of the Listing Agreement with the Stock Exchanges. A separate Report on the Corporate Governance together with the Statutory Auditors' Certificate is attached which forms part of the Annual Report.

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 that –

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) 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 as at 31st March 2008 and of the profit of the Company for the financial year ended on that date.
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- (iv) The Directors have 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.

INTERNAL AUDIT AND CONTROL

The Company has a proper, adequate system of internal control. The internal auditor verifies the records and furnishes 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 listed at Bombay Stock Exchange Ltd. and in National Stock Exchange of India Ltd.



ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued support and co-operation of the banks and other financial institutions associated with the Company. Your Directors also thank Medical fraternity for the trust reposed on the Company and the trade,

the stockists and consumers for their patronage to the Company's products. Your Directors also place on record their profound admiration and sincere appreciation of the continued hard work put in by the employees at all levels. The Company looks forward to the same support in their future endeavours.

For and on behalf of the Board

Place : Chennai

Date : 30.06.2008

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 ongoing 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 the reduction of power consumption and the cost of production.

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

Enclosed in Form A



FORM A

POWER AND FUEL CONSUMPTION:

| | 2007- 2008 | 2006-2007 |
|--|------------|-----------|
| 1. Electricity | | |
| a) Purchased Units (Nos.) | 649863 | 526165 |
| Total amount (Rs. '000s) | 3885.34 | 3576.70 |
| Rate per Unit (Rs.) average | 5.98 | 6.80 |
| b) Own Generation | | |
| i) Through Diesel Generator | | |
| Units (Nos) | 35630 | 32565 |
| Unit per ltr. Of Diesel Oil (Nos) | 8.50 | 8.35 |
| Cost per Unit (Rs.) | 7.95 | 7.60 |
| ii) Through Steam / Wind Turbine /Generator | NIL | NIL |
| 2. Coal | | |
| 3. Furnace Oil | NIL | NIL |
| 4. Other / Internal Generation Steam by LDO | NIL | NIL |

Consumption per unit of production

There is no specific standard as the consumption per unit depends on the product mix and formulations (Capsules, Tablets, Ointments and Liquids) and disclosure of consumption figures per unit of production is insignificant.

B. TECHNOLOGY ABSORPTION

FORM B

1. Research and Development

Specific areas in which R & D carried out by the Company

- During the year 2007-08, the Company completed the following processes in the 3 year anti-arthritis project.
 - 1) Sub-acute, chronic, toxicity profile of the formulation
 - 2) Long-term efficacy studies
 - 3) Standardisation of the formulation