

***23rd Annual Report
2010- 2011***

Caring for your Health



ARVIND REMEDIES LIMITED

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Board of Directors	Dr. B Arvind Shah Dr. Chandra Ravindran Mr. K.V. Narayan Dr. C.M.K.Reddy Mr. Prakash Shah Mr. R Raja Mohan Mr. V R Mehta Mr. Akshay Shah	CEO & Managing Director Whole-time Director Director Director Director - till 05.01.2011 Additional Director - w.e.f. 13.11.2010 Additional Director - w.e.f. 05.01.2011 From 05.1.2011 - till 02.07.2011
Chief Financial Officer	Mr. S.V. Sundara Raman	
Company Secretary	Mr. P R Krishnan	
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	
Cost Auditor	Mr. K. Suryanarayanan Flat A, Vrindavan Apartment, No.1, Poes road, 4 th street Tynampet, Chennai 600018	
Bankers	United Bank of India Allahabad Bank State Bank of India IDBI Bank Ltd. Punjab National Bank The Karur Vysya Bank Ltd.	
Registered office	190, Poonamallee High Road, Chennai 600 084 Phone: +91-44-26414788/89 Fax +91-44-26423296 E-mail: arl@arvindremedies.com Website: www.arvindremedies.com	
Corporate Office	23 Diwan Rama road, Chennai 600084 Phone: +91-44-43432929 Fax +91-44-43432934	
Works	38,39, &40 SIDCO Industrial Estate, Kakkalur, Tiruvellore District, Tamil Nadu 602003 Phone: +91-44-27660403, 27662144 Fax: +91-44-27609095 Email: factory@arvindremedies.com New Unit Plot No.G28 & 29, SIPCOT Industrial Park, Irrungatukottai Dist. Kancheepuram, Tamil Nadu	
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 the Twenty Third Annual General Meeting of the Members of the Company will be held at "Pandian Hall, V.G.P. Golden Beach Resort, E.C.R., Injambakkam, Chennai – 600 041, at 9.30 a.m on Monday, the 19th September 2011 to transact the following business::

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the Year ended 31st March 2011 and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year 2010-2011.
3. To appoint a Director in place of Dr. CMK 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.

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to Section 257 of the Companies Act, 1956, Mr. R. Raja Mohan, who was appointed as an Additional Director of the Company, and upon whom the Company has received nominations proposing him as Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

RESOLVED THAT pursuant to Section 257 of the Companies Act, 1956, Mr. V. R Mehta, who was appointed as an Additional Director of the Company, and upon whom the Company has received nominations proposing him as Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

7. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution

RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956, the existing Articles of the Articles of Association be modified and be replaced with the new set of Articles a draft of which has been kept at the Registered office of the Company and is available for inspection of the members.

8. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution

RESOLVED THAT pursuant to Section 16 and 94 and other applicable provisions of the Companies Act, 1956, the existing Authorised Preference Share capital of Rs.16 Crores be changed and replaced by Authorised Equity Share Capital so that there will be no preference share capital and the Authorised

Equity Share Capital of the Company shall stand increased from Rs.50 Crores divided into 50,00,00,000 equity shares of Re.1 each to Rs.66 Crores divided into 66,00,00,000 equity shares of Re.1 each and that Clause V of the Memorandum of Association and Article 2(a) of the Articles of Association shall stand modified accordingly as under:

V. The present Authorised Share Capital of the Company is Rs.66,00,00,000 (Rupees Sixty Six Crores only) comprising of 66,00,00,000 (sixty six Crores) Equity Shares of Re.1/- (rupee one) each with power to increase or reduce the capital of the company and/or the nominal value of the shares and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights as may be determined by or in accordance with the Articles of Association of the Company or as may be decided by the Board of Directors of the Company or by the Company in General Meeting, as applicable, in conformity with the provisions of the Companies Act, 1956 ("Act") and to vary, modify, amalgamate or abrogate any such rights privileges or conditions and to consolidate or sub-divide the shares and issue shares of higher or lower denominations in such manner as may be permitted by the Act or provided by the Articles of Association of the Company for the time being.

Article 2(1) The present Authorised Share Capital of the Company is Rs.66,00,00,000 (Rupees Sixty Six Crores only) comprising of 66,00,00,000 (sixty six Crores) Equity Shares of Re.1/- (Rupee one) each

NOTES :

1. Pursuant to Section 173 of the Companies Act, explanatory statement on item nos.5 to 8 is annexed hereto.
2. 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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September 2011 to 19th September 2011 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report to the Meeting.
5. The Dividend for the Year ended 31st March, 2011 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 19th September 2011. 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 15th September 2011. Board has recommended full dividend @ 7% on total shares. The Dividend amount will be Rs. 3.37 Crores and corporate dividend tax on same will be Rs. 0.54 Crores.

Payment of dividend through National –ECS (NECS)

- a) Members holding shares in physical form are advised to submit the particulars of their new bank account number after implementation of CBS, along with a photocopy of a cheque pertaining to the concerned account directly to the Company's Registrar and Share Transfer Agents- M/s. Cameo Corporate Services Ltd. at 1, Subramaniam Building, Club House Road, Chennai 600 002.
- b) Members holding shares in demat form are advised to furnish the new bank account number



after implementation of CBS, along with a photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP), at your earliest for direct credit of dividend to your bank account.

Please note that if you do not provide your new bank account number allotted after implementation of CBS by your Bank to your DP, then in that case ECS to your old account may be either rejected or returned. The Company will issue demand draft/ MICR warrant to such members whose dividend amount is not credited through NECS/ ECS

- c) The bank account particulars of the members will be printed on the dividend warrants. In respect of the shares held in physical form, shareholders are requested to send their bank account particulars or any change therein, to the Registrar and Share Transfer Agents at the above address.
- d) Members holding shares in demat form shall provide particulars of their bank account to their Depository Participants. The Company or its Registrar and Share Transfer Agent will not act on any such request received from members for change in their bank particulars. Further, instructions given by members for shares held in physical form would not be applicable to the dividend paid on shares also held in demat form.
- e) Members, who are holding shares 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 and Members holding shares in electronic form may update such details with their Depository Participant.

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

- f) **Pursuant to Section 53 of the Companies Act, 1956, service of documents was done hitherto under Certificate of Posting,, whereas the department of posts has recently discontinued the postal facility under certificate of posting. However, as one of the method for service of the documents, the Information Technology Act 2000 permits sending it in electronic form. Hence for service of document which may be notice, annual report, or any communication through electronic mode all shareholders of the company are requested to send their e-mail address to the Company or to M/s. Cameo Corporate Services Ltd. the Registrars of the Company and to update the same whenever there is change in email address**
- g) During the financial year, the unpaid/unclaimed dividend amount pertaining to the year 2002-2003, Rs7,47,802.25 was transferred to the Investors' Education and Protection Fund Account.
- h) During the current year, the unpaid/unclaimed dividend amount pertaining to the year 2003-04 being Rs.9,61,313.85 will be transferred to the Investors Education and Protection Fund Account.
- i) Those members who have not encashed their dividend warrants pertaining to the following financial years are requested to approach the company for the payment thereof as the same will

be transferred to Investor Education and Protection Fund (IEPF) pursuant to Section 205A(5) of the Companies Act, 1956 on respective due dates mentioned there against. Kindly note that after such date, the members will lose their rights to claim such dividend

Account year Ended on	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unpaid dividend to IEPF
31 st March 2004	27 th September 2004	5%	26 th September 2011
31 st March 2005	26 th September 2005	5%	25 th September 2012
31 st March 2006	25 th September 2006	5%	24 th September 2013
31 st March 2007	28 th September 2007	5%	27 th September 2014
31 st March 2008	29 th September 2008	5%	28 th September 2015
31 st March 2009	30 th October 2009	5%	29 th October 2016
31 st March 2010	28 th September 2010	5%	27 th September 2017

- j) Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges where the equity shares of the company are listed, additional information pertaining to Directors seeking re-appointment at the Annual General Meeting is given in the annexure.

Chennai,
02.08.2011

**By order of the Board of Directors
for ARVIND REMEDIES LTD.**

Managing Director

Annexure to the Notice dated 2nd August 2011

Details of director seeking re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)

Name of the Director	C.M.K Reddy
Age	70 years
Date of appointment	30.09.1995
Brief Resume and nature of expertise In functional areas	Surgeon (Doctor)
Directorships held in other public Companies (excluding foreign and Private companies)	nil
Memberships/ Chairmanships of Committees of other Public Companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	nil
No of shares held in the company	52500



Explanatory statement pursuant to Section 173 of the Companies Act, 1956

Item No.5

Mr. Raja Mohan, 61 years, was appointed as Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 from 13th November 2010 and his term shall expire at the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956 he is eligible for reappointment as a Director of the Company. He is retired Bank Officer and has over 30 years experience in varied business including Auditing His association will be of an immense help for the development of the Company's business.

Board recommends passing the Resolution.

Except Mr Raja Mohan, no other Directors of the Company are interested in the resolution.

Item No.6

Mr. V.R Mehta was appointed as Additional Director by the Board pursuant to Section 260 of the Companies Act, 1956 from 5th January 2011, and his term shall expire at the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, he is eligible for reappointment as Director of the Company.

Mr. Veerendra Raj Mehta. 77 years was appointed as Additional Director of the Company from 5th January 2011. He has over 40 years experience and has worked in senior position with Govt. of India Departments. He has also served as Senior expert in the Asian Development Bank Manila and as a non-executive director and as a member of many companies in India in different sectors. His business acumen and professional services will be of immense help for the company's business.

Board recommends the Resolution

Except Mr. V R Mehta, no Directors of the Company are interested in the resolution.

Item No.7

The present Articles of Association are required to be updated considering the modifications required for listed companies and change in relevant provisions of the Act. Copy of the proposed new set of Articles to be adopted is available for inspection at the Registered Office of the Company.

Board recommends the resolution

None of the Directors of the Company is interested in this resolution

Item No.8

The Preference Share Capital was made earlier and in view of the changed circumstances it is no longer required. The conversion of the preference capital into equity capital will enable the company to issue further equity shares pursuant to Section 81(1A) of the Companies Act 1956. Hence it is proposed that the Authorised Equity Share Capital be increased from Rs.50 Crores to Rs.66 Crores by cancelling the preference share capital....

Board recommends the resolution to be passed.

None of the Directors of the Company is interested in this resolution.

Chennai,
2nd August 2011

By order of the Board of Directors

Dr. B. Arvind Shah
Managing Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty-Third Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2011

FINANCIAL RESULTS

(Rs. in Crores)

Particulars	2010-2011	2009-2010
Gross Income	368.79	303.74
Profit before tax	22.77	15.34
Profit after tax	16.90	10.64
Profit available for appropriation (after considering the balance b/f from previous year and deferred tax liability)	42.36	28.04
APPROPRIATION		
Dividend	2.18	1.30
Corporate Dividend Tax	0.35	0.22
Transfer to General Reserve	1.69	1.06

Operations and Business Performance

During the year 2010-11, the sales increased from Rs.309.24 Crore to Rs.376.89 Crores, recording an increase of 22% over the previous year, while profit before tax has increased from Rs.15.34 Crore to Rs.22.77 Crore showing increase of 48% over last year.

DIVIDEND

Considering the profits and the need to conserve the resources, your directors recommend a dividend of 7 paise per share of Rs.1 each on pro rata basis on the paid-up capital of the Company. The outflow on this account would be Rs 2.18 Crores excluding dividend tax.

FUTURE OUTLOOK

The Company has updated existing Kakkalur plant in accordance with revised Schedule M specifications.

IRRUNGATUKOTTAI UNIT

The Irrungatukottai unit near Sriperumbudur, Kancheepuram, Tamil Nadu, is under implementation and is expected to be ready by this year end for commercial operations. The Company propose to get USFDA approvals for this unit so as to cater to the production for exports.

RESEARCH & DEVELOPMENTS:

Arvind Research Centre a sophisticated Research & Development Laboratory is well equipped with the latest Technologies and Machinery. The committed R&D team of 12 Research Scientists, Doctors, Ayurvedic specialists and chemists are the primary driving force in the R&D Efforts of the Company and the focus areas are Development of Drug Delivery Systems, New Formulations and Process Development of Various Dosage forms. The major areas where R&D involved are

- (1) Dosage Form/Product Development in allopathic and ayurvedic segments,
- (2) Process development and validation



- (3) Analytical method development and validation.
- (4) Development of Novel Drugs Delivery System.
- (5) Nutraceuticals and OTC products special care.

***Dosage Form/Product Development:** Headed by strong team leader with 15 Research scientists and technicians, we apply advancement in pharmaceutical technology to create dosage forms that offer patients benefit. Our constant mission for developing new products and technology has to make breakthrough innovations in extensive range of research areas. Several products with a new delivery system advantage have earned us a market.

- Mouth Dissolving Tablets
- Modified Release Products
- Dry Powers and Syrups
- Soft Gelatin Capsules
- Skin Care Products
- Sun Care Products
- Sterile Formulation
- Ophthalmic Formulation

***ANALYTICAL METHOD DEVELOPMENT :** World-class equipments for Instrumental, Chemical and Microbiological Analysis. Extensive facilities for establishing the integrity and stability of pharmaceuticals. Expertise in method development for impurity profiling and identifying degradation products has been built up. Stability of products conformed as per ICH guidelines to meet global requirement

***NDDS (Novel Drug Delivery Systems) :** In the area of NDDS, Arvind remedies ltd is focused on developing novel drug delivery systems for anti-infective molecules and NSAID molecules. A few platform and product specific technologies formulations have been successfully developed.

The NDDS research at, Arvind remedies ltd focuses on maximizing the overall therapeutic and commercial value of commonly prescribed pharmaceutical formulations by enhancing their performance and reducing their adverse event profile. Such innovation also helps to improve the overall patient convenience and compliance.

Arvind remedies ltd In-house NDDS programs are primarily focused on the oral segment. Spray technology and dermal therapy programs are also being pursued through collaborations.

There is High tech research center with focus on the core areas of Diabetology, Cardiology and Nephrology.

In ayurvedic, we use age old Herbal Medicines, Nutraceuticals and anti infective segments.

The company's in-house R&D unit is recognized by the Department of Scientific Industrial Research, Ministry of Science and Technology, Govt. of India.

***R&D INFRASTRUCTURE,** ARL has embarked on R&D in a significant way by establishing own R&D centre The Company has state-of-the-art multi-disciplinary centre with dedicated facilities for generics research and innovative research.

The Pharmaceutical research division covers both the antibiotic and non-antibiotic segments with specific departments for the Domestic markets and Regulatory market. New Drug Discovery is objective of our company, as soon we focus on this type of research program.

***INTELLECTUAL PROPERTY MANAGEMENT (IPM):**ARL has developed its own patents/ trade marks for new products of formulations. It has the system to develop patent applications, potential new products and markets for new formulations

***Existing Development :**ARL has so far developed more than 250 products which includes products in diabetic, cardiac, antibiotics, anti allergic sectors.