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Kerala Ayurveda Pharmacy Limited

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**FIFTH
ANNUAL REPORT
1996-97**



KERALA AYURVEDA PHARMACY LIMITED

BOARD OF DIRECTORS

Chairman	Shri. S. V. S. Raghavan
Managing Director	Dr. K. Anilkumar
Dy.Managing Director	Shri. S. K. Arunkumar
Directors	Shri. T. N. Menon
	Shri. Jeffrey S. Lindner
	Shri. Dinesan Natesan
	Smt. Chithra Gopinath
	Dr. K. Rajagopal
	Shri P. Maharaj
	Dr. S. K. Sreekumar
	Shri. V. Viswanathan, KSIDC Ltd.

REGISTERED OFFICE

IX/250, Bank Road, Aluva - 683101

AUDITORS

M/s Jayakrishnan & Co.
Chartered Accountants
Palal Towers, M.G. Road
Ernakulam.

LEGAL ADVISOR

Advt. P. Radhakrishnan
Manikkeri Cross Road,
Ernakulam.

BANKERS

The Federal Bank Ltd.

SHARE TRANSFER AGENTS

M/s Alpha Systems Pvt. Ltd.
Regd Office:30/1,
Leeman's Complex,
Cunningham Road,
Bangalore 560 052.



**Kerala Ayurveda
Pharmacy Limited**

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**Kerala Ayurveda
Pharmacy Limited**

NOTICE

NOTICE is hereby given that the **Fifth Annual General Meeting** of the Members of **Kerala Ayurveda Pharmacy Ltd** will be held at 9.30 a.m. on **Monday, 29th September, 1997** at the **FEDERAL BANK OFFICERS ASSOCIATION HALL, THYNOTHIL ROAD, ALUVA 683101** to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss account for the year ended on 31st March, 1997, and the Balance Sheet as at that date together with the Cash Flow Statement for the year ended on 31st March 1997 and Report of the Directors and the Auditors.
2. To appoint a Director in place of Dr. K. Rajagopal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S. V. S Raghavan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jeffrey S Lindner, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint, fix the remuneration of M/s Jayakrishnan & Co. Chartered Accountants, Palal Towers, Ernakulam, the retiring auditors of the company to hold the office from the conclusion of this Meeting up to the conclusion of the next Annual General Meeting to audit the Accounts of the company for the year 1997-98

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution :-
RESOLVED that the consent of the company be and is hereby accorded in terms of sec. 293(1) (d) of the Companies Act 1956 and other applicable provisions if any, of the Companies Act, 1956, for availing the term loan of 2 million US dollars or equivalent Indian Rupees from F II/Overseas lenders/ commercial Banks / Financial Institutions, for financing the ongoing projects on the security of the mortgage or charges on the assets of the company, movable or immovable, wheresoever situate, present and future, and the whole of the undertaking of the company, to or in favour of the FII/Overseas lender/ Commercial Banks/ Financial institutions and External-commercial borrowings subject to the necessary approvals, so however that the total amount of borrowing including the existing ones will not exceed Rs. 11 crores

Place : Aluva
Date : 13 August 1997

By order of the Board

Managing Director
DR. K. ANILKUMAR



**Kerala Ayurveda
Pharmacy Limited**

NOTES

- a) A MEMEBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) An explanatory Statement pursuant to Sec173(2) of the Companies act,1956 in respect of the resolution set out against item No. 6 of the Notice is annexed hereto.
- c) The Share Transfer Books and the Register of Members of the company will be closed from Friday, 26th September, 1997 to Monday, 29th September, 1997 (both days inclusive).

REQUESTS TO MEMBERS

- a) Members are requested to notify immediately, change in their address, if any to M/s Alpha Systems Pvt. Ltd, Regd. Office. No.301/1, 3rd Floor, Leeman's Complex, Cunningham Road, Bangalore 560 052 quoting their Folio Number to update their records.
- b) Shareholders wishing to make queries at the AGM on any aspect of the working of the company, the published accounts or the Directors Report may write to, " The Managing Director, Kerala Ayurveda Pharmacy Ltd, IX/250, Bank Road, Aluva 683101, so as to reach him latest by 20 th Sept 1997.
- c) A blank form and attendance slip is sent herewith. Shareholders are requested to detach the attendance slip and produce it for verification at the venue of the meeting.
- d) Members/proxies are requested to bring alongwith them the copy of the Annual Reports being sent to them.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Under Sec 293(1) (d) of the company's Act the consent of the company in general meeting is required where the money had to be borrowed together with the money already borrowed in excess of the paid up capital and free reserve. The company is exploring the possibility of obtaining loan fund by External Commercial Borrowings/ Commercial/Banks/ Financial institutions to fund the Bangalore Health Resort and also for development activities.

None of the Directors of the company is interested in the resolution.



**Kerala Ayurveda
Pharmacy Limited**

DIRECTORS' REPORT

To
The Members,

You Directors have pleasure in presenting the Fifth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 1997.

FINANCIAL RESULTS

The Financial Results of the company for the year ended on 31st March 1997 as follows:

	1996-97	1995-96
Gross Profit for the year	42.92	16.04
Less: Interest	28.49	10.17
Cash Profit	14.43	5.87
Less: Depreciation	10.33	4.19
Profit before Tax	4.10	1.68
Less: Provision for taxation	0.49	---
Net Profit after taxation	3.61	1.68
Appropriation		
Transfer to General Reserves	3.61	1.68

OPERATIONS DURING THE YEAR

The production facilities have been fully commissioned and the plant is now in a position to work at its installed capacity. The sales Turnover during the year netted at Rs. 350 lakhs against 238.08 lakhs of the previous year. The net profit after taxation is Rs. 3.61 lakhs for the year. (Rs. 1.68 lakhs for the previous year).

During the period your company has started treatment centres at Hydrebad, Bangalore, Kappad and Hotel Samudra (in Agreement with KTDC). The operation of these centres are now stabilised. Your company has also started distributionships in the state of Andhra Pradesh, Tamil Nadu, Karnataka to reinforce the existing net work. Our Director Mr. Jeffrey s Lindner has started an Ayurclinic (Therapy Centre) in U.S with our technical support and also using our medicines. He is also planning to have similar Centres in other cities. The results of all these will be reflected in the coming year's workings.

RESEARCH & DEVELOPMENT

Approval was received for new patent product Histatine-Anti-Allergic and Girdiactine - Anti- Amoebiasis. Your company has already started trial production and same will be available for test marketing very soon. Your company has launched Three Products viz. Promoti, Myaxil and Hepatone during the period under report. Research work is being carried out for developing new products. Our R&D is regularly checking the quality standards in each and every stages of production.

DIVIDEND

In view of the necessity to conserve the resources of the company the Board of Directors are not in a position to recommend any dividend for the year under reports.

PROJECTS

The factory at Athani was inaugurated by the Hon'ble Chief Minister of Kerala on 24th May 1997. As regards Health Resort at Bangalore, land has been acquired and sanction obtained. A Term Loan has been sanctioned from the Karnataka State Financial Corporation for completion of the project. However, a treatment centre has been started at Bangalore. Due to time and cost over run the Board is reviewing the strategy open to it in relation to the project.

PROJECTIONS Vs ACTUALS

A statement of projection vs. actuals for the year 1996-97 in respect of Utilisation of funds and the profitability as required under clause 43 of the Listing Agreement with the Stock Exchanges are given in the Annexure II.



Kerala Ayurveda Pharmacy Limited

EXPORT

Your company has made export worth Rs. 2.48 lakhs during the year 1996-97. Negotiations are undergoing at various levels for finalising export business with UAE, USA Etc. and Memorandum of Understanding is being entered into in both these cases. We are also exploring the possibility of entering into the European market through CHEMIXCIL, who has selected us as one among the five companies for export of Ayurvedic medicines.

MANPOWER TRAINING AND DEVELOPMENT

For professional excellence, your company values continuous upgradation of managerial as well as technical skills and appreciate the need for change in attitude and change in behaviour of its human resources. In line with this philosophy officers and staff in company were encouraged to enhance their knowledge and upgrade managerial as well as operational skills through various HRD Programmes conducted by different external agencies and in house programmes.

INDUSTRIAL RELATION

Industrial relations continued to be cordial throughout the year. To achieve constant improvement in productivity and continuous growth of the organisation, harmonious Industrial relation is essential. Keeping this in view your company encourages participating Management system. Problems and grievances are discussed in forums and settle amicably. Meetings are held periodically and problems are sorted out with mutual consent resulting in excellent Industrial relations.

AWARDS

The company has bagged the 1st Prize in the stores management competition conducted by the Indian Institute of Materials Management.

The company has announced two cash awards one worth Rs. 25,000/- for the best student of the final year BAMS and another RS. 50,000/- for the best research paper to be selected from amongst the Post Graduate students of Ayurveda on all India basis. The first award will be instituted in the name of the founded 'Late K G K Paniker' and the second in the name of KAPL to be distributed in the month of December each year.

DIRECTORS

Dr. K Rajagopal, Shri S V S Raghavan and Shri Jeffrey S Lindner retire by rotation at this Annual General Meeting and being eligible offer themselves for re-election.

AUDITORS

M/S Jayakrishnan & Co., Chartered Accountants, retire as Auditors of the Company at the conclusive of this Annual General Meeting and being eligible offer themselves for re-appointment.

FIXED DEPOSITS

During the period under report, your company has not accepted any Fixed Deposit within the meaning of Sec 58(A) of the companies Act 1956 and the rules made thereunder.

PARTICULARS OF EMPLOYEES

There is no employee coming under the purview of sec 217 (2A) of the Companies Act 1956 read with the rules made thereunder.

ACKNOWLEDGEMENTS

The directors acknowledge with thanks the continued assistance, co operation and support extended by our Bankers, The Federal Bank Ltd, Alwaye, Stock Exchanges at Cochin, Madras and Bombay, various Govt. departments, local self-Government Authorities, Kerala State Electricity Board. The directors also wish to place on record their deep appreciation of the dedication, hardwork and unremitting devotion to duty shown by the companys employees in providing wide ranging services and ensuring the sustained growth of the business. Last but at not the least the directors also gratefully acknowledge the patronage extended by the most valued clients. for their unflinching trust and confidence in the company. Your Directors also express their gratitude to the shareholders of the company for the confidence reposed by them in the Management.

for and on behalf of the Board of Directors

Place: Aluva
Date :13 August 1997

DR. K. ANILKUMAR
Managing Director

S. K. ARUNKUMAR
Dy. Managing Director.



**Kerala Ayurveda
Pharmacy Limited**

**ANNEXURE - 1
FORM- A
(See Rule 2)**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY**

A. Power and fuel consumption

1. ELECTRICITY

	Current Year	Previous Year
a) Purchase Unit	109820	38369
Total Amount	1.12 lakhs	0.42 lacs
Rate/Unit	1.12 (Approx)	1.10(approx)
b) Own generation		
i) Through diesel generator Unit	6294units	—
Unit per-Ltr of diesel oil Cost/Unit	5.97 /unit	—
ii) Through steam turbine/generator Units	—	—
Unit_ per ltr.of fuel oil/gas Cost /Units	—	—

2. COAL (Specify quality and where used)

Quantity(tonnes)	—	—
Total Cost	—	—
Average rate	—	—

3. FURNACE OIL

Quantity(k.ltrs)	102.61	—
Total amount	714460.00	—
Average Rate	Rs.7.01	—

4. OTHERS/INTERNAL GENERATION

(Please give details) (Fire wood)

Quantity	385 tons	817 tons
Totalcost	3.28 lakhs	Rs.8.991 lakhs
Rate/Unit	Rs.850/ton	Rs.1100/ton

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	Current Year	Previous Year
	1	2	
Products(withdetails)units we have			
400 heterogenous products*Electricity	NIL	Negligible	Negligible
Furnace Oil	—	—	—
Coal (specity quality)	—	—	—
Others (specify): Firewood	—	Negligible	Negligible

*Hence it is not possible to give the details here.