

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
ACM	✓	✓	SHI	✓
YE	✓	✓		✓



KERALA AYURVEDA PHARMACY LIMITED

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Sixth Annual Report 1997-98

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KERALA AYURVEDA PHARMACY LIMITED

BOARD OF DIRECTORS

Chairman	Padmasri 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 George Joseph, Nominee of 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	Canara Bank, Alwaye



KERALA AYURVEDA PHARMACY LIMITED

NOTICE

NOTICE is hereby given that the SIXTH Annual General Meeting of the Members of Kerala Ayurveda Pharmacy Ltd will be held at 9.30 a.m. on Tuesday, 29th September, 1998 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 Statement of Accounts for the year ended on 31st March 1998 and Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dr S K Sreekumar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Smt Chithra Gopinath, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Shri P Maharaj, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors of the Company and fix their remuneration to hold the office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

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

RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by granting such approvals, permissions & sanctions and which may be agreed to by the Board of Directors of the Company, the consent of the company be and is hereby accorded by the Board of Directors to acquire/purchase any of its own shares on such terms and conditions and to such limits as may be prescribed by law from time to time and that the Board of Directors be and is hereby authorised to all such acts, deeds, matters and things as may be necessary or proper to implement this resolution.

Place : Aluva
Date : 29 July 1998

By Order of the Board

Dr K Anilkumar
Managing Director

KERALA AYURVEDA PHARMACY LIMITED**NOTES**

- a) A MEMBER 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 Sec.173(2) of the Companies Act, 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 Wednesday, 23rd September 1998 to Tuesday, 29th September 1998 (both days inclusive).

REQUESTS TO MEMBERS

- a) Members are requested to notify immediately, change in their address, if any, to Kerala Ayurveda Pharmacy Ltd, IX/250, Bank Road Alwaye 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 Kerala Ayurveda Pharmacy Ltd, IX/250, Bank Road, Aluva 683101, so as to reach them latest by 20th Sept 1998.
- c) A blank proxy 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 SEC.173(2) OF THE COMPANIES ACT, 1956

It is anticipated that the Companies Act, 1956 may be amended to provide for the buy back of its own shares subject to certain conditions. Such buy back of shares if permitted is expected to enhance the value of company shares. Hence the Directors feel that it would be desirable to have an enabling power from the Shareholders for this purpose, as set out in item 6 of this Notice.

Your Directors, therefore, recommend the resolution for your approval.



KERALA AYURVEDA PHARMACY LIMITED

DIRECTORS REPORT

Your Directors have pleasure in presenting you the 6th Annual Report of the company together with the Audited Accounts for the year ended 31st March 1998.

FINANCIAL RESULTS

The Financial Results of the company for the year ended on 31st March 1998 as follows:

	<i>Rs. in lakhs</i>	<i>Rs. in lakhs</i>
	1997-98	1996-97
Gross Profit for the year	91.99	42.92
Less: Interest	92.38	28.49
Cash Profit	-0.39	14.43
Less Depreciation	28.47	10.33
Profit before tax	-28.86	4.10
Less: Provision for taxation	—	0.49
Net Profit after taxation	-28.86	3.61

Appropriation

Transfer to General Reserves	—	3.61
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OPERATIONS DURING THE YEAR

The year under review was a difficult year for the Industry, by and large, due to the recessionary condition which prevailed during the year 1997. The industrial growth suffered, our industry too was affected. The sales and other income generated by your company for the year 1997-98 at Rs.542.64 lakhs as against 349.62 lakhs for the previous year has to be viewed from the back loop. Although the company had completed its expansion activities, due to the recession as aforesaid, it could not utilise its installed capacity fully. This has affected the working of the company as the income generated was not sufficient enough to service the fixed expenses and other costs. The total operation has, therefore, resulted into a net loss of Rs. 28.86 lakhs after providing for depreciation, interest etc.

PROJECTS

The company is presently constructing the Bangalore Health Resort. Once this Resort starts operational company is optimistic that it would generate sufficient revenues and would improve the overall performance of the company both in terms of Turnover and Profitability. Company is also exploring other avenues to increase its sales. Joint operation in the Health Service Sector with Holiday Resorts is identified as a prospective area for improving the sales and profitability.

NEW PRODUCTS

2 New products, Promotil (for infertility) and Histantin (anti allergic) have been launched during the year under Report and the initial response are quite encouraging.

EXPORT MARKET

During the year the company exported medicines worth Rs. 11.94 lakhs. You will be pleased to note that our company has been selected to represent the Integrated Marketing Development Programme of Indian Herbal

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Medicines sponsored by Commonwealth Secretariate, UK. Under the auspicious of this programme our Managing Director visited UK, Germany and Holland as a member of the delegation to understand the policies and procedures of those countries in respect of importing herbal medicines. Although the visit was of a very exploratory nature, it helped your company to know the requirement of the European countries and the vast potential that lies unexploited in those countries. A lot of co-ordinating activities at various levels both by Government and otherwise is going on with a view to obtaining approval of Ayurvedic products in these countries. It is hoped that in the years to come your company would be able to meet the specification / requirements of these countries and capture a sizable market in Europe.

MANPOWER TRAINING & DEVELOPMENT

Realising the importance of Ayurveda for the promotion of Tourism, the Govt of Kerala has taken steps to promote Ayurveda and Ayurvedic Treatments in Kerala aimed at attracting foreign tourists. A set of guidelines for the establishment of Ayurvedic Treatment Centres have been already issued by the Government and our company has been approved as one of the approved companies in Kerala to impart therapy training course for Ayurvedic Masseurs. The company is presently in the process of setting up a training institution for this.

INDUSTRIAL RELATION

Industrial relations continued to be cordial throughout the year. Agreement has been signed with the Trade Unions valid for a period of 3 years from January 1997 onwards.

AUDITORS

M/s Jayakrishnan & Co, Chartered Accountants, retire as Auditors of the Company at this Annual General Meeting and are eligible for re-appointment.

DIRECTORS

Dr S K Sreekumar, Shri P Maharaj and Smt Chithra Gopinath retire by rotation at this Annual General Meeting and being eligible offer themselves for re-election.

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.

APPRECIATION

Your Directors place on record their gratitude to our Bankers, The Canara Bank, Aluva and Stock Exchanges at Cochin, Madras and Bombay, various Government Departments, local self-government authorities and our various business associates for their understanding and continued support to our various ventures. Your Directors also express their gratitude to the shareholders of the Company for the confidence reposed in the Management.

For and on behalf of the Board of Directors

Place : Aluva
Date : 29.07.98

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

	Current Year	Previous Year
1. ELECTRICITY		
a) Purchase Unit	48222	109820
Total Amount	1.45 lakhs	1.12 lakhs
Rate/Unit	3.00/unit(approx)	1.12 (Approx)
b) Own generation		
i) Through diesel generator Unit	20522	6294 units
Unit per-Ltr of diesel oil Cost / Unit	6.37/unit	5.97 /unit
ii) Through steam turbine/generator Units	—	
Units 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.)	147.050	102.610
Total amount	1001547.00	719460.00
Average Rate	Rs.6.81	Rs.7.01
4. OTHERS/INTERNAL GENERATION (Please give details) (Fire wood)		
Quantity	—	385 tons
Total cost	—	3.28 Lakhs
Rate/Unit	—	Rs.850/tonne

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	Current Year	Previous Year
PRODUCTS (with details) units We have 400 heterogenous products*			
Electricity	NIL	Negligible	Negligible



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Furnace Oil	—	—	—
Coal (specify quality)	—	—	—
Others (specify): Firewood	Nil	Negligible	Negligible

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

NOTES

1. Please give separate details for different products/items produced by the Company and covered under these rules
2. Please give reason for variation in the consumption of power and fuel from standards of previous year.
3. In case of production of different varieties/specifications consumption details may be given for equivalent production.

C. FOREIGN EXCHANGE

	Current Year	Previous Year
Earnings	Rs.21.99 lakhs	6.48 lakhs
Out go	NIL	NIL

FORM B (See rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D carried out by the company

Product development and Quality Control
2. Benefits derived as a result of the above R&D

Syrup for Hepatitis, Jaundice, and liver Protection.

Capsule for Azoospermia and functional impotency.

Pediatric syrup for infants and babies, Gastro-intestinal problem
3. Future plan of action

Continuing research for formulations and quality medicines.
4. Expenditure on R&D

a) Capital	NIL
b) Recurring	3.26 lakhs
c) Total	3.26 lakhs
d) Total R&D expenditure as a percentage of total turnover	0.61%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

Not Applicable