



**INVINEX**  
**LABORATORIES LIMITED**

**BOARD OF DIRECTORS**

SRI RAMESH CHANDRA AGARWAL	MANAGING DIRECTOR
Dr. G.SUBRAMANYAM	DIRECTOR
SRI C.SUDHAKAR	DIRECTOR
SRI ASHOK KUMAR AGARWAL	DIRECTOR
SRI PRAVEEN KUMAR AGARWAL	EXECUTIVE DIRECTOR

**AUDITORS**

T.S.AJAI, B.COM, F.C.A  
 304, MINAR APARTMENTS,  
 DECCAN TOWERS, BASHEERBAGH,  
 HYDERABAD - 500 001.

**BANKERS**

THE BANK OF RAJASTHAN LIMITED  
 SIDDIAMBER BAZAR  
 HYDERABAD - 500 012.

**REGISTERED & CORPORATE OFFICE**

4-6-463, ESAMIA BAZAR  
 HYDERABAD - 500 027. (INDIA)

**FACTORY & WORKS**

PLOT NO:22,23,24 & 24B,  
 S.V.CO-OP.INDL. ESTATE,  
 BACHEPALLY, MIAPUR,  
 HYDERABAD - 502 235.

**SHARE TRANSFER AGENTS**

VENTURE CAPITAL &  
 CORPORATE INVESTMENTS LIMITED  
 6-2-913/914, 3rd FLOOR,  
 PROGRESSIVE TOWERS,  
 KHAIRATABAD, HYDERABAD - 500 004.

NOTICE is hereby given that the **FIFTH ANNUAL GENERAL MEETING of INVINEX LABORATORIES LIMITED** will be held on Friday, the 14th July, 2000 at 10.00 a.m. at Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, to transact the following business.

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2000 together with the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Ashok Kumar Agarwal who retires by rotation and being eligible offers himself for reappointment.
3. To consider the reappointment of T.S.Ajai, Chartered Accountant as Auditor to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration and reimbursement of out of pocket expenses as may be mutually agreed upon between the Board of Directors and the Auditor.

#### SPECIAL BUSINESS:

4. To Consider and if thought fit to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED that pursuant to section 17(1) of the Companies Act, 1956 and other applicable provisions of the Companies Act 1956, if any, the Objects Clause IVA of the Memorandum of Association of the Company be and is hereby altered in the following manner:

To Substitute the following with the existing clause IVA of the main objects:

To provide management and marketing services, in the field of Software Development, Computer Software, CAD/CAM Books, systems, e-Commerce, Teaching aids, Servers,

parallel Computers, Mini and Micro Computers, all types of Network computers, Microprocessors, Pentium drives, disks, modem, monitors, information technology, virtual training & animation software internet, intranet, web technologies and any such product or things which may be considered either as an integral part of a computer system or in related fields and supplement thereto. To act as market surveyors, market researchers, financial consultants, to undertake to aid promote and co-ordinate project studies, arrange collaborations, prepare schemes, project reports, assist in finding capital and other funds, Indian or Foreign, for or in all Drugs and Pharmaceuticals products or products manufactured therefrom or products manufactured for use in its production, and to. To carry on the business as Dealers, Agents, Distributors brokers or in any other capacity in India or elsewhere in world and to export, import, indent, buy, sell, barter, exchange, pledge, mortgage, advance upon or otherwise deal in goods, chemicals, raw materials, finished products, fabrication, designing or dealing in drugs machinery and any other related products.

5. To Consider and, if thought fit, to pass with or without modification, the following resolution:

#### As an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act 1956, and subject to the approval of the financial institutions and Banks and subject to such other consents, sanctions, approvals and permissions, as may be necessary, the consent of the company be and is hereby accorded to the Board of Directors of the Company to sell or otherwise dispose of as a going concern the Bulk Drug Unit of the Company located at Plot No. (part of 22, 23) and 24 & 24B,

S.V.Co-op. Industrial Estate, Bachepally, Miyapur, HYDERABAD - 502 325, together with the use of all licences, permits, consents, and approvals whatsoever to SMS PHARMACEUTICALS LIMITED, HYDERABAD, through one or more contracts, on such terms and conditions, as may be deemed fit by the Board of Directors in the best interest of the Company, and at an aggregate consideration of Rs.400 lacs being the agreed value of the Bulk Drug Unit.

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, including determining the proposed closing date and to sign and execute all such applications, agreements, deeds, and other documents and writings as they may consider necessary, fit and proper for the purpose of giving effect to this resolution.

***By order of the Board***

***(Ramesh Chandra Agarwal)***  
***Managing Director***

Place : Hyderabad  
Date : 05.06.2000

**NOTES :**

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself/herself and proxy need not be a member Instrument of proxies, in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before the meeting.
2. Members are requested to kindly notify any change in address immediately to the Companies' Address.
3. Members/Proxies should bring their attendance slip sent herewith duly filled in for attending the meeting.
4. The Register of Member's and the 'Share Transfer Books' will be closed from Monday 10th July, 2000 to 14th July, 2000 (Both days inclusive)
5. Members are requested to bring the copies of Annual Report while attending the Annual General Meeting.

**EXPLANATORY STATEMENT PURSUANT TO  
SECTION 173 OF COMPANIES ACT, 1956**
**ITEM NO.4**

In view of the present technological and industrial development and encouraging measures taken by the Central Government to liberalise the Economy, it is in the interest of the Company and its shareholders that the activities of the Company be diversified. For this purpose the company is planning to enter into Software business. The alternation in the Main Objects Clause of the Memorandum of Association as set out in the Resolution is to facilitate diversification. This will enable the company to carry on its business economically and efficiently and the proposed activities of the Company. This will also enlarge the area of operations of the company.

As per the Companies (Amendment) Act, 1996 and as per the Central Government Notification No GSR 78 (E) dated 15-02-1997 and pursuant Section 17(1) of the Act, the above said proposal requires only the consent of the Members by way of Special Resolution.

The Directors recommend this Resolution for approval of the Shareholders.

None of the Directors of your Company is concerned or interested in this Resolution.

**ITEM NO.5**

The Company has been carrying on the business inter alia of manufacturing Bulk Drug at its Bulk Drug Unit located at Miyapur Hyderabad. Due to difficult market conditions and low operating capacities the Board felt the running of the Bulk

Drug Unit of the company appears to be no longer a viable proposition. In view of the foregoing the Board has decided to hive of the Bulk Drug Unit to SMS PHARMACEUTICALS LIMITED, HYDERABAD for a sale consideration of Rs.400.00 lacs (Rupees Four Hundred lacs Only).

The proposed sale of the said Bulk Drug Unit is also subject to the approval of Bankers and such other approvals, sanctions and permissions as may be necessary. The Company will take steps to obtain such approvals at the relevant time.

In the opinion of the Board, the aforesaid offer is fair and reasonable and it would be in the interest of the Company and its shareholders to accept the said offer.

The Members are aware that Under Section 293(1)(a) of the Companies Act 1956, the consent of the company in General meeting is required to be obtained before the sale or disposal of the whole or substantially the whole of any undertaking of the company. The resolution set out in the accompanying Notice seeks to obtain the consent of the members to the sale of the Company's said Bulk Drug Unit. The Directors commend the resolution for acceptance.

None of the Directors of the Company are concerned or interested in the said resolution.

***By order of the Board***

***(Ramesh Chandra Agarwal)***  
***Managing Director***

Place : Hyderabad  
 Date : 05.06.2000

**TO THE MEMBERS**

Your Directors have pleasure in presenting the FIFTH ANNUAL REPORT for the year ended 31st March, 2000 together with Audited Accounts.

**FINANCIAL RESULTS**

(Rs.in lakhs)

	Year ended 31.03.2000	Year ended 31.03.99
Sales	401.91	731.71
Profit/(Loss) before Depreciation Interest and Income Tax (PBDIT)	( 4.20)	43.00
Interest & Finance Charges	11.17	16.06
Depreciation	14.73	15.62
Net Profit /(Loss) before tax	(30.10)	11.32
Provision for Taxation	—	—
Net Profit/(Loss) carried to Balance Sheet	(30.10)	11.32

**OPERATIONS :**

During the year 1999-2000, the Company achieved a turnover of Rs.401.91 Lakhs, a decrease of 45% over the previous year. The decrease in sales is on account of the low operating capacity in the Bulk Drug Division due to difficult market conditions and decrease in the Formulation sales to the institution segment. However your company achieved a cash profit of Rs.0.78 lacs for the year under review.

Your Company is in the process of restratagising its growth Plans for the ensuing years in respect of running the Bulk Drug Unit. Your Company is in the process of drawing up plans for further strengthening the formulation division. The proposed scheme envisages optimising the formulation operations. Your company is taking all necessary steps for posting improved results during the coming financial year.

**FIXED DEPOSITS:**

Your Company has not accepted any Deposits from the Public during the year.

**DIRECTORS :**

Sri Ashok Kumar Agarwal, Director of the Company who retires by rotation and being eligible for reappointment, offers himself for reappointment.

**AUDITORS :**

Sri T.S.Ajai, B.Com, F.C.A., Chartered Accountant, Hyderabad Auditor of the Company who retires at the conclusion of the Annual General Meeting has given his consent to be reappointed for the current year.