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**INWINEX**  
**PHARMACEUTICALS LIMITED**

## BOARD OF DIRECTORS

**RAMESH CHANDRA AGARWAL**

**CHAIRMAN**

**MAN MOHAN AGARWAL**

**EXECUTIVE DIRECTOR**

**P.SUJATHA**

**DIRECTOR**

**C.SOUJANYA**

**DIRECTOR**

**ARVIND VARCHASWLN**

**DIRECTOR**

**N. NARASIMHAN**

**DIRECTOR**

**AUDITORS**

**PRAKASH CHOKDA**  
SHOP NO.61  
RAGHAVA RATNA TOWERS  
CHIRAGALI LANE  
HYDERABAD – 500 001.

**BANKERS**

**ANDHRA BANK**  
R.P. ROAD  
SECUNDERABAD.

**REGISTERED OFFICE & WORKS**

**PLOT NO:22 & 23, SVCIE**  
**MIAPUR, BACHEPALLY,**  
**HYDERABAD - 500 325.**  
**ANDHRA PRADESH**

**SHARE TRANSFER AGENTS**

**VENTURE CAPITAL & CORPORATE**  
**INVESTMENTS PRIVATE LIMITED**  
**12-10-167, BHARAT NAGAR**  
**HYDERABAD-500 018.**

**NOTICE is hereby given that the Thirteenth ANNUAL GENERAL MEETING of INWINEX PHARMACEUTICALS LIMITED will be held on Monday 29<sup>th</sup> September, 2008 at 9.30 A.M. at Plot No.22 & 23, SVCIE, Bachepally, Miyapur, Hyderabad – 500 325, to transact the following business:**

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2008 together with the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms.P.Sujatha who retires by rotation and being eligible offers herself for reappointment.
3. To consider the reappointment of Mr.Prakash Chokda, 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. APPOINTMENT OF DIRECTOR**

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

“RESOLVED THAT Mr.Arvind Varchaswai.N, who was appointed as an Additional Director by the Board of the Directors pursuant to Article 95 of Article of Association of the company and Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting and in respect of whom the company, has pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director be and is hereby appointed as a Special Director of the Company”.

##### **5. APPOINTMENT OF DIRECTOR**

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

“RESOLVED THAT Mr.Narasimhan.N, who was appointed as an Additional Director by the Board of the Directors pursuant to Article 95 of Article of Association of the company and Section 260 of the Companies Act, 1956 and who holds office, upto the date of this Annual General Meeting and in respect of whom the company, has pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director be and is hereby appointed as a Special Director of the Company”.

##### **6. APPOINTMENT OF MANAGING DIRECTOR**

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

“RESOLVED THAT pursuant to Section 198, 269, 309, Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Sri.Ramesh Chandra Agarwal as Managing Director of the Company for a period of 5 years commencing from 01.10.2008 on a remuneration as per details given below:

#### **REMUNERATION**

- I. **Salary :** Rs.75,000/- (Rupees Seventy Five Thousand Only) per month in the scale of 75,000 -10,000-125,000 as per Company rules.

**Commission:** 1% per annum of the net profits of the Company.

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## II. PERQUISITIES

### PART - A

#### i. Housing

- a. The expenditure by the Company on hiring furnished accommodation for the Managing Director will be subject to a ceiling of sixty percent of the salary over and above ten percent payable by the Managing Director.
- b. In case the accommodation is owned by the Company, ten percent of the salary of the Managing Director shall be deducted by the Company.
- c. In case no accommodation has been provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to the ceilings laid down in (a) above.
- d. The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income tax Rules, 1962.

#### ii. Medical Reimbursement:

Expenses incurred for self and family subject to a ceiling of one month salary per year or three months salary in a period of 3 years.

#### iii. Leave Travel Concession:

For self and family once in a year accordance with any rules specified by the Company.

#### iv. Club Fees:

Fees of Clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.

#### v. Personal Accident Insurance:

For an amount the annual premium of which does not exceed Rs.15,000/-.

### PART-B

- i. Company's contribution towards Provident Fund will be as per the rules made under Employees Provident Fund Miscellaneous Provisions Act, 1956.
- ii. Company's Contribution towards Pension/Superannuation Fund, such contribution together with the contribution to the Provident Fund shall not exceed 25% of salary.
- iii. Gratuity : Payable in accordance with an approved scheme of the Company.

### PART-C

- i. Free use of Company's car on Company's business
- ii. Residential telephone shall be provided. All long distances personal calls shall be duly logged and paid for the Managing Director.
- iii. Earned/Privilege Leave - On full pay and allowance as per rules of the Company. Leave accumulated but not availed during his tenure may be allowed to encash as per the rules of the Company"

### 7. REAPPOINTMENT OF EXECUTIVE DIRECTOR

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

**"RESOLVED THAT** pursuant of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, consent of the Company be and is hereby accorded to the re-appointment of Sri Man Mohan Agarwal as Executive Director for a period of 5 years commencing from 01.10.2008 on a remuneration as per details given below:

## REMUNERATION

- I. Salary :** Rs.60,000/- (Rupees Sixty Thousand Only) per month in the scale of 60,000-10000-110000 as per Company rules.

**Commission:** 1% per annum of the net profits of the Company.

## II. PERQUISITIES

### PART - A

#### i. Housing

- a. The expenditure by the Company on hiring furnished accommodation for the Executive Director will be subject to a ceiling of sixty percent of the salary over and above ten percent payable by the Executive Director.
- b. In case the accommodation is owned by the Company, ten percent of the salary of the Executive Director shall be deducted by the Company.
- c. In case no accommodation has been provided by the Company, the Executive Director shall be entitled to House Rent Allowance subject to the ceilings laid down in (a) above.
- d. The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income tax Rules, 1962.

#### ii. Medical Reimbursement:

Expenses incurred for self and family subject to a ceiling of one month salary per year or three months salary in a period of 3 years.

#### iii. Leave Travel Concession:

For self and family once in a year accordance with any rules specified by the Company.

#### iv. Club Fees:

Fees of Clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.

#### v. Personal Accident Insurance:

For an amount the annual premium of which does not exceed Rs.15,000/-.

### PART-B

- i. Company's contribution towards Provident Fund will be as per the rules made under Employees Provident Fund Miscellaneous Provisions Act, 1956.
- ii. Company's Contribution towards Pension/Superannuation Fund, such contribution together with the contribution to the Provident Fund shall not exceed 25% of salary.
- iii. Gratuity : Payable in accordance with an approved scheme of the Company.

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## PART-C

- i. Free use of Company's car on Company's business
- ii. Residential telephone shall be provided. All long distances personal calls shall be duly logged and paid for the Executive Director.
- iii. Earned/Privilege Leave - On full pay and allowance as per rules of the Company. Leave accumulated but not availed during his tenure may be allowed to encash as per the rules of the Company"

## 8. AUTHORISATION FOR CREATION OF MORTGAGE ON ASSETS OF THE COMPANY:

To consider and, if thought fit, to pass with or without the modifications, the following resolution as an **Ordinary Resolution** by way of Postal Ballot :

**"RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage/create charge by the Board of Directors of the Company, of all or part of the immoveable and / or moveable properties of the Company in favour of the M/s.Sumeru Ayurveda Private Limited , Bangaluru (hereinafter called the Lenders) to enter upon and to take possession of assets of the Company in certain events, to or in favour of Lenders to secure the financial assistance provided/to be provided by them to the Company upto Rs.325 lakhs (Rupees Three hundred & Twenty Five lacs only) together with interest thereon at the stipulated rates, compound interest, additional interest, default interest, liquidated damages, upfront fee, premia on prepayment or on redemption, guarantee commission, structuring fee, costs, charges, expenses and other monies payable by the Company to the Lenders under the loan agreements/ letters of sanction/ memorandum of terms and conditions entered into/to be entered into by the Company in respect of the such financial assistance(s) by equitable mortgage by deposit of title deeds of properties, being the whole of the undertaking of the Company including all the land and buildings thereon, plant and machinery, structures, furniture and fixtures more particularly situated at Plot No.22 & 23, S.V.C.I.E, Miyapur, Bachepally, Hyderabad – 500 325

- (i). The unit having 16,000 sq.ft. approx. which includes Working area, Storage area and Quality control area in a site, area of 7000 sq. yards approx. land with green lawn, developed in front of the building and also tall trees raised around the building. The unit has 1000 sq.ft. area for utilities together with or without all or part of the Plant & Machinery, fittings, fixtures and other installations therein at the above stated location".

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalize the documents, deeds, agreements to be executed in this connection and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution".

**Dated : 31.07.2008**

**Place : Hyderabad**

**BY ORDER OF THE BOARD**

**sd/-**

**RAMESH CHAND AGARWAL  
CHAIRMAN**

## 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. All documents referred to in the accompanying Notice and Explanatory Statement including Articles of Association of the Company are open for inspection at its Registered Office during the office hours on all working days except Saturdays and holidays, between 11.00 a.m. and 1.00 p.m., upto the date of the Annual General Meeting.
3. Members are requested to kindly notify any change in address immediately to the Companies' Address/Registrar.
4. Members/Proxies should bring their attendance slip sent herewith duly filled in for attending the meeting.

5. The Register of Members and the 'Share Transfer Books' will be closed from 27.09.2008 to 29.09.2008 (Both days inclusive)
6. You are requested to carefully read the instructions contained in the Postal Ballot Form and send the same after exercising your vote to the Scrutinizer **Mr. Ajay S Shrivastava, Practicing Company Secretary, 303, Durga Apartments, Road No. 10, Surya Nagar Colony, Somajiguda, Hyderabad - 500 082** who has been appointed as Scrutinizer by the Board of Directors for conducting vote by Postal Ballot and he will be in this position for a period of 60 days from the date of issue of this notice.
7. Members are requested to convey their assent or dissent in writing and send the self addressed stamped envelope enclosed herewith within a period of 30 days from the date of dispatch of this notice.
8. Only a shareholder entitled to vote is entitled to exercise his right through postal ballot and the shareholder having no voting right should treat the resolution in item no. 8 of notice, as intimation only.
9. Members are requested to bring the copies of Annual Report while attending the Annual General Meeting.

### **EXPLANATORY STATEMENT**

The Explanatory Statement pursuant to Section 173 (2) / 192A of the Companies Act, 1956, and clause 49 of listing agreement

#### **Item No.4**

In accordance with the Loan agreement signed with the Lender, Mr.Arvind Varchaswi.N was appointed as an Additional Director of the Company by the Board of Directors on 30<sup>th</sup> June, 2008 pursuant to Article 95 of Article of Association of the Company and Section 260 of the Companies Act, 1956, Mr.Arvind Varchaswi will hold office as Additional Director upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr.Arvind Varchaswi.N for the Office of the Special Director of the Company pursuant to the provisions of section 257 of the Companies Act, 1956.

Mr.Arvind Varchaswi N, 26 years, is a Commerce Graduate and Diploma holder in International Trade having experience of five year in the field of Trade and Marketing. He has got wide exposure & traveled most of the European and Asian Countries. He has got very good exposure in Ayurvedic Products & Marketing. His experience in Marketing and Production will increase our exports potential for future to come. He is not holding any shares in the company.

In view of his vast knowledge and experience, it will be in the interest of the Company that Mr.Arvind Varchaswi is appointed as Special Director of the Company.

Except Mr.Arvind Varchaswi, none of the Directors of the company is in any way concerned or interested in the resolution.

<b>Other Details</b>	
Date of Birth	15/10/1982
Directorship of Other Companies	1) Sumeru Realty Private Limited 2) Sumeru Aviations Private Limited 3) Sumeru Ayurveda Private Limited
Membership in Other Committees	NIL
Shareholding in Equity Shares of the Company and Percentage of holding in Share Capital	NIL (0%)

#### **Item No.5**

In accordance with the Loan agreement signed with the lender, Mr.Narasimhan.N was appointed as an Additional Director of the Company by the Board of Directors on 30<sup>th</sup> June, 2008 pursuant to Article 95 of the Article of Association of the Company and Section 260 of the Companies Act, 1956, Mr.Narasimhan.N will hold office as Additional Director upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member



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proposing the candidature of Mr. Narasimhan.N for the Office of the Special Director of the Company pursuant to the provisions of section 257 of the Companies Act, 1956.

Mr. Narasimhan. N, 60 years, has got wide experience in Public Sector as well as Finance and Administration. He has traveled most of the European and Asian Countries. His induction in the company as Director will help the company to promote business in the Domestic and Export market.

In view of his vast knowledge and experience, it will be in the interest of the Company that Mr. Narasimhan.N is appointed as Special Director of the Company.

Except Mr. Narasimhan.N, none of the Directors of the Company is in any way concerned or interested in the resolution.

Other Details	
Date of Birth	04/02/1948
Directorship of Other Companies	<ol style="list-style-type: none"> <li>1. Sumeru Realty Private Limited</li> <li>2. Sumeru Aviations Private Limited</li> <li>3. Sumeru Ayurveda Private Limited</li> <li>4. Sumeru Solutions Private Limited</li> </ol>
Membership in Other Committees	NIL
Shareholding in Equity Shares of the Company and Percentage of holding in Share Capital	NIL (0%)

## Item No.6

The Board of Directors at its meeting held on 31<sup>st</sup> July, 2008 has appointed Sri Ramesh Chandra Agarwal as Managing Director of the Company effective from 01<sup>st</sup> October 2008 for a period of 5 years on payment of remuneration and perquisites as detailed at item no.6 of the notice. It may be mentioned that the proposed remuneration & perquisites payable to Sri Ramesh Chandra Agarwal are in conformity to Schedule XIII and other applicable provisions of the Companies Act, 1956. .

Mr. Ramesh Chandra Agarwal, 58 years, is a Law Graduate and approved Chemist having rich experience in the Pharmaceutical industry for more than 3 decades. Sri Ramesh Chandra Agarwal would be non-rotational Director.

Except Sri Ramesh Chandra Agarwal & Sri Manmohan Agarwal being related no other Director of the Company is anyway concerned or interested in the resolution.

Other Details	
Date of Birth	28/01/1950
Directorship of Other Companies	1. Ionic Healthcare Private Limited
Membership in Other Committees	NIL
Shareholding in Equity Shares of the Company and Percentage of holding in Share Capital	508,831 Equity Shares (6.17%)

## Item No.7

The Board of Directors at its meeting held on 30<sup>th</sup> June, 2008 has appointed Sri Manmohan Agarwal as Executive Director of the Company effective from 01<sup>st</sup> October 2008 for a period of 5 years on payment of remuneration and perquisites as detailed at item no.7 of the notice. It may be mentioned that the proposed remuneration & perquisites payable to Sri Manmohan Agarwal are in conformity to Schedule XIII and other applicable provisions of the Companies Act, 1956.

Mr.Manmohan Agarwal, aged 30 years is a Commerce Graduate having more than Ten years of experience in Finance & Accounts of the Company. He is overall responsible for finance, accounts, & Procurement activities. Sri Manmohan Agarwal would be non-rotational Director.

Except Sri Manmohan Agarwal & Sri Ramesh Chandra Agarwal being related no other Director of the Company is anyway concerned or interested in the resolution.



Other Details	
Date of Birth	27/01/1978
Directorship of Other Companies	1. Ionic Healthcare Private Limited
Membership in Other Committees	NIL
Shareholding in Equity Shares of the Company and Percentage of holding in Share Capital	80 Equity Shares (0.00%)

#### Item No. 8

The Company has borrowed funds in order to augment long term working capital resources for better business operations. The said loan is proposed to be secured by way of mortgage of immovable property including land, building, plant and machinery, fittings & fixtures of the Company situated at Plot No.22 & 23, S.V.C.I.E, Miyapur, Bachepally, Hyderabad – 500 325.

As per the provisions of The Companies (Passing of Resolution by Postal Ballot) Rules, 2001, approval of members is to be obtained by way of postal ballot for mortgaging immovable property of the Company u/s 293(1)(a) of the Companies Act, 1956.

Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors of a public company shall not, without the consent of such public company in General Meeting or by Postal Ballot, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company. Since the properties are now required to be mortgaged for securing the working capital loan, the resolution as stated in the notice is required to be passed.

You are requested to communicate your assent or dissent in writing in the POSTAL BALLOT FORM sent herewith in accordance with the instructions set out there in.

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

The proposed Ordinary Resolution and explanatory Statement stating all material facts and reasons for the proposal are appended in the Notice and the postal ballot form is enclosed for your consideration. The Company has appointed Mr. Ajay S Shrivastava, Practising Company Secretary as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Please read carefully the instructions printed in the postal ballot form and return the form stating your assent/dissent and duly completed in all respects in the enclosed self addressed prepaid postage envelope so as to reach the Scrutinizer at 303, Durga Apartments, Road No. 10, Surya Nagar Colony, Somajiguda, Hyderabad -500 082 on or before close of working hours on 27<sup>th</sup> September, 2008.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny and the result of the postal ballot will be announced on 29<sup>th</sup> day of September, 2008 at the ensuing Annual General Meeting to be held at Registered Office of the Company situated at Plot No.22 & 23, S.V.C.I.E, Miyapur, Bachepally, Hyderabad – 500 325

#### Information pursuant to clause 49 of listing agreement regarding appointment/re-appointment of Directors

Ms.P.Sujatha, 28 Years, is a Science Post Graduate in Biotechnology having 6 years of experience in Quality Control.

Other Details	
Date of Birth	15/12/1980
Date of Appointment as Director	12/07/2006
Directorship of Other Companies	NIL
Membership in Other Committees	NIL
Shareholding in Equity Shares of the Company and Percentage of holding in Share Capital	NIL (0%)

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## DIRECTORS REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 13<sup>th</sup> ANNUAL REPORT together with Audited Accounts for the year ended 31<sup>st</sup> March, 2008.

### FINANCIAL RESULTS

	(Rs.in Lacs)	
	Year ended 31.03.2008	Year ended 31.03.2007
Sales / Job Work Charges	43.71	-
Profit/ (Loss) before Depreciation		
Interest and Income Tax (PBDIT)	9.42	(234.06)
Interest & Finance Charges	1.26	6.97
Depreciation	8.27	1.96
Net Profit/ (Loss) before Tax	(10.30)	(242.99)
Provision for Tax	Nil	Nil
Net Profit/ (Loss) carried to Balance Sheet	(770.02)	(759.80)

### OPERATIONS:

The sales / Job work charges for the year ended 31st March 2008 was Rs. 43.71 Lacs (Rs. Nil for the year ended 31st March 2007). The Company has taken up Job work since July 2007 after the unit has complied with Schedule - M of Drugs & Cosmetics Act. The Company could not under take own manufacturing activity due to lack of working capital. With the mounting losses, the Company has suffered vast erosion of capital and therefore is contemplating a scheme of reconstruction of capital for embarking on a revival drive.

### OUT LOOK & FUTURE PLANS

The outlook and future plans of the company are presented in Management Discussion and Analysis, forming part of this report.

### DIVIDEND

Your directors have not recommended any dividend in view of the accumulated losses and need to build up long term working capital resources.

### FIXED DEPOSITS:

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

### DIRECTORS:

Ms.P.Sujatha, Director of the Company who retires by rotation and being eligible for reappointment, offers herself for appointment.

### LISTING OF SHARES:

The securities of the company are listed at The Stock Exchange, Mumbai.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that: