

22nd Annual Report
2009- 2010

Caring for your Health



ARVIND REMEDIES LIMITED

190, Poonamallee High Road, Chennai - 600 084.

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CONTENTS AT A GLANCE

Notice & Explanatory Statement	04
Directors' Report	09
Management Discussion and analysis	15
Report on Corporate Governance	18
Auditor's Certificate on Corporate Governance	26
Auditor's Report	27
Financial Statements	30



Board of Directors	Dr. B Arvind Shah Dr. Chandra Ravindran Mr. K.V. Narayan Dr. C.M.K.Reddy Mr. Prakash Shah Dr. Yogesh Kothari	CEO & Managing Director Whole-time Director Director Director Additional Director from 31.10.2008 Additional Director till 07.9.2009
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 Auditors	Mr. K. Suryanarayanan Cost Accountant Flat A, Brindhavan Apartment, No.1, Poes Road, 4 th street Teynampet, Chennai 600 018.	
Bankers	United Bank of India Allahabad Bank State Bank of India IDBI Bank Punjab National Bank The Karur Vysya Bank Ltd. Bank of Rajasthan Ltd.	
Corporate & Registered Office	190, Poonamallee High Road, Chennai 600 084 Phone: +91 - 44 - 2642 3264 / 4343 9595 Fax +91-44-26423296 E-mail: arl@arvindremedies.com Website: www.arvindremedies.com	
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 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 Second Annual General Meeting of the Members of the Company will be held at "Golden Chakra Hall, V.G.P. Golden Beach Resort, E.C.R., Injambakkam, Chennai – 600 041, at 9.30 a.m on Tuesday, the 28th September 2010 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the Year ended 31st March 2010 and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year 2009-2010.
3. To appoint a Director in place of Mr. K. V Narayanan 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 198, 269,309 read with 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 Dr. B. Arvind Shah, as the Managing Director of the Company for a period of 5 years with effect from 01.10.2010 and to his receiving remuneration payment, perquisites and amenities from that date as given below.

A. (1)Salary

The salary payable to Dr. B. Arvind Shah, Managing Director shall be Rs. 2,50,000 per month

A(ii) Perquisites

In addition to the above mentioned salary, and allowance, Dr. B. Arvind Shah will also be entitled to use of company car for official duties Dr. B. Arvind Shah will be entitled for House Rent allowance subject to maximum of Rs. 50,000 per month.

B Commission

In addition to the salary, Dr. B. Arvind Shah will be entitled to commission on the profits of the company to be calculated as per the provisions of the Companies Act for the purpose of remuneration, and that

In any case, maximum remuneration including salary, perquisites and commission shall not exceed the limit of 5% of the net profits of the company, as per the provisions of Companies Act, 1956.

Dr. B. Arvind Shah shall also be entitled to the following perquisites and benefits, which are not covered in the aforesaid limits in A & B above.

a) Telephone/ computer

Provision for use of one telephone (including payment of local and long distance office calls, and computer facility at residence.

b) contribution to provident fund, superannuation fund etc.

Contribution to provident fund, superannuation fund or annuity fund will not be included in the above ceiling to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity is payable as per the company's scheme and also encashment of leave at the end of the tenure.

c) Leave as per the rules of the company

d) Club Membership Entrance fees and monthly subscription fees of not more than two clubs

e) Entertainment expenses

Dr. Arvind Shah will also be entitled to reimbursement of entertainment expenses incurred by him for the purposes of the business of the company

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.

The Board of Directors may, in its discretion, pay to Dr. B. Arvind Shah lower remuneration than the maximum remuneration hereinbefore stipulated and revise the same from time to time within the maximum limits stipulated. The terms of remuneration payable to Dr. B. Arvind Shah shall be in compliance with the provisions of Section 198, 269, 309 and 310 of the Companies Act, 1956 read with Schedule XIII of the Act.

C) Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the tenure of Dr. B. Arvind Shah as the Managing Director of the company, he shall be entitled to receive a total remuneration including perquisites etc. not exceeding ceiling limits as approved by the Central Government as minimum remuneration.

D. Period:

Subject to the provisions of Section 317 of the Companies Act, 1956, Dr. B. Arvind Shah shall continue in Office as Managing Director for a period of 5 years commencing from 1st October 2010

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized from time to time to amend, alter or otherwise vary the terms and conditions of the appointment of Dr. B. Arvind Shah including remuneration, provided that such remuneration shall not exceed the maximum limits for payment of remuneration as may be admissible to him, within the overall limits specified in the Act and as existing or as amended, modified or re-enacted from time to time by the Govt. of India, as the Board may deem fit.

RESOLVED FURTHER THAT that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion, may consider necessary expedient or desirable, in order to give effect to this Resolution."

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

RESOLVED THAT pursuant to Section 314 (1B) and other applicable provisions of the Companies Act, 1956 and subject to the necessary approvals of the Central Government for payment of remuneration, consent be and is hereby given for the appointment of Mr. Anand Shah, as Vice President of the Company from 1st April 2010 on the following terms and conditions.



PROFILE

Mr., Anand Shah, aged 28 Years is a Commerce Graduate, and pursuing MBA (Marketing). He is a Director in other body corporate and was working there for three years on full time basis. Mr. Anand Shah has been with the Company since last year without any remuneration, looking after the marketing activities of the Company, which comprises Institutional sales, exports, and outsourcing. He has been appointed as Vice President from 1st April 2010 and heads the marketing functions of the Company.

Terms & conditions

Mr. Anand Shah is son of Dr. B. Arvind Shah, Managing Director of the Company and hence pursuant to provisions of Section 314(1B) of the Companies Act, 1956 payment of remuneration to him exceeding Rs.50,000/- per month requires approval of General Meeting and of the Central Government. The Company propose to pay to Mr. Anand Shah the following remuneration.

- a) Salary Rs .1.00,000 P.m.
- b) House Rent allowance: Rs 20,000 per month

PERQUISITES

Contribution to Provident Fund at such rates as applicable to other employees of the company.
Reimbursement of the one mobile phone charges at actuals, every month used for business purpose of the company.

Car with driver for discharging his duties, which shall not be considered as perquisites for the above said purposes.

OTHER BENEFITS

The Board of Directors can also consider giving performance incentive or any other benefits in future during the tenure of his appointment as may be introduced and applicable to the officers / employees of the company.

The Board of Directors can consider variation and/ or increase in the remuneration from time to time in future which may include any other allowance, perquisite, or incentive subject to the limits prescribed in the regulations and approvals as may be required from the authorities concerned.

Mr. Anand Shah will be also entitled for the reimbursement of actual traveling, boarding and lodging expenses as may be incurred by him, from time to time, in connection with the Company's business and any other allowances, benefits and perquisites as are provided to the senior executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board may decide from time to time

NOTES :

1. Pursuant to Section 173 of the Companies Act, explanatory statement on item nos.5 and 6 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 25th September 2010 to 28th September 2010 (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, 2010 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 28th September 2010. 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 24th September 2010.
6. Dividend, as declared, shall be remitted through Electronic Clearing Service (ECS). This facility is currently available to shareholders located at 16 locations, Ahmedabad, Bangalore, Bhopal, Bhubaneswar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram and in all other cases, through warrants payable at par.
7. Shareholders who would like to avail of the ECS facility/Bank Mandate facility are requested to complete and submit the ECS/ Bank Mandate Form that is also sent with this notice, to the Company's Registrar and Transfer Agent so as to reach them latest by 20th September 2010.
8. All members, who are holding shares in demat mode, are requested to intimate their Depository Participate of any change in address, Bank details, etc., and those, who are holding their share 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:

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

By Order of the Board

Place : Chennai
Date 31st August 2010

Dr. B. Arvind Shah
Managing Director



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

Item No.5

In the 17th Annual General Meeting held on 25th September 2005 the shareholders have approved the appointment of Dr. B. Arvind Shah as the Managing Director of the Company for a period of 5 years effective from 1st October 2005.

The Board of Directors at its meeting held on 31st August 2010 has decided to re-appoint Dr. B. Arvind Shah as the Managing Director of the company for a period of 5 years with effect from 1st October 2010 subject to the approval of the shareholders at the Annual General Meeting of the Company. The remuneration payable to Dr. B. Arvind Shah is set out in the Resolution at item no.5 of the Notice.

The information required to be furnished under the Code of Corporate Governance is given hereunder.

Dr. B. Arvind Shah 50 years is a Commerce Graduate and has done post graduation in MBA. He has been with the company right from inception and prior to that he was handling the distribution work of reputed pharma companies for two decades.

He is not holding any directorship in any other bodies corporate

Dr. B. Arvind Shah is promoter of the Company and his equity shareholding in the company together with family and associates have been 25.32%.

The Board recommends this resolution for the approval of the Members.

The above particulars may be treated as an Abstract pursuant to Section 302 of the Companies Act, 1956.

Dr. B. Arvind Shah is deemed to be interested in this Resolution as it concerns him. No other Director is concerned or interested in the passing of this Resolution.

Item No.6

Mr. Anand Shah is appointed as Vice President to assist Managing Director in the marketing area. He is son of Managing Director and hence his payment of remuneration is subject to approvals of the Members in the General Meeting and subject to the approvals of Central Government pursuant to Section 314(1B) of the Companies Act, 1956. Hence approval of Members is sought for passing the Special Resolution.

Except Dr. B. Arvind Shah, Managing Director no other director of the company is deemed to be interested in the item.

Chennai,
31st August 2010

By order of the Board of Directors

**Dr. B. Arvind Shah
Managing Director**

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty-Second Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2010

FINANCIAL RESULTS

(Rs. in Crores)

Particulars	2009-2010	2008-2009
Gross Income	303.74	218.87
Profit before tax	15.34	7.17
Profit after tax	10.64	4.82
Profit available for appropriation (after considering the balance b/f from previous year and deferred tax liability)	28.04	19.41
APPROPRIATION		
Dividend	1.30	1.30
Corporate Dividend Tax	0.22	0.22
Transfer to General Reserve	1.06	0.48
Surplus carried to Balance Sheet	25.46	17.40

Operations and Business Performance

During the year 2009-10, the sales increased from Rs.229.21Crore to Rs 309.24 Crores, recording an increase of 35% over the previous year, while profit before tax has increased from Rs.7.17 Crore to Rs 15.34 Crore.

DIVIDEND

Considering the profits and the need to conserve the resources, your directors recommend a dividend of 5 paise per share of Re.1 each on the paid-up Equity share capital of the Company. The outflow on this account would be Rs.130.02 Lakhs.

FUTURE OUTLOOK

Looking to the global and domestic scenario of pharma industry the company wanted to explore the possibilities to venture especially in the injectibles and soft gelatine sector, which will benefit in terms of more business. The Company plans to utilize the existing vacant land at Kakkalur for Ayurvedic plant and Betalactum plant.

Haridwar Project

During the year the company disposed of the Haridwar Unit and paid back the term loan and unsecured loan taken for the project, out of the proceeds of sale.

New Unit at Irrungatukottai

Your company for the new unit at Irrungatukottai, Tamil Nadu, has tied up the funds requirement and the building construction is in progress. The unit is expected to be ready by September 2011 for commercial production after which the manufacturing of injectibles and soft gel could be commenced.



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 10 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 six major areas where R&D involved are (1) formulation development in ayurvedic and (2) allopathic segments, (3) Process development and validation (4) Novel drugs delivery development (5) Nutraceuticals and (6) Analytical Development

There is High tech research center which focuses on the core areas of Diabetology, Cardiology and Nephrology using 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.

Novel Drug Delivery Systems (NDDS),

The area will be 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.

In research, efforts will be 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

The focus is mainly on the development of Abbreviated New Drug Applications (ANDAs) of oral controlled- release products for the regulated markets. The Company's In-house NDDS programs are primarily focused on the oral segment. Spray technology and dermal therapy programs are also being pursued through collaborations.

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 Developments

The Company has developed Poly Herbal Formulations. It Concentrates on chronic ailments and for treatment in anti arthritic formulation, obesity induced hyperlipidemia and anti viral for human herpes virus 1 and 2 and varicellazoste. These are handled with Dept of Science and Technology, Govt. of India and Sri Ramachandra University, Chennai.

ARL has so far developed more than 200 products which includes products in diabetic, cardiac, antibiotics and anti allergic sectors. Some of the recently developed products are Montelukast and Ondansatran (mouth dissolving tablets) and Montelukast with Levocitrizine (mouth dissolving form) for first time in India.

ARL has developed some formulation products to meet the global market requirements and meeting with the safety profile, impurity profiles, dissolution profiles, F1&F2 Calculations, as per the different regulatory norms.

Some of NDDS formulations are introduced in pellets, for example, Pantaprazole (delayed release) plus Domperidone immediate release and sustained release, Tanataprazole.

Future Plans

Ayurveda

Patent filing, Clinical trial Phase II, Safety and efficacy studies, Going for separate plant Formulate and develop nutritional supplements in herbal preparations for international markets.

Allopathy

The company is focused on NDDS segment to tap and fulfill the global markets with safety and efficacy. From this segment the company is looking into the feasibility to develop Topical formulation, Parantarals, Ophthalmic, Pellation of products in different formulations and also Tablets & Capsules

To initiate the soft gelatin formulation to stabilize the enzymes and Multivitamin products in nutritional segment for global and domestic markets.

To develop full-fledged separate Analytical department to support the Formulation development.

To develop US-FDA approved NDA Formulation in all major areas.

DIRECTORS

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. K. V Narayanan, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

During the year, Dr. Yogesh Kothari, who was appointed as Additional Director, resigned from 7th September 2009. Board places on record deep sense of appreciation for the valuable services rendered by him during his tenure as Director of the Company.

Resignation of Chief Financial Officer

During the year Mr. Kuppu Dhandapani, Chief Financial Controller resigned from the services of the Company from 18th March 2010. The Company is in look out of suitable person to fill the position.

CORPORATE GOVERNANCE

The Company complies with the provisions of Corporate Governance as per the listing agreement with the Stock Exchanges. A separate Report on Corporate Governance is attached which forms part of this Annual Report.

FIXED DEPOSITS

During the year the Company has not accepted any fixed deposits from the public.

PARTICULARS OF ENERGY CONSERVATION ETC.

The details of energy conservation, technology absorption and foreign exchange earning and outgo are furnished in a separate statement attached to and forming part of this report, in accordance with Section 217(1)(e) of the Companies Act, 1956, read with The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

PARTICULARS OF EMPLOYEES

During the year, the Company did not have any employee drawing remuneration of amounts specified under Section 217(2A) of the Companies Act, 1956, read with The Companies (Particulars of Employees) Rules, 1975 and hence the details are not furnished.



DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of Section 217(2 AA) of the Companies Act, 1956, your Directors confirm –

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

AUDITORS

The Statutory Auditors M/s Doshi, Chatterjee, Bagri & Co, Chartered Accountants shall retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the same position, if re-appointed.

INTERNAL AUDIT AND CONTROL

The Company has a proper and adequate system of internal control. The internal auditor verifies the records and furnishes his report to the Management for onward submission to the Statutory Auditors. There is an Audit Committee consisting of non-executive Directors as members. The Audit Committee periodically reviews the internal control systems.

LISTING:

The Company's shares are presently listed at Bombay Stock Exchange Ltd. and in National Stock Exchange of India Ltd.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued co-operation of the banks and financial institutions associated with the company. Your Directors also thank Medical fraternity for the trust reposed on the Company and the trade, the stockists and consumers for their patronage to the Company's products. Your Directors also place on record their profound admiration and sincere appreciation for the continued hard work put in by the employees at all levels. We look forward to the same support in our future endeavours.

For and on behalf of the Board

Place : Chennai
Date : 31.08.2010

Dr. B. ARVIND SHAH
Managing Director

Dr. CHANDRA RAVINDRAN
Whole time Director

Annexure To The Directors' Report

Information pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a) *Energy Conservation measures taken:*

The company has taken measures to maintain the power factor on an on-going basis.

b) *Additional Investment and proposals, if any, being implemented for reduction of consumption of energy - Nil*

c) *Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact in reduction on the cost of production.*

The above measures have resulted, in general, in the reduction of power consumption and the cost of production.

d) *Total Energy Consumption and energy consumption per unit of production: Enclosed in Form A*

FORM A

POWER AND FUEL CONSUMPTION:

	2009-2010	2008-2009
1. Electricity		
a) Purchase Unit (Nos.)	580656	635935
Total amount (Rs. '000s)	4574.53	4241.17
Rate / Unit (Rs.) average	7.88	6.67
b) Own Generation		
i) Through Diesel Generation		
Unit (Nos)	42516.14	37536.28
Unit per ltr. Of Diesel Oil (Nos)	8.71	8.65
Cost / Unit (Rs.)	8.30	8.1
ii) Through Steam / Wind Turbine / Generator	-	-
Unit (Nos)	-	-
Cost / Unit (Rs.)		
Amount (Rs.)		
2. Coal	N.A	N.A
Qty. (Tonnes)		
Total Cost		
Average Rate		
3. Furnace Oil	N.A	N.A
Qty. (K.Ltrs.)		
Total Amount		
Average Rate (Rs.)		
4. Other / Internal Generation Steam by LDO	N.A	N.A
Quantity (in '000 kgs)		
Total Cost (Rs. '000)		
Rate per kg. (Rs.)		

Consumption per unit of production

There is no specific standard as the consumption per unit depends on the product mix of formulations (Capsules, Tablets, Ointments and Liquids) and disclosure of consumption figures per unit of production is insignificant.



B. TECHNOLOGY ABSORPTION

FORM B

1. Research and Development

Specific areas in which R & D carried out by the Company

Ayurvedic segment

A) Cardiac care segment - Obesity induced Hyperlipidemia

Efforts are made to identify and scientifically validate the traditional/ indigenous herbs for anti hyper lipiedemia, the development of a novel polyhedral formulation and for standardization of poly herbal formulation.

B)Anti arthritits

Efforts are made to develop the poly herbal formulation for the treatment of rheumatoid arthiritis, anti arthritits, anti inflammatory, analgesic, immuno modulatory and antioxidant with collaborative research agreement with Sri Ramachandra Medical College and Research Institute and Dept. of Science & Technology, Govt. of India.

Allopathic segment

Developed various products during the year viz. UXL - 40 WIN-MD 100, 200 in unique Oro dispersible tablet form for the first time in India. Apart from this ARL launched the another unique product ANFUNG tablet with sound R & D support in tablet form which will ensures High Dissolution, High Absorption and More Bioavailability that treats Fungal infection with deep penetration.

In the current year, Company has developed CALDLITE lotion for Holistic Skin disorders management and UXL – D for complete patient compliance for associated symptoms of Ulcer and Vomiting.

2. Benefits derived as a result of the above R & D

- The Company has the advantage to come out with new formulations
- The Company is able to proceed further operations in Phases.

3. Future plan of action

Ayurveda

The Company has plans to go for separate plant for Ayurveda for range of products to be introduced in Ayurveda It has plans to formulate and develop nutritional supplements in the herbal preparations for international markets.

Allopathy

The company is much focused on NDDS segment to achieve and fulfill the global requirements with safety and efficacy. From this segment the company intend to develop Topical formulation, Parantarals , Ophthalmic in dosage forms , Pellatization of products in different formulations. and Tablets & Capsules

Also initiating plans for the soft gelatin formulation to stabilize the enzymes and Multivitamin products in nutritional segment for global and domestic markets.

There is also plans to develop full-fledged separate Analytical development department to support the Formulation development for Safety and efficacy studies and Patent filing. Clinical trial phase II is under progress.

ARL has plan to develop US-FDA approved NDA Formulation in all major areas.

4. Expenditure on Research and Development

Total R & D expenditure as percentage to the total turnover for the year 2009-10 is 1.18 %.

5. Technology Absorption, Adoption and innovation

No new technology has been imported or adopted

6. Foreign Exchange Earnings and outgo

During the year foreign exchange earnings were Rs 9.49 Crores as against the outgo of Rs 1.03 Crores.

For and on behalf of the Board

Place : Chennai
Date : 31.08.2010

Dr. B. ARVIND SHAH
Managing Director

Dr. CHANDRA RAVINDRAN
Whole-time Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN PHARMA INDUSTRY

Indian pharma industry is one of the world's largest ranking 3rd in terms of volume and 14th in terms of value in the global pharma market. The growth is at CAGR 13.01% during last five years.

In the domestic market, the industry covers almost all therapeutic segments and is self sufficient in meeting its own demand. New life style categories like cardiovascular and anti infectives are at double digit growth. Bulk drugs accounted for 64% of the total exports while formulations drugs accounted for remaining 36% export in 2009-2010. The overall growth rate was estimated to decline slightly due to decreased exports of formulations and bulk drugs to regulated markets and Commonwealth of Independent States due to global meltdown. The drugs from India are cheaper and people abroad would prefer cheaper drugs in times of recession. So Indian pharma industry is set to benefit from demand for drugs and is expected a good growth for Indian pharma exports.

R&D has now emerged as the focus area and hence Expenditure on R&D has been rising steadily and emphasis is on new drug discovery and novel drug delivery systems. As per estimates, the pharma industry should be worth around 21.15 billion USD by 2014. A growing population and a vastly expanding economy will ensure that pharma remains one of the success stories of India's emergence as a global economy.

In Financial year 2010 the Indian pharma market was driven by many blockbuster drugs which are coming off patent, new product launches, huge patient base, increasing incomes, improving healthcare infrastructure and strong penetration of health insurance. API sales, shift in diseases pattern, lifestyle and support by government are unlocking new opportunities for the multinational companies. Even the major M &As of Indian companies with foreign companies were driving the market growth.

The industry is providing employment for millions and ensuring essential drugs at affordable prices to the vast population. It ranks high in terms of technology, quality and range of medicines manufactured. But the sector is highly fragmented with about 15000 players (330 in organized sector) and meets around 70% of country's demand for bulk drugs, drug intermediaries etc. India's recognition of product patents under the Trade Related Intellectual Property Rights agreement opened host of opportunities for domestic companies.

Indian companies have adopted strategy which is blend of cooperation and competition. The Indian companies will increasingly look out for overseas alliance and collaborations in contract manufacturing and research along with the simultaneous investment in R&D.

Keeping this in mind ARL can play vital role by developing the outsourcing market. Key strategy will be to focus on the new and latest molecules approved by Drugs Controller, and get it approved and patented, share with top companies who can market these products, focus on additional dosages in large and small volume parenterals and injectables in powder and liquid forms. In the chronic segments focus area are anti cancer, anti diabetics, anti arthritis, anti cardiac and anti pshychotics. There will be development with help of R&D to identify the new formulations to treat the chronic diseases without side effect. During the financial year ARL exports is to the tune of Rs.9.52 Crores and this is expected to grow to Rs.12 Crores in the current year.

Business mix

ARL has set up its market segment as follows, facilitating an ideal business mix.

- Ethical
- Institution
- Contract
- Exports

Ethical

ARL as per the plan launched successfully UXL - 40 WIN-MD 100, 200 in unique Oro dispersible



tablet form for the first time in India. Apart from this ARL launched the another unique product ANFUNG tablet with sound R & D support in tablet form which will ensures High Dissolution, High Absorption and More Bioavailability that treats Fungal infection with deep penetration is also First time in India.

In the current year, Company has developed CALDLITE lotion for Holistic Skin disorders management and UXL – D for complete patient compliance for associated symptoms of Ulcer and Vomiting.

Institution

The company has been able to develop its area of institutional business further to other States in the eastern parts of the country making its presence in all parts of the country. Recognising the company's commitment to uncompromising quality and also timely supplies, the company has been receiving orders from various institutions regularly.

Contract

Apart from ARL's own manufacturing activities, it is concentrating on utilizing its spare capacity for manufacturing products of other reputed companies, under loan license manufacturing and third party manufacturing basis.

Here again, because of the quality we have been maintaining, some of the multi-national companies have become our regular customers. Further the scope for outsourcing being bright the company is targeting mid size companies for various domestic formulations. In northeast and west of the country especially in Assam, Uttaranchal, West Bengal it has strong presence.

Exports

ARL is actively involved in international business such as Brand Marketing, Generics selling and participating in Global tenders. At present the products are exported to Sri Lanka, Maldives Vietnam and Nepal. And the company has plan to export to the European countries in the coming years.

SWOT ANALYSIS

Strengths and Opportunities:

Indian pharmaceutical industry is well developed manufacturing base, cost competent, having wider distribution network, equipped with laboratory and R&D for world class well established quality products. Other strengths attribute to Government support, development in technology & infrastructure, growth in health insurance, health consciousness amongst the people, knowledge based low cost manpower, high quality formulations and drugs, high standards of purity, excellent clinical trial centers and best process development competencies.

The opportunities include increase in demand due to rise in population and growth in urbanization, export potentiality, improved health care infrastructure, penetration of health insurance, adoption of patented products of high quality and globalisation, improvements in outsourcing and reduction in number of big players due to mergers and acquisitions taking place.

Threats and challenges

Greatest challenge and threat is too many players focused on similar bio equivalent products in the same market and thereby competition, higher healthcare costs, Government Regulations and price controls, increasing R&D costs, resulting that margins get eroded. There is also risk related to economic and political conditions in the world which in turn limits financial benefit of growth. Another threat is risk related to exposure to the exchange rate.

Segment wise performance

The company operates only in one business segment namely, formulations.

Outlook

- Ethical** ARL is working towards development of many products
In the current year, Company has developed CALDLITE lotion for Holistic Skin disorders management and UXL – D for complete patient compliance for associated symptoms of Ulcer and Vomiting.
- Contracts** ARL is focusing on latest molecules which are only with very few companies and has entered into / has plans for contract with reputed in pharma SUN pharma, Wockard Wallace Pharma, BAL Pharma, TTK Pharma, India Life Science Glade Drugs & Research Lab, Orbit impex, Apex Lab etc.
- Institution** ARL has its presence in all parts of the country efforts are made to tap more and more Govt. Institutions and depts. as Clients .
- Exports** ARL's export division intends to expand its operations further to other countries wherever so far not explored to market its branded formulations in the international market.

Internal control system and their adequacy

The company has adequate system of internal controls, based on well-defined individual roles and responsibilities with their limit of authority at various levels as well as effective feedback flow. The Board of Directors of your Company has constituted a qualified and independent Audit Committee that reviews the adequacy of internal control at regular intervals.

Material Development in Human Resources

Human resource, as always, has been the major strength in the consistent development of the Organization. The HR department takes care to understand the work place phenomenon and relationships through comprehensive research. This helps the company to explain the role of work force in the organizational success in minute detail.

The company also makes the employees realize themselves, analyse their strengths and weaknesses and make them fit for their effective functioning from time to time which, in turn, helps the organization in assessing their aptitudes, skills and behaviours. The company feels that the efficiency of the workforce is the value-creator of any business, and therefore identifies the areas of strong interests of the employees, encouraging them accordingly.

ARL continues to lay strong emphasis on Sales Training for its field force both at the induction level and through refresher programs to accredit front-line medical representatives and managers. They are trained for a focus activity of converting the Competitive Brand prescribers for a progressive prescription-generated growth. For achieving this, the field people were trained to do the proper prospecting and identification of the right product.

Industrial relationship

Industrial relations at all the works of the Company remained cordial and harmonious during the period under review. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the company to remain at the forefront of the industry.



REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance Code

Arvind Remedies Ltd. believes in continuous good corporate governance and always strives to achieve performance at all levels by adhering to corporate governance practice, such as –

- Fair and transparent business practice
- Effective Management Control by the Board
- Adequate representation of promoter, executive and independent directors
- Legal and Statutory compliances in its true spirit
- Promote ethical and responsible decision making

2. Board of Directors

Composition

The Board has the optimum combination of executive and non-executive Directors. Board of Directors of the Company comprises two executive Directors and three non-executive Directors who are independent Directors. The Chairman of the Board Dr. B Arvind Shah is the CEO & Managing Director and Dr. Chandra Ravindran, is Whole-time Director of the Company.

The composition and category of Directors and their memberships in other Board/Committees during the year 2009-2010 are as under –

S.No.	Name of the Director	Category	No. of other directorships	No. of Membership in other Board / Committees
1	Dr. B Arvind Shah	MD and Promoter	Nil	Nil
2	Dr Chandra Ravindran	ED*	Nil	Nil
3	Dr. C.M.K. Reddy	NE and ID**	Nil	Nil
4	Mr. K.V. Narayan	NE and ID**	Nil	Nil
5	Mr. Prakash Shah	NE and ID**	Nil	Nil
6	Dr.Yogesh Kothari***	NE and ID**	Nil	Nil

*ED-Executive Director

**NE and ID – Non-executive and Independent Director

*** for part of the year

Out of the independent Directors, Dr. C.M.K. Reddy is holding 52,500 Equity Shares and Mr. Prakash Shah is holding 1,00,000 Equity Shares in the Company. Mr. K.V. Narayan dose not hold any Equity Shares in the Company.

Board Proceedings:

The Board of the Company met 19 times during the financial year 2009-10 on the following dates –

1.04.2009, 07.04.2009, 13.04.2009, 30.04.2009, 30.05.2009, 30.06.2009, 31.07.2009, 31.08.2009, 07.09.2009, 09.09.2009, 16.09.2009, 29.09.2009, 26.10.2009, 30.10.2009, 30.11.2009, 19.12.2009, 30.01.2010, 01.03.2010 & 31.3.2010



The annual operating plans, budgets, quarterly results, performance of the company and other information, including those specified under Annexure 1A to the Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges, as may be amended from time to time, were duly placed before the Board and discussed by the Directors of the Company.

Attendance of Directors at the Board Meetings and last Annual General Meeting –

S.No.	Name of the Director	Attendance	
		Board Meeting	Last AGM
1	Dr. B Arvind Shah	19	Yes
2	Dr. Chandra Ravindran	17	Yes
3	Dr. C.M.K. Reddy	7	Yes
4	Mr. K.V. Narayan	3	Yes
5	Mr. Prakash Shah	19	Yes
6	Dr. Yogesh Kothari*	-	No

*Ceased to be director from 7th Sept.2009

3. Audit Committee

The Audit Committee consisted of three non-executive directors, all of them being independent directors, viz. Dr. C.M.K. Reddy, Chairman, Mr. K.V. Narayan, and Mr. Prakash Shah. The Company Secretary is the Secretary to the Committee. The Statutory Auditor, Internal Auditor and Chief Financial Officer are the invitees of all the meetings of the Committee. The terms of reference of the Audit Committee are wide enough covering the mandatory items as required under Clause 49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

The terms of reference in brief are as under:

- Review of the Company's financial reporting process, the financial statements and financial/ risk management policies.
- Review of Quarterly, Half-yearly and Annual Financial Accounts of the Company and discuss with Auditors.
- To meet and review with Statutory and Internal Auditors, the Internal Control Systems and to ensure their compliance
- To review matters as required under the terms of Listing Agreement.
- To investigate matters referred to it by the Board

The Audit Committee met 6 times during the year and Attendance of Audit Committee is as under:

Date	Total Member	Attendance by number of members
30.05.2009	3	3
31.07.2009	3	2
31.08.2009	3	3
30.10.2009	3	3
30.11.2009	3	2
30.01.2010	3	2



4. Remuneration Committee

- (a) Composition:
As all decisions regarding the remuneration of executive and non-executive directors are taken by the entire board of directors of the Company, no formal Remuneration Committee has been constituted.
- (b) Remuneration policy:
Remuneration to Managing/Executive Directors is paid as per their terms of appointment duly approved by the share holders. Commission to the Director is paid as approved by the Board within the limits prescribed under the Companies Act, 1956.
- © Remuneration to directors:
The details of the remuneration paid / payable to the Directors during the year 2009-10 are given below

Name	All elements of remuneration package i.e. salary benefits, bonus, pension, etc. for the period (Rs) *	Commission (Rs.)	Sitting Fees (Rs.)
Executive Director			
Dr. B Arvind Shah	15,43,680	66,40,000	---
Dr. Chandra Ravindran	2,20,000	---	---
Non-Executive Director			
Dr. C.M.K. Reddy	---	---	25,500
Mr. K.V. Narayan	---	---	12,000
Mr. Prakash Shah	---	---	43,500
Dr. Yogesh Kothari	---	---	---

* Excludes incremental liability for gratuity which is actuarially determined on overall basis. Presently, the Company has not formulated scheme for grant of Stock options either to the Executive Directors or employees.

5. Shareholders'/Investors' Grievance Committee

The Board has constituted an Investors' Grievance Committee which looks into the shareholders' and investors' grievances. The members of the Committee are Mr. K.V. Narayan, Chairman, Dr. C.M.K. Reddy and Mr. Prakash Shah. During the year the Committee met four times and the attendance of Shareholders'/Investors' Grievance Committee is given below:

Date	Total Member	Attendance by number of members
30.05.2009	3	2
31.08.2009	3	3
30.10.2009	3	3
30.01.2010	3	2

The Company's Shares are compulsorily traded in dematerialised form. Hence the Committee has met at relevant intervals considering the volume of transfers received in the physical segment.

- The Company has no transfers pending at the close of the financial year.
- Mr. P.R. Krishnan, Company Secretary is the Compliance Officer of the Company.
- Number of complaints received from the investors during the year 2009-10 and their status are as follows.



ARVIND

No. of Complaints received	45
No. of Complaints disposed of	45
No. of Complaints pending at the year end	NIL

6. General Body Meetings

The location and time of Annual General Meetings (AGM) held during the last 3 years are as follows:

AGM	Date	Time	Venue	No. of Special Resolutions Passed
19 th AGM	28.09.2007	09.00 a.m	Golden Chakra Hall, V.G.P. Golden Beach Reseort, E.C.R., Injambakkam, Chennai- 600041	-
20 th AGM	29.09.2008	09.00 a.m	Golden Chakra Hall, V.G.P. Golden Beach Reseort, E.C.R., Injambakkam, Chennai- 600041	--
21 st AGM	30.10.2009	09.30 a.m	Golden Chakra Hall V.G.P Golden Beach Resort E.C.R, Injambakkam Chennai 600041	-

The Company has passed Special Resolution through Postal Ballot during the financial year respect of the following:

Item No	Resolution	Result - % of votes in favour
---------	------------	-------------------------------

ORDINARY RESOLUTION

1	Sale of the substantially the whole of the Haridwar Unit of the Company pursuant to Section 293(1)(a) of the Companies Act, 1956	99.94%
2	Increasing the Authorised Share Capital of the Company pursuant to Section 94 of the Companies Act, 1956 and amendment of Clause V of Memorandum of Association of the Company;	99.95%
3	Increasing the Borrowings powers pursuant to Section 293 (1) (d) of the Companies Act, 1956	99.95%
4	Granting power to mortgage the assets of the company for borrowing from Banks /Financial Institutions & others pursuant to Section 293 (1) (a) of the Companies Act, 1956	99.96%

SPECIAL RESOLUTION

1	Alteration of Articles of Association of the Company pursuant to Section 31 of the Companies Act, 1956;	99.93%
2	Issue of Further Equity shares on Preferential basis to Promoters/Public Body corporate under Section 81 (1A) of the Companies Act, 1956	99.91%
3	Issue of Preference Shares under Section 80/81 of the Companies Act, 1956	99.93%
4	Amending the Main objects Clause of Memorandum of Association of the Company pursuant to section 17 of the Companies Act, 1956	99.99%



Mrs. Lakshmmi Subramnian was appointed as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

The ballot forms received up to 14th October, 2009 were scrutinized by the scrutinizer and a report indicating the results of the postal ballot process was submitted to the Chairman on 16th October, 2009. In terms of the said report, the above said ordinary and special resolutions were duly passed by the shareholders of the company with the requisite majority.

7. Disclosures

(a) Related Party Disclosure:

No transaction of material nature has been entered into by the Company with related parties, i.e., Directors or Management including senior management, their subsidiaries or relatives conflicting with the Company's interest at large. Transactions with the related parties are disclosed in point No.10 Schedule 22 Notes to the Financial Statement in this Annual Report.

(b) Compliances by the Company

There were no instances of non-compliance by the Company on any matter related to Capital Markets during the last three years. There were no penalties, strictures imposed by SEBI or Stock Exchange or any other statutory authority against the Company for the year.

(c) Whistle Blower Policy

The Company does not have a formal whistle blower policy. However, access to Audit Committee is made available to every employee.

(d) The details of compliance with mandatory requirements:

The Company has complied with all the mandatory requirements of the Corporate Governance code including Board composition, Audit Committee, Shareholders Grievance Committee, Disclosures to be made to the Board and Audit Committee including related party transactions, Accounting treatments, Risk Management etc.

8. Means of Communication

(a) The annual, half yearly and quarterly results are regularly being submitted to the Stock Exchanges where shares are listed and are available on their website. The company is making arrangements to update its website; the results are also being regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and also published in leading newspapers.

(b) Management discussion and analysis forms part of the Annual Report.

(c) The Un-audited results for every quarter and the Audited results for the year end are published in Makkal Kural & Trinity Mirror newspapers.

9. Code of Conduct

The Board of Arvind Remedies Limited has laid down a code of conduct for all the Board members and the Senior Management. The code of conduct has been posted in the company's website www.arvindremedies.com. All the Board members and the Senior Management personnel have affirmed compliance of the code. A declaration of MD & C E O of the Company is attached to this Annual Report.

10. CEO /CFO Certification

As required under Clause 49 of the Listing Agreement a Certificate duly signed by Dr. B. Arvind Shah, Managing Director and CEO of the Company was placed at the meeting of the Board of Directors held on 29th May, 2010.

Chief Financial Officer

During the year Mr. K. Kuppu Dhandapani, Chief Financial Officer of the Company resigned from the services company on 18th March 2010. The Company is in look out of a suitable person and the position will be filled after complying with the amended provisions of listing agreement.

11. Details of Director seeking reappointment in the forthcoming Annual General Meeting. (in pursuance of Clause 49 of the Listing Agreement)

Name of Director	Prof. K.V Narayanan
Date of Birth	8.1.1939
Age	71
Appointed on	11/03/2002
Qualification	BSc, BL
Expertise	Business Development/ Mktg.
Directorships held in other Public Companies	Nil
Memberships / Chairmanships of Committees across Public Companies	Nil

12. General Shareholder Information

- The Twenty –second Annual General Meeting of the Company will be held on 28th September 2010, at “Golden Chakra Hall, V.G.P. Golden Beach Resort, E.C.R., Injambakkam, Chennai – 600 041 at 9.30 a.m.
- Date of Book Closure: The Register of Members and Share Transfer Book of the Company will remain closed from 25th September 2010 to 28th September 2010 (both days inclusive).
- The Dividend for the year ended March 31, 2010 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 28th September 2010. 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 24th September 2010.
- Dividend, as declared, shall be remitted through Electronic Clearing Service (ECS) at approved location wherever ECS details are available with the Company, and in all other cases, through warrants payable at par.
- During the financial year, the unpaid/unclaimed dividend amount pertaining to the year 2001-2002, Rs 65,918.50 was transferred to the Investors' Education and Protection Fund Account.
- During the current year, the unpaid/unclaimed dividend amount pertaining to the year 2002-03 being Rs.7,47,802.25 will be transferred to the Investors Education and Protection Fund Account.

(g) Financial Calendar - April 01, 2010 to March 31, 2011

Reporting For financial results	Due Date
Quarter ending June 30, 2010	15 th August, 2010
Quarter ending September 30, 2010	15 th November, 2010
Quarter ending December 31, 2010	15 th February, 2011
Year ending March 31, 2011	15 th May 2011(if unaudited) or 30 th May,2011 (if audited)
- Annual General Meeting	On or before 30 th September , 2011



(h) Listing on Stock Exchanges:

- (a) National Stock Exchange of India Ltd.,
 - (b) Bombay Stock Exchange Ltd
- Stock Code 531823 – Bombay Stock Exchange Ltd
 ARL – National Stock Exchange of India Ltd

(I) Market Price Data

Months	B S E		N S E	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
Apr 09	1.65	1.12	1.60	1.15
May09	2.22	1.27	2.20	1.25
June09	2.64	1.67	2.70	1.65
July 09	1.93	1.48	1.95	1.50
Aug 09	1.95	1.62	1.90	1.60
Sep 09	2.60	1.80	2.55	1.80
Oct 09	2.28	1.80	2.25	1.80
Nov 09	2.13	1.72	2.15	1.70
Dec 09	2.19	1.70	2.20	1.75
Jan 10	2.50	1.83	2.50	1.80
Feb 10	2.10	1.80	2.10	1.80
Mar 10	2.05	1.76	2.05	1.75

(j) Share Transfer System:

Registrar and Share Transfer Agents: M/s. Cameo Corporate services Ltd. All the transfers are processed and approved by the Share Transfer Committee, which normally meets twice in a month or more depending on the volume of transfers.

(k) Distribution of Shareholding as on March 31, 2010

Slab of Shareholding	Shareholders	%	Amount (in Rs.)	%
1 – 5000	61141	88.7606	85664652	32.9416
5001– 10000	4398	6.3847	35886739	13.7999
10001– 20000	1848	2.6828	27951673	10.7485
20001– 30000	595	0.8637	15018741	5.7753
30001– 40000	225	0.3266	8011153	3.0806
40001– 50000	206	0.2990	9757511	3.7521
50001–00000	266	0.3861	19619918	7.5446
100001&above	204	0.2961	58139613	22.3570
TOTAL	68883	100.00	260050000	100.00

Distribution of shareholding pattern according to categories of shareholders as on March 31, 2010.

No.	Category	No. of shares held	% of share holding
1	Indian Promoters	247,56,760	9.52
2	Persons acting in concert with the promoters	410,87,900	15.80
3	Private Corporate Bodies	104,17,238	4.01
4	Foreign Shareholders	19,49,387	0.750
5	Indian Public	1818,38,715	69.92
	Total	260,050,000	100.00

(l) Shares dematerialised upto March 31, 2010.

No. of shares	% of shares	No. of Shareholders	% of Shareholders
256866098	98.77	68537	99.50

Dematerialisation and liquidity of shares: The Company's shares are compulsorily traded in dematerialised form.

(m) Outstanding GDRs / ADRs / Warrants or any Convertible instruments:

During the year no Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any convertible instruments were issued.

(n) Location of Plants:

SHED NO.38, 39 & 40, SIDCO Industrial Estate, Kakkalur, Tiruvellore Dist, Tamil Nadu, India

Plot No.G28 & 29
SIPCOT Industrial Estate, Irrungatukottai
Kancheepuram Dist. TN

(o) Investor Correspondence:

The Company Secretary
Arvind Remedies Ltd
190, Poonamallee High Road, Chennai – 600 084
Phone (044) 26423264 / 43439595

(or)

Cameo Corporate Services Ltd
No.1, Club House Road, Subramanian Building,
Chennai-600 002. Phone (044) 28460930

Shareholders, holding shares in electronic mode shall send all their correspondence to their respective Depository Participants.

DECLARATION OF M D & C E O

I, Dr. B. Arvind Shah, Managing Director and CEO of Arvind Remedies Ltd., do hereby declare that the Company has duly complied with requirement relating to the code of conduct as laid down in Clause 49 (l) (D) of the Listing Agreement with the Stock Exchanges.

Dr. B. Arvind Shah
Managing Director & CEO
Arvind Remedies Ltd.



AUDITORS' CERTIFICATE

To the Members of ARVIND REMEDIES LTD.

We have examined the compliance of conditions of corporate governance by ARVIND REMEDIES LTD., for the year ended March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

The Chief Financial Officer (CFO) of the Company has resigned before the close of the year and accordingly the certification required to be signed under clause 49(v) of the Listing Agreement has been signed by the Chief Executive Officer (CEO) only.

In our opinion and to the best of our information and according to the explanations given to us, subject to above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Doshi, Chatterjee, Bagri & Co.

Chartered Accountants

Firm Regn No 325197E

R.K. Bagri, *Partner*

Membership No.51956

Chennai, May 29, 2010

CERTIFICATE Pursuant to Clause 49 (V) of the Listing Agreement

a) We have reviewed financial statements and cash flow statement for the year ended 31.03.2010 and that to the best of our knowledge and belief

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (ii) These statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept that it is our responsibility to establish and maintain internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and have disclosed to the Auditors and the Audit Committee, wherever applicable.

- a. Deficiencies in the design or operation of internal controls, if any, when come to our notice and we take steps or propose to take steps to rectify those deficiencies.
- b. Significant changes in internal control
- c. Significant changes in accounting policies and that the same have been disclosed in the notes to the financial statements
- d. Instances of significant fraud of which we have been aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system.

For Doshi, Chatterjee, Bagri & Co.

Chartered Accountants

Firm Regn. No.: 325197E

R. K. BAGRI, *Partner*

Membership No. 51956

Chennai, May 29, 2010

AUDITORS' REPORT

To the members of ARVIND REMEDIES LIMITED

We have audited the attached Balance Sheet of ARVIND REMEDIES LIMITED [*the Company*], as at March 31, 2010 and also the Profit and Loss Account and Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors as on March 31, 2010, an taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit and Loss Account and Cash Flow statement read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Doshi, Chatterjee, Bagri & Co.
Chartered Accountants
Firm Regn. No.: 325197E

R. K. BAGRI
Partner

Membership No. 51956
Chennai, May 29, 2010.



Annexure referred to in paragraph (1) of the auditors' report of even date to the members of ARVIND REMEDIES LIMITED on the accounts as at and for the year ended March 31, 2010

1.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
 - (c) During the year, the assets of Haridwar unit have been disposed off, which does not affect the going concern.
2.
 - (a) The physical verification of inventory has been conducted at reasonable intervals by the management.
 - (b) Procedures for physical verification of inventories followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of inventory records, we are of the opinion that the Company has maintained proper records of inventory. As far as we can ascertain and according to the information and explanations given to us, the discrepancies noticed on physical verification of inventory as compared to book stocks were not material and the same have been properly dealt with in the books of account.
3.
 - (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.
 - (b) According to the information and explanations given to us, except for interest free, unsecured loan taken in earlier year from one of the directors, the Company has not taken any loans, secured or unsecured, from companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved was Rs 956 lacs and the year end balance was Rs 77 lacs.
 - (c) The terms and conditions on which above mentioned unsecured loan has been taken from the director are prima facie not prejudicial to the interest of the Company.
 - (d) There is no stipulation for repayment of the abovementioned loan.
4. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the underlying internal control.
5. According to the information and explanations given to us, except for the loan transaction, there are no contracts and arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Therefore, paragraph 4 (v) of the order is not applicable.
6. The Company has not accepted deposits from the public within the meaning of Section 58A and Section 58AA or any other relevant provision of the Companies Act, 1956. Accordingly, paragraph 4 (vi) of the order is not applicable.
7. The Company has an internal audit system commensurate with its size and nature of business.
8. We have broadly reviewed the cost records maintained by the Company as prescribed under Section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the said records have been maintained. We, however, have not made any detailed examination of such records with the view to determine whether they are accurate or complete.

9. (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales-tax / Value Added Tax, Wealth-tax, Service tax, Customs duty, Excise Duty, Cess, Investors Education and Protection Fund and other statutory dues with the appropriate authorities *except for delay in payment of some dues of Income Tax and Wealth Tax*. There are no undisputed above mentioned dues which are outstanding at the year end for a period of more than six months from the date they became payable *except for Income Tax and Wealth Tax dues aggregating to Rs. 150.66 lacs*.
(b) According to the records of the Company, there are no dues of Sales tax, Income tax, Service tax, Wealth tax, Customs duty, Excise duty and Cess that have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses at the end of the reporting financial year and has not incurred cash losses in the financial year and immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial institution / banks.
12. As the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4(xii) of the order is not applicable.
13. As the Company is not a Chit fund/nidhi/mutual benefit fund/societies to which the provisions of special statute relating to chit fund are applicable, paragraph 4 (xiii) of the order is not applicable.
14. The Company has not dealt in shares, securities, debentures and other investments during the year. Accordingly, paragraph 4 (xiv) of the order is not applicable.
15. According to the information and explanations provided to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, paragraph 4 (xv) of the order is not applicable.
16. The proceeds of term loans raised by the Company during the year were ultimately applied for the purpose for which they were obtained.
17. On the basis of an overall examination of financial statements of the Company, there are no funds raised on short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act. Accordingly, paragraph 4 (xviii) of the order is not applicable.
19. The Company has not issued any debentures and as such, paragraph 4 (xix) of the order is not applicable.
20. Since the Company has not raised any money by public issue during the year, paragraph 4 (xx) of the order is not applicable.
21. On the basis of our examination of books of account and according to the information and explanations provided to us by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2010.

For Doshi, Chatterjee, Bagri & Co.

Chartered Accountants

Firm Regn. No.: 325197E

R. K. BAGRI

Partner

Membership No. 51956

Chennai, 29 May, 2010



ARVIND

ARVIND REMEDIES LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

BALANCE SHEET AS AT MARCH 31, 2010

(All amounts are in thousands of Rupees unless otherwise stated)

	Schedule	As at March 31, 2010 Amount	As at March 31, 2009 Amount
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	260098.00	260098.00
Advance against Share Capital	2	374072.86	0.00
Reserves and Surplus	3	312349.73	221136.87
		946520.59	481234.87
Deferred Tax Balances (Net)	4	103507.12	101487.93
Loan Funds			
Secured Loans	5	1222211.50	941573.83
Unsecured Loans	6	7655.84	95599.50
		1229867.34	1037173.33
		2279895.05	1619896.13
APPLICATION OF FUNDS			
Fixed Assets	7		
Gross Block		480195.10	447222.20
Less: Accumulated Depreciation		120609.41	100627.66
Net Block		359585.69	346594.54
Add: Capital Work in Progress		5561.00	0.00
		365146.69	346594.54
Capital Expenditure on New Projects	8	369850.01	196499.39
Current Assets, Loans and Advances			
Inventories	9	457110.12	333697.55
Sundry Debtors	10	1065367.18	836990.45
Cash and Bank Balances	11	150778.04	23859.42
Other Current Assets	12	2009.82	1447.64
Loans and Advances	13	269493.79	183552.24
		1944758.95	1379547.30
Less: Current Liabilities and Provisions			
Current Liabilities	14	342917.34	270636.19
Provisions	15	56943.26	32108.91
		399860.60	302745.10
Net Current Assets		1544898.35	1076802.20
		2279895.05	1619896.13
Accounting Policies & Notes to Accounts	22		

The schedules referred to above form an integral part of the Financial Statements

This is the Balance Sheet referred to in our report of even date

For Doshi, Chatterjee, Bagri & Co.Chartered Accountants
Firm Regn No:325197E**R.K. Bagri**

Partner

Membership No. 51956

Chennai, May 29,2010

For and on behalf of the Board of Directors**Dr. B Arvind Shah**
Managing Director**Dr. Chandra Ravindran**
Director**P.R.Krishnan**
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(All amounts are in thousands of Rupees unless otherwise stated)

INCOME	Schedule	For the year ended March 31, 2010 Amount	For the year ended March 31, 2009 Amount
Sales		3092380.16	2292079.03
Less: Excise Duty		114672.00	113195.52
Net Sales		2977708.16	2178883.51
Other Income	16	3526.48	8343.74
Increase in stock	17	56139.25	1472.87
		3037373.89	2188700.12
EXPENDITURE			
Materials Consumed	18	2576279.20	1872806.84
Personnel Expenses	19	64286.88	49290.78
Other Expenses	20	81220.53	60733.54
Interest and Financial Charges	21	141805.89	114799.23
Depreciation		21115.42	19359.73
		2884707.92	2116990.12
Profit Before Tax And Exceptional Item		152665.97	71710.00
Exceptional Item		780.66	0.00
Profit Before Tax		153446.63	71710.00
Less: Provision for Taxation			
Income Tax		43500.00	9600.00
Tax Adjustment for Earlier Years		1280.45	0.00
Fringe Benefit Tax		0.00	637.33
Deferred Tax		2019.19	13267.44
Wealth Tax		272.08	42.69
Profit After Tax		106374.91	48162.54
Balance brought forward from previous year		174080.78	145946.75
Profits available for appropriation		280455.69	194109.29
Appropriations:			
Proposed Dividend		13002.50	13002.50
Corporate Dividend Tax		2159.55	2209.77
Transfer to General Reserve		10637.49	4816.25
		25799.54	20028.52
Surplus carried to Balance Sheet		254656.15	174080.78
Earnings per share: Basic		0.41	0.19
: Diluted		0.25	0.19

(Refer Note No 8 on Schedule 22)

Accounting Policies & Notes to Accounts 22

The schedules referred to above form an integral part of the Financial Statements
This is the Profit And Loss Account referred to in our report of even date

For Doshi, Chatterjee, Bagri & Co.

Chartered Accountants
Firm Regn No:325197E

R.K.Bagri
Partner
Membership No. 51956
Chennai, May 29,2010

For and on behalf of the Board of Directors

Dr. B Arvind Shah
Managing Director

Dr. Chandra Ravindran
Director

P.R.Krishnan
Company Secretary



ARVIND

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(All amounts are in thousands of Rupees unless otherwise stated)

	Year ended March 31, 2010 Amount	Year ended March 31, 2009 Amount
A Cash flow from operating activities		
Net profit before Taxation and Exceptional Item	152665.97	71710.00
Adjustment for:		
Depreciation	21115.42	19359.73
(Profit) / Loss on sale of Fixed Assets	(7.93)	(213.54)
Provision no longer required written back	(214.96)	(369.33)
Exchange Rate Fluctuations (net)	0.00	(6,395.60)
Interest Expense (net of capitalisation)	141805.89	114,799.23
Interest Income	(1,687.49)	(1,041.54)
	161010.93	126138.95
Operating Profit before Working Capital changes	313676.90	197848.95
Adjustments for:		
(Increase) / Decrease in Trade and Other Receivables	(314,318.28)	(276,776.97)
(Increase)/Decrease in Inventories	(123,412.57)	(15,601.04)
(Decrease) / Increase in Trade Payables	67,501.95	(24,546.50)
	(370228.90)	(316924.51)
Cash flow / (Outflow) from Operations	(56,552.00)	(119,075.56)
Direct Taxes paid	(20,793.64)	(10,784.61)
Net cash used for operating activities	A (77,345.64)	A (129,860.17)
B Cash flow from investing activities		
Purchase of Fixed Assets / Expenses on new projects (net of refunds of advances)	(414,206.74)	70,468.93
Proceeds from sale of Fixed Assets & Assets of new project	201196.47	10,889.42
Interest Received	1125.32	449.66
Net cash used in Investing Activities before Exceptional Item	(211,884.95)	81,808.01
Exceptional Item	780.66	-
Net cash used in Investing Activities	B (211,104.29)	B 81,808.01
C Cash flow from financing activities		
Proceeds from Working Capital Borrowings	251,470.08	142,834.53
Repayment of / (Proceeds from) Long Term Borrowings	28,684.89	5,816.99
(Repayment of) / Proceeds from Hire Purchase Finance	482.69	(929.14)
Receipt of Share Application Money	374,072.86	0.00
Repayment of Un secured loan	(87,943.66)	25,551.50
Exchange Difference	0.00	6,395.60
Interest paid	(139,014.73)	(119,298.52)
Dividends paid	(10,173.81)	(13,039.60)
Tax on dividend paid	(2,209.77)	(2,209.78)
Net cash from financing activities	C 415,368.55	C 45,121.58
Total Cash (outflow) / inflow	A+B+C 126,918.62	A+B+C (2,930.58)
D Net (increase)/decrease in cash and cash equivalent		
Cash and cash equivalent at beginning of the year	23859.42	26790.00
Cash and cash equivalent at end of the year	150778.04	23859.42
Net (increase)/decrease in cash and cash equivalent	(126,918.62)	2,930.58

Notes :

1. The above Cash Flow Statement has been prepared under the indirect method as set out in AS -3 issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents represent cash and bank balances.
3. Previous year figures have been regrouped / reclassified wherever necessary.

This is the Cash Flow Statement referred to in our report of even date

For Doshi, Chatterjee, Bagri & Co.Chartered Accountants
Firm Regn No:325197E**R.K.Bagri**

Partner

Membership No. 51956

Chennai, May 29,2010

For and on behalf of the Board of Directors**Dr. B Arvind Shah**

Managing Director

Dr. Chandra Ravindran

Director

P.R.Krishnan

Company Secretary

Schedules to the Financial Statements

(All amounts are in thousands of Rupees unless otherwise stated)

	As at March 31, 2010 Amount	As at March 31, 2009 Amount
1. Share Capital		
Authorised		
500,000,000 (300,000,000) Equity Shares of Re.1/- each	500000.00	300000.00
16,00,000 (-) Redemable cumulative Preference Shares of Re.100/- each	160000.00	0.00
	660000.00	300000.00
Issued and Subscribed		
260,150,000 (260,150,000) Equity Shares of Re. 1/- each	260150.00	260150.00
Paid Up		
260,050,000 (260,050,000) Equity Shares of Re. 1/- each fully paid (Includes 185,750,000 Equity shares of Re. 1/- each fully paid up, issued by way of Bonus shares by capitalisation of the Securities Premium account.)	260050.00	260050.00
Forfeited Shares (amount originally paid up)	48.00	48.00
	260098.00	260098.00
2. Advance against Share Capital		
Share Application Money, pending allotment (166254606 Shares of Rs. 1/- each at a premium of Rs. 1.25 per share)	374072.86	0.00
	374072.86	0.00
3. Reserves and Surplus		
Securities Premium Account	19967.25	19967.25
General Reserve		
Balance as per last account	27088.84	22272.59
Add: Transfer from Profit and Loss Account	10637.49	4816.25
	37726.33	27088.84
Surplus as per Profit and Loss Account	254656.14	174080.78
	312349.73	221136.87
4. Deferred Tax Balances		
Balance of Liability (Net) as per last account	101487.93	88220.49
Add: Liability created during the year	2019.18	13267.44
	103507.12	101487.93
5. Secured Loans		
Cash Credit Loans from Banks (Including Demand Loan)	814563.79	563093.71
Term Loans From Banks		
For Kakkalur Unit	133001.89	182066.75
For Haridwar Unit	-	194150.24
For Irungattukottai Unit	271900.00	0.00
	404901.89	376216.99
Other Loans	2745.82	2263.13
	1222211.50	941573.83
Notes		
1. The Cash credit and demand loans are secured by first charge on the current assets and second charge on the fixed assets of the chennai unit located at Kakkalur on a pari passu basis amongst the lenders and by the personal guarantee of the managing director.		
2. Term loan for Kakkalur Unit are secured by first charge on the fixed assets and second charge on the current assets of the Kakkalur unit except for assets exclusively charged for other loans and by the personal guarantee of the managing director.		
3. Term loans for Irungattukottai Unit are secured by first charge on the fixed assets and second charge on the current assets of the New formulations project at Irungattukottai, both present and future, and personal guarantee of the managing director.		
4. Other loans are secured by exclusive charge on the assets acquired thereagainst.		
5. The above loans include Rs.50250/- falling due for payment within one year (Rs.77929/-)		
6. Unsecured Loans		
From a Director (Interest Free)	7655.84	95599.50
	7655.84	95599.50



Schedules to the Financial Statements

(All amounts are in thousands of Rupees unless otherwise stated)

7 Fixed Assets

	Original Cost				Depreciation				Net Book Value	
	As at April 1, 2009	Additions during the Year	Deletions during the Year	As at March 31, 2010	For the Year	On Deletions	Up to March 31, 2010	As at March 31, 2010	As at March 31, 2009	
Tangible Assets										
Freehold Land	23845.60@	0.00	0.00	23845.60	0.00	0.00	0.00	23845.60	23845.60	
Buildings	51740.27*	0.00	0.00	51740.27	1728.13	0.00	17787.90	33952.37	35680.50	
Leasehold Improvements	1729.32	0.00	0.00	1729.32	0.00	0.00	1729.32	0.00	0.00	
Plant & Machinery	351825.33	35523.65	0.00	387348.98	18213.30	0.00	92870.77	294478.21	277167.87	
Furniture & Fittings	6226.57	244.55	3842.15	2628.97	257.30	102.13	1493.40	1135.57	4888.34	
Office Equipment and Computers	4486.62	836.74	253.87	5069.49	202.99	21.81	3795.65	1273.84	872.15	
Vehicles #	7368.49	1966.70	1726.82	7608.37	668.88	1009.75	2887.55	4720.82	4140.08	
Intangible Assets										
Computer Software	0.00	224.10	0.00	224.10	44.82	0.00	44.82	179.28	0.00	
Total	447222.20	38795.74	5822.84	480195.10	21115.42	1133.69	120609.41	359585.69	346594.54	
Capital Work in Progress	0.00	5561.00	0.00	5561.00	0.00	0.00	0.00	5561.00	0.00	
Previous year's total	388188.40	73968.51	14934.71	447222.20	19359.73	4258.83	100627.66	346594.54	0.00	

@ Freehold land is yet to be registered in the name of the Company

* Buildings include value of land which was not separately determined and hence the cost of land stands depreciated at the rate applicable to building. Amount involved in this regard has not been ascertained but the same is not likely to be material.

Acquired under Hire Purchase

Schedules to the Financial Statements

(All amounts are in thousands of Rupees unless otherwise stated)

	As at March 31, 2010 Amount	As at March 31, 2009 Amount
8. Capital Expenditure on New Projects		
Land (Including site development cost)	28784.00	9363.89
Building under Construction (Including Advances)	20005.50	70480.52
Machinery under Erection (Including Advances)	301300.00	64869.74
	350089.50	144714.15
Incidental Expenditure pending allocation to Fixed Assets		
Salary and staff costs	696.20	5774.56
Interest	1116.95	33167.68
Management Fees	47.58	0.00
Rent	0.00	766.76
Insurance	166.67	169.57
Materials consumed	0.00	630.00
Stores & spares consumed	0.00	34.45
Rates & Taxes	0.00	29.56
Other Expenses	17733.11	11212.66
	19760.51	51785.24
# Represents Expenses relating to Haridwar Unit, which was disposed off during the year		
## Represents Expenses incurred during the year on the New Formulation Project at Irungattukottai.	369850.01 ##	196499.39 #
9. Inventories (Refer Note No. - 1(d) of Schedule 21)		
Raw Materials	222125.63	156070.32
Packing Materials	7303.06	6085.05
Work-in- Process	207032.354	158389.39
Finished Goods	20649.08	13152.79
	457110.12	333697.55
10. Sundry Debtors:		
Secured		
Outstanding for less than six months	1503.04	3105.08
Unsecured		
Outstanding over six months		
- Considered good	94.55	24188.98
- Considered doubtful	648.45	200.08
Other debts		
- Considered good	1063769.59	809696.39
	1066015.63	837190.53
Less : Provision for Doubtful Debts	648.45	200.08
	1065367.18	836990.45
11. Cash and Bank Balances		
Cash in hand	155.13	344.51
Balances with Scheduled Banks		
- On Current Account	66102.49	2202.18
- Margin Money Deposit Account	24379.00	18000.00
- Fixed Deposit Account	54000.00	0.00
- Unclaimed Dividend Account	6141.42	3312.73
	150778.04	23859.42
12. Other Current Assets		
Interest accrued on deposits	2009.82	1447.64
	2009.82	1447.64
13. Loans and Advances		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	96276.80	95089.55
Deposits	10083.90	8716.95
Balance with Excise & other Govt. authorities	163133.09	79745.74
	269493.79	183552.24
14. Current Liabilities		
Sundry Creditors	332481.76	258145.56
Deposits from Stockists	1503.00	9177.90
Interest Accrued but not due on Secured Loans	2791.16	0.00
Amount to be credited to Investors Education and Protection Fund		
Unclaimed Dividend	6141.42	3312.73
	342917.34	270636.19
15. Provisions		
Provision for Taxation [net of Advance Payment of Tax and Tax Deducted at Source]	38623.28	14364.40
Proposed Dividend	13002.50	13002.50
Tax on Dividend	2159.55	2209.77
Provision for Gratuity	3157.93	2532.24
	56943.26	32108.91



ARVIND

Schedules to the Financial Statements

(All amounts are in thousands of Rupees unless otherwise stated)

	As at March 31, 2010 Amount	As at March 31, 2009 Amount
16. Other Income		
Interest on Bank Deposits (Gross) [Tax Deducted at Source Rs.130.42 Previous Year Rs.96.29]	1687.49	1041.54
Exchange Difference (Net)	0.00	6395.60
Provision No Longer Required written back	214.96	369.33
Profit on sale of fixed assets(Net)	7.93	213.54
Miscellaneous Income	1616.10	323.73
	3526.48	8343.74
17. Increase in stock		
Closing Stock		
- Work-in-process	207032.35	158389.39
- Finished Goods	20649.08	13152.79
	227681.43	171542.18
Opening Stock		
- Work-in-process	158389.39	159411.65
- Finished Goods	13152.79	10657.66
	171542.18	170069.31
	56139.25	1472.87
18. Materials Consumed		
Raw Materials		
Opening Stock	156070.32	141608.14
Add: Purchases	2487225.55	1750967.23
	2643295.87	1892575.37
Less: Closing Stock	222125.63	156070.32
	2421170.24	1736505.05
Packing Materials		
Opening Stock	6085.05	6419.06
Add: Purchases	155315.40	112438.86
	161400.45	118857.92
Less: Closing Stock	7303.06	6085.05
	154097.39	112772.87
Finished Goods Purchased	1011.57	23528.92
	2576279.20	1872806.84
19. Personnel Expenses		
Salaries, Wages, Bonus, Incentives, Leave Pay	59113.94	44279.71
Contribution to Provident and Other Funds	3176.08	2507.17
Workmen and Staff Welfare Expenses	1307.23	867.17
Gratuity	689.63	1636.73
	64286.88	49290.78
20. Operating and Other Expenses		
Stores and spares consumed	1201.86	647.48
Rent	1849.68	1884.87
Rates & Taxes	78.46	50.01
Insurance	753.54	849.49
Power and Fuel	4574.53	4242.13
Freight and Forwarding Charges	2603.19	1431.64
Testing Fees and Lab Chemicals	2281.16	2105.76
Repairs and Maintenance		
- Plant & Machinery	668.14	476.50
- Building	94.63	16.53
- Others	1796.91	1752.20
Advertisement and Sales Promotion	5215.37	4462.96
Brokerage and Commission	5803.46	865.77
Liquidated Damages for Delayed Supply	15266.32	18635.51
Managerial Commission	6640.00	0.00
Fees to Registrar of Companies	1816.26	0.00
Travelling and Conveyance	13152.62	10367.50
Directors' Fees	81.00	57.00
Auditors' Remuneration	573.56	471.91
Bad Debts written off	0.00	4.16
Provision for Doubtful Debts	648.45	200.08
Exchange Difference (Net)	296.96	0.00
Prior Period Expenses	374.27	246.14
Miscellaneous Expenses	15450.16	11965.90
	81220.53	60733.54
21. Financial Expenses		
Interest		
- Term Loan	32052.70	45114.74
- Working Capital & Others	91514.36	58776.90
Interest to Income Tax Department	2350.57	182.38
Finance Charges	17005.21	7909.36
Interest decapitalised on advances received back	-	9389.69
	142922.84	121373.07
Less: Transfer to Capital Expenditure on New Project/Fixed Assets	1116.95	6573.84
	141805.89	114799.23

Schedules to the Financial Statements

(All amounts are in thousands of Rupees unless otherwise stated)

22. Notes to the Financial Statements

Preface

The financial statements, statement of cash flows and the notes to the financial statements are the primary responsibility of the management of Arvind Remedies Limited (the Company).

1. Statement of Significant Accounting Policies

Basis of preparation of financial statements

The financial statements of the Company are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India and comply with the Accounting Standards notified by The Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of The Companies Act, 1956 (*the Act*). The significant accounting policies followed by the Company are stated below:

a) Revenue Recognition

Revenue from sale of goods is recognized upon passage of title to the customers, which generally coincides with delivery. Sales are stated net of Returns, Allowances and Discounts and are inclusive of excise duty but exclusive of sales tax / value added tax.

b(i) Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of duties (net of CENVAT), taxes, incidental expenses, erection/commissioning expenses up to the date the asset is put to use. Fixed assets are classified as tangible and intangible assets.

b(ii) Expenditure on New Projects

Expenses directly related to construction activities are capitalized. Pre-operative and other indirect expenses incurred during construction period are also capitalized to the extent related to or incidental to construction. Trial run expenses for trial production prior to commissioning of the project are also capitalized. All such expenses are allocated to various assets proportionately on completion of the project. Sales and value of stock out of trial run and any other income attributable to the project are deducted from the total of project expenses.

c) Depreciation and Amortisation

(i) Depreciation is provided on tangible fixed assets on straight-line method at the rates and in the manner prescribed in Schedule XIV of the Act, except on Plant and machinery, which is provided at 5.15% per annum based on management estimates.

Leasehold improvements are amortised over the period of the lease.

(ii) Individual assets costing Rs.5,000/- or less is depreciated in full in the year of purchase.

(iii) Intangible fixed assets are amortized over useful life of the asset, not exceeding five years.

d) Inventories

Inventories are valued at lower of cost and net realisable value. The mode of valuation is as follows:

Raw Materials and Packing Materials : At or under cost on FIFO basis

Work-in-progress : At or under cost

Finished Goods

Purchased : At cost or net realisable value whichever is lower

Manufactured : At cost or net realisable value whichever is lower

Cost of Finished Goods Manufactured and Work-in-progress is determined by considering Materials, Labour, Depreciation and related Overheads.

e) Employee benefits

Long Term Benefits

(i) The Company has a defined benefit plan for Post-Employment benefit in the form of Gratuity for all employees, which is administered through Life Insurance Corporation



ARVIND

Schedules to the Financial Statements

(All amounts are in thousands of Rupees unless otherwise stated)

of India (LIC). Liability for above defined benefit plan is provided on the basis of actuarial valuation as at the Balance Sheet date, carried out by LIC. The actuarial method used for measuring the liability is the Projected Unit Credit method. The fair value of the plan asset is reduced from the gross obligation to recognize the obligation on net basis. The amount as above and the actuarial gain / loss are recognized in the Profit and Loss Account of the year.

- (ii) Defined contribution plans are Provident fund scheme, Employees State Insurance Scheme and Government administered Pension Fund scheme for the employees. The company makes specific monthly contribution, which is recognized in the Profit and Loss Account in the financial year to which they relate. The Company has no further obligation beyond its monthly contributions.

Short Term Benefits

- (i) Employee benefits, such as salaries, wages, performance incentives, etc are recognized as an expense at actual amounts in the Profit and Loss Account of the year in which the related service is rendered.
- (ii) Earned Leave Encashment: Earned leave accrued during the year is available for encashment as per the rules of the Company. The amount is paid and charged to the Profit and Loss Account every year.

f) Foreign currency transactions

Transactions in foreign currency are recorded at exchange rate prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currency as at the end of the year are stated at the exchange rate prevailing at the year-end / forward contract rates. Realised gains / losses on transactions during the year and exchange difference on restatement at the year-end are charged to the Profit and Loss Account. Forward exchange premium in respect of forward exchange contract is recognized over the life of the contract.

g) Research and Development

Revenue expenditure on research and development is charged to the Profit and Loss Account in the year in which it is incurred. Capital expenditure on research and development is shown as additions to fixed assets.

h) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" are not discounted to their present value and are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

i) Taxation

Tax expense comprises both deferred and current taxes. Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income and reversal of timing differences of earlier years. Deferred tax is measured based on tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

j) Segmental Reporting

The Company operates only in one business segment namely formulations.

Schedules to the Financial Statements

(All amounts are in thousands of Rupees unless otherwise stated)

k) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l) Leases

Lease of assets where all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with the respective lease agreements.

m) Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of such assets till such time as the assets are ready for their intended use or sale. Qualifying assets are assets that necessarily require a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

n) Impairment of Asset

An asset is treated as impaired when the carrying cost exceeds the recoverable value. An impairment loss is charged to the profit and loss account in the year in which the asset is identified as impaired. The impairment loss recognized in the prior accounting periods is reversed if there has been any change in the estimate of the recoverable amount.

2. (a) Capital Expenditure on New Projects of Rs. 369850.01 consists of unit being set up at State Industries Promotion Corporation of Tamilnadu Limited Industrial Estate at Irungatukottai in Tamilnadu for manufacture of Injectibles, Softgel, Tablets and Capsules.
- (b) Exceptional item denotes surplus on sale of assets pertaining to Haridwar Unit.
3. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 1872660 (net of advances) (Previous Year Rs nil)

4. Contingent liabilities

Outstanding Bank Guarantees Rs.9397.39 (Previous year Rs. 13777.39)

5. Freehold land represents land allotted by Small Industries Development Corporation Ltd. (SIDCO) vide a Memorandum of Understanding (MOU) dated November 21, 1995. The Company is in the process of complying with the terms of the said MOU.
- 6.(a) The Company has entered into Lease Arrangements for office and godown premises. These Lease Agreements were for a period varying from 11 months to 6 years, and/or cancelable at the option of either party by giving 3 months to 6 months notice. Lease payments recognized in Profit and Loss account is Rs. 1849.68 (Previous year -- Rs.1884.87)

- 6.(b) Non cancelable lease dues payable in respect of office premises are as follows:

	<u>2009-10</u>	<u>2008-09</u>
Due within one year -	-	108.00
Due later than one year and not later than five years -	-	108.00
Due later than five years -	-	-

7.(a) Deferred Tax

Deferred tax liability of Rs. 2019.19 (Previous year Rs. 13267.44) has been charged to the Profit and Loss account.



ARVIND

Schedules to the Financial Statements

(All amounts are in thousands of Rupees unless otherwise stated)

7.(b) Composition of deferred tax balances	March 31, 2010 Amount	March 31, 2009 Amount
Deferred tax liability arising on account of		
Timing difference in relation to depreciation and other tax benefits	106574.15	101599.92
	106574.15	101599.92
Deferred tax asset arising on account of		
Expenses allowable against taxable income of future years	(493.88)	-
Provision for doubtful debts	(220.41)	-
Expenses allowable under Income Tax on payment	(2352.74)	(111.99)
	(3067.03)	(111.99)
Deferred tax liability (Net)	103507.12	101487.93
8. Earnings Per Share		
Profit after taxes considered for the purposes of calculating Earnings per Share (in thousands)	106374.91	48162.84
Number of shares considered as weighted average shares outstanding (in thousands)	260050	260050
Number of shares considered as weighted average shares outstanding post preferential issue (in thousands)	426305	260050
Nominal value per Share (in Rs.)	1	1
Basic Earnings per Share (in Rs.)	0.41	0.19
Diluted Earnings per Share (in Rs.)	0.25	0.19

9. Managerial Remuneration:

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 and calculation of Chairman & Managing Director's Commission for the Year Ended 31-03-2010

	2009-10	2008-09
Profit before Tax as per Profit & Loss Account	153446.63	71710.00
Add:		
Remuneration and Commission to the Directors	8300.00	1560.00
Provision for Doubtful Debts	648.45	200.08
	8948.45	1760.08
Less:		
Profit on sale of Fixed Assets	7.93	213.54
Exceptional Item	780.66	-
	788.59	213.54
Net Profit under Section 349 of the Companies Act, 1956	161606.49	73256.54
Remuneration allowable to Managing Director @ 5% of the above profit	8080.32	3662.83
Remuneration to Managing Director paid / payable during the year		
Commission	6640.00	-
Salary	1440.00	1440.00
Sub Total	8080.00	1440.00
Contribution to Provident Fund	103.68	103.68
Total	8183.68	1543.68
Remuneration to Whole Time Director paid during the year		
Salary	220.00	120.00

Notes:

1. No commission was paid to any director during 2008-09 in view of waiver of the same by them.
2. As the future liability of gratuity is provided on actuarial basis for the company as a whole, the amount pertaining to the directors is not included above.

Schedules to the Financial Statements

(All amounts are in thousands of Rupees unless otherwise stated)

10 Related party disclosures

Key Managerial Personnel

Dr. B Arvind Shah – Managing Director
Dr. Chandra Ravindran – Whole Time Director

Transaction with Key Managerial Personnel during the year and balance outstanding as on 31.3.2010 :

	<u>2009 - 2010</u> Amount	<u>2008 - 2009</u> Amount
Remuneration to Key Managerial Personnel		
Salaries and allowances	1660.00	1762.00
Contribution to Provident and other Funds	103.68	103.68
Commission	6640.00	Nil
Other Perquisites evaluated as per Income Tax Rules	Nil	Nil
Total	8403.68	1865.68
Loan repaid during the year	87943.66	Nil
Loan Taken during the year	Nil	25551.50
Balance payable as at the year end		
Loan	7655.84	95599.50
Commission	6640.00	Nil
11. Auditors' remuneration (including service tax)		
	<u>2009-10</u> Amount	<u>2008-09</u> Amount
Statutory Audit	441.20	337.08
Other Services	132.36	134.83
Total	573.56	471.91

12. The company has not entered into any forward contract during the year. Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date:

	Foreign Currency involved	Amount
Debtors	USD 132838.80 @ 44.71 (USD 65252.59 @ 50.49)	5939.22 (3294.60)
Creditors	-- (USD 143440 @ 51.55)	-- (7394.33)

13. Dues to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006:

There were no dues outstanding to the suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent identified from the available documents / information.

14. Segment Information:

The company deals in one product only – pharmaceutical products. As such it does not have reportable business segment. For the purpose of geographical segments, total sale is divided into India and other countries. The following table shows the distribution of the company's sales by geographical markets:

	2009-10	2008-09
Export Sales	95261.22	41804.71
Domestic Sales	2997118.94	2250274.32
Total	3092380.16	2292079.03



ARVIND

Schedules to the Financial Statements

(All amounts are in thousands of Rupees unless otherwise stated)

15. Employee Benefits : Gratuity		Amount	Amount
a)	Expenses recognized in Profit and Loss Account	2009-10	2008-09
1	Current Service Cost	504.75	372.97
2	Interest Cost	300.44	164.96
3	Expected return on plan assets	(84.12)	44.85
4	Actuarial Losses/ (Gains)	(31.44)	999.94
5	Amount paid directly by the company to the retiring employees	---	143.71
6	Total Expenses recognised in the Statement of Profit & Loss Account	689.63	1636.73
b)	Net Asset / (Liability) recognized in Balance Sheet	31-03-2010	31-03-2009
1	Present Value of Defined benefit obligation at the year end	4172.32	3755.51
2	Fair Value of plan assets at the year end	1014.39	1223.27
3	Net Asset / (Liability) recognized in Balance Sheet at the year end	(3157.93)	(2532.24)
c)	Change in defined Benefit Obligation (DBO) during the year	31-03-2010	31-03-2009
1)	Present value DBO at the beginning of the year	3755.51	2488.59
2)	Current Service Cost	504.75	372.97
3)	Interest Cost	300.44	164.96
4)	Actuarial (Gains) / Losses	(31.44)	1057.10
5)	Benefits Paid	(356.94)	(328.11)
6)	Present value of DBO at the end of year	4172.32	3755.51
d)	Change in Fair Value of Plan Assets during the year	31-03-2010	31-03-2009
1)	Plan assets at the beginning of year	1223.27	-
2)	Expected Return on Plan Assets	84.12	44.85
3)	Actuarial Gains / (Losses)	---	57.16
4)	Actual Company Contribution	63.94	1449.37
5)	Benefits paid	(356.94)	(328.11)
6)	Plan Assets at the end of the year	1014.39	1223.27
e)	Actuarial Assumptions	31-03-2010	31-03-2009
1	Discount rate per annum compound	8%	8%
2	Rate of increase in salaries	5%	6%
3	Expected rate of return on plan assets	8%	8%
4	Attrition rate	1-3%	1-3%
5	Mortality table	LIC (1994 to 1996)	

Notes:

- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.
- The company expects to contribute Rs 1000 during the year 2010-11

16. Details of Raw Materials consumed

Description	2009-10		2008-09	
	Quantity (In kgs.)	Value (Amount)	Quantity (In kgs.)	Value (Amount)
Antibiotics and Antibacterials	388775.55	995331.43	252264.02	689534.72
Antitubercular	98128.29	162322.16	123120.07	181519.45
Antimicrobials	140373.88	668585.44	105736.14	410672.96
Others	682900.10	594931.21	477857.88	454777.92
Total	1310177.82	2421170.24	958978.11	1736505.05

17. Details of Raw Materials and Store & Spares consumed - Imported and Indigenous

Raw Materials	2009-10		2008-09	
	Amount	Percentage	Amount	Percentage
Imported	9635.59	0.40	19411.01	1.12
Indigenous	2411534.65	99.60	1717094.04	98.88
Total	2421170.24	100.00	1736505.05	100
Stores & Spares (100% indigenous)	1201.86	100	647.48	100

Schedules to the Financial Statements

(All amounts are in thousands of Rupees unless otherwise stated)

18. Details of Installed capacities, Production, Opening Stock, Closing Stock of Finished Goods produced

Description	Unit #	Annual Installed Capacity	Opening Stock	Production for the year	Closing Stock	Turnover for the year		
			Qty.	Qty.	* Qty.	Qty.	Values	
Tablets	Nos.	1560250	15638.12	2399850.72	20264.02	2395224.82	2205601.00	
		(1482200)	(11213.40)	(1893025.08)	(15638.12)	(1888600.36)	(1380324.41)	
Capsules	Nos.	439800	3374.62	471445.46	8564.75	466255.33	854074.14	
		(439800)	(3748.21)	(522028.49)	(3374.62)	(522402.08)	(643531.85)	
Ointments	Kgs.	7050	103.57	13967.30	1075.08	12995.79	21760.09	
		(1640)	(549.25)	(738.56)	(103.57)	(1184.24)	(6487.06)	
Liquids	Lts	2504	2122.55	8520.03	3869.57	6773.01	7501.20	
		(2504)	(545.81)	(2786.96)	(2122.55)	(1210.22)	(13092.60)	
Total							3088936.43	(2043435.92)

Figures in brackets represent previous year's figure.

Note: * Finished goods expired during the year were excluded from the closing stock.

Nos. are given in Thousands.

The installed capacity mentioned above is the annual capacity based on the maximum utilization of plant and machinery.

The annual installed capacities are as certified by the management and accepted by the Auditors, being a technical matter.

Value (Amount)

Description	2009-10		2008-09	
	Opening Stock	Closing Stock	Opening Stock	Closing Stock
Tablets	8531.55	13300.63	6840.21	8531.55
Capsules	2862.53	5906.51	3140.12	2862.53
Ointments /Powder	141.38	462.21	139.87	141.38
Liquids	782.01	674.37	537.47	782.01
Total	12317.47	20343.72	10657.67	12317.47

19. Details of Opening Stock, Purchases and Closing Stock of Finished Goods Purchased

Description	Unit #	Opening Stock	Purchase during the year	Closing Stock	Turnover for the year	
		Qty.	Qty.	Qty.	Qty.	Values
Tablets	Nos.	-	-	-	-	-
		(-)	(73.89)	(-)	(73.89)	(3924.40)
Capsules	Nos.	-	714.90	245.600	469.30	1115.46
		(-)	(718.05)	(-)	(718.05)	(1354.76)
Ointments & Others	Kgs.	-	-	-	-	-
		(-)	(4062581)	(-)	(4062581)	(229837.13)
Liquids	Lts	79.260	1190.84	-	1270.100	2328.27
		-	(35085.90)	(79.260)	(35006.64)	(13526.83)
Total						3443.73
						(248643.12)

Figures in brackets represent previous year's figure

Nos. are given in Thousands.

Value (Amount)

Description	2009-10		2008-09	
	Opening Stock	Closing Stock	Opening Stock	Closing Stock
Tablets	-	-	-	-
Capsules	-	305.36	-	-
Ointments /Powder	-	-	-	-
Liquids	835.32	-	-	835.32
Total	835.32	305.36	-	835.32



ARVIND

Schedules to the Financial Statements

(All amounts are in thousands of Rupees unless otherwise stated)

	<u>2009 - 2010</u> Amount	<u>2008 - 2009</u> Amount
20. Value of imports calculated on CIF basis		
Raw Materials	10195.46	19411.01
21. Earnings in foreign currency on account of		
Exports at F.O.B. Value	94917.22	41804.71
22. Expenditure in foreign currency on account of		
Travelling Expenses	190.55	237.51

23. The movements in Provision for gratuity during the year are as follows:

Particulars	Balance as at 1.4.2009	Additions during the year	Utilised during the year	Balance as at 31.3.2010
Provision for gratuity	2532.24 (2488.59)	689.63 (1636.73)	63.95 (1593.08)	3157.93 (2532.24)

24. Previous year's figures, which are given in bracket, have been regrouped /rearranged wherever necessary to conform to current year figures

Signatories to Schedules 1 to 22 which form an integral part of the Financial Statements

For Doshi, Chatterjee, Bagri & Co.
Chartered Accountants
Firm Regn No 325197E

For and on behalf of the Board

R. K. Bagri
Partner
Membership No. 51956

Dr. B. Arvind Shah
Managing Director

Dr. Chandra Ravindran
Director

Chennai
May 29, 2010

P. R. Krishnan
Company Secretary



ARVIND REMEDIES LTD.

Regd. Off: 190, Poonamallee High Road, Chennai - 600 084
Phone 044-26414788/89, Email: arvindrem@eth.net / arl@eth.net

Dear Shareholder(s)

Option for ECS Mandate / Bank Mandate

The dividend, if declared, will be directly credited to the bank account of the shareholder, holding shares in dematerialized form, located at the below-mentioned places, through Electronic Clearing Service (ECS) as per information provided by their respective Depository Participant. In case shareholders desire to receive dividend in a bank account other than the one specified while opening Demat Account, such shareholders may please inform the same to their Depository Participant immediately.

Locations: Ahmedabad, Bangalore, Bhopal, Bhubaneswar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Trivandrum.

We have also arranged to send by NECS as per the information provided by their respective Depository Participants at the following locations:

Shareholders holding share in physical form at the above-mentioned locations, who would like to avail of ECS facility, are requested to fill up the Mandate form provided on the reverse of this letter and submit it to the Company's Registrar and Share Transfer Agent latest by 2010.

Shareholders holding shares of the company in physical form and who, for any reason, would not like to avail of the ECS facility being offered to such shareholders as mentioned above or located in non ECS location, are requested to furnish (if not done earlier) in the Mandate Form provided on the reverse of this letter, details of their bank account number and name of the bank and the branch, which will be printed on the dividend warrant to avoid fraudulent encashment thereof.

Your co-operation in this regard will be highly appreciated.

Thanking you,

Yours faithfully,

For Arvind Remedies Ltd.

Company Secretary

Date:2010

To
M/s.Cameo Corporate Service Limited
"Subramanian Building"
No.1 Club House Road
Chennai 600 002.

FORM FOR ECS MANDATE / BANK MANDATE

(Not to be filled in by shareholders holding shares in dematerialised form)

I/We,.....do hereby authorize Arvind Remedies Ltd., to

- Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Service (ECS) – ECS Mandate*
 - Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me – Bank Mandate.*
- (* Strike out whichever is not applicable)

Folio No.-----

1	Bank Name	
2	Branch	
3	Bank Address	
4	Bank Account Number	
5	Nature of Account (Savings / Current)	
6	9 Digit Code Number of the Bank & Branch as appearing on the MICR cheque (for ECS Mandate only) please attach photocopy of the cheque	

I/We shall not hold the Company responsible if the ECS mandate could not be implemented for reasons beyond the control of the Company.

Signature of shareholder(s)
(As per specimen lodged with the Company)

Note:

1. Kindly note the ECS facility is currently available to shareholder located at Ahmedabad, Bangalore, Bhopal, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Trivandrum only.
2. You may contact the Company's Registrar and Share Transfer Agent M/s. Cameo Corporate Service Limited for any clarification you may have on the ECS / Bank Mandate, on Tel No.044-28460930.



ARVIND REMEDIES LTD.

Regd. Off: 190, Poonamallee High Road, Chennai - 600 084.

PROXY FORM

I/We _____ son/daughter of _____ being a Member(s) of Arvind Remedies Limited hereby appoint _____ son/ daughter of _____ failing him _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 22nd Annual General Meeting of the company to be held on Tuesday, the 28th September 2010, at 9.30 a.m. at "Golden Chakra Hall" GVP Golden Beach Resort, East Coast Road, Injambakkam, Chennai – 600 041 and at any adjournment thereof.

Signed this _____ day of _____ 2010

DP ID/ Client ID _____

Registered Folio No. _____

Signature _____

Affix
Re1
Revenue
stamp

Note: 1. This form must be completed and deposited at the Registered Office of the Company at 190, Poonamallee High Road, Chennai 600 084 not later than forty eight hours before commencement of the meeting.



ARVIND REMEDIES LTD.

Regd. Off: 190, Poonamallee High Road, Chennai - 600 084.

ATTENDANCE SLIP

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall.

DP ID/ Client ID _____

Registered Folio No. _____

Name of the Shareholder _____

Name of the Proxy _____

(in Block Letters to be filled if the proxy attends instead of the member)

No. of shares held _____

I hereby record my presence at the Annual General Meeting of the Company to be held on Tuesday, the 28th September 2010 at 9.30 am at "Golden Chakra Hall", GVP Golden Beach Resort, East Cost Road, Injambakkam, Chennai 600 041 and any adjournment thereof.

Signature of the Member/ Proxy: _____

Note: 1. Shareholder or Proxy holder wishing to attend the meeting must bring this attendance form duly signed and hand it over at the entrance of the meeting hall.

BOOK POST

To



ARVIND REMEDIES LTD.

190, Poonamallee High Road, Chennai - 600 084.

Phone : +91 - 44 - 2642 3264 / 4343 9595, Fax +91 - 44 - 2642 3296

Email: arl@arvindremedies.com Web : www.arvindremedies.com