

23rd Annual Report
2010- 2011

Caring for your Health



ARVIND REMEDIES LIMITED

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Board of Directors	Dr. B Arvind Shah Dr. Chandra Ravindran Mr. K.V. Narayan Dr. C.M.K.Reddy Mr. Prakash Shah Mr. R Raja Mohan Mr. V R Mehta Mr. Akshay Shah	CEO & Managing Director Whole-time Director Director Director Director - till 05.01.2011 Additional Director - w.e.f. 13.11.2010 Additional Director - w.e.f. 05.01.2011 From 05.1.2011 - till 02.07.2011
Chief Financial Officer	Mr. S.V. Sundara Raman	
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 Auditor	Mr. K. Suryanarayanan Flat A, Vrindavan Apartment, No.1, Poes road, 4 th street Tynampet, Chennai 600018	
Bankers	United Bank of India Allahabad Bank State Bank of India IDBI Bank Ltd. Punjab National Bank The Karur Vysya Bank Ltd.	
Registered office	190, Poonamallee High Road, Chennai 600 084 Phone: +91-44-26414788/89 Fax +91-44-26423296 E-mail: arl@arvindremedies.com Website: www.arvindremedies.com	
Corporate Office	23 Diwan Rama road, Chennai 600084 Phone: +91-44-43432929 Fax +91-44-43432934	
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 New Unit 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 Third Annual General Meeting of the Members of the Company will be held at "Pandian Hall, V.G.P. Golden Beach Resort, E.C.R., Injambakkam, Chennai – 600 041, at 9.30 a.m on Monday, the 19th September 2011 to transact the following business::

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the Year ended 31st March 2011 and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year 2010-2011.
3. To appoint a Director in place of Dr. CMK Reddy, 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 257 of the Companies Act, 1956, Mr. R. Raja Mohan, who was appointed as an Additional Director of the Company, and upon whom the Company has received nominations proposing him as Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

RESOLVED THAT pursuant to Section 257 of the Companies Act, 1956, Mr. V. R Mehta, who was appointed as an Additional Director of the Company, and upon whom the Company has received nominations proposing him as Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

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

RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956, the existing Articles of the Articles of Association be modified and be replaced with the new set of Articles a draft of which has been kept at the Registered office of the Company and is available for inspection of the members.

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

RESOLVED THAT pursuant to Section 16 and 94 and other applicable provisions of the Companies Act, 1956, the existing Authorised Preference Share capital of Rs.16 Crores be changed and replaced by Authorised Equity Share Capital so that there will be no preference share capital and the Authorised



Equity Share Capital of the Company shall stand increased from Rs.50 Crores divided into 50,00,00,000 equity shares of Re. 1 each to Rs.66 Crores divided into 66,00,00,000 equity shares of Re. 1 each and that Clause V of the Memorandum of Association and Article 2(a) of the Articles of Association shall stand modified accordingly as under:

V. The present Authorised Share Capital of the Company is Rs.66,00,00,000 (Rupees Sixty Six Crores only) comprising of 66,00,00,000 (sixty six Crores) Equity Shares of Re.1/- (rupee one) each with power to increase or reduce the capital of the company and/or the nominal value of the shares and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights as may be determined by or in accordance with the Articles of Association of the Company or as may be decided by the Board of Directors of the Company or by the Company in General Meeting, as applicable, in conformity with the provisions of the Companies Act, 1956 ("Act) and to vary, modify, amalgamate or abrogate any such rights privileges or conditions and to consolidate or sub-divide the shares and issue shares of higher or lower denominations in such manner as may be permitted by the Act or provided by the Articles of Association of the Company for the time being.

Article 2(1) The present Authorised Share Capital of the Company is Rs.66,00,00,000 (Rupees Sixty Six Crores only) comprising of 66,00,00,000 (sixty six Crores) Equity Shares of Re. 1/- (Rupee one) each

NOTES :

1. Pursuant to Section 173 of the Companies Act, explanatory statement on item nos.5 to 8 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 16th September 2011 to 19th September 2011 (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, 2011 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 19th September 2011. 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 15th September 2011. Board has recommended full dividend @ 7% on total shares. The Dividend amount will be Rs. 3.37 Crores and corporate dividend tax on same will be Rs. 0.54 Crores.

Payment of dividend through National –ECS (NECS)

- a) Members holding shares in physical form are advised to submit the particulars of their new bank account number after implementation of CBS, along with a photocopy of a cheque pertaining to the concerned account directly to the Company's Registrar and Share Transfer Agents- M/s. Cameo Corporate Services Ltd. at 1, Subramaniam Building, Club House Road, Chennai 600 002.
- b) Members holding shares in demat form are advised to furnish the new bank account number



after implementation of CBS, along with a photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP), at your earliest for direct credit of dividend to your bank account.

Please note that if you do not provide your new bank account number allotted after implementation of CBS by your Bank to your DP, then in that case ECS to your old account may be either rejected or returned. The Company will issue demand draft/ MICR warrant to such members whose dividend amount is not credited through NECS/ ECS

- c) The bank account particulars of the members will be printed on the dividend warrants. In respect of the shares held in physical form, shareholders are requested to send their bank account particulars or any change therein, to the Registrar and Share Transfer Agents at the above address.
- d) Members holding shares in demat form shall provide particulars of their bank account to their Depository Participants. The Company or its Registrar and Share Transfer Agent will not act on any such request received from members for change in their bank particulars. Further, instructions given by members for shares held in physical form would not be applicable to the dividend paid on shares also held in demat form.
- e) Members, who are holding shares 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 and Members holding shares in electronic form may update such details with their Depository Participant.

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

- f) **Pursuant to Section 53 of the Companies Act, 1956, service of documents was done hitherto under Certificate of Posting,, whereas the department of posts has recently discontinued the postal facility under certificate of posting. However, as one of the method for service of the documents, the Information Technology Act 2000 permits sending it in electronic form. Hence for service of document which may be notice, annual report, or any communication through electronic mode all shareholders of the company are requested to send their e-mail address to the Company or to M/s. Cameo Corporate Services Ltd. the Registrars of the Company and to update the same whenever there is change in email address**
- g) During the financial year, the unpaid/unclaimed dividend amount pertaining to the year 2002-2003, Rs7,47,802.25 was transferred to the Investors' Education and Protection Fund Account.
- h) During the current year, the unpaid/unclaimed dividend amount pertaining to the year 2003-04 being Rs.9,61,313.85 will be transferred to the Investors Education and Protection Fund Account.
- i) Those members who have not encashed their dividend warrants pertaining to the following financial years are requested to approach the company for the payment thereof as the same will



be transferred to Investor Education and Protection Fund (IEPF) pursuant to Section 205A(5) of the Companies Act, 1956 on respective due dates mentioned there against. Kindly note that after such date, the members will lose their rights to claim such dividend

Account year Ended on	Date of declaration of dividend	Dividend payment %	Expected date of transfer of unpaid dividend to IEPF
31 st March 2004	27 th September 2004	5%	26 th September 2011
31 st March 2005	26 th September 2005	5%	25 th September 2012
31 st March 2006	25 th September 2006	5%	24 th September 2013
31 st March 2007	28 th September 2007	5%	27 th September 2014
31 st March 2008	29 th September 2008	5%	28 th September 2015
31 st March 2009	30 th October 2009	5%	29 th October 2016
31 st March 2010	28 th September 2010	5%	27 th September 2017

- j) Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges where the equity shares of the company are listed, additional information pertaining to Directors seeking re-appointment at the Annual General Meeting is given in the annexure.

Chennai,
02.08.2011

**By order of the Board of Directors
for ARVIND REMEDIES LTD.**

Managing Director

Annexure to the Notice dated 2nd August 2011

Details of director seeking re-appointment at the forthcoming Annual General Meeting (pursuant to Clause 49 of the Listing Agreement)

Name of the Director	C.M.K Reddy
Age	70 years
Date of appointment	30.09.1995
Brief Resume and nature of expertise In functional areas	Surgeon (Doctor)
Directorships held in other public Companies (excluding foreign and Private companies)	nil
Memberships/ Chairmanships of Committees of other Public Companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	nil
No of shares held in the company	52500



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

Item No.5

Mr. Raja Mohan, 61 years, was appointed as Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 from 13th November 2010 and his term shall expire at the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956 he is eligible for reappointment as a Director of the Company. He is retired Bank Officer and has over 30 years experience in varied business including Auditing His association will be of an immense help for the development of the Company's business.

Board recommends passing the Resolution.

Except Mr Raja Mohan, no other Directors of the Company are interested in the resolution.

Item No.6

Mr. V.R Mehta was appointed as Additional Director by the Board pursuant to Section 260 of the Companies Act, 1956 from 5th January 2011, and his term shall expire at the ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, he is eligible for reappointment as Director of the Company.

Mr. Veerendra Raj Mehta. 77 years was appointed as Additional Director of the Company from 5th January 2011. He has over 40 years experience and has worked in senior position with Govt. of India Departments. He has also served as Senior expert in the Asian Development Bank Manila and as a non-executive director and as a member of many companies in India in different sectors. His business acumen and professional services will be of immense help for the company's business.

Board recommends the Resolution

Except Mr. V R Mehta, no Directors of the Company are interested in the resolution.

Item No.7

The present Articles of Association are required to be updated considering the modifications required for listed companies and change in relevant provisions of the Act. Copy of the proposed new set of Articles to be adopted is available for inspection at the Registered Office of the Company.

Board recommends the resolution

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

Item No.8

The Preference Share Capital was made earlier and in view of the changed circumstances it is no longer required. The conversion of the preference capital into equity capital will enable the company to issue further equity shares pursuant to Section 81(1A) of the Companies Act 1956. Hence it is proposed that the Authorised Equity Share Capital be increased from Rs.50 Crores to Rs.66 Crores by cancelling the preference share capital....

Board recommends the resolution to be passed.

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

Chennai,
2nd August 2011

By order of the Board of Directors

Dr. B. Arvind Shah
Managing Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty-Third Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2011

FINANCIAL RESULTS

(Rs. in Crores)

Particulars	2010-2011	2009-2010
Gross Income	368.79	303.74
Profit before tax	22.77	15.34
Profit after tax	16.90	10.64
Profit available for appropriation (after considering the balance b/f from previous year and deferred tax liability)	42.36	28.04
APPROPRIATION		
Dividend	2.18	1.30
Corporate Dividend Tax	0.35	0.22
Transfer to General Reserve	1.69	1.06

Operations and Business Performance

During the year 2010-11, the sales increased from Rs.309.24 Crore to Rs.376.89 Crores, recording an increase of 22% over the previous year, while profit before tax has increased from Rs.15.34 Crore to Rs.22.77 Crore showing increase of 48% over last year.

DIVIDEND

Considering the profits and the need to conserve the resources, your directors recommend a dividend of 7 paise per share of Rs.1 each on pro rata basis on the paid-up capital of the Company. The outflow on this account would be Rs 2.18 Crores excluding dividend tax.

FUTURE OUTLOOK

The Company has updated existing Kakkalur plant in accordance with revised Schedule M specifications.

IRRUNGATUKOTTAI UNIT

The Irrungatukottai unit near Sriperumbudur, Kancheepuram, Tamil Nadu, is under implementation and is expected to be ready by this year end for commercial operations. The Company propose to get USFDA approvals for this unit so as to cater to the production for exports.

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 12 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 major areas where R&D involved are

- (1) Dosage Form/Product Development in allopathic and ayurvedic segments,
- (2) Process development and validation



- (3) Analytical method development and validation.
- (4) Development of Novel Drugs Delivery System.
- (5) Nutraceuticals and OTC products special care.

*Dosage Form/Product Development: Headed by strong team leader with 15 Research scientists and technicians, we apply advancement in pharmaceutical technology to create dosage forms that offer patients benefit. Our constant mission for developing new products and technology has to make breakthrough innovations in extensive range of research areas. Several products with a new delivery system advantage have earned us a market.

- Mouth Dissolving Tablets
- Modified Release Products
- Dry Powers and Syrups
- Soft Gelatin Capsules
- Skin Care Products
- Sun Care Products
- Sterile Formulation
- Ophthalmic Formulation

***ANALYTICAL METHOD DEVELOPMENT** : World-class equipments for Instrumental, Chemical and Microbiological Analysis. Extensive facilities for establishing the integrity and stability of pharmaceuticals. Expertise in method development for impurity profiling and identifying degradation products has been built up. Stability of products conformed as per ICH guidelines to meet global requirement

***NDDS (Novel Drug Delivery Systems)** : In the area of NDDS, Arvind remedies ltd is focused 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.

The NDDS research at, Arvind remedies ltd focuses 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.

Arvind remedies ltd In-house NDDS programs are primarily focused on the oral segment. Spray technology and dermal therapy programs are also being pursued through collaborations.

There is High tech research center with focus on the core areas of Diabetology, Cardiology and Nephrology.

In ayurvedic, we use 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.

The Pharmaceutical research division covers both the antibiotic and non-antibiotic segments with specific departments for the Domestic markets and Regulatory market. New Drug Discovery is objective of our company, as soon we focus on this type of research program.

***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 Development** :ARL has so far developed more than 250 products which includes products in diabetic, cardiac, antibiotics, anti allergic sectors.



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

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

AYURVEDIC - DST PROJECTS:

A) OBESITY INDUCED HYPERLIPIDEMIA:

Efforts are made to identify and scientifically validate the traditional/ indigenous herbs for anti hyperlipidemia, the development of a novel Polyherbal formulation and for standardization of poly herbal formulation. It is a collaborative research agreement with Sri Ramachandra Medical College and Research Institute and Dept. of Science & Technology, Govt. of India.

Identification and scientific validation studies have been completed; Formulation study is under progress in the Industrial side. Animal studies for efficacy is under progress in Institution.

B) ANTI ARTHRITIS:

The poly herbal formulation for the treatment of rheumatoid arthritis, anti arthritis, anti inflammatory, analgesic, Immunomodulatory and antioxidant with collaborative research agreement with Sri Ramachandra Medical College and Research Institute and Dept. of Science & Technology, Govt. of India. Clinical trial is under progress.

C) ANTI VIRAL:

Poly herbal formulation for Human Herpes Virus 1, Human Herpes Virus2, Human Herpes Virus3 and Varicella Zoster. It is a collaborative project with Presidency College, TNVAS, IIIM and Department of Science and Technology, Govt. of India.

FUTURE PLANS

ALLOPATHIC

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, Parenteral, Ophthalmic, Pelletization of products in different formulation and 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 CONTRACT RESEARCH in future.

To develop US-FDA, MHRA, TGA, ANVISA approved Formulation in all major areas.

To develop New Drug Discovery department, as soon we focus on this type of research program.

AYURVEDA

1. Ayurvedic Plant construction is under progress.
2. Development of Range of Products is under progress, we are mainly concentrating on the chronic ailments, presently uterine tone, Aphrodisiac, Hepato-protective products Development for the present.

DIRECTORS

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Dr. C.M K Reddy, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Directors recommend his reappointment.



In accordance with the stipulation under clause 49 of the Listing Agreement, brief resume of the Director seeking re-appointment at the ensuing Annual General Meeting and names of companies in which holds office as Director and/or Chairman/ Member of Committees of the Board is given in annexure to the notice.

During the year, Mr. Prakash Shah, resigned from 5th January 2011. Mr. Akshay Shah who was appointed as Additional Director from 5th January 2011 resigned on 2nd July 2011. Board places on record deep sense of appreciation for the valuable services rendered by them during their tenure as Directors of the Company.

During the year Mr. R. Raja Mohan from 13th November 2010 and Mr.V. R Mehta from 5th January 2011 were appointed as Additional Directors pursuant to Section 260 of the Companies Act, 1956 and their term will expire at the conclusion of the ensuing Annual General Meeting. The Company has received nominations from members proposing them to be elected as Directors of the Company and pursuant to Section 257 of the Companies Act, 1956, Board recommends to pass the special resolution nos. 5 & 6 given in the Notice.

AUDITORS:

Your company's Statutory Auditors M/s. Doshi Chatterjee Bagri & Co. Chartered Accountants, retired at the conclusion of the ensuing Annual General Meeting. The Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment. The necessary resolution seeking approval of members for re-appointment of Statutory Auditors has been provided in the Notice convening the Annual General Meeting.

AUDITOR'S REPORT AND NOTES TO ACCOUNTS.

The Board has duly reviewed the Statutory Auditors Report on the Accounts. The Auditors Report is self explanatory and do not call for any further explanation/ clarification by the Board of Directors under Section 217(3) of the Companies Act, 1956.

INTERNAL AUDIT

During the year under review, the Company has engaged the services of M/s.Siva Anantharamn & Co. Chartered Accountants, Chennai as Internal Auditors to carry out internal audit on regular basis. The reports of the Internal audit are [presented for review before the Audit Committee The Audit Committee also scrutinizes all the programmes and adequacy of the internal audits.

APPOINTMENT OF CHIEF FINANCIAL OFFICER

During the year the Company has appointed Mr. S.V Sundara Raman as Chief Financial Officer who has joined on 30th December 2010.Mr. Sundara Raman is having vast experience of 32 years prior to joining the company.

MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement is presented in a separate section forming part of this Report.

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 the 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, 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

Your Directors affirm that the audited accounts containing the financial statements for the financial year 2010-11 are in conformity with the requirements of the Companies Act, 1956. They believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial conditions and results of operations.

Pursuance to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that –

- (i) the annual accounts for the year ended on 31st March 2011 have been prepared on a going concern basis
- (ii) in preparation of the accounts, the applicable accounting standards have been followed. Necessary explanations are given for material departures, if any
- (iii) sound accounting policies have been applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March 2011 and of the Profit of the company for the year ended on that date and
- (iv) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities.

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 other 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 of 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 : 23.05.2011

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: given in Form A*

FORM A

POWER AND FUEL CONSUMPTION:

	2010-2011	2009-2010
1. Electricity		
a) Purchase Unit (Nos.)	650625	580656
Total amount (Rs. '000s)	5741.62	4574.53
Rate / Unit (Rs.) average	7.82	7.88
b) Own Generation		
i) Through Diesel Generation		
Unit (Nos)	83880.26	42516.14
Unit per ltr. Of Diesel Oil (Nos)	8.21	8.71
Cost / Unit (Rs.)	9.25	8.30
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 scientifically validate the traditional/ indigenous herbs for anti hyper lipiedemia, the development of a novel polyherbal formulation and standardization..

B)Anti arthirits

The poly herbal formulation for the treatment of rheumatoid arthritis, 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

During the year developed products like Lunkler LM, Vitoxide Forte, Megafit OD and ARL-AZI.

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 is planning to have a separate plant for Ayurveda range of products as per statutory requirements.

It has plans to develop and formulate nutritional supplements based on herbal ingredients for both national and international markets. .

Allopathy

The company is much focused on forming New Drug Delivery Systems to expand opportunities in world markets. From this new technology the company is focusing on developing noval dosage delivery forms in solid, orals, ophthalmics, etc.

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

There are also plans to develop full-fledged State of the Art new formulations..

Also ARL has plans to develop US-FDA approved NDA Formulations in major therapy segments.

4. Expenditure on Research and Development

Total R & D expenditure as percentage to the total turnover for the year 2010-11 is 1.90. %.

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.9.46 Crores as against the outgo of Rs 0.34. Crores.

For and on behalf of the Board

Place : Chennai

Date : 23.05.2011

Dr. B. ARVIND SHAH

Managing Director

Dr. CHANDRA RAVINDRAN

Whole-time Director



MANAGEMENT DISCUSSION AND ANALYSIS

Global Pharma trend

The global pharmaceutical industry has grown by 4% in 2010 slower than the growth rate of 5.5% in 2009. The growth in USA, Europe and Japan was lower than 3% while emerging markets of Asia Africa and Latin America grew around 14%. This shift can be attributed to the low costs, rising income levels, and a favorable regulatory environment in these countries. These markets are expected to play the role of the growth engine of the global pharma industry in times to come (source: IMS Health) The year 2010-11 witnessed several mergers and acquisitions in the industry in US, the major one being Alcon with Novartis, Millipore with Merck KHaA, Solvay pharmaceuticals with Abbott Lab, Ratio Pharma with Teva Pharma and OSI pharma with Astellas Pharma (source Mc Kinsey Report)..

Indian pharma for the year 2010-11 reported turnover of USD 25 billion (around Rs.117000 Crores) of which the domestic market was valued at Rs.48239 crores reflecting growth of 14% for year ended March 2011 (source IMS MAT March 2011). The Indian companies are entering aggressively into the highly regulated market with investments in R&D. Further, investment in expansion and up-gradation of facilities as per international standards helped them to generate higher revenues from CRAMS, clinical trials and product launches.

The exports of Pharma formulations from India continued to surge rapidly with a rise in sales of generic products in the developed regulated markets and the emerging markets. Cost competitiveness in product development and manufacturing and a large resource pool of technical talent has helped India emerge as a dominant player in the global generic space.

Indian companies are upgrading their existing manufacturing facilities to get them approved from regulatory authorities (USFDA, MHRA etc) to access the regulated markets. These factors are likely to drive the exports of the Indian companies progressively. Indian pharma industry witnessed mergers and acquisitions during the year, the prominent ones being acquisition of Karalex Pharma by Orchid, Namaste Lab by Dabur India, ShanthaBiotech by Sanofi Aventis and Paras Pharma by Reckitt Benckiser.

Research & Development

This is a major area where increasing investments are made for clinical trials in the developed new molecules and for patenting the products. The number of drugs discovered during the year 2010 was 9737 (Source: McKinsey Report) in US. Indian pharma spent US\$ 300 million (Rs.1350 Crores) in Research & Development during the year 2010.

Future outlook

Due to patent expiration, generic drug industry has experienced great growth and the trend will continue, there will be revenue loss and some of the off patented products could find markets in Asian, Latin American and African countries along with USA. During the five year period (2010-2014) the revenue of these drugs having expiring patents will be USD 89.5 billion (Rs.402,750 Crores) (Source:Mc Kinsey Report&IMA Report)

Another area of outsourcing by MNCs, due to cost advantage, is the outsourcing of basic research and formulation manufacturing.

Keeping the above in mind, ARL can play vital role by going for registration of off patented products for exports and developing the outsourcing market. Key strategy will be to focus on the new and latest molecules approved by the authorities and 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. ARL is focusing on chronic diseases segments in Ayurveda in Diabetes, anti inflammatory and obesity segments. This will help to identify the new formulations without side effects in collaboration with Department of Science & Technology & Medical Institutions like Sri Ramachandra Institute.

Business mix

ARL is in four Business Segments for faster growth and profits. They are

- Ethical product marketing
- Institutional Business
- Contract Manufacturing and
- Exports

Ethical

The Ethical market is continuing its journey from strength to strength in its strategy of capturing the market share. During the current year so far, ARL has launched new products; LUNKLEAR LM, (first time in mouth dissolving form used for treating allergic Rhinitis & Asthma, VITOXIDE FORTE (a holistic cell protector, multi vitamin tablet without side effects), MEGAFIT OD (neuropathy treatment), and ARL-AZI. The other products in pipeline are WIN CV, ARVICEF and ARVICAL.

Institution

The company has been able to initiate business further in other States like Jammu & Kashmir and Sikkim, making its presence in all parts of the country, by supplying to Central Govt. departments like Railways, Defense and the State Government Hospitals through-out the country.

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 agreements.

The company's existing unit has been modernized as per the revised Schedule M standards and a reputed pharma company has approved the facilities after inspection for contract manufacturing.

International market

ARL is actively involved in international business such as Brand Marketing, Generics Sales. We have products registered in the countries, Asia, Africa, Latin America and with CIS countries. The company's Irrungatukottai unit is getting ready for operations by end of 2011 and this will have USFDA registrations to facilitate the exports to US market. By developing the off patented products through R & D and by registration of products in ANDAs with USFDA, MHRA for Europe and TGA for Australia. ARL is hopeful to enhance its exports rapidly in the coming years.

SWOT ANALYSIS

Strength

Indian Pharma is growing because of its sustained economic growth, healthcare reforms and patent related legislation. The industry has seen growth at CAGR of about 12% in last five years. The Patented drugs are expected to have 10% market share. The rise in income of people has increased consumer spending in healthcare products and strong distribution net work have contributed to high growth. Investment on R&D has increased. The Asian countries will emerge as fastest growing hub due to low cost and favorable regulatory environment. Sales is expected to grow at faster rate in India, China, and South Korea due to rising disposable income, health insurance scheme, availability of manpower and lower cost competencies.

Opportunities

Indian pharma has the potential to transform itself over the next decade. If spending in new drug discovery has increased to desired level, domestic firms could corner major share of global generics market in coming years. With highly talented manpower and cost advantage, Indian generic manufacturers are well positioned to seize opportunities arising out of patent. Indian pharma companies are already in the process to get registered for US FDA approval as the size of US drug market is US\$360 Billion which is 45% of global market. Companies who obtain US FDA approval for new drug application will save lot of money and time spent if go for off patented products on development of new drugs.

Threats & weakness

Greatest challenge and threat is too many players focused on similar bio equivalent products in the same market and thereby competition, Government Regulations and price controls, increasing R&D costs, resulting in margins getting 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 Rupee US\$ exchange rate.

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.

ARL has a programme of periodical review of its key employees performance along with their output. This enables them to realize their strengths and further enhances them with their awareness.

The shortcomings are summarized departmentally and develop suitable training programmes and on the job training to correct their weaknesses willingly for higher productivity.

This is what enables ARL work together as an interdependent team for enhancing company's productivity and profits.

ARL continues to lay strong emphasis on Sales Training for its field force both at the induction level and through refresher programs to enable front-line medical representatives and managers for availing their field efforts products.

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.

There is no transaction conflicting with the interest of the Company

FINANCIAL HIGHLIGHTS

Sales

The gross sales revenue grew by 21.9% to Rs.376.89 Crores in 2010-11. Sales growth was driven by a strong growth in all the four areas.

Operating expenses

Material cost:

The consumption of materials and finished goods increased by Rs.53.34 Crores to Rs.310.97 Crores. Total consumption as a % to net sales decreased to 85.80% from 86.55% last year.

Personnel costs

The personnel cost increased by 3.48% y-y to Rs.6.65 Crores due to addition in manpower and increase in average cost per employee

Manufacturing, selling, distribution and General Administration expenses

The manufacturing, selling, distribution and other general administration expenses increased by 17.96% y-y to Rs.9.58 Crores. Overall MSGA as % to net sales were at 2.64% compared to 2.73% last year. The reduction is mainly on account of certain measures implemented during the year to compensate the increase in raw material prices.

Profits and margins

The EBITDA (earnings before interest, tax, depreciation and amortization excluding non operating income) increased by 31.81% to Rs.41.13 Crores. The EBITDA margin as % to total operating income has been maintained at 11.17% compared to previous year's level of 10.29%

The profit before tax and exceptional items increased by 49.12% y-y to Rs.22.77 Crores PBT margin before exceptional items as % to total operating income has also been maintained at 6.18% compared with previous year level of 5.03%. The profit after tax grew by 58.90 % y-y to Rs. 16.90 Crores. The net profit margin as a% to total operating income increased to 4.59% from 3.5 % last year

Net worth

The net worth as at 31st March 2011 stood at Rs.121.61 Crores up by 28.48% from last year. Retained earning of Rs. 14.36 Crores (net profit less dividend) contributed to this rise.

The book value per share as at 31st March 2011 has been Rs.2.52 as against Rs.3.64 last year, due to allotment of shares for the application money. The return on adjusted net worth (RONW= Net profit excluding exceptional items of tax/ avg net worth adjusted for deferred expenses and exceptional items) stood at 18.72% for 2010-11.

Fixed assets and capital expenditure

The gross block (including capital work in progress) at the end of 2010-11 was Rs.146.46 Crores which include net capital expenditure of Rs.88.47 Crores incurred for new project at Irrungatukottai.

Working capital and liquidity

Working capital level at the end of 2010-11 was of Rs.100.88 Crores compared to Rs.81.45 Crores of previous year. Overall current ratio at the end of the year 2010-11 stood at 4.49 vis-à-vis 4.86 at the end of last year.

Risk identification, Risk Mitigation and Internal Controls.

The company's business comprises of marketing of pharma products Its presence exposes it to various risks which are explained below:

Risk of fluctuation in prices of key inputs

Prices of the key ingredients used in the products marketed by the company remain volatile due to several market factors, including changes in government policies and fluctuations in the foreign exchange rates. The company has entered into long term contracts with the suppliers of these inputs to minimize the risk of fluctuation in the input prices on its margins.

Risk of competition and price pressure

Though the company's products enjoy a leading position in their respective categories, the risk of entry of newer players in the market always exists. The company's strength in the market place, coupled with its continuous thrust on improving quality of its products and offering newer products in the wellness segment, gives it an edge over the competition. The company has presence in both retail as well as institutional segments. Both segments have their own nuances in terms of customer expectations, competition and pricing. However, the company is well focused in increasing its shares in all segments through balanced approach.

Risk of litigation related to quality of products, intellectual properties and other litigation

Any deviation from prescribed regulations or any variation in quality from standards laid down by regulatory authorities can lead to actions from these authorities or litigation from its customers against the company. The company always strives to ensure highest standards of quality of its products and processes. The company also faces a risk of unauthorized and illegitimate use of its brand name, packing style and other intellectual properties related to its products. The company ensures protection of its intellectual property through appropriate registrations and other legal means

Risk management

The company has established a well defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner.

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.

The Company has appointed Cost Auditor as per the requirements of the provisions of Section 233(1B) of the Companies Act, 1956 and for the year 2010-11 the requirements have been complied with.

Corporate social events

The management of ARL has social consciousness by taking part with the help motive, to the Pinjrapole veterinary hospital & farm, which is shelter for more than 2500 old disabled and abandoned cattles. This institution provide care and free treatment to animals. Also the Mother's hall at Govt. Children Hospital Chennai the maintenance of it is being looked after with the help of NGOs.



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 and the composition of the Board is in conformity with Clause 49 of the Listing Agreement. Board of Directors of the Company comprises two executive Directors and 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 2010-2011 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	Mr. R. Raja Mohan \$\$	NE and ID***	2	Nil
7	Mr. V R Mehta @	NE and ID***	2	Nil
8	Mr. Akshay Shah @	NE and ID***	Nil	Nil

** ED-Executive Director

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

\$resigned w.e.f. 5th January 2011

\$\$appointed as additional director w.e.f. 13th November 2010

@appointed as additional director w.e.f. 5th January 2011

Out of the independent Directors, Dr. C.M.K. Reddy is holding 52,500 Equity Shares in the Company. No other independent Directors holds any Equity Shares in the Company.

Board Proceedings:

The Board of the Company met 15 times during the financial year 2010-11 on the following dates –

21.04.2010, 30.04.2010, 14.05.2010, 29.05.2010, 25.06.2010, 26.07.2010, 11.08.2010, 31.08.2010, 25.09.2010, 01.10.2010, 13.11.2010, 5.01.2011, 31.01.2011 09.02.2011 & 28.03.2011



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	15	Yes
2	Dr. Chandra Ravindran	14	No
3	Dr. C.M.K. Reddy	6	No
4	Mr. K.V. Narayan	5	No
5	Mr. Prakash Shah \$	11	Yes
6	Mr. R. Raja Mohan \$\$	3	No
7	Mr. V R Mehta @	2	No
8	Mr. Akshay Shah @	2	No

\$resigned w.e.f. 5th January 2011

\$\$appointed as additional director w.e.f. 13th November 2010

@appointed as additional director w.e.f. 5th January 2011

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 Committee was reconstituted in January 2011 with Mr. R. Raja Mohan as Chairman, Mr. V. R Mehta and Dr. CMK Reddy as members. The Company Secretary is the Secretary to the Committee. The Statutory Auditor, Cost 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 to overview the accounting systems, financial reporting and internal controls of the Company and are wide enough to cover the mandatory items as required under Clause 49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

The Audit Committee met 5 times during the year and Attendance of Audit Committee is as under:

Date	Total Members	Attendance by number of members
29.05.2010	3	2
30.08.2010	3	2
13.11.2010	3	2
31.01.2011	3	3
14.02.2011	3	2



ARVIND

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 was has been constituted.
- b) Remuneration Policy:
Remuneration to Managing/ Executive Directors is paid as per their terms of appointment duly approved by the shareholders. Commission to the Director is paid as approved by the Board within the limits prescribed under the Companies Act, 1956.
- c) Remuneration to directors:
The details of the remuneration paid/ payable to the directors during the year 2010-11 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	28,22,400	93,00,000	---
Dr. Chandra Ravindran	2,70,000	---	---
Non-Executive Director			
Dr. C.M.K. Reddy	---	---	31,500
Mr. K.V. Narayan	---	---	27,500
Mr. Prakash Shah	---	---	33,500
Mr. R. Raja Mohan	---	---	23,000
Mr. V R Mehta	---	---	14,000
Mr. Akshay Shah	---	---	12,000

Presently, the Company has not formulated scheme for grant of Stock options either to the Executive Directors or employees.

Selection Committee

The Board has constituted Selection Committee since February 2011 with three independent directors to look after the appointment, promotions and payment of remuneration to the working directors and senior executives of the company. The members of the Committee are Mr. C.M.K.Reddy (Chairman) and Mr. K.V Narayan, and Mr. R. Raja Mohan. The Committee met once during the year as per the details given below:

Date	Total Members	Attendance by number of members
28.03.2011	3	3

5. Shareholders'/Investors' Grievance Committee

The Board has constituted an Investors' Grievance Committee which looks into the shareholders' and investors' grievances with Mr. K.V. Narayan, Chairman, and Dr. C.M.K. Reddy and Mr. Prakash Shah as its members. The Committee was reconstituted in January 2011 with Mr. V. R Mehta as Chairman, and Mr. K.V Narayan and Mr. Akshay Shah as its members. During the year the Committee met four times and the attendance of Shareholders'/Investors' Grievance Committee is given below:

Date	Total Members	Attendance by number of members
29.05.2010	3	2
11.08.2010	3	2
13.11.2010	3	2
31.01.2011	3	3

- The Company's Shares are compulsorily traded in dematerialised form. Hence the Committee meets 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 2010-11 and their status are as follows.

No. of Complaints received	32
No. of Complaints disposed of	32
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
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 Reseort, E.C.R., Injambakkam, Chennai- 600041	One
22 nd AGM	28.09.2010	09.30 a.m	Golden Chakra Hall V.G.P Golden Beach Resort E.C.R, Injambakkam Chennai 600041	One

6(a) Special Resolution passed in previous 3 AGMS:

The Company has passed following Special Resolutions during the last three Annual General Meetings.

AGM held on 28th September 2010

1. Appointment of Mr. Anand Shah (relative of Managing Director) pursuant to Section 314(1B) from 1.04.2010

AGM held on 30th October 2009

1. Appointment of Mr. Prakash Shah as Additional Director

No Special Resolution was passed in the AGM held on 29th September 2008.

6(b) Postal Ballot

During the year 2010-11 no resolution was passed through Postal Ballot by your Company. No special resolution is proposed to be taken through Postal Ballot in the Current Year.



7. Details of Director seeking reappointment in the forthcoming Annual General Meeting.

(in pursuance of Clause 49 of the Listing Agreement)

Name of Director	Dr. CMK Reddy
Date of Birth and	06.10.1941
Age	69
Appointed on	30.09.1995
Qualification	FRCS (Glasgow) FRSH(Eng), FICA (USA)
Expertise	Surgeon (Doctor)
Directorships held in other Public Companies	Nil
Memberships / Chairmanships of Committees across Public Companies	Nil

8. Reappointment of Directors under Section 257

Mr. R. Raja Mohan

Mr. Raja Mohan, 61 years, was appointed as Additional Director of the Company from 13th November 2010. He is retired Bank Officer and has over 30 years experience in varied business including Auditing His association will be of an immense help for the development of the Company's business.

Mr. V. R Mehta

Mr. Veerendra Raj Mehta. 77 years was appointed as Additional Director of the Company from 5th January 2011. He has over 40 years experience in varied business. He was in the Government departments and his business acumen and professional services will be of immense help for the company's business.

Appointment of Chief Financial Officer

During the year Mr. S.V Sundara Raman joined as Chief Financial Officer of the Company on 30th December 2010. He has rich experience of 32 years in similar position and will be responsible for the financial activities of the Company.

9. Disclosures

a. 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. 9(c) of Schedule 21 Notes to the Financial Statement in this Annual Report.

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

d. 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.

With respect to Non-mandatory requirements, the Company has no qualifications in the Auditor's 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 and Mr. S. V Sundara Raman, Chief Financial Officer of the Company was placed at the meeting of the Board of Directors held on 23rd May 2011.

11. 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.

12. Means of Communication

- i. The annual, half yearly and quarterly results are forthwith being submitted to the Stock Exchanges where shares are listed and are available on their website.
- ii. Management discussion and analysis forms part of the Annual Report.
- iii. The Un-audited results for every quarter and the Audited results for the year end are published in Makkal Kural & Trinity Mirror newspapers.

13. General Shareholder Information

a) The Twenty –third Annual General Meeting of the Company will be held on 19th September 2011, at V.G P Golden Beach Resort, E.C.R Injambakkam, Chennai 600041 at 9.30 a.m.

b) Date of Book Closure: The Register of Members and Share Transfer Book of the Company will remain closed from 16th September 2011 to 19th September 2011 (both days inclusive).

c) The Dividend for the year ended March 31, 2011 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 19th September 2011. 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 15th September 2011.

c) Financial Calendar - April 01, 2011 to March 31, 2012

Reporting for:	with limited review
- Quarter ending June 30, 2011	15 th August 2011
- Quarter ending September 30, 2011	15 th November, 2011
- Quarter ending December 31, 2011	15 th February, 2012
- Year ending March 31, 2012	15 th May 2012(if unaudited) or 30 th May, 2012(if audited)
- Annual General Meeting :	On or before 30 th September 2012

d) 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



ARVIND

e) Market Price Data

Months	B S E			N S E		
	High(Rs.)	Low(Rs.)	Volume(No.)	High(Rs.)	Low(Rs.)	Volume(No.)
Apr 10	2.11	1.81	6107740	2.10	1.80	5203687
May 10	1.96	1.63	5222557	1.95	1.60	5505224
Jun 10	1.95	1.65	4043471	1.90	1.70	3572379
Jul 10	1.95	1.70	4788918	1.90	1.75	4896651
Aug 10	2.29	1.70	11659689	2.30	1.80	11952048
Sep 10	2.25	1.93	10474548	2.55	1.95	7221996
Oct 10	2.60	2.01	12587196	2.55	2.00	12275936
Nov 10	2.50	2.00	9406384	2.45	2.00	7785656
Dec 10	2.19	1.86	3736942	2.20	1.90	3088977
Jan 11	2.27	1.99	4653806	2.30	1.95	6085135
Feb 11	2.17	1.94	3593432	2.20	1.95	4321875
Mar 11	2.35	1.90	4156106	2.35	1.90	4167348

f) 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 regularly depending on the volume of transfers.

g) Distribution of Shareholding as on March 31, 2011

Slab of Shareholding	Shareholders	%	Amount (in Rs.)	%
1 – 5000	56526	89.0880	77913230	16.1545
5001– 10000	3966	6.2504	32415368	6.7208
10001– 20000	1628	2.5857	24661922	5.1133
20001– 30000	532	0.8384	13517125	2.8026
30001– 40000	181	0.2852	6419534	1.3310
40001– 50000	187	0.3104	9344484	1.9374
50001–100000	237	0.3735	17375774	3.6026
100001&above	184	0.2899	300652563	62.3372
TOTAL	63451	100.00	482300000	100.00



Distribution of shareholding pattern according to categories of shareholders as on March 31, 2011.

No.	Category	No. of shares held	% of share holding
1	Indian Promoters	76421355	15.84
2	Persons acting in concert with the promoters	145013305	30.07
3	Private Corporate Bodies	67916635	14.08
4	Foreign Shareholders	1668133	0.35
5	Indian Public	191280572	39.66
	Total	482300000	100.00

(h) Shares dematerialised upto March 31, 2011.

No. of shares	% of shares	No. of Shareholders	% of Shareholders
479121098	99.32	63106	99.34

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

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

NIL

(j) Location of Plants:

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

New Unit
Plot No.G28 & 29
SIPCOT Industrial Estate, Irrungatukottai
Kancheepuram Dist. Tamil Nadu, India

(k) 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 with regard to change in bank account or address etc.

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 (I) (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, 2011 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.

In our opinion and to the best of our information and according to the explanations given to us, 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 23, 2011

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

a) We have reviewed financial statements and cash flow statement for the year ended 31.03.2011 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.

Dr. B. Arvind Shah
Managing Director

S.V.Sundara Raman
Chief Financial Officer

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, 2011 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, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 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, 2011;
 - (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 23, 2011.



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, 2011

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, there is no disposal of substantial part of fixed assets.
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, which was also repaid during the year, 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 76.5 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.
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.
 - (a) According to the information and explanations given to us, the contracts and arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contract and arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating to RS.5 lacs or more have been made at the prevailing market prices at the relevant time.
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, 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 for Rs. 4,33,095*.
(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 made preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Act and the price at which such shares have been issued is not prejudicial to the interest of the Company.
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, 2011.

For Doshi, Chatterjee, Bagri & Co.

Chartered Accountants

Firm Regn. No.: 325197E

R. K. BAGRI

Partner

Membership No. 51956

Chennai, 23 May, 2011



ARVIND

ARVIND REMEDIES LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

BALANCE SHEET AS AT MARCH 31, 2011

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

	Schedule	As at March 31, 2011 Amount	As at March 31, 2010 Amount
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	482348.00	260098.00
Advance against Share Capital	2	0.00	374072.86
Reserves and Surplus	3	733773.21	312349.73
		1216121.21	946520.59
Deferred Tax Balances (Net)	4	116319.82	103507.12
Loan Funds			
Secured Loans	5	1839815.54	1222211.50
Unsecured Loans	6	0.00	7655.84
		1839815.54	1229867.34
		3172256.57	2279895.05
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	7	579837.89	480195.10
Less: Accumulated Depreciation		132247.30	120609.41
Net Block		447590.59	359585.69
Add: Capital Work in Progress		0.00	5561.00
		447590.59	365146.69
Capital Expenditure on New Projects	8	884717.45	369850.01
Current Assets, Loans and Advances			
Inventories	9	571143.45	457110.12
Sundry Debtors	10	1345448.97	1065367.18
Cash and Bank Balances	11	207855.36	150778.04
Other Current Assets	12	1157.39	2009.82
Loans and Advances	13	241337.68	269493.79
		2366942.85	1944758.95
Less: Current Liabilities and Provisions			
Current Liabilities	14	485328.53	342917.34
Provisions	15	41665.79	56943.26
		526994.32	399860.60
Net Current Assets		1839948.53	1544898.35
		3172256.57	2279895.05
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 23,2011

For and on behalf of the Board of Directors**Dr. B. Arvind Shah**
Managing Director**Dr. Chandra Ravindran**
Director**P.R.Krishnan**
Company Secretary**S.V. Sundara Raman**
Chief Financial Officer



ARVIND

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

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

	Year ended March 31, 2011 Amount	Year ended March 31, 2010 Amount
A Cash flow from operating activities		
Net profit before Taxation and Exceptional Item	227713.23	152665.97
Adjustment for:		
Depreciation	24270.28	21115.42
(Profit) / Loss on sale of Fixed Assets	304.16	(7.93)
Provision no longer required written back	0.00	(214.96)
Interest Expense (net of capitalisation)	163896.52	141805.89
Interest Income	(2322.24)	(1,687.49)
	186148.72	161010.93
Operating Profit before Working Capital changes	413861.95	313676.90
Adjustments for:		
(Increase) / Decrease in Trade and Other Receivables	(251925.67)	(314,318.28)
(Increase)/Decrease in Inventories	(114033.33)	(123,412.57)
(Decrease) / Increase in Trade Payables	143466.91	67,501.95
	(222492.09)	(370228.90)
Cash flow / (Outflow) from Operations	191369.86	(56,552.00)
Income Taxes paid	(70406.14)	(20,793.64)
Cash flow before Extra Ordinary Items	120963.72	(77,345.64)
Net cash used for operating activities	A 120963.72	A (77,345.64)
B Cash flow from investing activities		
Purchase of Fixed Assets / Expenses on new projects (net of refunds of advances)	(640838.42)	(414,206.74)
Proceeds from sale of Fixed Assets & Assets	18952.64	201196.47
Interest Received	3174.66	1125.32
Net cash used in Investing Activities	(618711.12)	(211,884.95)
Exceptional Item	0.00	780.66
Net cash used in Investing Activities	B (618711.12)	B (211,104.29)
C Cash flow from financing activities		
Proceeds from Working Capital Borrowings	194281.68	251,470.08
Proceeds from Long Term Borrowings	424424.31	28,684.89
(Repayment of) / Proceeds from Hire Purchase Finance	(1101.05)	482.69
Receipt of Share Application Money / Proceeds from Wave of there	125989.64	374,072.86
Repayment of Un secured loan	(7655.84)	(87,943.66)
Interest paid	(166160.69)	(139,014.73)
Dividends paid	(12792.88)	(10,173.81)
Tax on dividend paid	(2159.55)	(2,209.77)
Net cash from financing activities	C 554824.72	C 415,368.55
Total Cash (outflow) / inflow	A+B+C 57077.32	A+B+C 126,918.62
D Net (increase)/decrease in cash and cash equivalent		
Cash and cash equivalent at beginning of the year	150778.04	23859.42
Cash and cash equivalent at end of the year	207855.36	150778.04
Net (increase)/decrease in cash and cash equivalent	(57077.32)	(126,918.62)

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 23,2011

For and on behalf of the Board of Directors**Dr. B. Arvind Shah**
Managing Director**P.R.Krishnan**
Company Secretary**Dr. Chandra Ravindran**
Director**S.V. Sundara Raman**
Chief Financial Officer

Schedules to the Financial Statements

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

	As at March 31, 2011 Amount	As at March 31, 2010 Amount
1. Share Capital		
Authorised		
500,000,000 (500,000,000) Equity Shares of Re.1/- each	500000.00	500000.00
1,600,000 (1,600,000) Redemable cumulative Preference Shares of Re.100/- each	160000.00	160000.00
	660000.00	660000.00
Issued and Subscribed		
482,400,000 (260,150,000) Equity Shares of Re. 1/- each	482400.00	260150.00
Paid Up		
482,300,000 (260,150,000) Equity Shares of Re. 1/- each fully paid	482300.00	260050.00
Forfeited Shares (amount originally paid up)	48.00	48.00
	482348.00	260098.00
Note : The above 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.		
2. Advance against Share Capital		
Share Application Money, pending allotment	0.00	374072.86
	0.00	374072.86
3. Reserves and Surplus		
Securities Premium Account		
Balance as per last account	19967.25	19967.25
Add: Received during the year	277812.50	0.00
	297779.75	19967.25
General Reserve		
Balance as per last account	37726.33	27088.84
Add: Received during the year	16902.78	10637.49
	54629.11	37726.73
Surplus as per Profit and Loss Account	381364.35	254656.14
	733773.21	312349.33
4. Deferred Tax Balances		
Balance of Liability (Net) as per last account	103507.12	101487.93
Add: Liability created during the year	12812.70	2019.19
	116319.82	103507.12
5. Secured Loans		
Cash Credit Loans from Banks (Including Demand Loan)	1008845.47	814563.79
Term Loans From Banks For Kakkalur Unit	126862.79	133001.89
For Irungattukottai Unit	702463.41	271900.00
	829326.20	404901.89
Other Loans	1643.87	2745.82
	1839815.54	1222211.50
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 Kakkalur Unit 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 on a pari passu basis 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.32.580.20/- (Rs.50.250/-) falling due for payment within one year		
6. Unsecured Loans		
From a Director (Interest Free)	0.00	7655.84
	0.00	7655.84



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, 2010	Additions during the Year	Deletions during the Year	As at March 31, 2011	Up to March 31, 2010	For the Year	On Deletions	Up to March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets										
Freehold Land	23845.60	3658.50	0.00	27504.10	0.00	0.00	0.00	0.00	27504.10	23845.60
Buildings	51740.27	25411.10	0.00	77151.37	17787.90	1956.69	0.00	19744.59	57406.78	33952.37
Leasehold Improvements	1729.32	1210.76	0.00	2940.08	1729.32	39.17	0.00	1768.49	1171.59	0.00
Plant & Machinery	387348.98	96995.78	31889.19	452455.57	92870.77	21086.80	12632.39	101325.18	351130.39	294478.21
Furniture & Fittings	2628.97	2994.66	0.00	5623.63	1493.40	217.48	0.00	1710.88	3912.75	1135.57
Office Equipment and Computers	5069.49	1217.56	0.00	6287.05	3795.65	351.24	0.00	4146.89	2140.16	1273.84
Vehicles #	7608.37	43.62	0.00	7651.99	2887.55	574.08	0.00	3461.63	4190.36	4720.82
Intangible Assets										
Computer Software	224.10	0.00	0.00	224.10	44.82	44.82	0.00	89.64	134.46	179.28
Total	480195.10	131531.98	31889.19	579837.89	120609.41	24270.28	12632.39	132247.30	447590.59	359585.69
Capital Work in Progress	5561.00	0.00	5561.00	0.00	0.00	0.00	0.00	0.00	0.00	5561.00
Previous year's total	447222.20	38795.74	5822.84	480195.10	100627.68	21115.42	1133.69	120609.41	359585.69	

* 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, 2011 Amount	As at March 31, 2010 Amount
8. Capital Expenditure on New Projects		
Land (Including site development cost)	28812.06	28784.00
Building under Construction (Including Advances)	92479.65	20005.50
Machinery under Erection (Including Advances)	683465.79	301300.00
	804757.50	350089.50
Incidental Expenditure pending allocation to Fixed Assets		
Salary and staff costs	4723.40	696.20
Interest	50538.01	1116.95
Management Fees	1773.36	47.58
Insurance	1300.49	166.67
Other Expenses	25158.71	17737.36
	83493.97	19764.76
Less : Interest Income	1401.11	4.25
Divided Income on short term Investments	2123.91	0.00
	3534.02	4.25
	79959.95	19760.51
	884717.45	369850.01
9. Inventories (Refer Note No. - 1(d) of Schedule 21)		
Raw Materials	277546.79	222125.63
Packing Materials	6978.11	7303.06
Work-in- Process	265422.39	207032.35
Finished Goods	21196.16	20649.08
	571143.45	457110.12
10.Sundry Debtors:		
Secured		
Outstanding for less than six months	2400.00	1503.04
Unsecured		
Outstanding over six months		
- Considered good	10648.67	94.55
- Considered doubtful	101.82	648.45
Other debts		
- Considered good	1332400.30	1063769.59
	1345550.79	1066015.63
Less : Provision for Doubtful Debts	101.82	648.45
	1345448.97	1065367.18
11.Cash and Bank Balances		
Cash in hand	163.90	155.13
Balances with Scheduled Banks		
- On Current Account	131580.70	66102.49
- Margin Money Deposit Account	29759.72	24379.00
- Fixed Deposit Account	40000.00	54000.00
- Unclaimed Dividend Account	6351.04	6141.42
	207855.36	150778.04
12.Other Current Assets	1157.39	2009.82
Interest accrued on deposits	1157.39	2009.82
13. Loans and Advances		
(Unsecured and considered good)		
Advance Against Capital Assets	5136.72	0.00
Other Advances recoverable in cash or in kind or for value to be received	37667.50	96276.80
Deposits	16672.25	10083.90
Balance with Excise & other Govt.authorities	181861.21	163133.09
	241337.68	269493.79
14.Current Liabilities		
Sundry Creditors	465183.26	332481.76
Advance from Customers	10264.24	0.00
Deposits from Stockists	3003.00	1503.00
Interest Accrued but not due on Secured Loans	526.99	2791.16
Amount to be credited to Investors Education and Protection Fund		
Unclaimed Dividend	6351.04	6141.42
	485328.53	342917.34
15.Provisions		
Provision for Taxation [net of Advance Payment of Tax and Tax Deducted at Source]	14089.88	38623.28
Proposed Dividend	21869.10	13002.50
Tax on Dividend	3547.71	2159.55
Provision for Gratuity	2159.10	3157.93
	41665.79	56943.26



ARVIND

Schedules to the Financial Statements

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

	As at March 31, 2011 Amount	As at March 31, 2010 Amount
16. Other Income		
Interest on Bank Deposits (Gross) [Tax Deducted at Source Rs.175.69 Previous Year Rs.130.42]	2322.24	1687.49
Exchange Difference (Net)	449.68	0.00
Provision No Longer Required written back	0.00	214.96
Profit on sale of fixed assets(Net)	0.00	7.93
Miscellaneous Income	1177.49	1616.10
Recovery against provision for doubtful debts	648.45	0.00
	4597.86	3526.48
17. Increase in stock		
Closing Stock		
- Work-in-process	265422.39	207032.35
- Finished Goods	21196.16	20649.08
	286618.55	227681.43
Opening Stock		
- Work-in-process	207032.35	158389.39
- Finished Goods	20649.08	13152.79
	227681.43	171542.18
	58937.12	56139.25
18. Materials Consumed		
Raw Materials		
Opening Stock	222125.63	156070.32
Add: Purchases	2996821.59	2487225.55
	3218947.22	2643295.87
Less Sales	6365.98	0.00
Closing Stock	277546.79	222125.63
	2935034.45	2421170.24
Packing Materials		
Opening Stock	7303.06	6085.05
Add: Purchases	171262.98	155315.40
	178566.98	161400.45
Less: Closing Stock	6978.11	7303.06
	171587.93	154097.39
Finished Goods Purchased	3061.25	1011.57
	3109683.63	2576279.20
19. Personnel Expenses		
Salaries, Wages, Bonus, Incentives, Leave Pay	58003.37	59113.94
Contribution to Provident and Other Funds	4492.20	3176.08
Workmen and Staff Welfare Expenses	1871.07	1307.23
Gratuity	2159.10	689.63
	66525.74	64286.88
20. Operating and Other Expenses		
Stores and spares consumed	1478.92	1201.86
Rent	2541.70	1849.68
Rates & Taxes	12.52	78.46
Insurance	1163.74	753.54
Power and Fuel	5741.62	4574.53
Freight and Forwarding Charges	8938.77	2603.19
Testing Fees and Lab Chemicals	2565.93	2281.16
Repairs and Maintenance		
- Plant & Machinery	1149.73	668.14
- Building	335.40	94.63
- Others	2923.78	1796.91
Advertisement and Sales Promotion	7258.02	5215.37
Brokerage and Commission	2935.63	5803.46
Liquidated Damages for Delayed Supply	15145.76	15266.32
Loss on Sale of Fixed Assets	304.16	0.00
Managerial Commission	9300.00	6640.00
Fees to Registrar of Companies	0.00	1816.26
Travelling and Conveyance	13737.24	13152.62
Directors' Fees	141.50	81.00
Auditors' Remuneration	863.28	573.56
Provision for Doubtful Debts	101.82	648.45
Exchange Difference (Net)	0.00	296.96
Prior Period Expenses	1170.50	374.27
Miscellaneous Expenses	18000.29	15450.16
	95810.31	81220.53
21. Financial Expenses		
Interest		
- Term Loan	81046.16	32052.70
- Working Capital & Others	108676.84	91514.36
Interest to Income Tax Department	2302.93	2350.57
Finance Charges	23496.67	17005.21
	215522.60	142922.84
Less: Transfer to Capital Expenditure on New Project/Fixed Assets	51626.08	1116.95
	163896.52	141805.89

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 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.

Revenue from Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

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) Depreciation on intangible assets is 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, 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



ARVIND

Schedules to the Financial Statements

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

Gratuity for all employees, which is administered through Life Insurance Corporation 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 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 or discount 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 its 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. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year 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 shares 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. 884717.45 (Previous Year Rs. 369850.01) consists of unit being set up at State Industries Promotion Corporation of Tamilnadu Limited at Irungatukottai in Tamilnadu for manufactures of Injectibles, Softgel, Tablets and Capsules. The Project will be commissioned in the third quarter of the financial year 2011-12.
- (b) During the year the Company availed Rs. 25 Crores by way of enhancement in the working capital limit from the consortium of banks and also availed Rs. 10 Crores by way of bill discounting facility from one of the consortium banks.
3. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 1615282.55 (net of advances) (Previous Year Rs 1872660.00)
4. **Contingent liabilities**
Outstanding Bank Guarantees Rs.5493.70 (Previous year Rs. 9397.39)
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 are 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. 2541.70 (Previous year Rs.1849.687)
- 6.(b) There are no amount payable in respect of non cancelable lease.
- 7.(a) **Deferred Tax**
Deferred tax liability of Rs. 12812.70 (Previous year Rs. 2019.19) has been charged to the Profit and Loss account.



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Schedules to the Financial Statements

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

7.(b) Composition of deferred tax balances	March 31, 2011 Amount	March 31, 2010 Amount
Deferred tax liability arising on account of		
Timing difference in relation to depreciation and other tax benefits	119220.05	106574.15
Deferred tax asset arising on account of		
Expenses allowable against taxable income of future years	(--)	(493.88)
Provision for doubtful debts	(33.82)	(220.41)
Expenses allowable under Income Tax on payment	(2866.41)	(2352.74)
Total of Deferred Tax Assets	<u>(2900.23)</u>	<u>(3067.03)</u>
Deferred tax liability (Net)	<u>116319.82</u>	<u>103507.12</u>
8. Earnings Per Share		
Profit after taxes considered for the purposes of calculating Earnings per Share (in thousands)	169027.79	106374.91
Number of shares considered as weighted average shares outstanding (in thousands)	312416	260050
Number of shares considered as weighted average shares outstanding post preferential issue (in thousands)	312416	426305
Nominal value per Share (in Rs.)	1	1
Basic Earnings per Share (in Rs.)	0.54	0.41
Diluted Earnings per Share (in Rs.)	0.54	0.25

9a. 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 31-03-2011

	2010-11 Amount	2009-10 Amount
Profit before Tax as per Profit & Loss Account	227713.23	153446.63
Add:		
Remuneration and Commission to the Directors	12090.00	8300.00
Provision for Doubtful Debts	101.82	648.45
Loss on sale of Fixed Assets	304.16	
	12495.98	8948.45
Less:		
Profit on sale of Fixed Assets	-	7.93
Recovery against Provision for doubtful debts	648.45	
Exceptional Item	-	780.66
	648.45	788.59
Net Profit under Section 349 of the Companies Act, 1956	239560.76	161606.49
Remuneration allowable to Managing Director @ 5% of the above profit	11978.04	8080.32
Remuneration to Managing Director paid / payable during the year		
Commission	9300.00	6640.00
Salary	2520.00	1440.00
Sub Total	11820.00	8080.00
Contribution to Provident Fund	302.40	103.68
Total	12122.40	8183.68
Remuneration to Whole Time Director paid during the year		
Salary	270.00	220.00

As the future liability of gratuity is provided on actuarial basis for the company as a whole, the amount pertaining to the Managing Director is not included above.

Schedules to the Financial Statements

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

9b. Related party disclosures

Key Managerial Personnel

Dr. B Arvind Shah – Managing Director
 Dr. Chandra Ravindran – Whole Time Director
 Relative of Key Managerial Personnel - Anand A Shah

9c. Transaction with related party during the year and balance outstanding as on 31.3.2011 :

Remuneration to Key Managerial Personnel

	Key Management Personnel		Relative of Key Management Personnel
	2010 - 2011 Amount	2009 - 2010 Amount	2010 - 2011 Amount
Salaries and allowances	2790.00	1660.00	1200.00
Contribution to Provident and other Funds	302.40	103.68	86.40
Commission	9300.00	6640.00	Nil
Other Perquisites evaluated as per Income Tax Rules	Nil	Nil	Nil
Total	12392.40	8403.68	1286.40
Loan repaid during the year	7655.84	87943.66	Nil
Loan Taken during the year	3351.80	Nil	Nil
Balance payable as at the year end			
Loan	Nil	7655.84	Nil
Commission & Remuneration	9490.00	6640.00	75.00

As the future liability of Gratuity is provided on actuarial basis for the company as a whole, the amount pertaining to the related parties is not included above.

10. Auditors' remuneration

	2010-11 Amount	2009-10 Amount
Statutory Audit	661.80	441.20
Other Services	201.47	132.36
Total	863.27	573.56

11. Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date:

	Foreign Currency involved	Amount
Debtors	USD 183275.76 @ 44.23 (USD 132838.80 @ 44.71)	8106.29 (5939.22)
Creditors	(USD 48960.00 @ 45.14)	2210.05
	-	-

12. 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.

13. 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:

	2010-11 Amount	2009-10 Amount
Export Sales	94604.83	95261.22
Domestic Sales	3674319.71	2997118.94
Total	3768924.54	3092380.16



ARVIND

Schedules to the Financial Statements

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

14. Expenditure on Scientific Research :

	2010-11	2009-10
	Amount	Amount
Capital Expenditure	55424.07	32365.18
Revenue Expenditure	16226.57	15249.91
Total	71650.64	47615.09

15. During the year the units of following mutual funds were purchased and redeemed : Particulars

Principal Floating Rate Fund – Dividend	No of Units
Reinvestment	14981572.60

16. Provision for taxation for the year has been made as Minimum Alternate Tax (MAT) in terms of Section 115JB of the Income Tax Act, 1961, part of which will be available as tax credit for set off in future years as per Section 115JAA of the said Act.

17. Employee Benefits :

	Amount	Amount
	2010-11	2009-10
a) Expenses recognized in Profit and Loss Account	2010-11	2009-10
1 Current Service Cost	691.02	504.75
2 Interest Cost	333.79	300.44
3 Expected return on plan assets	(210.69)	(84.12)
4 Actuarial Losses/ (Gains)	(1344.98)	(31.44)
5 Amount paid directly by the company to the retiring employees	---	---
6 Total Expenses recognised in the Statement of Profit & Loss Account	2159.10	689.63
b) Net Asset / (Liability) recognized in Balance Sheet	31-03-2011	31-03-2010
1 Present Value of Defined benefit obligation at the year end	6274.49	4172.32
2 Fair Value of plan assets at the year end	4115.39	1014.39
3 Net Asset / (Liability) recognized in Balance Sheet at the year end	(2159.10)	(3157.93)
c) Change in defined Benefit Obligation (DBO) during the year	31-03-2011	31-03-2010
1) Present value DBO at the beginning of the year	4172.32	3755.51
2) Current Service Cost	691.02	504.75
3) Interest Cost	333.79	300.44
4) Actuarial (Gains) / Losses	1344.98	(31.44)
5) Benefits Paid	(267.62)	(356.94)
6) Present value of DBO at the end of year	6274.49	4172.32
d) Change in Fair Value of Assets during the year	31-03-2011	31-03-2010
1) Plan assets at the beginning of year	1014.39	1223.27
2) Expected Return on Plan Assets	210.69	84.12
3) Actuarial Gains / (Losses)	---	---
4) Actual Company Contribution	3157.93	63.94
5) Benefits paid	(267.62)	(356.94)
6) Plan Assets at the end of the year	4115.39	1014.39
e) Actuarial Assumptions	31-03-2011	31-03-2010
1 Discount rate per annum compound	8%	8%
2 Rate of increase in salaries	5%	5%
3 Expected rate of return on plan assets	5%	8%
4 Attrition rate	1-3%	1-3%
5 Mortality table	LIC (1994 to 1996)	

Notes:

- The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors on long term basis.
- The company expects to contribute Rs 2000 during the year 2011-12
- Amount for the current year and previous three years are as follows

Schedules to the Financial Statements

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

	2010-11	2009-10	2008-09	2007-08
	Amount	Amount	Amount	Amount
Defined Benefit Obligations	6274.49	4172.32	3755.51	2488.59
Fair Value of Plan Assets	4115.39	1014.39	1223.27	-
Deficit	2159.10	3157.93	2532.24	2488.59

18. Details of Raw Materials consumed

Description	2010-11		2009-10	
	Quantity (In kgs.)	Value (Amount)	Quantity (In kgs.)	Value (Amount)
Antibiotics and Antibacterials	349155.74	995679.37	388775.55	995331.43
Antitubercular	196794.87	924885.34	98128.29	162322.16
Antimicrobials	69240.00	107514.00	140373.88	668585.44
Others	884312.58	906945.73	682900.10	594931.21
Total	1499503.19	2935034.45	1310177.82	2421170.24

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

Raw Materials	2010-11		2009-10	
	Amount	Percentage	Amount	Percentage
Imported	3323.43	0.11	9635.59	0.40
Indigenous	2931711.02	99.60	2411534.65	99.60
Total	2935034.45	100.00	2421170.24	100.00
Stores & Spares (100% indigenous)	1478.92	100	1201.86	100

20. 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.	Qty.	Values
Tablets	Nos.	1800000	20264.02	2675916.61	17783.59	2678397.04	2513481.88
		(1560250)	(15638.12)	(2399850.72)	(20264.02)	(2395224.82)	(2205601.01)
Capsules	Nos.	780000	8564.75	745758.12	8396.27	745926.60	1215093.14
		(439800)	(3374.62)	(471445.46)	(8564.75)	(466255.33)	(854074.14)
Ointments	Kgs.	18000	1075.08	29039.62	10151.91	19962.79	28138.40
		(7050)	(103.57)	(13967.30)	(1075.08)	(12995.794)	(21760.09)
Liquids	Lts	2504	3869.67	6650.53	2683.54	7836.62	8370.51
		(2504)	(2122.55)	(8520.03)	(3869.57)	(6773.01)	(7501.20)
Total						3765083.92	(3088936.43)

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.

Description	2010-11		2009-10	
	Opening Stock	Closing Stock	Opening Stock	Closing Stock
Tablets	13300.63	12165.95	8531.55	13300.63
Capsules	5906.51	6668.69	2862.53	5906.51
Ointments /Powder	462.21	1503.17	141.38	462.21
Liquids	674.37	629.23	782.01	674.37
Total	20343.72	20967.04	12317.47	20343.72



ARVIND

Schedules to the Financial Statements

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

21. 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.	-	868.35	0.35	868.00	1218.16
		(-)	(-)	(-)	(-)	(-)
Capsules	Nos.	245.60	611.34	158.87	698.07	2398.22
		(-)	(714.90)	(245.60)	(469.30)	(1115.46)
Ointments & Others	Kgs.	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
Liquids	Lts	-	529.80	-	530	224.24
		(79.260)	(1190.84)	(-)	(1270.100)	(2328.27)
Total					3840.62	(3443.73)

Figures in brackets represent previous year's figure
Nos. are given in Thousands.

Description	2010-11		2009-10	
	Opening Stock	Closing Stock	Opening Stock	Closing Stock
Tablets	-	0.96	-	-
Capsules	305.36	228.16	-	305.36
Ointments /Powder	-	-	-	-
Liquids	-	-	835.32	-
Total	305.36	229.12	835.32	305.36

22. Value of imports calculated on CIF basis

Raw Materials

23. Exports at F.O.B. Value

24. Expenditure in foreign currency on account of Others

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

Particulars	Balance as at 1.4.2010	Additions during the year	Utilised during the year	Balance as at 31.3.2011
Provision for gratuity	3157.93 (2532.24)	2159.10 (689.63)	3157.93 (63.95)	2159.10 (3157.93)

26. In terms of approval from various authorities, the company has allotted 222,250,000 equity shares of Re 1 each at a premium of Rs 1.25 per share on 5th January 2011 to the promoters and others on preferential basis.

27. 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 23, 2011

P.R.Krishnan
Company Secretary

S.V. Sundara Raman
Chief Financial Officer



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 23rd Annual General Meeting of the company to be held Monday, the 19th September 2011, at 9.30 a.m. at "Pandian Hall" VGP Golden Beach Resort, East Coast Road, Injambakkam, Chennai – 600 041 and at any adjournment thereof.

Signed this _____ day of _____ 2011

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 Monday, the 19th September 2011 at 9.30 am at "Pandian Hall", VGP 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

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars allowing service of notices / documents including Annual Report by e-mails to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address so far, are requested to do the same unneduately.



ARVIND REMEDIES LTD.

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