

24th Annual Report
2006-2007

AMAR REMEDIES LTD.

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BOARD OF DIRECTORS

Mr. Pravin Shah	-	Chairman, Non-Executive Director
Mrs. Pratima Shah	-	Non-Executive Director
Mr. Sagar Shah	-	Managing Director
Mrs. Natasha Shah	-	Non-Executive Director
Mr. Rajiv Chitnis	-	Non-Executive, Independent Director
Mr. Hemal Shah	-	Whole Time Director
Mr. Gaurav Doshi	-	Non-Executive, Independent Director
Mr. Bhagawansingh Chaudhary	-	Non-Executive, Independent Director
Mr. Dilip Mehta	-	Non-Executive, Independent Director
Mr. Yusuf Iqbal Yusuf	-	Non-Executive, Independent Director

COMPANY SECRETARY

Mr. Ashwin Panditpautra

AUDITORS

M/s. Shyam C. Agrawal & Co.
Chartered Accountants
Mumbai

BANKERS

ICICI Bank Limited
State Bank of India Limited

REGISTERED OFFICE

Block No-3, 2nd Floor,
Sane Guruji Premises,
386, S.V.Savarkar marg,
Opp. Siddhivinayak temple,
Prabhadevi, Mumbai-400025.

REGISTRAR & TRANSFER AGENT

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (w)
Mumbai - 400 078.

INDEX

1	Financial Highlights	02
2	Notice	03
3	Directors' Report	05
4	Management Discussion and Analysis Report	09
5	Corporate Governance Report	11
6	Auditors' Report	19
7	Balance Sheet	22
8	Profit & Loss Account	23
9	Schedules	24
10	Notes on Accounts	30
11	Segment Reporting	32
12	Cash Flow Statement	34
13	General Business Profile	35

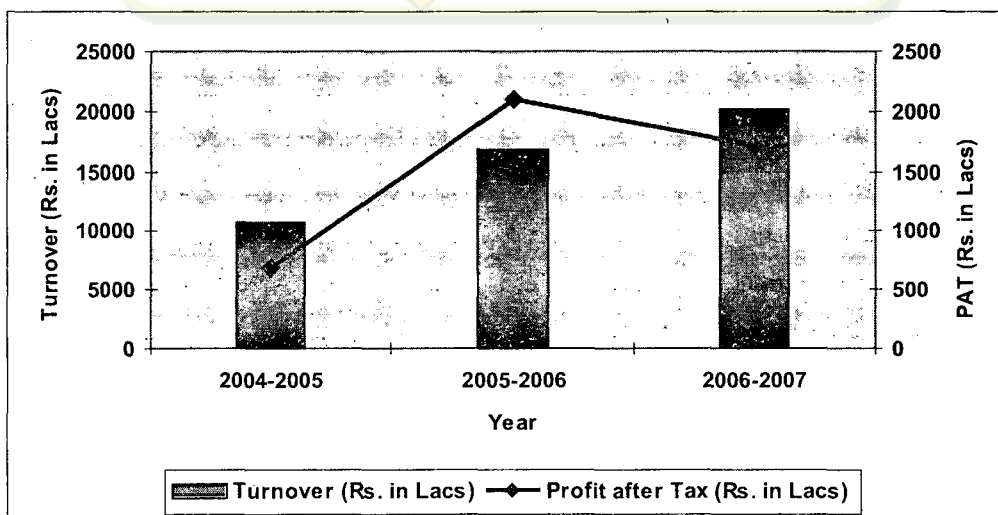


AMARA REMEDIES LTD.

Financial Highlights

Year	(Rs. In Lacs)	
	Turnover	Profit after Tax
2004-2005	10678.17	687.64
2005-2006	16713.87	2094.97
2006-2007	20207.48	1704.54

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NOTICE

Notice is hereby given that the 24th Annual General meeting of the members of Amar Remedies Limited will be held on Thursday, November 15, 2007 at 10.00 a.m. at Saina Resort, Madh-Marve Road, Malad (w), Mumbai - 400061. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Profit & Loss Account for the year ended 30th June, 2007 and the Balance Sheet as on that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajiv Chitnis who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Gaurav Doshi who retires by rotation and being eligible offers himself for reappointment.
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 authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider, and if thought fit, pass, with or without modification, the following resolution, as **Ordinary Resolution** :
"RESOLVED that Mr. Yusuf Iqbal Yusuf who was appointed as an Additional Director of the company by the Board of Directors on 30th August, 2007 to hold office upto the date of ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member in terms of the provisions of Section 257 of the Act proposing his candidature for the office of director of the company, be and is hereby appointed as a director of the company, liable to retirement by Rotation."
6. To consider, and if thought fit, pass, with or without modification, the following resolution, as **Ordinary Resolution** :
"RESOLVED that pursuant to Section 293 (1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is hereby accorded to the Board of Directors of the company borrowing from time to time any sum or sums of money not exceeding at any time the sum of Rs. 150 Crores (Rupees one Hundred Fifty Crores only) over the aggregate of the paid-up capital of the company and its free reserves on terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the company apart from the temporary loans obtained from the Company's bankers in the ordinary course of business will exceed the aggregate of the paid up capital of the company and its free reserves i.e. to say, reserves not set apart for any specific purpose."

Place: Mumbai
Date: September 29, 2007

By order of the Board of Directors
For **Amar Remedies Limited**

Sagar Shah
Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. The Register of Members and the Share Transfer register of the Company shall be remained closed from Wednesday, November 7, 2007 to Thursday, November 15, 2007 (both days inclusive).
3. The members are requested to:
 - a) Intimate changes if any in their registered address to the Registrar and Transfer agents of the company.
 - b) Quote ledger folio in all their correspondence.
 - c) Get the multiple folio consolidate and also get the shares transferred in joint names if they are held in single name to avoid inconvenience in future.
 - d) Bring their copies of annual reports and attendance slips with them at Annual General Meeting.
 - e) Write at least 10 days prior to the date of meeting, any information that they desire on accounts, to enable the management to keep the information ready.



AMAR REMEDIES LTD.

4. Given below are the brief resumes of the directors seeking for appointment/ reappointment as required in terms of sub clause (g) read with sub clause (iv) (e) (v) of the listing agreement :

Directors	Mr. Rajiv Chitnis	Mr.Gaurav Doshi	Mr.Yusuf Iqbal Yusuf
Age	45 Years	30 Years	29 Years
Qualification	B.Com	B.Com	BLS. LL.B.
Date of Appointment	30/11/2001	02/05/2003	30/08/2007
Expertise	As Mentioned Below		
Details of Directorship	Nil	1) Neogem India Limited 2) Kamya Impex Pvt.Ltd.	1) Jayant Oils & Derivatives Limited 2) Ayumet Health care Pvt. Ltd. 3) Mangaldas Kapadia Research Institute (a Company under Section 25 of the Companies Act) 4) MSCDA Ltd.
Chairman/Members of Committee	No	Yes	No

Experties of Directors

Mr. Rajiv Chitnis

Mr. Rajiv Chitnis, aged 45 years is a Non Executive Independent Director. He graduated in Commerce from Mumbai University. For the past several years he has been in the field of financial consultancy and advising several pharma, textiles and chemicals companies on financial and corporate affairs. He is specialised in liasoning and resource mobilization of funds. He is having around 24 years of experience in finance and business administration. He has been associated with our Company since year 1999 and joined the Board as a Non-Executive Director in year 2001.

Mr. Gaurav Doshi

Mr. Gaurav Doshi, aged 30 years is a Non Executive Independent Director. He graduated in Commerce from the Mumbai University. He has experience in marketing and sales for the last 7 years. He guides our Company in developing new market & strategy to grow business. He has been associated with our Company since year 2003.

Mr. Yusuf Iqbal Yusuf

Mr. Yusuf Iqbal Yusuf, aged 29 years is a Non-Executive Independent Director. He is BLS. LL.B and Supreme Court Advocate. He has been giving legal advise to our Company on civil and criminal matters. He has been in practice for last 7 years with current focus on Corporate Laws.

EXPLANATORY STATEMENT IN PURSUANT TO THE PROVISIONS OF SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 5

Mr. Yusuf Iqbal Yusuf was appointed by the Board of Directors of your Company at its meeting held on 30th August, 2007 as an Additional Director in terms of Section 260 of the Companies Act, 1956.

Mr. Yusuf Iqbal Yusuf vacates his office at this Annual General Meeting pursuant to the provision of Section 260 of the Act. Notice under Section 257 of the Act has been received from a member proposing the appointment of Mr. Yusuf Iqbal Yusuf as a Director of the Company. Requisite consent pursuant to the provisions of Section 264 (1) of the Act, has been filed by Mr. Yusuf Iqbal Yusuf to act as such Director, if appointed.

Item No. 6

The Company's business is growing and for that purpose, Company requires additional working capital. Hence, the Company has approached various Bank / Financial Institutions and in case, the total borrowings exceed total paid up capital and reserves, members approval is required for the same under sections 293 (1) (d) for obtaining additional funds.

The Board recommends resolution for your approval.

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

DIRECTORS' REPORT

To,
The Members,

The Board of Directors feel great pleasure in presenting the 24th Annual Report along with the Audited Accounts of the company for the year ended 30th June, 2007 and Auditors' Report thereon.

FINANCIAL RESULTS

Particulars	(Rs. in Lacs)	
	2006-07	2005-06
Net Sales & Other income	20,220.25	16,719.03
Profit before depreciation, interest and tax	2,650.44	2,776.86
Less: Depreciation	(150.60)	(73.98)
Interest	(443.50)	(257.91)
Profit before tax	2,056.34	2,444.97
Less: Provision for taxation	(351.80)	(350.00)
Profit after tax	1,704.54	2,094.97

OPERATIONAL REVIEW

During the year under review, the Company has achieved turnover of Rs. 20207.48 Lacs while the PAT is Rs. 1704.54 lacs, as compared to the turnover of Rs. 16713.87 lacs and the PAT of Rs. 2094.97 lacs in the previous year. Though the company has registered an impressive growth of 20.9 % in sales, PBDIT has declined marginally due to higher input costs and production loss by flood at Surat Plant. To make it worse, higher provision for tax and Interest rates left the company with lower PAT of Rs. 1704.54 Lacs as against Rs. 2094.97 Lacs in the previous year. Moreover, your management has made all efforts to keep its promise of increasing revenues & market share and the impact of the same would come in the next financial year.

The company has appointed C&F Agents all over India with a view to build up and strengthen its Distribution Network and Brand image. To suit the purchasing preference, needs and habits of Indian varied consumer segments, the company with the help of R&D Department, has launched wide range of package sizes with various flavours. To promote the sales, it also curtailed the price of toothpaste and started offering Toothbrush free with almost every pack. With an enhanced market share, especially in the Oral care segment and strengthened internal processes, your company proved its commitment to quality with the ISO 9001:2000 Certification.

ACHIEVEMENTS

During the Year, the Company has been rewarded the prestigious ISO 9001:2000 certification for Quality Management System for development, manufacturing and supply of Toothpastes, toothpowders and Ayurvedic Medicines. In addition to that, it also received International Gold Star for Quality Award-Paris in recognition of outstanding commitment to Quality and Excellence. The recognition will go a long way to establish AMAR as a Quality-Oriented organisation. The company will maintain its customer centric approach with emphasis on continuous improvement and commitment in the quality and value of our products.

NEW PROJECTS/ EXPANSION**DAMAN PLANT :**

During the year, the company has expanded its installed capacity of Oral Care and Health Care from 12400 MT and 595 MT to 13400 MT and 645 MT, respectively.

SURAT PLANT :

Surat Plant has commenced production in the month of October 2006 and started manufacturing Ayurvedic Medicines and Beauty care products. The company has launched Amar GETUP(an ointment for backache and joints problems), Amar Pain Balm and few Ayurvedic health & beauty care products. Unfortunately, there were heavy floods in Surat that resulted in production loss along with damages to the Stocks as well as Machinery. However, insurance of stock and machinery compensated financial loss but production loss of 4 months could not be avoided.



AMAR REMEDIES LTD.

2

DEHRADUN PROJECT :

The Company has established a state of the art manufacturing plant spread over 1 Lac Sq. feet of constructed area at Dehradun (Uttaranchal). It has also installed ultra modern machinery, to manufacture FMCG & Ayurvedic Products. The company has also set up a complete integrated R&D and quality control department to ensure enhancement of quality of existing products & development of new products. The production at Dehradun Plant would have started in the month of February, 2007 but it was delayed due to public litigation filed with Supreme Court against issuance of Pollution clearance certificate to any manufacturing facility in the Dun Valley. However, Supreme court has given favourable verdict in month of August 2007 to issue Pollution clearance certificate to all manufacturing facilities in Dehradun subject to Government guidelines of Pollution Control Board.

Your Company is awaiting for Pollution Clearance certificate to start Commercial production as its total infrastructure is ready to commence production of FMCG Products & Ayurvedic Medicines.

MANAGEMENT DISCUSSION AND ANALYSIS

"Management discussion and analysis report" as required under the Listing Agreements with the stock exchanges has been furnished separately in this Annual Report.

LISTING AT STOCK EXCHANGE

The equity shares of the company continued to be listed on the Bombay Stock Exchange and the National Stock Exchange of India Ltd. The Annual Listing fees for the year 2007-08 have been paid to these Stock Exchanges.

FIXED DEPOSITS

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act 1956, from the public during the year under review.

INSURANCE

The assets of the company including buildings, Plant & Machinery and stocks, etc. have been adequately insured.

INDUSTRIAL RELATIONS

Relation with staff and workmen of the company continue to be cordial and peaceful. The directors express their gratitude towards dedication and support given by the employees.

PARTICULARS OF EMPLOYEES

None of the employees during the year received the Remuneration in excess of the Limits set out under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. Rajiv Chitnis and Mr. Gaurav Doshi both Non-Executive and Independent Directors of the Board are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. During the year, Mr. Lalitchandra Vaidya has expired on 18th March, 2007, the Board record their appreciation for the valuable services rendered to the company by him. However, board has appointed Mr. Yusuf Iqbal Yusuf as an Additional Director w.e.f. 30th August, 2007.

AUDITORS

M/s. Shyam C. Agrawal & Co., Chartered Accountants, retire as Auditor of the company at the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of Auditors, if re-appointed.

Accordingly, the said Auditors may be reappointed as Auditors of the Company at the forthcoming Annual General Meeting.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreements with the stock exchanges a separate section titled "Corporate Governance" has been included in this Annual Report.

CONSERVATION OF ENERGY RESOURCES, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required u/s 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in report of Board of Directors) Rules, 1988, the particulars in respect of conservation of Energy Resources, technology absorption and Foreign Exchange Earnings & Outgo are set out in the **Annexure to the Directors' Report**.

5.

24th Annual Report 2006-2007

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of section 217(2AA) of the Companies Act, 1956 your directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed, alongwith proper explanation to material departure, wherever applicable ;
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June,2007 and of the profit for the year ended on that date;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts for the financial year ended 30th June,2007 on a going concern basis.

ACKNOWLEDGEMENTS

The Board of Directors commend the commitment and dedication of the employees at all levels that have contributed to the growth and success of the company. The directors would also like to thank Government, statutory authorities, Shareholders; and all other stakeholders including bankers, Financial Institution, business associates, consumers who have continued to provide support and encouragement.

Place: Mumbai
Date: September 29,2007

By order of the Board of Directors
For **Amar Remedies Limited**

Sagar Shah
Managing Director

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AMAR REMEDIES LTD.

2

ANNEXURE TO THE DIRECTORS' REPORT

Additional information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

FORM A

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

The operations of the Company are not energy intensive. However, all the necessary steps are taken to use the energy conservatively. Measures introduced include preventive maintenance programme for all electrical and mechanical equipments.

A. Power and fuel consumption:

	2006-07	2005-06
1. Electricity		
a. Purchased:		
Units	5486094	5233005
Total amount (Rs.in Lacs)	145.38	138.67
Average rate/ Unit Rs.	2.65	2.65
b. Own generations	Nil	Nil
2. Coal, Furnace oil, others	Nil	Nil

FORM B

TECHNOLOGY ABSORPTION : Not applicable

FORM C

FOREIGN EXCHANGE EARNINGS & OUTGO

	2006-07	2005-06
A. Earnings : The CIF Value of Exports (Rs.in Lacs)	668.20	398.41
B. Outgo : FCLR Interest	31.73	74.35
FCLR Repayment	43.65	—
CIF Value of Import	77.34	—

Place: Mumbai
Date: September 29, 2007

By order of the Board of Directors
For Amar Remedies Limited

Sagar Shah
Managing Director