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Amar Remedies Ltd.

For AMAR REMEDIES LTD.

P. H. Chitnis
Director

Annual Report
2007-2008

BOARD OF DIRECTORS

Mr. Pravin Shah	-	Chairman, Non-Executive Director
Mrs. Pratima Shah	-	Non-Executive Director
Mr. Sagar P. Shah	-	Managing Director
Mrs. Natasha S. Shah	-	Non-Executive Director
Mr. Rajiv Chitnis	-	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.

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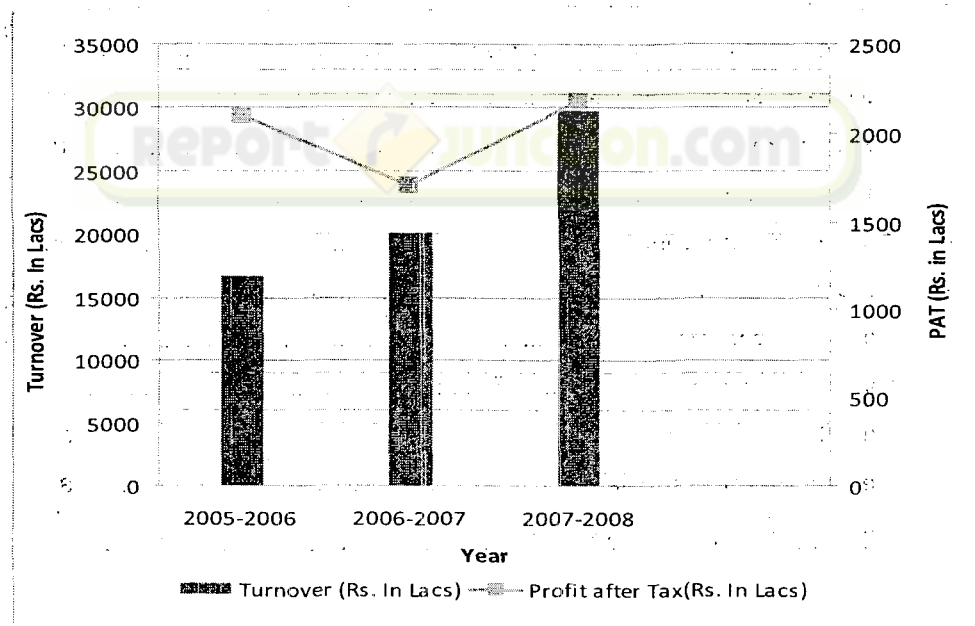
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AMAR REMEDIES LTD.

FINANCIAL HIGHLIGHTS

Year	(Rs. In Lacs)	
	Turnover	Profit after Tax
2005-2006	16713.87	2094.97
2006-2007	20207.48	1704.54
2007-2008	29,822.38	2,176.42



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NOTICE

Notice is hereby given that the Annual General Meeting of the members of Amar Remedies Limited will be held on Friday, 5th December, 2008 at 9:30 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, 2008 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. Bhagwansingh Chaudhary who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mrs. Natasha S. Shah who retires by rotation and being eligible offers herself 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 subject to members approval and in accordance with the provisions of the section 198, 269, 309, 310, 311, 340 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to appointment and payment of remuneration and perquisites, benefits and amenities set out hereinafter to Mr. Rajiv Mukundrao Chitnis as the Whole Time Director of the Company designated as Executive Director, for a period of 3 years from 10th July, 2008 to 9th July, 2011.

Remuneration

- a) The Whole Time Director shall be paid salary Rs. 65000/- per month with an annual increment of 20% every year.
- b) The Whole Time Director shall also be eligible for the following:
 - i) Contribution to provident Fund and superannuation fund to the extent not taxable under the Income Tax Act.
 - ii) Gratuity at the rate of half month's salary for each completed year of service
 - iii) Encashment of leave at the end of tenure as per the rules of the Company.
 - iv) Provisions of car for use of company's business provided that the use of car for private purposes shall be billed by the company to the Whole Time Director.
 - v) Free telephone facility at residence that personal long distance calls shall be billed by the company to the Whole Time Director.

Provided that the remuneration aforesaid including all perquisites, benefits and amenities shall be paid or allowed to the Whole Time Director as minimum remuneration in any year in the event of absence or inadequacy of the profits for any year.

RESOLVED FURTHER THAT Shri. Sagar P. Shah, Managing Director be and is hereby authorised to do any acts, deeds, things, matters as may be necessary to give effect to this resolution.

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

RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (Act), (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, the Listing Agreements with stock exchanges, the Guidelines for preferential Issues contained in the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (SEBI Guidelines), the applicable laws, rules, regulations, guidelines, clarifications and approvals including those issued by any other statutory / regulatory authorities and subject to such approvals / consents / permissions / sanctions as may be required in accordance with applicable laws, rules, regulations and guidelines including approval of Reserve Bank of India, if any and subject to such conditions as the authorities may impose at the time of granting their approvals / consents / permissions / sanctions and which may be agreed to by the Board of Directors of the Company (the "Board", which expression shall include any Committee thereof constituted by the Board), consent of the company be and is hereby accorded to issue and allot, in one or more tranches and upon such terms and conditions as may be deemed appropriate by the Board, by way of preferential allotments up to 13,00,000 Equity Shares of Rs. 30 per share (Rs. 10.00 each towards face value & at a premium of Rs 20/- per share) OR at a price to be calculated as per SEBI guidelines for Preferential Allotment as on relevant date, whichever is higher ranking pari passu in all respects including as to dividend, with the existing Equity Shares of the company to Mr. Sagar P Shah, Promoter & Managing Director of the Company.



AMAR REMEDIES LTD.

RESOLVED FURTHER THAT:

- i. The relevant date for the purpose of pricing of issue of the Equity Shares in accordance with the SEBI Guidelines is 5th November 2008, being the 30th day prior to 5th December 2008 (i.e. the 30th day prior to the date on which the meeting of the general body of shareholders is held, in terms of Section 81(1A) of the Companies Act, 1956, to consider the proposed issue.)
- ii. The Offer, Issue and Allotment of the aforesaid Equity Shares shall be made within 15 days of the Annual General Meeting scheduled on 5th December 2008 subject to such approvals, consents, permissions or sanctions (including any conditions thereof, or modifications to the terms contained therein), if any, required of the appropriate authorities, including those of the Ministry of Commerce, Ministry of Finance, Ministry of Industry, Secretariat for Industrial Assistance and / or its Committee, Financial Institutions, Banks etc. as may be required and subject to such terms and conditions, if any, as may be prescribed while granting such consents, approvals, permissions and sanctions which may be agreed to by the Board and / or its Committee.
- iii. The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the Equity Shares.
- iv. Equity Shares shall be locked in for a period of as per SEBI guidelines for Preferential Allotment from the date of their allotment.
- v. The Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution.
- vi. The Equity Shares shall rank pari passu with the existing Equity Shares of Company in all respects including as to dividend.

RESOLVED FURTHER THAT for giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of the equity shares and utilization of the issue proceeds of the equity shares for combination of funding of the regular Capital Expenditure for business growth, long term working capital and general corporate purposes including consolidating and restructuring of the business operations or for any other purpose as the Board may deem fit and to prescribe the forms of application, enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable, as Board may deem fit."

RESOLVED FURTHER THAT the Board of Directors of the Company including the committee thereof be and is hereby authorized to finalize the list of allottees, to alter, vary, revise etc. the list of allottees if required due to under subscription etc. and finalize the same in the best interest of the company subject to SEBI guidelines, listing agreement requirements and such other approvals and permissions as may be necessary and to do all such acts, things, matters etc. and to authorize such officials / Directors of the Company to do all such acts, matters, deeds, things etc. as may be necessary to give effect to this resolution.

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

sd/-
Sagar P. Shah
Managing Director

Place: Mumbai
Date: 30th October 2008

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 28th November, 2008 to 5th December, 2008 (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

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enable the management to keep the information ready.

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	Bhagwansingh Chaudhary	Natasha S. Shah	Rajiv Chitnis
Age	31 years	29 years	46 years
Qualification	M.Com	MBA	B.com
Date of Appointment	02/05/2003	1/1/2004	30/11/2001
Expertise	As mentioned below		
Details of Directorship	NIL	1)Pioneer Multiforms Ltd 3)Fax Computers & Financial Services Pvt. Ltd. 4)Rolloy Wires Private Limited	NIL
Chairman/Members of Committee	YES	NO	YES

Expertise of Directors**Mr. Rajiv Chitnis**

Mr. Rajiv Chitnis, aged 46 years is a Whole Time 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 25 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. Bhagwansingh Chaudhary

Mr. Bhagwansingh Chaudhary, aged 31 years is a Non Executive Independent Director. He has done his Masters in Commerce. His expertise is in Audit and Taxation and advises our Company on various financial matters. He has been associated with our Company for the last 5 years.

Mrs. Natasha S. Shah

Mrs. Natasha S. Shah, aged 29 years is a Non Executive Director. She has done her Masters in Business Administration with major in marketing and electronic commerce from the Mumbai Educational Trust. She has worked with Pioneer Multiform Limited for two years as administration head and was in charge of all the day-to-day activities of Pioneer Multiform Limited with the additional charge of coordination of the sales team. She joined Amar four years back as a Director and has helped our Company get actively involved into exports of its brands in various countries. She is also responsible for the coordination of export orders, i.e. from its inception till the end, to make sure each and every order is executed properly and fruitfully.

EXPLANATORY STATEMENT IN PURSUANT TO THE PROVISIONS OF SECTION 173 OF THE COMPANIES ACT, 1956**Item No. 5**

In order to strengthen the Board it was decided to induct Mr. Rajiv M. Chitnis, Director of the Company as a Whole Time Director. He has actively contributed in the growth of the Company and his experience would be immense help in day to day affair of the Company as well as future growth. The remuneration would be payable as detailed in the resolution for his appointment as Whole Time Director.

The said resolution may be taken as intimation under section 302 of the Companies Act, 1956.

The Board recommend resolution for your approval.

None of the Directors, except Mr. Rajiv M. Chitnis in relation to his appointment are concerned or interested in the resolution.



AMAR REMEDIES LTD.

Item no 6

The objects of the issue through Preferential offer	The issue proceeds would be deployed for expansion plans of the company, explore investment opportunities and to augment margin money requirements of the company or for such other purposes as the Board may deem fit.	
Intention of Promoter Group to subscribe to the preferential offer	Intention of the promoter group to take up the Equity Shares is to augment funds for expansion plans, investment plans & long term working capital requirements, etc.	
Proposed time within which the allotment shall be completed	As specified under clause 13.4.1 of SEBI (DIP) Guidelines, 2000.	
The identity of the proposed allottee and the percentage of the post preferential issue capital that may be held by it	Promoters	
	Name of the Allottee/ and or his/her nominees	% which will be held by the allottee after Allotment of Equity shares.
	1) Mr. Sagar P. Shah	29.2223

Shareholding pattern before and after the issue is as follows:

	Category	Pre-issue Equity Shareholding	Pre-issue Percentage of holding	Post Issue Equity Shareholding	Post Issue Percentage of holding
A	Promoter's Holding				
1	Indian Promoters and Persons acting in concert				
	Sagar shah	6725674	25.7057	8025674	29.2223
	Pratima Shah	4437626	16.9607	4437626	16.1579
	Pravin Shah	170	0.0006	170	0.0006
	Sub-Total	11163470	42.67	12463470	45.38
B	Non-Promoters Holding				
2	Institutional Investors	-	-	-	-
a.	Mutual Funds.....	-	-	-	-
b.	Banks, Financial Institutions, Insurance Cos.	-	-	-	-
c.	Foreign Institutional Investors (FII)	588266	2.25	588266	2.14
	Sub-Total	588266	2.25	588266	2.14
3	Others:				
a	Private Corporate Bodies	4355223	16.65	4355223	15.86
b	Non Resident Indians	257094	0.98	257094	0.94
c	Indian Public	9800097	37.45	9800097	35.68
	Sub-Total	14412414	55.08	14412414	52.48
	Grand Total	26164150	100.00	27464150	100.00

The Auditors' Certificate stating that pricing of the said issue is in accordance with SEBI Guidelines for Preferential Issues is open for inspection at the Registered office of the Company on all working days except Saturdays and Sundays between 11.00am to 1.00 pm prior to the date of the Annual General Meeting and will be available for inspection at the Meeting.

The directors recommend this resolution for adoption as a special resolution.

None of the Directors of the Company are concerned or interested in the resolution except to the extent of shares held by them.

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

sd/-
Sagar P. Shah
Managing Director

Place: Mumbai
Date: 30th October 2008

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DIRECTORS' REPORT

To,
The Members,

The Board of Directors feel great pleasure in presenting the Annual Report along with the Audited Accounts of the company for the year ended 30th June, 2008 and Auditors' Report thereon.

FINANCIAL RESULTS

Particulars	2007-08	(Rs. In Lacs)
Net Sales & Other income	29852.39	20,220.25
Profit before depreciation, interest and tax	3578.68	2,650.44
Less: Depreciation	215.66	(150.60)
Interest	755.81	(443.50)
Profit before tax	2607.21	2,056.34
Less: Provision for taxation	430.79	(351.80)
Profit after tax	2176.42	1,704.54

OPERATIONAL REVIEW

During the year under review, the Company has achieved turnover of Rs. 29,822.38 Lacs while the PAT is Rs. 2,176.42 lacs, as compared to the turnover of Rs. 20,207.48 lacs and the PAT of Rs. 1,704.54 lacs in the previous year. Though the company has registered an impressive growth of 47.64 % in sales, PBDIT has grown up to 34.50% & PAT grown up by 27.64% compare to previous year. Moreover, your management has made all efforts to keep its promise of increasing revenues & market share and the impact of the same is visible from current financial figures.

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. The company has launched "AMAR PREMIUM" brand toothpaste in the market and in various modern format stores such as Big Bazaar, Reliance, Aditya Birla Group (More Departmental Stores) etc. and company is getting very good response from the consumers. To promote sales, it also curtailed the price of toothpaste and started offering Toothbrush free with almost every pack. With an enhanced revenues, especially in the Oral care segment and strengthened internal processes, your company proved its commitment to quality with the ISO 9001:2000 Certification, GMP India, Star Export recognized by Govt. of India & Winner of international Star quality Award 2007 (Paris). The company started exporting to developed countries such as USA and Europe, not only with its toothpaste but also developed talcum powder and petroleum jelly for developed markets.

The company is on an advanced stage of launching its high end natural beauty care products under the brand "The Natures Co", in most of the metro cities of India. Further the company is also on an advanced stage of launching its herbal gel toothpaste "Amar Clove Gel" all over India.

ACHIEVEMENTS

We are proud to inform you that your company has achieved remarkable growth of 47.64 % in sales, PBDIT has grown up to 34.50% & PAT grown up by 27.64% as compared to previous year.

During the year the company has started commercial production at Deheradun on 3rd April, 2008. This will be company's third plant to be operational in addition to existing plant at Daman & Surat. It must be worth of mentioning that your all three plants are build up without any external loan. The company intends to manufacture the FMCG products like toothpaste, balm & creams at Deheradun plant. The company is likely to enjoy all taxation benefits like excise duty, income tax & availability of power at cheaper rate. The company has exported its first consignment to USA on 26th May, 2008. This is company's beginning of entering into international market of USA on large scale in coming days. The company is initiating to explore market for other FMCG products like talcum powder, petroleum jelly & creams for foreign markets. The company has already received export order for talcum powder from USA and is very positive about entering into this market on large scale.

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 2008-09 have been paid to these Stock Exchanges.



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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. Bhagwansingh Chaudhary and Mrs. Natasha S. Shah 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. However, board has appointed Mr. Rajiv M. Chitnis as a Whole Time Director and Compliance Officer of the Company.

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**.

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, 2008 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, 2008 on a going concern basis.

ACKNOWLEDGEMENTS

The Board of Directors commends 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.

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

sd/-
Sagar P. Shah
Managing Director

Place: Mumbai
Date: 30th October 2008