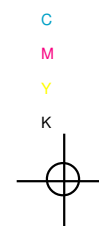




AMAR REMEDIES LTD.[®]

**ANNUAL REPORT
2008 - 2009**





AMAR REMEDIES LTD.





AMAR REMEDIES LTD.

Annual Report 2008-2009

THE NATURE'S CO.





AMAR REMEDIES LTD.

BOARD OF DIRECTORS

| | | |
|-----------------------|---|--|
| Mr. Pravin Shah | - | <i>Chairman, Non-Executive Director</i> |
| Mrs. Pratima Shah | - | <i>Non-Executive Director</i> |
| Mr. Sagar P. Shah | - | <i>Managing Director</i> |
| Mrs. Natasha S. Shah | - | <i>Non-Executive Director</i> |
| Mr. Rajiv Chitnis | - | <i>Whole Time Director</i> |
| Mr. Gaurav Doshi | - | <i>Non-Executive, Independent Director</i> |
| Mr. Dilip Mehta | - | <i>Non-Executive, Independent Director</i> |
| Mr. Yusuf Iqbal Yusuf | - | <i>Non-Executive, Independent Director</i> |

COMPANY SECRETARY

Mr. Ashwin Panditpautra

AUDITORS

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

BANKERS

State Bank of India Limited
ICICI Bank 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

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

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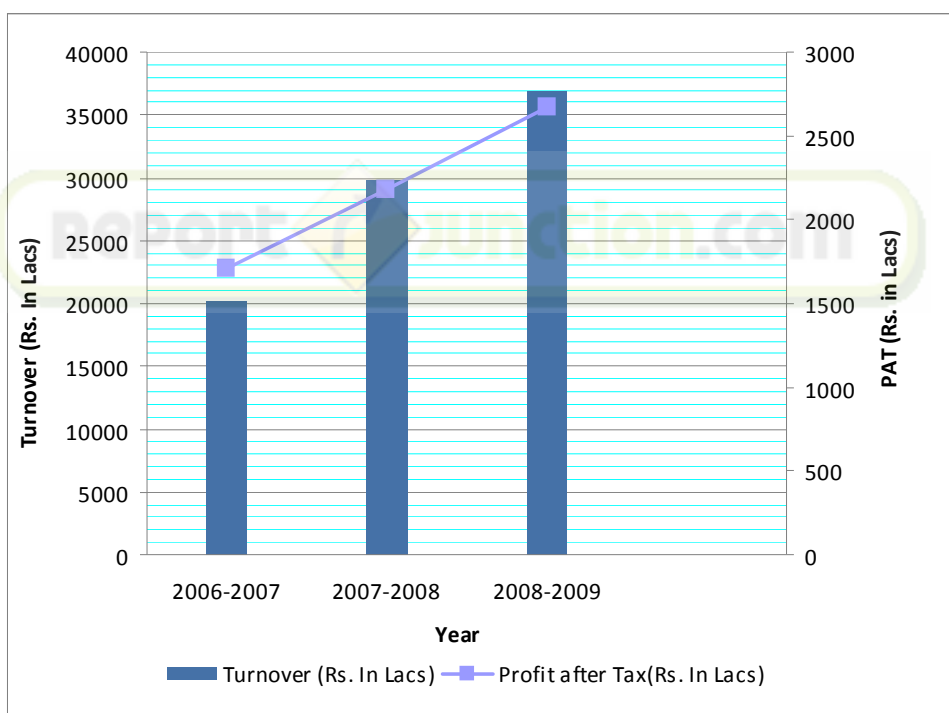
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AMAR REMEDIES LTD.

FINANCIAL HIGHLIGHTS

| YEAR | (Rs. In Lacs) | |
|-----------|---------------|------------------|
| | TURNOVER | PROFIT AFTER TAX |
| 2006-2007 | 20207.48 | 1704.54 |
| 2007-2008 | 29822.38 | 2176.42 |
| 2008-2009 | 36,916.37 | 2,668.26 |



NOTICE

Notice is hereby given that the Annual General Meeting of the members of Amar Remedies Limited will be held on 26th December, 2009 at 3:00 p.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, 2009 and the Balance Sheet as on that date together with the Reports of Board of Directors and Auditors thereon.
2. To declare Final dividend on Equity Shares.
3. To appoint a Director in place of Mr. Pravin N. Shah who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Dilip S. Mehta who retires by rotation and being eligible offers himself for reappointment.
5. 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

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)(a) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the creation by the Board of Directors (hereinafter referred to as the Board which term shall be deemed to include any Committee thereof for the time being and from time to time which all or any of the powers hereby conferred on the Board by this resolution may have been delegated by the Board) from time to time of such mortgages, charges, liens, hypothecation and/or other securities created by the company on such terms and conditions as the Board at its sole discretion may deem fit on the whole or substantially the whole of the company's undertaking and other properties and assets, both present and future, whether movable or immovable comprised in any of the undertaking of the company as the case may be, in favour of the Trustee/Custodians of the Debenture holders/Bonds, banks, financial institutions, lenders, both national and international, other bodies corporate, agencies and/or other persons as may be agreed to by the Board for the purpose of securing any issue of debentures or bonds or other instruments in one or more lots by the company to the public and/or on private placement basis and/or in any other manner or the repayment of any or all loans or other financial assistance, by way cash credit, overdraft, letter of credit and guarantee facilities and/or bodies corporate, whether in Rupees or in foreign currency or currencies subject to a maximum of Rs. 500 Crore (Rupees Five Hundred Crores Only) together with simple an/ or compound interest thereon, commitment charges, management fees, service charges, premium on redemption of debentures or bonds or other instruments including any increase as a result of devaluation/revaluation/fluctuation in the rate of exchange of foreign currencies and all other costs, charges, expenses and other sums payable from time to time in accordance with the terms and conditions contained in any loan agreements or other agreements deeds and documents entered into between the company and the said Trustees, Custodians, Banks, financial institutions, lenders, both national and international bodies corporate, agencies and/or other persons.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to negotiate and finalize all agreements, deeds and documents for creating the above mortgages, charges, liens, hypothecation and/or other securities and to do and perform all such acts, deeds matters or things as may be necessary, appropriate, expedient or desirable to give effect to this Resolution."

7. 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 for borrowing from time to time any sum or sums of money upto limit of Rs. 500 Crores (Rupees Five Hundred 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."

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

Sd/-

Sagar P. Shah
Managing Director

Place : Mumbai
Date : 23rd November, 2009



AMAR REMEDIES LTD.

NOTES:

- 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.**
- The Register of Members and the Share Transfer register of the Company shall be remained closed from 19th December, 2009 to 26th December 2009 (both days inclusive).
- The members are requested to:
 - Intimate changes if any in their registered address to the Registrar and Transfer agents of the company.
 - Quote ledger folio in all their correspondence.
 - 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.
 - Bring their copies of annual reports and attendance slips with them at Annual General Meeting.
 - 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.
- 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. Pravin N. Shah | Mr. Dilip S. Mehta |
| Age | 69 years | 59 years |
| Qualification | B.Com | B.Com |
| Date of appointment | 17/03/2005 | 20/01/2005 |
| Expertise | | |
| Details of Directorship | Nil | Aadil Gems & Jewelers Pvt. Ltd. |
| Chairman/Members of Committee | Nil | Nil |

Expertise of Directors

Mr. Pravin N. Shah

Mr. P. Shah aged 69 years and has experience in Ayurveda for over 35 years. Amar Remedies Limited, formerly known as Swami Aushadhalaya Private Limited was incorporated in 1984 under his guidance. The primary aim of the company to research into ayurvedic products was his vision. He was responsible to set up company's first manufacturing facility in Surat in 1985. Under his supervision and guidance, the company had its first breakthrough in research into Oral Care Products and as a result the company launched its first product "Amar toothpowder" in the year 1989. Subsequently he developed an ayurvedic and vegetarian toothpaste which was launched as Amar toothpaste in 1991. He further developed new variants of toothpaste and also products like ointment for joint pain, backaches and balm. He continued his efforts and as a result developed several other products over the years. He is yet involved with the research and development department of the company with the same dedication and determination.

Mr. Dilip S. Mehta

Mr. Dilip S. Mehta, aged 59 years is a Non Executive Independent Director. He is a Bachelor in Commerce from Gujarat University. His expertise is in the field of sales and marketing. He is advising the company on its future strategies of marketing. He has joined our board w.e.f. 20th, January, 2005.

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

Item No. 6 & 7

The Company's business is growing and for that purpose, Company requires additional funds. Hence, the Company has approached various Bank / Financial Institutions for additional fund requirement and such requirement would in case exceeds paid up capital and reserves, members approval is required for the same under sections 293 (1) (d) for obtaining additional funds. The Company's property is required to be mortgaged with such Banks/ Financial Institutions lending money to the company hence member approval is required under section 293(1)(a). The Board recommends resolution for your approval.

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

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

Sd/-

Sagar P. Shah
Managing Director

Place : Mumbai
Date : 23rd November, 2009

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the Annual Report of the company and Audited Accounts along with Auditors Report for the year ended 30th June, 2009.

FINANCIAL RESULTS

(Rs. in Lacs)

| Particulars | 2008-09 | 2007-08 |
|---|-----------------|-----------------|
| Total Income | 37104.80 | 29852.39 |
| Profit before depreciation, interest and tax | 4948.23 | 3578.68 |
| Less : Depreciation | 719.86 | 215.66 |
| Interest | 1243.34 | 755.81 |
| Profit before tax | 2985.02 | 2607.21 |
| Less: Provision for taxation | 316.76 | 430.79 |
| Profit after tax | 2668.26 | 2176.42 |

OPERATIONAL REVIEW

During the year, your Company was engaged in expansion of business activity in Domestic as well as International market to consolidate its position in FMCG and Ayurvedic market. The Company has achieved total income of Rs. **37104.80** Lacs and the PAT of Rs. **2668.26** lacs, as compared to the total income of Rs. **29852.39** lacs and the PAT of Rs. 2176.42 lacs in the previous year i.e during the year 2007 2008. The company has registered an impressive growth of 24.29 % in total income, PBDIT has grown up to 38.26 % & PAT grown up by 22.6 % compared to previous year performance. 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. The company had successfully launched Amar Premium Toothpaste previous year and your company has added new products to its product catalog for Selling in Domestic as well as International market - **Amar Clove Gel Toothpaste** with Clove Fortitude, **AMAR TALCUM POWDER**, **AMAR PETROLEUM JELLY** and **AMAR BABY OIL**. 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 has developed very good business in USA and EUROPE. Along with the same, the company has further launched its high end natural beauty care products under the brand "**The Natures Co**" in 1 of the most prominent metropolitan cities- Delhi, At Select City Walk, Saket. In addition to above the company is intending to open additional showroom in Mumbai at Phoenix Mills followed by a chain of showrooms of "**The Natures Co**" in most of the metro cities.

ACHIEVEMENTS

We are proud to inform you that your company has achieved remarkable growth of 24.29 % in total income, PBDIT has grown up to 38.26 % & PAT grown up by 22.6 % as compared to previous year financial performance. During the year the company had started commercial production in full swing and now the company is manufacturing full range of AMAR products from Dehradun Plant. 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 built up without any external loan. The company is likely to enjoy all taxation benefits like excise duty, income tax & availability of power at cheaper rate. During the year 2009, we have achieved growth in direct export sales by almost 236% compared to previous year's export. This is company's beginning of growth into international markets of U.S.A. and EUROPE. The company has explored market for FMCG products like talcum powder, petroleum jelly & creams for foreign markets. The company has already received export order for Talcum Powder and Petroleum Jelly from U.S.A. and is very positive about entering into this market on large scale. The company has entered into marketing agreement with **A.I.O.C.D. (All India Organisation of Chemist and Druggist Association)**,



AMAR REMEDIES LTD.

having 5,00,000 Medical Stores all over India registered with them. This is going to boost up sales of Amar range of products through all these outlets registered with them. The company expects good growth in sales of Amar range of products during the year due to above positive developments.

DIVIDEND

Your board has recommended dividend of Rs. 1.00/- per share on 26164150 Equity Share of Rs. 10/- each for the financial year 2008-2009, subject to the same being approved by share holder at the forthcoming Annual General Meeting.

CONSOLIDATED FINANCIAL STATEMENTS AND SUBSIDIARY COMPANY:

In accordance with the Accounting Standard 21 on Consolidated Financial Statements issued by Institute of Chartered Accountants of India, your Directors provide the Audited Consolidated Financial Statements in the Annual Report

AMAR REMEDIES FZE, is a wholly owned subsidiary company incorporated at UAE. The business activity of the company is trading and marketing of FMCG and other items.

The Directors and Auditors Report and Accounts of the subsidiary companies are annexed to this report along with the statement pursuant to section 212 of the Companies Act, 1956.

AMAR REMEDIES FZE, which was incorporated as wholly owned subsidiary company in Ras-Al-Khaimah – Free Trade Zone, in United Arab Emirates (UAE) for carrying business of FMCG and others, has started doing business in the current year and we expect good business in the year 2010.

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 2009-10 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. Pravin N. Shah and Mr. Dilip S. Mehta, Directors of the company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

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.