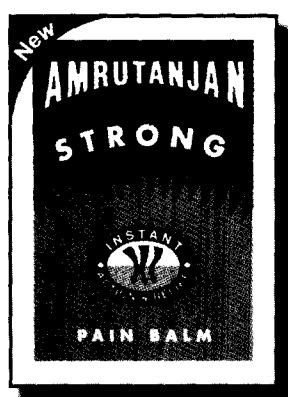


62nd ANNUAL REPORT 1998-99



AMRUTANJAN LIMITED

BOARD OF DIRECTORS

Sri S.V. Subramaniam
Sri K.M. Mathew
Sri S. Radhakrishna (Managing Director)
Dr. Pasumarthi S.N. Murthi
Sri D. Seetharama Rao
Sri R. Vijayaraghavan
Sri S. Sambhuprasad

AUDITORS

M/s. P.S. Subramania Iyer & Co.
Chartered Accountants
109/2, St. Mary's Road (1st Floor)
Chennai 600 018

BANKERS

State Bank of India
The Dhanalakshmi Bank Limited
Indian Overseas Bank

REGISTERED OFFICE

42-45 Luz Church Road
Mylapore, Chennai 600 004

FACTORIES AT

Mylapore, Chennai
Uppal, Hyderabad

BRANCHES AT

Bangalore, Mumbai, Calcutta, Delhi,
Ghaziabad, Hyderabad & Chennai

Amrutanjan Limited

NOTICE

NOTICE is hereby given that the Sixty Second Annual General Meeting of the members of Amrutanjan Limited will be held at Sathguru Gnanananda Hall (Narada Gana Sabha), No.254, T.T.K.Road, Chennai 600 018, on Monday, the 20th September, 1999 at 4.30 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended 31st March, 1999, Reports of the Directors and Auditors thereon.
2. To declare dividend on shares.
3. To appoint a Director in the place of Sri K.M. Mathew, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Dr. Pasumarthi S.N. Murthi, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditor or Auditors and to fix his or their remuneration.

Special Business:

6. To appoint Sri S. Sambhuprasad, as a Director who was appointed by the Board under Section 260 of the Companies Act, 1956 and for that purpose to consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution, a notice of intention to move the same having been received from a member as required under Section 257 of the Companies Act, 1956.

"RESOLVED THAT Sri S. Sambhuprasad, 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 modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Article 125 and 126 of the Articles of Association of the Company and subject to the provisions of Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956, read with the amended Schedule XIII, including any statutory modifications or re-enactments thereof for the time being in force, approval of the Company be and is hereby accorded to the re-appointment of Sri S. Radhakrishna, as Managing Director of the Company, not liable to retire by rotation for a further period of five years with effect from 1st June, 1999 till the expiry of his term as Managing Director on 31st May, 2004."

"RESOLVED FURTHER THAT pursuant to Article 127 of the Articles of Association of the Company and subject to the provisions of Sections 198, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956, read with amended Schedule XIII, including any statutory modifications or re-enactments thereof for the time being in force, approval of the Company be and is hereby accorded for the payment of remuneration to Sri S. Radhakrishna by way of salary, allowances, commission and perquisites as specified below, subject to an overall limit of 5% of the net profits of the Company for each financial year computed in the manner prescribed in Sections 349 and 350 of the Companies Act, 1956, for a period of five years commencing from 1st June, 1999 till the expiry on 31st May, 2004."

- a. Salary: Rs.30,000/- per month in the grade of Rs.30,000 - 2,000 - 40,000.
- b. Commission on Net Profits: Remuneration by way of commission @ 1% shall be paid in addition to salary or perquisites or both or in lieu thereof. The amount of it, based on the net profits of the Company in a particular year, shall be subject to the overall ceilings laid down in Section 198 and Section 309.

Perquisites:

Perquisites may be allowed in addition to salary. These shall be restricted to an amount equal to the annual salary or Rs.4,50,000/- per annum, whichever is less. Unless the context otherwise requires, perquisites are classified into three categories 'A', 'B' and 'C' as follows:

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CATEGORY 'A'

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees on clubs and personal accident insurance. These may be provided for as under:

- i. Housing I: The expenditure by Company on hiring furnished accommodation for the appointee will be subject to the following ceiling.

Sixty percent of the salary, over and above ten percent payable by the appointee.

Housing II: In case the accommodation is owned by the Company, ten percent of the salary of the appointee shall be deducted by the Company.

Housing III: In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the appointee.

- ii. Medical Reimbursement: Expenses incurred by the appointee and the family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
- iii. Leave Travel Concession: For the appointee and his family, once in a year incurred in accordance with the rules specified by the Company.
- iv. Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- v. Personal Accident Insurance: Premium not to exceed Rs.4,000/- per annum.

Explanation: For the purpose of Category 'A' 'family' means the spouse, the dependent children and dependent parents of the appointee.

CATEGORY 'B'

1. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act. Gratuity payable should not exceed half-a-month's salary for each completed year of service.
2. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY 'C'

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

"RESOLVED FURTHER notwithstanding anything contained above, where in any financial year, during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary and perquisites equivalent to the maximum permissible limit under Schedule XIII or any statutory modifications or re-enactments thereof."

Chennai
9.8.1999

By Order of the Board
For AMRUTANJAN LIMITED
S. Radhakrishna
Managing Director

Amrutanjan Limited

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 PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item Nos.6 and 7 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 1999 to 20th September, 1999 (both days inclusive).
4. Dividend, upon its declaration at the meeting, will be paid to those members whose names appear in the Register of Members of the Company as on 20th September, 1999.
5. Pursuant to Section 205A of the Companies Act, 1956 all Unclaimed Dividends upto and inclusive of the Financial Year 1994-95 (31.3.1995) have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to submit their claims for dividend to the Registrar of Companies (Tamil Nadu), No.26, Haddows Road, Chennai 600 006.
6. Nomination facility is now available for shareholders. Members who want to avail of this facility, may fill in the enclosed Form No.2B and mail it to the Share Department of the Company at 42-45, Luz Church Road, Mylapore, Chennai 600 004.

EXPLANATORY STATEMENT AS REQUIRED BY SEC.173 OF THE COMPANIES ACT, 1956
Item No.6.

Sri S. Sambhuprasad was appointed as an Additional Director of the Company by the Board of Directors on 22nd January, 1999 in terms of Section 260 of the Companies Act, 1956 read with Article 102 of the Articles of Association of the Company. Sri S. Sambhuprasad holds office only upto the date of the Annual General Meeting. The Company has received notice from a member of the Company with deposit proposing Sri S. Sambhuprasad's candidature for the office of Director and signifying his intention to move the Resolution as set out in item no.6 of this notice.

Sri S. Sambhuprasad, is an engineer by profession from the M.S.O.E., University of Wisconsin, U.S.A. and working in a manufacturing Company that makes a wide range of products.

Sri S. Sambhuprasad being young and energetic and with varied experience working in the U.S.A. in a manufacturing firm and also in a few consumer non-durable companies, will be of immense value to the Company.

The Board recommends the above resolution for the approval of the Shareholders. Sri S. Sambhuprasad and Sri S. Radhakrishna, Sri D. Seetharama Rao, Dr. Pasumarthi S.N. Murthi who are related to him, are concerned and interested in this resolution. No other director is concerned or interested in this resolution.

Item No.7.

Sri S. Radhakrishna's appointment as Managing Director for a period of five years expired on 31st May, 1999. The Board of Directors of the Company, subject to the approval of the Shareholders of the Company have re-appointed him as Managing Director of the Company for a further period of five years with effect from 1st June, 1999 to 31st May, 2004.

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During the tenure of office of Sri S. Radhakrishna as Managing Director of the Company, the Company's growth has been phenomenal. The Company has diversified and the exports of various products has increased substantially. The profits of the Company have also increased manifold.

Considering the above and also the rich and varied experience of Sri S. Radhakrishna, the Board recommends the re-appointment and remuneration payable to Sri S. Radhakrishna as Managing Director of the Company for a further period of five years commencing from 1st June, 1999 before the members for their approval.

Sri S. Radhakrishna is interested in this resolution. Sri S. Sambhuprasad, Sri D. Seetharama Rao and Dr. Pasumarthi S.N. Murthi are related to Sri S. Radhakrishna and therefore interested in the resolution.

This explanatory statement together with the accompanying notice is to be regarded as an Abstract of the terms of appointment of Sri S. Radhakrishna and Memorandum of Interest as required to be sent to the shareholders under Section 302 of the Companies Act, 1956. The Abstract of the terms and Memorandum as approved by the Board of Directors were circulated to the Shareholders on 11.2.1999.

Chennai
9.8.1999

By Order of the Board
For AMRUTANJAN LIMITED
S. Radhakrishna
Managing Director



Amrutanjan Limited

REPORT OF THE DIRECTORS TO THE MEMBERS

The Board of Directors of your Company have pleasure in presenting the Sixty Second Annual Report and Audited Accounts for the year ended 31st March, 1999.

01. FINANCIAL RESULTS	31.3.1999 Rs.	31.3.1998 Rs.
Profit before Interest and Depreciation	10,28,93,558	8,31,41,542
Less: Interest	1,67,76,545	1,43,80,902
Depreciation	<u>43,00,330</u>	<u>39,86,187</u>
	<u>2,10,76,875</u>	<u>1,83,67,089</u>
Profit after Interest and Depreciation	8,18,16,683	6,47,74,453
Add: Transfer from Profit & Loss Account Surplus - Opening Balance	<u>2,17,74,786</u>	<u>39,00,333</u>
	10,35,91,469	6,86,74,786
Less: Provision for taxation	<u>2,40,00,000</u>	<u>1,50,00,000</u>
Profit available for Appropriation	<u>7,95,91,469</u>	<u>5,36,74,786</u>
Appropriations:		
Debenture Redemption Reserve	25,00,000	25,00,000
Revenue Reserve	4,00,00,000	2,50,00,000
Interim Dividend paid	16,00,000	..
Tax on Interim Dividend	1,60,000	..
Final Dividend - Proposed	48,00,000	40,00,000
Tax on Final Dividend	4,80,000	4,00,000
Balance Profit carried to Balance Sheet	<u>3,00,51,469</u>	<u>2,17,74,786</u>
	<u>7,95,91,469</u>	<u>5,36,74,786</u>

02. DIVIDEND

Considering the profits projected for 1998-99, your Directors have declared a Tax-free Interim Dividend of 10% on the Equity Share Capital of Rs.1.60 crores, at its meeting held on 22nd January, 1999. The Directors now recommend payment of a Tax-free Final Dividend of 30% for the year ended 31st March, 1999 on the Capital of Rs.1.60 crores.

03. OPERATIONS

During the year under review, the sales of the Company amounted to Rs.6007.12 lakhs as against Rs.5183.91 lakhs in the previous year registering an increase of 16%. Profit after tax amounted to Rs.578.17 lakhs as against Rs.497.74 lakhs in the previous year. Export turnover amounted to Rs.403.32 lakhs during the year 1998-99 with an increase of 58.56% over the previous year.

04. PROSPECTS

Your Directors wish to inform you the turnover for the first quarter amounted to Rs.1039 lakhs (Rs. 916 lakhs) and Profit before tax was Rs.83 lakhs (Rs. 70 lakhs) inspite of the lean season and general recessionary trends all over the country.

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Your Directors expect the prospects in the current year to be good. They hope that the Company will record a commendable performance.

Your Company is modernising its OTC business and also exports through term loan from Banks. It can be seen that the growth of the fine chemicals business has been high during the past two years. Your Directors are confident that this growth will be maintained as a result of all efforts that are being made to improve capacity and sales.

05. FIXED DEPOSITS

As at 31st March, 1999, total deposits from Public and Shareholders amounted to Rs.202.33 lakhs. The Company deposited a sum of Rs.15.96 lakhs in accordance with rule 3A of the Company's (Acceptance of Deposits) Rules, 1975.

Out of the deposits which became due for repayment during the financial year, 32 deposits amounting to Rs.2,34,000/- remain unclaimed as on 31st March, 1999. Subsequently, the Company has repaid/renewed 12 deposits amounting to Rs.1,28,000/- and for the balance 20 deposits of Rs.1,06,000/- remaining unclaimed letters have been written to these depositors before and after the date of maturity asking them for instructions.

06. SUBSIDIARY COMPANIES

Amrutanjan Finance Limited could not do much business during the financial year in view of the unfavourable market conditions and also NBFC sector was badly hit on account of stringent norms imposed by Reserve Bank of India in January, 1998, particularly repayment of deposits. Subsequently, Reserve Bank of India relaxed its norms in the last quarter of the financial year to some extent and the Company hopes to do substantial business activities in the current year and also diversify into non-fund based activities. Reserve Bank of India has granted registration to the Company.

Egattur Printing and Packaging Limited started its commercial operations only in the later part of the financial year and it has shown substantial improvement in terms of turnover and profits in the current financial year. Your Directors are confident of showing a better performance in the current financial year.

The Directors Report, Auditors Report and Audited Balance Sheet of Subsidiary Companies viz., Amrutanjan Finance Limited, Amrutanjan Drugs and Chemicals Limited & Egattur Printing and Packaging Limited are attached to the Balance Sheet of the Company.

07. CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

The particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the annexure to this report.

08. DIRECTORS

During the year Sri S. Sambhuprasad was co-opted as Additional Director of the Company by the Board on 22nd January, 1999. Sri S. Sambhuprasad holds office until the date of the forthcoming Annual General Meeting and is eligible for appointment.

Sri K.M. Mathew and Dr. Pasumarthi S.N. Murthi, retire by rotation and being eligible, offer themselves for re-appointment.

Amrutanjan Limited

Sri S. Radhakrishna's term as Managing Director of the Company expired on 31st May, 1999. The Board of Directors of the Company, subject to the approval of the members of the Company, at the forthcoming Annual General Meeting, have re-appointed him as Managing Director of the Company for a further period of five years with effect from 1st June, 1999 to 31st May, 2004. The remunerations and perquisites payable to him are within the limits specified in Schedule XIII of the Companies Act, 1956.

09. PERSONNEL

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is given in the annexure forming part of this report.

10. AUDITORS

The Auditors, M/s. P.S. Subramania Iyer & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and offer themselves for re-appointment. They have confirmed that they are eligible under Section 224(1B) of the Companies Act, 1956, for re-appointment.

11. YEAR 2000 COMPLIANCE

Your Directors are glad to report that the areas where Y2K problems will be faced by the Company are very limited. However, every effort has been taken by the Company for full Y2K compliance which is expected to be achieved by October, 1999. The expenditure to ensure Y2K compliance is not expected to be significant.

12. ACKNOWLEDGEMENT

Your Directors place on record their thanks to State Bank of India, The Dhanalakshmi Bank Limited, Indian Overseas Bank, The Federal Bank Limited and the concerned Departments of State and Central Government, Employees and Shareholders for their valuable assistance, support and co-operation to the Company.

Chennai
9.8.1999

S.V. Subramaniam
Dr. Pasumarthi S.N. Murthi
D. Seetharama Rao
R. Vijayaraghavan
Directors

S. Radhakrishna
Managing Director

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ANNEXURE TO THE REPORT OF THE DIRECTORS TO THE MEMBERS

INFORMATION IN ACCORDANCE WITH THE COMPANIES
(DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988
FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

CONSERVATION OF ENERGY:

The operations of the Company are not energy intensive. However, your Company is constantly monitoring energy use and taking necessary energy conservation measures.

(A) POWER AND FUEL CONSUMPTION

			Year ended 31.03.1999 (Current Year)		Year ended 31.03.1998 (Previous Year)	
			OTC	FINE CHEMICALS	OTC	FINE CHEMICALS
1. Electricity :						
a) Purchased :						
Units			3,92,518	4,13,058	3,46,497	1,93,789
Total Amount	Rs.		17,66,412	12,84,012	14,46,614	6,27,878
Rate/Unit	Rs.		4.50	3.11	4.18	3.24
b) Own Generation:						
(i) Through Diesel Generator:						
Units			25,005	97,965	23,560	43,707
Cost/Unit	Rs.		3.45	10.20	3.56	8.00
(ii) Through Steam Generator:						
Units			20,655	-	17,850	-
Cost/Unit	Rs.		4.35	-	4.53	-
2. Coal:						
Qty.(Tonnes)			-	-	-	-
Total Cost			-	-	-	-
Average Cost			-	-	-	-
3. Furnace Oil:						
Qty. (K.Ltrs)			-	-	-	-
Total Amount			-	-	-	-
Average Rate			-	-	-	-
4. Others/Internal Generation:						
Qty.			-	-	-	-
Total Cost Rate/Unit			-	-	-	-

(B) CONSUMPTION PER UNIT OF PRODUCTION:

Products (with details) Unit	Standards (if any)	Year ended 31.03.1999 Rs.	Year ended 31.03.1998 Rs.
Electricity :			
Amrutnjan Pain Balm	(9 Gms)	0.85	0.73
Amrutnjan Maha Strong Pain Balm	(9 Gms)	0.65	0.66
Fine Chemicals	(One Ton)	45,376	51,753
Furnace Oil, Coal and Others :		-	-