

63rd Annual Report 1999-2000



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
Phones : 4994164/4994146/4994465/4994366
Fax : 044-4994585
E-mail : amrutan@md2.vsnl.net.in
Web Site : <http://www.amrutanjan.com>

FACTORIES AT

Mylapore, Chennai
Uppal, Hyderabad

BRANCHES AT

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

SHAREHOLDERS' INFORMATION

Annual General Meeting - Date, Time & Venue	:	Wednesday, the 20th September, 2000 at 11.00 a.m. Sathguru Gnanananda Hall (Narada Gana Sabha) No.254, T.T.K.Road, Chennai 600 018.
Dates of Book Closure	:	15.09.2000 to 20.09.2000 (both days inclusive) on account of Annual General Meeting.
Particulars of Listing at Stock Exchange	:	Madras Stock Exchange Limited Exchange Buildings Post Box No.183 11, Second Line Beach Chennai 600 001.
Particulars of Payment of Listing Fees	:	Listing fee for 2000-2001 has been paid to the Madras Stock Exchange in which the Company's Equity Shares are listed.
Registrar and Share Transfer Agents	:	In house Registry at: The Secretarial Department Amrutanjan Limited Post Box No.612 No.42-45, Luz Church Road Mylapore, Chennai 600 004. Phones : 4994164/4994146/4994465/4994366 E-mail: shares@amrutanjan.com
Share Transfer and other communication relating to Share Certificates, Dividends and Change of Address may be addressed to	:	The Secretarial Department Amrutanjan Limited Post Box No.612 No.42-45, Luz Church Road Mylapore, Chennai 600 004.

Amrutanjan Limited

NOTICE

NOTICE is hereby given that the Sixty Third 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 Wednesday, the 20th September, 2000 at 11.00 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account for the year ended 31st March, 2000, Reports of the Directors and Auditors thereon.
2. To declare dividend on shares.
3. To appoint a Director in the place of Sri S.V. Subramaniam, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri D. Seetharama Rao, 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.

Chennai
9.8.2000

By Order of the Board
For AMRUTANJAN LIMITED
S. Radhakrishna
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 PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 15th September, 2000 to 20th September, 2000 (both days inclusive).
3. 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, 2000.
4. 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.
5. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, the amount of Dividend for the subsequent years remaining unclaimed for a period of 7 (seven) years from the date of Transfer to Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund. Members who have not encashed the dividend warrant(s) for the Financial Year 1995-96 and any subsequent financial years are requested to make their claims to the Company.

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REPORT OF THE DIRECTORS TO THE MEMBERS

The Board of Directors of your Company have pleasure in presenting the Sixty Third Annual Report and Audited Accounts for the year ended 31st March, 2000.

01. FINANCIAL RESULTS	31.3.2000 Rs.	31.3.1999 Rs.
Profit before Interest and Depreciation	11,34,18,771	10,34,38,379
Less: Interest	1,48,19,283	1,67,76,545
Depreciation	<u>78,24,102</u>	<u>43,00,330</u>
	2,26,43,385	2,10,76,875
Profit after Interest and Depreciation	<u>9,07,75,386</u>	<u>8,23,61,504</u>
Add/Less :Prior year adjustments and provisions (Net)	1,05,403	(5,44,821)
	<u>9,08,80,789</u>	<u>8,18,16,683</u>
Less: Provision for taxation	2,75,00,000	2,40,00,000
	<u>6,33,80,789</u>	<u>5,78,16,683</u>
Add: Transfer from Profit & Loss Account Surplus Opening Balance	3,00,51,469	2,17,74,786
Profit available for Appropriation	<u>9,34,32,258</u>	<u>7,95,91,469</u>
Appropriations:		
Debenture Redemption Reserve	25,00,000	25,00,000
General Reserve	5,00,00,000	4,00,00,000
Interim Dividend paid	32,00,000	16,00,000
Tax on Interim Dividend	3,52,000	1,60,000
Final Dividend - Proposed	40,00,000	48,00,000
Tax on Final Dividend	8,80,000	4,80,000
Balance Profit carried to Balance Sheet	<u>3,25,00,258</u>	<u>3,00,51,469</u>
	<u>9,34,32,258</u>	<u>7,95,91,469</u>

02. DIVIDEND

Considering the profits projected for 1999-2000, your Directors have declared a Tax-free Interim Dividend of 20% on the Equity Share Capital of Rs.1.60 crores, at its meeting held on 31st January, 2000. The Directors now recommend payment of a Tax-free Final Dividend of 25% for the year ended 31st March, 2000 on the Capital of Rs.1.60 crores.

03. REVIEW OF OPERATIONS

During the year under review, the sales of the Company amounted to Rs.6389.14 lakhs including Exports of Rs. 349.23 lakhs as against Rs.6007.12 lakhs in the previous year registering an increase of 6.35%. Profit after tax amounted to Rs.633.81 lakhs as against Rs.578.17 lakhs in the previous year. Additions to the extent of Rs.513.66 lakhs were made to the Fixed Assets during the year

04. PROSPECTS

Your Directors wish to inform you the turnover for the first quarter amounted to Rs.1085 lakhs (Rs. 1039 lakhs) and Profit before tax was Rs.99 lakhs (Rs. 83 lakhs) inspite of the lean season and hike in excise duty.

Amrutanjan Limited

Your Company has taken efforts to increase the product range within the existing business through R&D which is being expanded and hope to bring more products in the health care segment.

Major efforts were taken to give full thrust on exports and modalities for entering into long term contract through joint venture are being worked out for export of various products and also expanding its activities with term loan from banks.

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

05. FIXED DEPOSITS

As at 31st March, 2000, total deposits from Public and Shareholders amounted to Rs.219.30 lakhs. The Company deposited a sum of Rs.23.93 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, 21 deposits amounting to Rs.1,48,000/- remain unclaimed as on 31st March, 2000. Subsequently, the Company has repaid/renewed 4 deposits amounting to Rs.54,000/- and for the balance 17 deposits of Rs.94,000/- remaining unclaimed for which 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. It is considered as temporary decline in the performance last financial year. Subsequently, Reserve Bank of India relaxed its norms in June, 2000 and the Company has shown better performance in the first quarter of the current year. Your Directors are confident that the performance of this Company would be much better in the current financial year for which various measures have been taken in terms of increasing the business and cost reduction.

Amrutanjan Drugs and Chemicals Limited is working out ways and means for bringing the project.

Egattur Printing and Packaging Limited started showing substantial improvement in the current financial year. The Company has shown better performance in the first four months of the current financial year. Your Directors are confident that the performance of the Company would be made better in the current financial year for which various measures have been taken towards cost management and also getting business from various FMCG Companies during 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.

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08. DIRECTORS

Sri. S.V. Subramaniam and Sri. D. Seetharama Rao retire by rotation and being eligible, offer themselves for re-appointment.

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. STATUS OF Y2K COMPLIANCE

Transition to Y2K was smooth and no problem was encountered. The company did not spend any major amount in tackling the Y2K issue.

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
9.8.2000


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

S. Radhakrishna
Managing Director

Amrutanjan Limited

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 31.3.2000 (Current Year)		Year ended 31.3.1999 (Previous Year)	
		OTC	FINE CHEMICALS	OTC	FINE CHEMICALS
1. Electricity :					
a) Purchased :					
Units		4,09,199	5,23,833	3,92,518	4,13,058
Total Amount	Rs.	19,88,802	20,16,757	17,66,412	12,84,012
Rate/Unit	Rs.	4.86	3.85	4.50	3.11
b) Own Generation:					
(i) Through Diesel Generator:					
Units		29,070	1,42,956	25,005	42,586
Cost/Unit	Rs.	4.12	4.65	3.45	4.92
(ii) Through Steam Generator:					
Units		54,834	-	20,655	-
Cost/Unit	Rs.	5.27	-	4.35	-
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 31.3.2000 Rs.	Year ended 31.3.1999 Rs.
Electricity :			
Amrutanjan Pain Balm	(9 Gms)	1.09	0.85
Amrutanjan Maha Strong Pain Balm	(9 Gms)	0.80	0.65
Fine Chemicals	(One Ton)	36,892	45,376
Furnace Oil, Coal and Others :	-	-	-

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ANNEXURE TO THE REPORT OF THE DIRECTORS TO THE MEMBERS

FORM B

(FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION)

I. RESEARCH & DEVELOPMENT**1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY**

- a. Development of process know-how for the manufacture of various drug intermediates and other fine chemicals involving multi step organic syntheses.
- b. Isolation of pure active ingredients from plant materials.
- c. Development of new OTC health care products based on Indian system of medicine.
- d. Custom Synthesis of low volume - high value chemicals.

2. BENEFITS OF R&D

The R&D Department has developed so far technical know-how for many chemicals which are required by users in Europe and USA. The processes are continuously being scaled up with the help of pilot plant set up with the various facilities enabled the R&D to develop various products.

The R&D Department is also actively engaged in improving the current technologies being followed in the plant by finding out additional parameters/changes which would result in the increase of yield for every batch without compromising the quality of the end product.

In addition the R&D Department is committed to developing new OTC Health Care Products. "Coldsnap" Gel and "Mridul" Cough Syrup, "Spring" Cream have been introduced in the market and there are plans to introduce more Health Care products such as "Flash" Pain Cream, Muscle Relaxant Cream, Chyavanprash Health Cookies, Ayurvedic Digestive Syrup, Uterine Tonic, Ayurvedic Dermal Cream etc.

Siddha medicines in capsule form for treating Diabetes, Menstrual Disorders and Tension are also in the pipeline. Introduction of these new product lines is sure to bring in additional turnover and profits to the Company.

3. PLANNING FOR THE FUTURE

- a. Actively assist the Company in diversification plans by developing newer technologies for many Fine Chemicals, Bulk Drugs and Drug Intermediates.
- b. Continuously offer technical assistance in the commercialisation activities of different products marketed by the Company.
- c. Engage in Custom Synthesis of Speciality Chemicals required by various clients.
- d. Identify, isolate and purify therapeutically useful compounds from plant sources.
- e. Develop new Ayurvedic and Allopathic Formulations for the OTC Health Care Division of the Company.

4. EXPENDITURE ON R&D

Rs. in lakhs

Capital	131.19
Recurring	76.89
Total	<u>208.08</u>

Total R&D expenditure as a percentage of total turnover 3.26 %

5. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

R&D Department helps in the absorption of the technologies which are developed in-house and those that are out-sourced. The Department plays a major role in the adaptation of the foreign technologies to suit our requirements. The innovative work done in some new special formulations is bound to bring good revenue for the Company.

II. FOREIGN EXCHANGE EARNINGS AND OUTGO

Rs. in lakhs

Total foreign exchange earnings	338.80
Total foreign exchange outgo	118.12

**INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE
COMPANIES (PARTICULARS OF EMPLOYEES) RULES AND FORMING PART OF THE
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2000.**

Sl. No.	Name, Age and Nature of Employment	Designation/ Nature of Duties	Gross Remuneration (in Rs.)	Qualification	Experience (in years)	Date of Commencement of Employment	Particulars of last employment
1.	Sri S. Radhakrishna (67) Contractual	Managing Director (Management of whole affairs of the Company)	19,63,657	M.A. (Chem)	40	01.06.1989	Managing Director M/s. Nageswara Rao Estates Pvt. Ltd.
2.	Sri P. Easwaradas (49) Non-Contractual	Executive Vice-President (OTC)	6,69,303	B. Com.	28	01.03.1996	Vice President (Marketing) G.M. Pens (Int.) Pvt. Ltd., Chennai.

- Note: a. Remuneration received includes salary, commission, taxable perquisites and company's contribution to Provident Fund and Superannuation Fund and does not include gratuity paid or provided.
- b. Nature of employment and terms and conditions of services in the case of Sri S. Radhakrishna are governed by Schedule XIII of the Companies Act, 1956.
- c. Sri S. Radhakrishna, Managing Director is related to Dr. Pasumarthi S.N. Murthi, Sri D. Seetharama Rao and Sri S. Sambhuprasad, Directors of the Company.