

AMRUTANJAN LIMITED



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64th ANNUAL REPORT

2000-2001

BOARD OF DIRECTORS	<p>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</p>
AUDITORS	<p>M/s. P.S. Subramania Iyer & Co. Chartered Accountants 109/2, St. Mary's Road (1st Floor) Chennai 600 018</p>
BANKERS	<p>State Bank of India The Dhanalakshmi Bank Limited Indian Overseas Bank</p>
REGISTERED OFFICE	<p>New No. 103 (Old No. 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</p>
FACTORIES AT	<p>Mylapore, Chennai Uppal, Hyderabad</p>
BRANCHES AT	<p>Bangalore, Mumbai, Kolkatta, Delhi, Ghaziabad, Hyderabad & Chennai</p>

SHAREHOLDERS' INFORMATION

Annual General Meeting - Date, Time & Venue	:	Thursday, the 20th September, 2001 at 11.00 a.m. Sathguru Gnanananda Hall (Narada Gana Sabha) New No.314 (Old No.254), T.T.K.Road, Chennai 600 018.
Dates of Book Closure	:	14.09.2001 to 20.09.2001 (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 2001-2002 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 New No.103 (Old 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 New No.103 (Old No.42-45), Luz Church Road, Mylapore, Chennai 600 004.
No. of Shareholders	:	6659
Market Price Data (2000-2001)	:	High: Rs.278.00 Low: Rs.120.00

Amrutanjan Limited

Regd. Office: New No.103 (Old No.42-45), Luz Church Road,
Mylapore, Chennai - 600 004.

NOTICE

NOTICE is hereby given that the Sixty Fourth Annual General Meeting of the members of Amrutanjan Limited will be held at Sathguru Gnanananda Hall (Narada Gana Sabha), New No.314 (Old No.254), T.T.K.Road, Chennai 600 018, on Thursday, the 20th September, 2001 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, 2001 and the Profit and Loss Account for the year ended 31st March, 2001, Reports of the Directors and Auditors thereon.
2. To declare and record dividend on shares.
3. To appoint a Director in the place of Sri R. Vijayaraghavan, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri K.M.Mathew, 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.
M/s. P.S. Subramania Iyer & Co., the retiring Auditors are eligible for re-appointment.

Special Business

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.
 - (a) RESOLVED that upon the recommendation of the Board of Directors and subject to the approval of Reserve Bank of India and other appropriate authorities where applicable, a sum of Rs.1,20,00,000/- (Rupees One crore twenty lakhs only) out of the sums standing to the credit of General Reserve be and the same is hereby capitalised and accordingly the Board of Directors be and are hereby authorised to appropriate the said sum for distribution to and amongst the members of the Company whose names appear in the Register of Members of Equity Shares as on such date to be hereafter fixed by the Board of Directors in proportion to the Equity Shares held by them respectively and to apply the said sum in paying up in full 12,00,000 Equity Shares of Rs.10/- each at par in proportion of three new shares for every four of the said existing equity shares then held by such members respectively on the basis that members become entitled to the new equity shares as capital and not as income.
 - (b) RESOLVED FURTHER THAT the new equity shares shall be allotted subject to the Memorandum and Articles of Association of the Company and shall in all respects rank pari passu with the existing fully paid-up equity shares of the Company, with a right, if the Board of Directors so determine, to participate in full in dividend to be declared after the date of allotment of these shares.
 - (c) RESOLVED FURTHER THAT no fractional certificate shall be issued to the members in respect of their respective fractional entitlement of bonus shares but all the fractions remaining after allotment of the bonus shares as aforesaid shall be consolidated into full bonus shares which shall be allotted at the discretion of the Board of Directors to any person or persons in trust for the benefit of those members who are entitled to fractional entitlements of bonus shares, for the purpose of selling such consolidated full bonus shares as soon as possible in the market and that the net sale proceeds of such consolidated full bonus shares after deducting therefrom the costs, charges and expenses of sale, shall be divided and distributed proportionately amongst those members who would be entitled to fractional entitlements of such full bonus shares.
 - (d) RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of the said bonus shares but the certificates in respect of the new equity shares to be allotted as fully paid bonus shares as aforesaid shall be completed and made ready for delivery within two months of the date of allotment thereof by the Board of Directors of the Company or within such extended time as may be allowed by appropriate authorities.

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(e) RESOLVED FURTHER THAT the issue and allotment of the said bonus shares and/or payment of any sum in cash in lieu of fractional shares as aforesaid to the extent they relate to the non-resident members of the Company, will be subject to the approval of the Reserve Bank of India, as may be necessary.

(f) RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and for removal of any doubts or difficulties, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, expedient, usual or proper and to settle any question or doubt that may arise in relation thereto or otherwise reconsider the matter with the changed circumstances, if any, as the Board of Directors in its absolute discretion may think fit and its decision shall be final and binding on all members and other interested persons.

(g) RESOLVED FURTHER THAT the present intention of the Board of Directors to recommend, barring unforeseen circumstances, and subject to the provisions or any regulatory measures of law precluding it, the rate of dividend to the members on the expanded equity capital of the Company in the financial year immediately after the bonus issue, shall not be less than 28% be and is hereby recorded.

RESOLVED that the Board of Directors be and is hereby authorised to take such steps as may be necessary or desirable to give effect to this resolution.

Chennai
9.8.2001

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 LATER THAN 48 HOURS BEFORE THE MEETING.
2. The explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item No.6, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 14th September, 2001 to 20th September, 2001 (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, 2001.
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.

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6. 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 dividend payment(s) are requested to make their claims to the Company.
7. All documents referred to in the notice and explanatory statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays and holidays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.6.

The Company has adequate amount to the credit of General Reserve Account and the present paid-up capital of the Company is Rs.1,60,00,000/- (Rupees One crore sixty lakhs only) divided into 16,00,000 equity shares of Rs.10/- each. In the circumstances, it is felt that it will be advantageous to the Company and the members if a portion of the General Reserve is capitalised. The Board of Directors recommended issue of bonus equity shares in the proportion of three equity shares for every four equity shares held. The said bonus shares shall rank pari passu with the existing equity shares except for dividend for the financial year 31st March, 2001 and barring unforeseen circumstances, the dividend on the enhanced capital would not be less than 28%, subject to the provisions of law.

The Board recommends the adoption of the resolution. None of the Directors of the Company is interested in the resolution except to the extent they would be entitled for bonus shares in relation of their holdings of equity shares.

The record date for issue of Bonus shares will be decided by the Directors and will be intimated by advertisement in newspapers.

Chennai
9.8.2001

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



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REPORT OF THE DIRECTORS TO THE MEMBERS

The Board of Directors of your Company have pleasure in presenting the Sixty Fourth Annual Report and Audited Accounts for the year ended 31st March, 2001.

01. FINANCIAL RESULTS	Year ended 31.3.2001 Rs.	Year ended 31.3.2000 Rs.
Profit before Interest and Depreciation	10,52,59,217	11,34,18,771
Less: Interest	86,92,260	1,48,19,283
Depreciation	1,17,92,393	78,24,102
	<u>2,04,84,653</u>	<u>2,26,43,385</u>
Profit after Interest and Depreciation	8,47,74,564	9,07,75,386
Prior year adjustments (Net)	(2,13,043)	3,25,444
	<u>8,45,61,521</u>	<u>9,11,00,830</u>
Provision for taxation	(2,20,00,000)	(2,75,00,000)
Provision for Income Tax of earlier year	(10,38,360)	(2,01,922)
Provision for Investments	-	(18,119)
	<u>6,15,23,161</u>	<u>6,33,80,789</u>
Add: Transfer from Debenture Redemption Reserve Account	75,00,000	-
Add: Transfer from Profit & Loss Account Surplus Opening Balance	3,25,00,258	3,00,51,469
Profit available for Appropriation	<u>10,15,23,419</u>	<u>9,34,32,258</u>
Appropriations:		
Debenture Redemption Reserve	-	25,00,000
General Reserve	5,75,00,000	5,00,00,000
Interim Dividend paid	32,00,000	32,00,000
Tax on Interim Dividend	7,23,200	3,52,000
Final Dividend - Proposed	56,00,000	40,00,000
Tax on Final Dividend	5,71,200	8,80,000
Balance Profit carried to Balance Sheet	<u>3,39,29,019</u>	<u>3,25,00,258</u>
	<u>10,15,23,419</u>	<u>9,34,32,258</u>

02. DIVIDEND AND ISSUE OF BONUS SHARES :

Considering the profits projected for 2000-2001, your Directors have declared a Tax-free Interim Dividend of 20% on the Equity Share Capital of Rs.1.60 crores and paid during the year. The Directors now recommend payment of a Tax-free Final Dividend of 35% for the year ended 31st March, 2001 on the Capital of Rs.1.60 crores.

Your Directors also recommend issue of Bonus Shares in the ratio of three bonus shares for every four equity shares held by capitalising the Reserves of the Company, subject to your approval and further approvals, if any.

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03. REVIEW OF OPERATIONS

During the year under review, the sales of the Company amounted to Rs.6541.96 lakhs including exports as against Rs.6389.14 lakhs in the previous year registering an increase of 2.4%. Profit after tax amounted to Rs.615.23 lakhs as against Rs.633.81 lakhs in the previous year. The Excise Duty was increased substantially during the year under review due to change in the rate. Additions to the extent of Rs.676.76 lakhs were made to the Fixed Assets during the year.

04. PROSPECTS

Your Directors wish to inform you that the turnover for the current financial year has shown a positive trend. Your Company has given thrust on increasing the product range through inhouse R&D set up exclusively for Herbal products. The new product Diakyur for Diabetes treatment was introduced during the current year and the response was good. R&D is actively engaged in development of nutraceuticals.

Further, your Company has also tied-up with customers in India and abroad for supply of various chemicals. In this connection, your Company has also set up a plant for production of various chemicals which was commissioned during March, 2001 and this facility would generate substantial turnover and profits in the current financial year.

Your Company has also given thrust on exports for both Herbal products and Chemicals and tied up marketing for supply of such products and chemicals. This would enable the Company to earn substantial foreign exchange and also increase the turnover and profits of the Company.

Further, your Company has also entered into Research on Bio-tech products and focus on proteins and in vaccines. This would help the Company to achieve growth in the coming years.

Your Company has continuously focused on effective cost management and has taken steps for facilities to produce outsourced products and materials.

Your Directors are confident that 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, 2001, total deposits from Public and Shareholders amounted to Rs.86.36 lakhs. The Company deposited a sum of Rs.23.30 lakhs in accordance with rule 3A of the Company's (Acceptance of Deposits) Rules, 1975. Your Company has not accepted any fresh or renewed deposits after September, 2000.

Out of the deposits which became due for repayment during the financial year, 21 deposits amounting to Rs.1,23,000/- remain unclaimed as on 31st March, 2001. Subsequently, the Company has repaid 8 deposits amounting to Rs.62,000/- and for the balance 13 deposits of Rs.61,000/- remaining unclaimed for which letters have been written to these depositors before and after the date of maturity asking them for instructions.

06. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your directors confirm as under:

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;

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- ii. that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
 - iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - iv. that the directors had prepared the annual accounts on a going concern basis.

07. DIRECTORS

Sri. R. Vijayaraghavan and Sri. K.M. Mathew retire by rotation and being eligible, offer themselves for re-appointment.

08. SUBSIDIARY COMPANIES

Amrutanjan Finance Limited could not do much business during the financial year under review due to unfavourable market conditions. With an idea of improving the business of the Company it has entered into the field of e-commerce and information technology related activities after obtaining approvals from the shareholders. Accordingly, it has set up IT enabled Service Center at NSIC Software Park, Chennai with the support of your Company and technical and marketing collaboration with a subsidiary of US Company. Necessary Government approvals have also been obtained. This would enable the Company to earn substantial income and profits in the current financial year as evident from the study on the IT enabled service sector conducted by reputed associations and agencies.

Amrutanjan Drugs and Chemicals Limited has worked out ways and means of bringing project in the current financial year.

Egattur Printing and Packaging Limited has improved its performance in the last financial year even though it has incurred losses. The Company has received substantial orders from various FMCG Companies during the current year and has also taken steps to bring down cost. This would help the Company to show good performance in the current financial year.

Your Company is having long term involvement in these Companies and have taken steps to improve the business of these companies.

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

09. 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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10. 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.

11. 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.

12. ACKNOWLEDGEMENT

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

Chennai
9.8.2001

S.V. Subramaniam
S. Sambhuprasad
D. Seetharama Rao
R. Vijayaraghavan
Directors

S. Radhakrishna
Managing Director

