



67th
Annual Report
2003-04



Amrutanjan Limited

BOARD OF DIRECTORS

Sri S. Radhakrishna (Managing Director)
Dr. Pasumarthi S.N. Murthi
Sri D. Seetharama Rao
Sri R. Vijayaraghavan
Sri S. Sambhuprasad
Dr. H.B.N. Shetty

SECRETARY

Sri. V. Krishnaswami

AUDITORS

M/s P.S. Subramania Iyer & Co.
Chartered Accountants
No. 103 (Old No. 57/2)
P.S. Sivasamy Salai
Mylapore, Chennai 600 004

BANKERS

Indian Overseas Bank
The Dhanalakshmi Bank Limited,
Citibank N.A.

REGISTERED OFFICE

No. 103 (Old No. 42-45), Luz Church Road
Mylapore, Chennai 600 004
Phones : 044-24994164/24994146/24994465/24994366
Fax : 044-24994585
E-Mail : amrutan@md2.vsnl.net.in

FACTORIES AT

Mylapore, Chennai
Uppal, Hyderabad
Egattur Village, Kancheepuram District (T.N.)

BRANCHES AT

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

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 Seventh Annual General Meeting of the members of the Company will be held at **Sir Pitty Theyagarayar Kalaiarangam, G.N.Chetty Road, (Near Hotel Rohini International), T.Nagar, Chennai 600 017, on Wednesday, the 25th August, 2004 at 2.00 p.m.** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2004 and the Profit and Loss Account for the year ended 31st March, 2004, together with the Reports of the Directors and Auditors thereon.
2. To record interim dividend already paid and to declare final dividend on equity shares for the year ended 31st March, 2004.
3. 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.
4. To appoint a Director in the place of Sri S. Sambhuprasad, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Special Business:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special 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, 317 and other applicable provisions, if any, of the Companies Act, 1956, read with the 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 term of three years commencing from 1st June, 2004 till the expiry of his term as Managing Director on 31st May, 2007".

"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, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with 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 three years commencing from 1st June, 2004."

- a. Salary: Rs. 60,000/- per month in the grade of Rs.60,000/- - 10,000/- - 80,000/-.
- b. Commission on Net Profits: Remuneration by way of commission @2% 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 of the Companies Act, 1956.
- c. Perquisites:

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 incurred by the company on hiring furnished accommodation for the appointee will be subject to the following ceiling.

A sum not exceeding Rs.50,000/- per month.

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.

- ii. Medical Reimbursement: The Company shall pay as per the Company's policy, the Medical Expenses incurred by the appointee for himself and his family.
- 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 of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- v. Personal Accident Insurance: Annual Premium as per the rules of the Company.
- vi. Mediclaim Insurance Schemes: The Appointee and his family shall be covered as per the rules of the Company.
- vii. Encashment of Leave: Full pay and allowances as per the rules of the Company but not exceeding one month leave for every twelve months of service.
- viii. Such other benefits in accordance with the schemes and rules applicable to the employees of the company from time to time.

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

Amrutanjan Limited

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, 1961.
2. Gratuity payable should not exceed half-a-month's salary for each completed year of service.
3. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY 'C'

Chauffeur driven, company maintained car for use on company's business and telephone at residence. The perquisites, wherever applicable shall be valued as per the Income-tax Act, 1961.

"RESOLVED FURTHER THAT 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 perquisite equivalent to the maximum permissible limit under Schedule XIII of the Companies Act, 1956 or any statutory modifications or re-enactments thereof."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that in supersession of the resolution passed at the Annual General Meeting of the Company held on 20th September, 1984, and pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing moneys from time to time, for the purposes of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be so borrowed by the Board of Directors shall not exceed at any time Rs.30,00,00,000/- (Rupees thirty crores) over and above the paid-up capital and free reserves of the Company".

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby empowered and authorised to arrange and fix the terms and conditions of the loans to be borrowed from time to time as to interest, repayment, security or otherwise, howsoever as they may deem fit".

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that the Articles of Association of the Company be altered by deleting article 90 and substituting the following Article in its place:"

90. "It shall not be necessary for a Director to hold any qualification shares."

By ORDER OF THE BOARD
For **AMRUTANJAN LIMITED**
V.Krishnaswami
Company Secretary

Chennai
30.06.2004

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) 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(2) of the Companies Act, 1956 in respect of the business set out under Item 6 to 8 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 13th August 2004 to 25th August 2004 (both days inclusive).
4. The Final Dividend, as recommended by the Board of Directors, if approved by the shareholders at the Annual General Meeting shall be paid to those members whose names appear on the Register of Members of the Company on 25th August, 2004. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on 12th August, 2004 as per the details furnished by the Depositories for this purpose.
5. Equity shares of the company have been placed under Compulsory Demat Trading. Members who have not dematerialised their physical holding in the company are advised to avail the facility of dematerialisation of equity shares of the company.
6. As per the regulations of National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) the Company is obliged to print the bank details on the dividend warrants as furnished by these depositories to the Company and the Company cannot entertain any request for deletion/change of bank details already printed on the dividend warrants as per information received from the concerned Depositories. In this regard members are advised to contact their Depository Participant (DP) and furnish the particulars of any changes desired by them.
7. Pursuant to the provisions of Section 205A of the Companies Act, 1956 the amount of dividend which remains unclaimed for a period of 7 years from the

Amrutanjan Limited

Particulars of Directors / Managing Director seeking re-appointment in the Annual General Meeting.

Name of Director	:	Dr. Pasumarthi S.N. Murthi
Date of Birth	:	11th August, 1934
Date of Appointment	:	5th August, 1989
Qualification	:	B.Sc., M.B.B.S. F.R.C.S (Edin.UK) FIMSA
Expertise in Specific Functional Area	:	Medical Practitioner
List of Companies in which outside Directorship held	:	Amrutanjan Finance Ltd.
Chairman/Member of the Committee of Board of Directors of other Companies	:	Amrutanjan Limited Share Transfer Committee

Name of Director	:	Sri S. Sambhuprasad
Date of Birth	:	10th June, 1974
Date of Appointment	:	22nd January, 1999
Qualification	:	B. Tech(USA), M.B.A. (USA)
Expertise in Specific Functional Area	:	Production Engineer and Business Development in USA
List of Companies in which outside Directorship held	:	--
Chairman/Member of the Committee of Board of Directors of other Companies	:	--

Name of Managing Director	:	Sri S. Radhakrishna
Date of Birth	:	12th August, 1933
Date of Appointment	:	15th September, 1954
Qualification	:	M.A. (Chemistry)
Expertise in Specific Functional Area	:	Industrialist
List of Companies in which outside Directorship held	:	Amrutanjan Finance Ltd Egattur Printing and Packaging Ltd.
Chairman/Member of the Committee of Board of Directors of other Companies	:	Amrutanjan Limited Share Transfer Committee

Chennai.
30.06.2004

BY ORDER OF THE BOARD
For AMRUTANJAN LIMITED,
 V. Krishnaswami
 Company Secretary

67th Annual Report

REPORT OF THE DIRECTORS TO THE MEMBERS

The Board of Directors of your Company have pleasure in presenting the Sixty Seventh Annual Report and Audited Accounts for the year ended 31st March, 2004.

01. FINANCIAL RESULTS

	Year ended 31.3.2004 Rs.	Year ended 31.3.2003 Rs.
Profit before Interest and Depreciation	11,05,44,713	8,39,16,973
Less: Interest	1,65,08,668	1,43,20,664
Depreciation	1,95,29,144	1,87,15,539
	3,60,37,812	3,30,36,203
Profit after Interest and Depreciation	7,45,06,901	5,08,80,770
Prior year adjustments (Net)	(4,90,695)	(7,43,022)
	7,40,16,206	5,01,37,748
Provision for taxation	(2,75,00,000)	(1,75,00,000)
Provision for Deferred Tax	35,83,058	66,160
Provision for Income Tax / Wealth Tax of earlier years	(40,79,877)	(19,14,536)
	4,60,19,387	3,07,89,372
Exceptional item-Provision for advances	(3,00,00,000)	-
Add: Transfer from Profit & Loss Account		
- Surplus Opening Balance	1,77,75,825	3,07,30,947
	3,37,95,212	6,15,20,319
Profit available for Appropriation		
Appropriations:		
Contingency Reserve	-	3,00,00,000
General Reserve	50,00,000	34,47,494
Interim Dividend	41,60,000	41,60,000
Tax on Interim Dividend	5,33,000	-
Final Dividend - Proposed	64,00,000	54,40,000
Tax on Proposed Final Dividend	8,20,000	6,97,000
Balance Profit carried to Balance Sheet	1,68,82,212	1,77,75,825
	3,37,95,212	6,15,20,319

02. DIVIDEND

Considering the profits projected for 2003-2004, your Directors have declared and paid an interim dividend of 13% on the equity share capital of Rs.3.20 crores amounting to Rs.41.60 lakhs during the year. The Directors now recommend payment of a final dividend of 20% for the year ended 31st March, 2004 amounting to Rs.64.00 lakhs. The dividend tax borne by the company for the final dividend amounts to Rs.8.20 lakhs.

03. REVIEW OF OPERATIONS

During the year under review, the sales of the company amounted to Rs. 7694.08 lakhs as against Rs. 7774.74 lakhs in the previous year.

Profit before interest and depreciation amounted to Rs.1105.45 lakhs as against Rs.839.17 lakhs in the previous year. There was an increase of interest cost amounting to Rs.165.09 lakhs (Rs.143.21 lakhs) due to increase of working capital requirements.

Addition to the extent of Rs.137.35 lakhs were made to the fixed assets during the year.

Amrutanjan Limited

04. FIXED DEPOSITS

Your Company has not accepted any deposits nor renewed deposits since September, 2000. However, as at 31st March, 2004 the Company has Unclaimed deposits of Rs.67,000/- due to six depositors

05. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year the company has transferred a sum of Rs.6,000/- to Investor Education and Protection Fund being the deposits and interest thereon unclaimed for a period of 7 years, pursuant to Section 205C of the Companies Act, 1956.

An amount of Rs.43,094/- being the unclaimed dividend pertaining to the financial year 1995-96 was also transferred to this Fund during the year.

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 along with proper explanation relating to material departures;
- 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 as at 31st March, 2004 and of the profits of the Company for the year ended on that date;
- 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

Dr. Pasumarthi S.N. Murthi and Sri S. Sambhuprasad retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Sri S. Radhakrishna's appointment as Managing Director for a period of five years expired on 31st May, 2004. The Board of the Directors of the Company, at its meeting held on 31st January, 2004, subject to the approval of the shareholders of the Company, re-appointed him as Managing Director of the Company for a further period of three years with effect from 1st June, 2004. His

remuneration has been approved by the Remuneration Committee. Your approval is sought for his re-appointment & payment of remuneration to him by way of a special resolution vide resolution No.6 of the accompanying notice.

08. CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of the Corporate Governance as prescribed in the listing agreement with the stock exchange. A separate Report on Corporate Governance compliance and Management Discussion and Analysis as required are included as a part of Annual Report.

09. SUBSIDIARY COMPANIES

a) During the year under review M/s. Egattur Printing and Packaging Ltd., have achieved a turnover Rs.2.22 crores. However, inspite of laudable objectives, it could not make a headway in business and the commercial operations were suspended on 5th March, 2004. The accumulated losses amounted Rs.453 lakhs for the year ended 31st March, 2004.

b) The turnover of Swas Health Products Ltd. was Rs.1.48 crores during the year under review, showing a growth of 11%. For the year 2004-2005 the Company proposes to launch new products and improve the turnover and profitability.

c) Amrutanjan Finance Ltd., has stopped engaging itself in NBFC related business. At the request of the Company, the Reserve Bank of India has cancelled its Registration as NBFC. Steps are now being taken to collect the receivables. As a cost saving measure the strength of the employees has been brought down considerably.

The International Call Centre, a division of this Company is improving its business. Steps are being taken to earn a steady income to meet the monthly recurring expenses. More number of seats are being planned to be let on dry lease basis to improve the business.

As required under the provisions of Section 212 of the Companies Act, 1956, the audited accounts together with Directors' Report and Auditors' Report of the Subsidiary Companies are appended and form part of the Annual Report. The Statement pursuant to Section 212 of the Companies Act, 1956 is attached and forms part of this report.

10. CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the Accounting Standard-21 on Consolidated Financial Statements, this Annual Report includes the Consolidated Financial Statements for the financial year 2003-04.

**11. 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.

12. PARTICULARS OF EMPLOYEES

No employee is in receipt of remuneration exceeding the limits as prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

13. 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.

14. ACKNOWLEDGEMENT

Your Directors place on record their thanks to Indian Overseas Bank, The Dhanalakshmi Bank Limited, Citi Bank N.A., IDBI Bank Ltd., BNP Paribas, Punjab National Bank and the various Departments of State and Central Government, the Employees and the Shareholders for their valuable assistance, support and co-operation to the Company.

FOR AND ON BEHALF OF THE BOARD

Chennai
30.06.2004

S. Radhakrishna
Chairman & Managing Director



Amrutanjan Limited

ANNEXURE FORMING PART OF 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 31.3.2004 (Current Year)		Year ended 31.3.2003 (Previous Year)	
	OTC	FINE CHEMICALS	OTC	FINE CHEMICALS
1. Electricity:				
a) Purchased:				
Units	4,95,381	13,39,200	5,13,229	12,55,736
Total Amount	Rs.26,78,859	61,53,755	Rs. 27,73,564	58,95,506
Rate/Unit	5.41	4.60	Rs.5.40	4.69
b) Own Generation:				
(i) Through Diesel Generator:				
Units	32,116	2,22,936	50,286	2,30,148
Units per litre of Diesel	4.45	3.51	3.84	3.97
Cost/Unit	Rs.5.51	6.19	Rs.5.02	5.87
(ii) Through Steam Generator:				
Units	16,380	-	17,442	-
Cost/Unit	Rs.8.80	-	Rs.8.07	-
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 31.3.2004 Rs.	Year ended 31.3.2003 Rs.
Electricity:			
Amrutanjan Pain Balm	(9 Gms)	1.29	1.22
Fine Chemicals	(1 Ton).	1,56,960	90,700
Furnace Oil, Coal and Others	-	-	-

Amrutanjan Limited

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	Year ended 31.3.2004 (Current Year)		Year ended 31.3.2003 (Previous Year)	
	OTC	FINE CHEMICALS	OTC	FINE CHEMICALS
1. Electricity:				
a) Purchased:				
Units	4,95,381	13,39,200	5,13,229	12,55,736
Total Amount	Rs.26,78,859	61,53,755	Rs. 27,73,564	58,95,506
Rate/Unit	5.41	4.60	Rs.5.40	4.69
b) Own Generation:				
(i) Through Diesel Generator:				
Units	32,116	2,22,936	50,286	2,30,148
Units per litre of Diesel	4.45	3.51	3.84	3.97
Cost/Unit	Rs.5.51	6.19	Rs.5.02	5.87
(ii) Through Steam Generator:				
Units	16,380	-	17,442	-
Cost/Unit	Rs.8.80	-	Rs.8.07	-
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 31.3.2004 Rs.	Year ended 31.3.2003 Rs.
Electricity:			
Amrutanjan Pain Balm	(9 Gms)	1.29	1.22
Fine Chemicals	(1 Ton).	1,56,960	90,700
Furnace Oil, Coal and Others	-	-	-