



68th  
Annual Report  
2004-05



Amrutanjan Limited

<b>BOARD OF DIRECTORS</b>	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 Sri N.V. Nelliappan
<b>AUDITORS</b>	M/s. P.S. Subramania Iyer & Co Chartered Accountants No. 103 (Old No. 57/2) P.S. Sivasamy Salai Mylapore, Chennai 600 004
<b>BANKERS</b>	Indian Overseas Bank Citibank N.A. The Dhanalakshmi Bank Limited Punjab National Bank The Hongkong & Shanghai Banking Corporation Limited IDBI Limited
<b>REGISTERED OFFICE</b>	No. 103 (Old No. 42-45), Luz Church Road Mylapore, Chennai 600 004 Phones : 044-24994164/24994146/24994465/24994366 Fax : 044-24994585 E-mail : <a href="mailto:amrutan@md2.vsnl.net.in">amrutan@md2.vsnl.net.in</a> Website : <a href="http://www.amrutanjan.com">www.amrutanjan.com</a>
<b>FACTORIES AT</b>	Mylapore, Chennai Uppal, Hyderabad Egattur Village, Kancheepuram District (T.N.)
<b>BRANCHES AT</b>	Bangalore, Mumbai, Kolkata, Delhi, Ghaziabad, Hyderabad & Chennai

## Amrutanjan Limited

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

### NOTICE

NOTICE is hereby given that the Sixty Eighth Annual General Meeting of the members of Amrutanjan Limited will be held on Wednesday, the 10th August, 2005 at Rani Seethai Hall, No. 603, Anna Salai, Chennai 600 006, 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, 2005, the Profit and Loss Account for the year ended 31st March, 2005 and the Report 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, 2005.
3. To appoint a Director in the place of Sri D. Seetharama Rao who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Sri R. Vijayaraghavan, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

#### Special Business:

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

"RESOLVED THAT Sri N.V. Nelliappan be and is hereby appointed as a Director whose period of office shall be liable to retirement by rotation."

**FOR AND ON BEHALF OF THE BOARD  
For AMRUTANJAN LIMITED**

**Dr. H.B.N. Shetty**  
Director

Chennai  
24.06.2005

#### 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 No. 6 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 2nd August, 2005 to 10th August, 2005 (both days inclusive).

4. Equity shares of the company have been placed under Compulsory Demat mode of Trading. Members who have not dematerialised their physical holdings in the company are advised to avail the facility of dematerialisation of equity shares of the company.
5. 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.
6. 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 date of declaration would be transferred to the "Investor Education and Protection Fund" (IEPF) constituted by the Central Government and the shareholders would not be able to make any claims as to the amount of dividend so transferred to the Fund. Accordingly, during the financial year 2004-05 the Company has transferred the unclaimed amount pertaining to Dividend for the financial year 1996-97 of Rs.61,260/- to IEPF. Members who have not yet encashed their dividend warrants from the financial year 1997-98 onwards are requested to make their claims to the Company immediately.
7. Members are requested to bring their copy of the Annual Report to the Meeting.

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

#### Item No. 6

Sri N.V. Nelliappan was co-opted as an Additional Director of the Company at its Board Meeting held on 24th June, 2005. He holds office of Director upto the date of the ensuing Annual General Meeting. Sri N.V. Nelliappan, aged 68 years, is a Chartered Accountant. His rich and varied experience will be of immense benefit to the Company.

The Company has received a notice from a member of the Company along with the requisite deposit, under Section 257 of the Companies Act, 1956 proposing the candidature of Sri N.V. Nelliappan as a Director of the Company. Sri N.V. Nelliappan would serve the Board of the Company as an Independent Director. The Board of Directors recommend for your approval the appointment of Sri N.V. Nelliappan as a Director of the Company liable to retire by rotation.

None of the Directors, except Sri N.V. Nelliappan is concerned or interested in the aforesaid resolution.

## Amrutanjan Limited

### Particulars of Directors seeking re-appointment in the Annual General Meeting

Name of the Director	: Sri D. Seetharama Rao
Date of Birth	: 20.04.1932
Date of Appointment	: 27.06.1991
Qualification	: B.E. (Elect)
Expertise in Specific Functional Area	: Retired Electrical Engineer
List of Companies in which outside Directorships held	: —
Chairman/Member of the Committee of the Board of Directors of other Companies	: —

Name of the Director	: Sri R. Vijayaraghavan
Date of Birth	: 02.01.1950
Date of Appointment	: 24.01.1998
Qualification	: M.Sc., M.B.A., B.L.
Expertise in Specific Functional Area	: Specialization in Law (Income Tax)
List of Companies in which outside Directorships held	: Redington (India) Ltd. Neyveli Lignite Corporation Ltd. Sanco Trans Ltd. Shree Ambika Sugars Ltd. Thiru Arooran Sugars Ltd. Terra Energy Ltd. India Nippon Electricals Ltd. Sri Nachamai Cotton Mills Ltd. Strategic Management & Marketing Consultancy Services Ltd. Prime Technology Resources Management Ltd.

Chairman/Member of the Committee of the Board of Directors of other Companies	: Redington (India) Ltd. • Audit Committee Neyveli Lignite Corporation Ltd. • Shareholders Grievance Committee (Chairman) Sanco Trans Ltd. • Audit Committee (Chairman) Shree Ambika Sugars Ltd. • Audit Committee • Remuneration Committee Thiru Arooran Sugars Ltd. • Audit Committee (Chairman) • Remuneration Committee (Chairman) • Investor Grievances Committee Terra Energy Ltd. • Audit Committee
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Name of the Director	: Sri N.V. Nelliappan
Date of Birth	: 08.11.1937
Date of Appointment	: 24.06.2005
Qualification	: Chartered Accountant
Expertise in Specific Functional Area	: Income Tax
List of Companies in which outside Directorships held	: —
Chairman/Member of the Committee of the Board of Directors of other Companies	: —

**FOR AND ON BEHALF OF THE BOARD**  
**For AMRUTANJAN LIMITED**  
**Dr. H.B.N. Shetty**  
 Director

Chennai  
 24.06.2005

## 68th Annual Report

## REPORT OF THE DIRECTORS' TO THE MEMBERS

The Board of Directors of your Company have pleasure in presenting the Sixty Eighth Annual Report and Audited Accounts for the year ended 31st March, 2005.

## 01. FINANCIAL RESULTS

	Year ended 31.3.2005 Rs.	Year ended 31.3.2004 Rs.
Profit before Interest and Depreciation	12,65,55,468	11,05,44,713
Less: Interest	1,74,45,162	1,65,08,668
Depreciation	2,00,65,500	1,95,29,144
	<u>3,75,10,662</u>	<u>3,60,37,812</u>
Profit after Interest and Depreciation	8,90,44,806	7,45,06,901
Prior year adjustments (Net)	2,08,003	(4,90,695)
	<u>8,92,52,809</u>	<u>7,40,16,206</u>
Provision for taxation	(3,25,00,000)	(2,75,00,000)
Provision for Deferred Tax	46,24,990	35,83,058
Provision for Income Tax / Wealth Tax of earlier years	(10,57,867)	(40,79,877)
	<u>6,03,19,932</u>	<u>4,60,19,387</u>
Exceptional item		
- Provision for advances	(2,75,00,000)	(3,00,00,000)
- Provision for diminution in value of Investments	(99,88,000)	-
Add: Transfer from Profit & Loss Account		
- Surplus Opening Balance	1,68,82,212	1,77,75,825
Profit available for Appropriation	<u>3,97,14,144</u>	<u>3,37,95,212</u>
Appropriations:		
General Reserve	1,00,00,000	50,00,000
Interim Dividend	41,60,000	41,60,000
Tax on Interim Dividend	5,43,660	5,33,000
Final Dividend - Proposed	70,40,000	64,00,000
Tax on Proposed Final Dividend	9,87,360	8,20,000
Balance Profit carried to Balance Sheet	<u>1,69,83,124</u>	<u>1,68,82,212</u>
	<u>3,97,14,144</u>	<u>3,37,95,212</u>

## 02. DIVIDEND

Considering the profits projected for 2004-2005, 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 22% for the year ended 31st March, 2005 amounting to Rs.70.40 lakhs. The dividend tax to be borne by the company for the final dividend amounts to Rs.9.87 lakhs.

## 03. REVIEW OF OPERATIONS

During the year under review, the sales of the company amounted to Rs. 7,591.83 lakhs as against Rs.7,694.08 lakhs in the previous year.

Profit before interest and depreciation amounted to Rs.1,265.55 lakhs as against Rs.1,105.45 lakhs in the previous year. During the year under review, the profitability has increased due to stringent control over costs.

Additions to the extent of Rs. 107.04 lakhs were made to the fixed assets during the year.

## 04. FIXED DEPOSITS

Your company has not accepted any deposits nor renewed deposits since September, 2000. However, as at 31st March, 2005, the Company has Unclaimed Deposits of Rs.19,000/- due to three depositors.

## Amrutanjan Limited

### 05. 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, 2005 and of the profit 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, 1956 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.

### 06. DIRECTORS

Sri D. Seetharama Rao and Sri R. Vijayaraghavan retire by rotation and being eligible offer themselves for re-appointment.

Sri N.V. Nelliappan who has been co-opted as an Additional Director with effect from 24th June, 2005 holds office up to the date of the ensuing Annual General Meeting. Considering his rich and varied experience, the directors recommend his appointment as a regular director on the Board.

### 07. 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 and Management Discussion and Analysis as required is included in the Annual Report.

### 08. SUBSIDIARY COMPANIES

#### Amrutanjan Infotech & Enterprises Limited

The Company has improved its performance during the year ended 31st March, 2005 as the income

from call center business increased from Rs.50.91 lakhs to Rs.85.02 lakhs. Further, the operating expenses of the Company viz., staff cost, communication expenses, Interest cost, were significantly reduced. While the current year losses were brought down by Rs.238.98 lakhs, the net loss of Rs.194.27 lakhs for the year was mainly due to depreciation of Rs.96.25 lakhs and bad debts / NPA provisions of Rs.63.49 lakhs. The loss excluding depreciation and bad debts / NPA provisions for the year was Rs.34.53 lakhs as against Rs.344.25 lakhs in the previous year. Hence, the overall performance for the year ended 31st March, 2005 has improved and provides a positive outlook for the Company in future.

#### Swas Health Products Limited

During the year ended 31st March, 2005, the gross sales stood at Rs.138.41 lakhs as against Rs.147.95 lakhs in the previous year and the Net Profit was Rs.4.05 lakhs. The decline in sales is attributed to increased competition, the high cost of operation due to more fuel consumption and non-utilisation of capacity to the optimum extent. Increase in turnover will make the operations more viable, which will result in reduction in cost of production and increase in profits. The Company expects to improve its performance in future.

#### Egattur Printing and Packing Limited

During the year ended 31st March, 2005, no commercial operations were carried out by the Company and most of the assets of the Company have been disposed of. A provision has been made in the books of the holding Company to the tune of Rs.275 lakhs during the year for the advances given to the Company and an amount of Rs.7,50,504/- is retained pending disposal of few other assets. Consequently, a provision for diminution in the value of investments has also been provided in full.

The Statement pursuant to Section 212 of the Companies Act, 1956 containing details of the Company's Subsidiaries is attached.

The Company made an application to the Central Government seeking exemption from attaching the accounts, etc., of its subsidiary companies with the Balance Sheet of the holding company. The Central Government has granted approval exempting the Company from attaching the accounts of the subsidiary companies with the Balance Sheet of the Holding Company. **However, these documents will be submitted on request to any member wishing to have a copy, on receipt of such request by the Company at its Registered Office.**

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### 09. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 prescribed by The Institute of Chartered Accountants of India, form part of the Annual Report and Accounts for the financial year 2004-05.

### 10. 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.

### 11. PARTICULARS OF EMPLOYEES

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.

### 12. 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.

### 13. ACKNOWLEDGEMENT

Your Directors place on record their thanks to Indian Overseas Bank, Citibank N.A., The Dhanalakshmi Bank Limited, Punjab National Bank, The Hongkong & Shanghai Banking Corporation Limited and IDBI Limited the concerned Departments of State and Central Governments, Employees, the Union and Shareholders for their valuable assistance, support and co-operation to the company.

Chennai  
24.06.2005

**S. Radhakrishna**  
Managing Director

**Dr. H.B.N. Shetty**  
**Dr. Pasumarthi S.N. Murthi**  
**D. Seetharama Rao**  
**R. Vijayaraghavan**  
**N.V. Nelliappan**  
Directors

# 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 31.3.2005 (Current Year)		Year ended 31.3.2004 (Previous Year)	
	OTC	FINE CHEMICALS	OTC	FINE CHEMICALS
1. Electricity:				
a) Purchased:				
Units	4,86,712	10,16,272	4,95,381	13,39,200
Total Amount (Rs.)	26,45,394	48,82,007	26,78,859	61,53,755
Rate/Unit (Rs.)	5.44	4.80	5.41	4.60
b) Own Generation:				
(i) Through Diesel Generator:				
Units	53,176	1,02,228	32,116	2,22,936
Units per litre of Diesel	4.40	3.41	4.45	3.51
Cost/Unit (Rs.)	6.63	7.68	5.51	6.19
(ii) Through Steam Generator:				
Units	13,158	-	16,380	-
Cost/Unit (Rs.)	11.36	-	8.80	-
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)	Standards (if any)	Year ended 31.03.2005	Year ended 31.03.2004
Unit		Rs.	Rs.
Electricity:			
Amrutanjan Pain Balm	(9 Gms)	1.15	1.29
Fine Chemicals	(1 Ton)	1,61,346	1,56,960
Furnace Oil, Coal and Others	-	-	-



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**ANNEXURE FORMING PART OF 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****Chemical Research**

- a. Process Research
- b. Customized Products
- c. Introduction of new Products

**Herbal Research**

- a. Development of Herbal Formulations in different dosage forms such as tablets, capsules, liquid orals, ointments, creams, gels, etc.
- b. Studies on stability, Pharmacological properties and toxicology of Herbal Formulations.
- c. Clinical validation of the research products using approved external agencies and hospitals before commercialization.
- d. Development and transfer of technology of Herbal Products to manufacturing.

**Bio-technology Research**

- a. Cloning and Expression of Human Recombinant Therapeutic Proteins.
- b. Development of kits for use in 'Molecular Biology' Practicals.

**2. BENEFITS OF R&D****Chemical Research**

- a. Process Support
- b. Raw Material Cost Reduction
- c. Interaction with customers for Process and Quality related issues.

**Herbal Research**

- a. Existing technology improvement for cost effectiveness to cope up with the increasing competition in the market place.
- b. New range of products in different therapeutic categories to achieve higher turnover and to reduce dependence on pain balm.
- c. Improving export business with development of customer specific OTC Herbal Products.

**Bio-technology Research**

- a. Develop products through indigenous technology that would decrease the production costs.
- b. Utilise the technology to make other products.
- c. These activities will position the Company to cope-up with Patent Restrictions.

**3. PLANNING FOR THE FUTURE****Chemical Research**

- a. Collaborative Research
- b. Contract Research
- c. Development of less polluting technology.

**Herbal Research**

- a. Putting in place a cGMP Compliant Plant along with a state of the art Research Centre.
- b. Instrumentation facilities to augment research work with Standards Development.
- c. Diversifying into the OTC Allopathic segment of pharmaceuticals.

## Amrutanjan Limited

### Bio-technology Research

- a. Express important Therapeutic Proteins on demand.
- b. Express Therapeutic Proteins in GMP facility at pilot scale level for commercialization.
- c. Development of vaccine in Cattle (Upon funding from Dept of Biotechnology, New Delhi)
- d. To open up custom contract work upon completion of the new facility.

#### 4. EXPENDITURE ON R&D (Rs. in lakhs)

Capital	4.78
Recurring	105.79
Total	<u>110.57</u>

Total R&D expenditure as a percentage of total turnover 1.46%

#### 5. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

##### Chemical Research

- a. Continuous innovative efforts are made in the lab to surpass all expectations.
- b. Lab processes are judiciously adjusted and monitored during the trial production in the plant to ensure that the lab process is adoptable and adaptable for commercial production.

##### Herbal Research

Scaling up to lab scale technology to plant scale through pilot plant trials is undertaken on a regular basis. Products like Dr.Sugam granules (Anti-cold & anti-flu) and Diakyur SF cough formula (Sugar free cough syrup for diabetic patients) are brought to manufacturing level in the above manner. New innovative products in the area of Nutraceuticals and Cosmeceuticals for Health Care Business are being developed and introduced in the market.

### Bio-technology Research

- a. Indigenous technology development for Recombinant Proteins is close to completion.
- b. Kit for 'Molecular Biology' Practical has been developed and this is to be commercialized.

## II. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lakhs)

Total foreign exchange earnings	371.53
Total foreign exchange outgo	147.63