

AMRUTANJAN

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BOARD OF DIRECTORS	Mr. S.Sambhu Prasad, Managing Director Dr. Pasumarthi S.N. Murthi Mr. D. Seetharama Rao Mr. R. Vijayaraghavan Dr. H.B.N. Shetty Mr. N.V. Nelliappan
COMPANY SECRETARY	Mr. N.S.Mohan
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 Punjab National Bank HDFC Bank Limited IDBI Bank Limited
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 : investors@amrutanjan.com Website : www.amrutanjan.com
FACTORIES AT	Mylapore, Chennai Uppal, Hyderabad Alathur Village, Kancheepuram District (T.N.)
BRANCHES AT	Bangalore, Mumbai, Kolkata, Delhi, Hyderabad & Chennai
REGISTRARS & SHARE TRANSFER AGENTS	Cameo Corporate Services Ltd. "Subramaniam Building" No.1, Club House Road, Chennai 600 002 Telephone : 044-28460390 Fax : 044-28460129 E-mail : cameosys@cameoindia.com

Amrutanjan Health Care Limited

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

Annual Report 2007 - 08

NOTICE

NOTICE is hereby given that the Seventy First Annual General Meeting of the members of Amrutanjan Health Care Limited will be held on Thursday, the 18th day of September, 2008 at Rani Seethai Hall, No.603, Anna Salai, Chennai 600 006, at 10.30 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008, the Profit and Loss Account for the year ended 31st March, 2008, and 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, 2008.
3. To appoint a Director in the place of Mr. D. Seetharama Rao, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Dr. H.B.N. Shetty, 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 a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, consents, sanctions and permissions of appropriate authorities as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors of the Company to acquire by way of subscription, purchase or otherwise the securities of any other body corporate up to a limit not exceeding Rs.100 crores (Rupees Hundred Crores only) notwithstanding that such investment together with the company's existing investment in all other bodies corporate and the company's existing loan to all other bodies corporate, shall be in excess of the limits prescribed under section 372A of the Companies Act, 1956 and the Board of Directors of the company be and is hereby authorised to determine the actual sum to be so invested and all matters arising out of or incidental to the proposed investment and to do all such acts, deeds and things as may be necessary to implement this resolution".

FOR AND ON BEHALF OF THE BOARD
For AMRUTANJAN HEALTH CARE LIMITED,

Hyderabad
30.06.2008

Dr. H.B.N. Shetty
Director

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 10th September, 2008 to 18th September, 2008 (both days inclusive).
4. The final dividend on the Equity Shares as recommended by the Board will be paid on approval of the members of the Company to the eligible equity shareholders whose names appear in the Register of Members of the Company as on 18th September, 2008 and to the eligible beneficial owners whose names appear in the list provided by the Depositories, National Securities Depository Limited and Central Depository Services (India) Limited as on the closing hours of 9th September, 2008.
5. Equity shares of the Company have been placed under Compulsory Demat mode of Trading. Members who have not yet dematerialized their physical holdings in the company are advised to avail the facility of dematerialization of equity shares of the company.
6. As per the regulations of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the company is obliged to print the Bank account 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 account 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. Members are advised to avail the facility of Electronic Clearing Service (ECS) for receipt of dividends. The ECS facility is available at the specified locations and covers all major cities. Members are requested to contact their respective Depository Participants (DPs) for availing F facility. Members holding shares in ph form and desirous of availing ECS fac'

Amrutanjan Health Care Limited

requested to complete the ECS Mandate Form given at the end of this Annual report and forward the same to the Company's Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Limited.

8. 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 2007-08 the Company has transferred the unclaimed amount pertaining to Dividend for the financial year 1999-2000 & Interim Dividend for 2000-2001 amounting to Rs.1,72,714.50 to IEPF. Members who have not yet encashed their final dividend warrants from the financial year 2000-2001 onwards are requested to make their claims to the Company immediately.
9. Details under Clause 49 of the Listing Agreement entered into with Madras Stock Exchange Limited in respect of Directors seeking re-appointment at the Annual General Meeting are given in a separate sheet annexed hereto.
10. 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

The company will have surplus funds by sale of the land and buildings situated at Egattur, Chinglepet Taluk, Kancheepuram District.

The Company is proposing to utilise the said surplus funds together with the internal accruals by acquiring by way of subscription, purchase or otherwise the securities of any body corporate up to Rs.100 crores (Rupees Hundred Crores only). In view of this, the Board of Directors must be authorized by a special resolution of the company in General Meeting to acquire by way of subscription, purchase or otherwise the securities of any other body corporate up to Rs.100 crores (Rupees Hundred Crores only).

Since the limit prescribed under section 372A of the Companies Act, 1956 is likely to be exceeded as a result of the proposed investment, this special resolution is commended for approval of the members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Details of Directors seeking re-appointment in Annual General Meeting

Name of Director	Mr. D. Seetharama Rao	Dr. H.B.N. Shetty
Date of Birth	20.04.1932	11.04.1932
Date of Appointment	27.06.1991	31.07.2003
Qualification	B.E (Elect.)	M.A. (Chemistry), M.L., Ph.D.
Expertise in Specific Functional Area	Electrical Engineer (Retd)	I.A.S Officer (Retd)
List of Companies in which outside Directorship held	-	<ul style="list-style-type: none"> ▪ Data Quest Infotech and Enterprises Ltd ▪ Egattur Printing and Packaging Ltd ▪ Swas Health Products Ltd
Chairman/Member of the Committees of Board of Directors of other Companies	-	-
Shareholding	48240 Equity Shares of the Company	250 Equity Shares of the Company
Relationship with other Directors	Not related to any directors in the manner indicated in Schedule IA of the Companies Act, 1956.	Not related to any directors.

Hyderabad
30.06.2008

FOR AND ON BEHALF OF THE BOARD
For AMRUTANJAN HEALTH CARE LIMITED,

Dr. H.B.N. Shetty
Director

REPORT OF THE DIRECTORS' TO THE MEMBERS

Your Directors have pleasure in presenting their Seventy First Annual Report and Audited Accounts of the Company for the year ended 31st March, 2008.

1. FINANCIAL RESULTS

	Year ended 31.3.2008 Rs.	Year ended 31.3.2007 Rs.
Profit before Interest and Depreciation	12,19,08,907	16,39,83,943
Less: Interest	74,72,185	54,05,433
Depreciation	1,46,63,094	1,52,12,579
	<u>2,21,35,279</u>	<u>2,06,18,012</u>
Profit before extraordinary items	9,97,73,628	14,33,65,931
Less: Loss on Destruction of assets	-	(7,91,387)
Prior year adjustments (Net)	(3,36,662)	2,10,441
Profit for the year before tax	9,94,36,966	14,27,84,985
Provision for taxation		
- Income Tax	(1,45,00,000)	(4,80,00,000)
- Fringe Benefit Tax	(25,00,000)	(14,00,000)
- Deferred Tax	(1,94,77,090)	17,44,124
Short Provision for Income Tax of earlier years	(3,49,027)	(24,36,103)
Profit after tax before exceptional items	6,26,10,849	9,26,93,006
Provision for advances	(1,27,15,724)	(13,00,197)
Provision for diminution in value of Investments	-	(3,22,53,828)
Profit after tax after exceptional items	4,98,95,125	5,91,38,981
Add: Transfer from Profit & Loss Account		
- Surplus from previous year brought forward	2,99,15,921	1,28,59,820
Profit for Appropriation	<u>7,98,11,046</u>	<u>7,19,98,801</u>
Appropriations:		
General Reserve	2,00,00,000	2,00,00,000
Interim Dividend Paid	1,28,00,000	1,28,00,000
Tax on Interim Dividend	21,75,360	17,95,200
Final Dividend - Proposed	96,00,000	64,00,000
Tax on Proposed Final Dividend	16,31,520	10,87,680
Balance Profit carried to Balance Sheet	<u>3,36,04,166</u>	<u>2,99,15,921</u>
	<u>7,98,11,046</u>	<u>7,19,98,801</u>

2. DIVIDEND

Considering the profits projected for 2007-2008, your directors have declared and paid an interim dividend of 40% on the equity share capital of Rs.3.20 crores amounting to Rs.128.00 lakhs during the year. Your directors have pleasure in recommending a final dividend of 30% for the year ended 31st March, 2008 amounting to Rs.96 lakhs. The Company will bear the dividend distribution tax of Rs.16.32 lakhs.

3. REVIEW OF PERFORMANCE

During the year under review, the net sales of the company amounted to Rs.7454.91 lakhs as against Rs.7238.76 lakhs in the previous year. Profit before interest and depreciation amounted to Rs.1219.09 lakhs as against Rs.1639.84 lakhs in the previous year.

Amrutanjan Health Care Limited

4. CHANGE OF NAME OF THE COMPANY

During the year under review, your company has received approval from the Central Government viz., the Registrar of Companies, Chennai for change in the name of the company from "Amrutanjan Limited" to "Amrutanjan Health Care Limited".

5. FIXED DEPOSITS

Your company has not accepted any deposits nor renewed deposits since September, 2000.

6. DIRECTORS

Mr. D. Seetharama Rao and Dr. H.B.N. Shetty retire by rotation and being eligible, offer themselves for re-appointment.

7. 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 judgments 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, 2008 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.

8. CORPORATE GOVERNANCE

The company has complied with the mandatory provisions of the Corporate Governance as prescribed in the listing agreement entered into with Madras Stock Exchange Limited. Separate reports on Corporate Governance and Management Discussion and Analysis as required are attached and are forming part of this Annual Report.

9. SUBSIDIARY COMPANIES

Data Quest Infotech & Enterprises Limited

The Company has suspended its Call Centre operations. As much needs to be done to revitalize the operations of the Company, overall performance can be improved over a period of time.

Amrutanjan Drugs and Chemicals Limited

During the year under review, the Company had not undertaken any commercial operations. Various options are being considered.

Egattur Printing and Packaging Limited

There was no commercial operation during the year under review. Viable options are being considered.

Swas Health Products Limited

The company did not pursue with commercial operations during the year under review. Various other options, are being considered.

Holistic Beauty Care Limited

With main focus on Pain Management and to leverage its competency by offering services in pain management and other related areas, your Company promoted, M/s. Holistic Beauty Care Limited with an Authorised Share Capital of Rs.1.00 crore. The first Pain Relief and Wellness Spa, Osmosy's was opened during November, 2007 at Kotturpuram, Chennai. The services offered include Pain Relief for migraine and Tension headaches; Restylane injections for wrinkles; lipodissolve – non-surgical fat burning; dispensing health / cosmetic products etc.

The Statement pursuant to the provisions of 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 under Section 212(8) of the Companies Act, 1956, seeking exemption from attaching the accounts, etc., of its subsidiary companies with the Balance Sheet of the Company. The Company expects to receive the approval and hence the accounts of the subsidiaries are not attached. Besides, a Statement giving certain information as required under Section 212(8) of the Companies Act, 1956, is placed along with the Consolidated Accounts. **The Company will make available the Annual Report and other documents of its Subsidiary Companies to any investor of Amrutanjan Health Care Limited and its Subsidiary Companies upon receipt of request by the Company at its Registered Office. The same will also be kept for inspection by any investor at the head office of the Holding and its Subsidiary Companies.**



10. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and all its subsidiaries have been prepared.

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

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.

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. COST AUDITORS

Mr. G. Thangaraj, Cost Accountant will be re-appointed as Cost Auditor of the Company pursuant to Section 233B of the Companies Act, 1956 to conduct audit of cost records maintained by the Company in respect of its Formulations and Bulk Drugs business for the financial year ended 31st March, 2008.

15. ACKNOWLEDGEMENT

The Board of Directors expresses its gratitude and places on record its sincere appreciation to Indian Overseas Bank, Punjab National Bank, HDFC Bank Limited, IDBI Bank Limited, Indian Bank and the concerned Departments of State and Central Governments, Employees, the Union and Shareholders for their valuable assistance, support and excellent co-operation extended to the company and looks forward to their continued patronage in the years to come.

Hyderabad
30.06.2008

S. Sambhu Prasad
Managing Director

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

Amrutanjan Health Care 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

1. Electricity:	Year ended 31.3.2008 (Current Year)		Year ended 31.3.2007 (Previous Year)	
	OTC	FINE CHEMICALS	OTC	FINE CHEMICALS
a) Purchased:				
Units	5,54,945	7,24,195	5,21,758	5,87,538
Total Amount (Rs.)	28,59,783	36,67,411	27,65,844	32,30,182
Rate/Unit (Rs.)	5.15	5.06	5.30	5.49
b) Own Generation:				
(i) Through Diesel Generator:				
Units	32,910	49,915	17,268	29,268
Units per litre of Diesel	4.20	3.71	4.30	3.35
Cost/Unit (Rs.)	8.14	8.90	8.02	10.73
(ii) Through Steam Generator:				
Units	24,100	1,11,700	23,913	90,379
Cost/Unit (Rs.)	-	33.00	-	-
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 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
Electricity:			
Amrutanjan Pain Balm	(Per Ton)	6132.50	6,154.50
Fine Chemicals	(Per Ton).	2,37,881	3,69,042
Furnace Oil, Coal and Others	-	-	-

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****Consumer Product Research (OTC)**

- a. Development of formulation of OTC products in different dosage forms.
- b. Conducted experiment trials, validations, scaling up and stability studies for the new products.
- c. Formulation development for OTC personal care products.
- d. Technology transfer to production.

Chemical Research

- a. Process development for known APIs, intermediates albeit through novel and innovative process routes.
- b. Fast track process development for custom chemicals.
- c. Techno-commercial feasibility study on new projects.

2. BENEFITS OF R&D**Consumer Product Research (OTC)**

- a. Cost cutting without compromising the quality of the products.
- b. Improving export business with development of customer specific OTC products.
- c. Trouble shooting of the existing products to make the products more effective with respect to the cost and quality.

Chemical Research

- a. Substitution of indigenously available raw materials for expensive imported raw materials.
- b. Enhancement of productivity and efficiency of the process
- c. Process & product development and support services to production team.

3. PLANNING FOR THE FUTURE**Consumer Product Research (OTC)**

- a. Development of products (other than pain balm) to assist introductions in domestic and export markets.
- b. Development and improvement of products in pain category in line with changing consumer trends and insights.

Chemical Research

- a. Manufacture of high value and low volume chemicals.
- b. Collaborative research for co-marketing alliance

Amrutanjan Health Care Limited

4. EXPENDITURE ON R&D	(Rs. in lakhs)
Capital	700.56
Recurring	161.59
Total	<u>862.15</u>

Total R&D expenditure as a percentage of total turnover 10.06 %

5. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Consumer Product Research (OTC)

- Cost effective formula has been developed for Dragon liquid balm.
- Muscular pain spray, an aerosol product developed and launched in the market.
- Development of cooling oil preparation.
- Development of personal care products such as herbal hand sanitizer spray and herbal anti-allergy capsules.

Chemical Research

The innovative lab technologies are studied in depth at the pilot plant level to ensure that the lab technologies are adaptable in the commercial plant.

II. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in lakhs)
Total foreign exchange earnings	265.43
Total foreign exchange outgo	415.44