



ANNUAL REPORT

2009-2010





MISSION

"Enhance the living standards of our customers through innovative products"

VISION

For the division: Pain

To be a Specialist in Pain Management

For the Group

To be a family oriented health care company - Multi brand

To launch the brand targeting the youth

VALUES

Commitment towards interests of all stakeholders - customers, employees, shareholders and community

To achieve leadership position in all our businesses

We never compromise in our ethics and this is reflected in all our actions

We strive to provide a culture that accepts new ideas, embraces change and rejects bureaucracy and small-mindedness



CONTENTS



Page No.

Notice	4
Report of the Directors' to the Members.....	6
Report on Corporate Governance	12
Management Discussion and Analysis Report	22
Auditors' Report.....	27
Balance Sheet	30
Profit and Loss Account	31
Schedules to Balance Sheet and Profit and Loss Account	32
Balance Sheet Abstract and Company's General Business Profile.....	50
Cash Flow Statement	51
Statement pursuant to Section 212(3).....	53
Statement pursuant to Section 212(8).....	54

CONSOLIDATED FINANCIAL STATEMENTS

Auditors' Report.....	57
Consolidated Balance Sheet	58
Consolidated Profit and Loss Account	59
Schedules to Consolidated Balance Sheet and Profit and Loss Account	60
Consolidated Cash Flow Statement.....	74

////// TEN YEAR HIGHLIGHTS ////

(Rupees in Lakhs)

PARTICULARS	2010 *	2009 *	2008	2007	2006	2005	2004	2003	2002	2001
Sales	9,374.55	9,607.61	8,566.20	8,269.58	8,025.64	7,591.83	7,694.08	7,774.74	7,068.64	6,541.96
Other Income	605.19	695.57	39.76	98.91	134.07	78.72	94.44	111.35	62.85	73.13
Total	9,979.74	10,303.18	8,605.96	8,368.49	8,159.71	7,670.55	7,788.52	7,886.09	7,131.49	6,615.09
Profit Before Tax (PBT)	1,926.48	1,868.03	994.37	1,427.85	1,259.11	892.53	740.16	501.38	637.56	845.61
Provision for Taxation:										
- Current tax & short provision of earlier years	750.37	735.71	173.49	518.36	514.85	335.58	315.80	194.15	197.49	230.38
- Deferred Tax	(39.21)	(78.57)	194.77	(17.44)	(60.46)	(46.25)	(35.83)	(0.66)	22.13	-
Profit after Tax (PAT)	1,215.32	1,210.89	626.11	926.93	804.72	603.20	460.19	307.89	417.94	615.23
Dividend	454.50	521.05	224.00	192.00	128.00	112.00	105.60	96.00	96.00	88.00
Fixed Assets & Investments	6,823.21	1,861.74	2,228.89	1,537.55	1,593.55	2,042.41	2,300.55	2,369.23	2,359.76	2,141.35
Net Current Assets	3,326.39	7,862.96	1,563.27	1,761.18	1,156.26	2,424.24	2,421.80	1,910.07	1,380.73	1,115.18
Total	10,149.60	9,724.70	3,792.16	3,298.73	2,749.81	4,466.65	4,722.35	4,279.30	3,740.49	3,256.53
Represented by:										
Share Capital	303.00	310.17	320.00	320.00	320.00	320.00	320.00	320.00	320.00	160.00
Reserves	9,438.34	9,072.28	2,225.27	1,999.16	1,628.60	2,469.83	2,368.82	2,327.76	2,022.83	2,314.29
Net Worth	9,741.34	9,382.45	2,545.27	2,319.16	1,948.60	2,789.83	2,688.82	2,647.76	2,342.83	2,474.29
Loans	125.85	20.64	846.70	768.61	572.80	1,387.95	1,698.42	1,260.60	1,026.05	782.24
Deferred Tax Liability	282.41	321.61	400.19	210.96	228.41	288.87	335.11	370.94	371.61	-
Total	10,149.60	9,724.70	3,792.16	3,298.73	2,749.81	4,466.65	4,722.35	4,279.30	3,740.49	3,256.53
Earnings per share (Rs.) (before exceptional items)	40.03	38.07	19.57	28.96	25.15	18.85	14.38	9.62	13.06	38.45
Book value per share (Rs.)	329.50	302.50	79.54	72.47	60.89	87.18	84.03	82.74	73.21	154.64
Dividend (%)	150	570	70	60	40	35	33	30	30	55

* - Extraordinary Item (Income - Net of Tax) has not been included in the PBT as well as PAT.



CORPORATE INFORMATION



Board of Directors

Mr. S. Sambhu Prasad, Managing Director
Dr. H.B.N. Shetty
Mr. D. Seetharama Rao
Dr. Pasumarthi S.N.Murthi
Mr. A. Satish Kumar

Company Secretary

Mr. N.S. Mohan

General Manager (Finance)

Mr. K. Kannan

Statutory Auditors

M/s. P.S. Subramania Iyer & Co.,
Chartered Accountants
Chennai.

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.

Factories

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

Branches

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

Registrars & Share Transfer Agents

M/s. Cameo Corporate Services Limited
"Subramaniam Building"
No.1, Club House Road, Chennai - 600 002.
Telephone : 044 - 2846 0390
Fax : 044 - 2846 0129
E-mail : cameosys@cameoindia.com



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

NOTICE

NOTICE is hereby given that the Seventy Third Annual General Meeting of the members of Amrutanjan Health Care Limited will be held on Wednesday, the 25th day of August, 2010 at Narada Gana Sabha (Sathguru Gnanananda Hall), No.314 (Old No.254), T.T.K. Road, Chennai 600 018 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, 2010, the Profit and Loss Account for the year ended 31st March, 2010, 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, 2010.
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 in terms of Clause 49 and other applicable provisions if any, of the Listing Agreement entered into with Madras Stock Exchange Limited, and pursuant to the provisions of Section 309(4) of the Companies Act, 1956, (Act), a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 & 350 of the Act, as commission be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director) in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors, in addition to sitting fees for attending the meeting of the Board or Committee thereof, and such payments shall be made in respect of the profits of the Company for each year of the period of five years commencing from 1st April, 2010 to 31st March, 2015."

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

Chennai
14.07.2010

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 relating to item No.6 of the Notice as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 17th August, 2010 to 25th August, 2010 (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 25th August, 2010 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 close of business hours on 16th August, 2010.
5. Members are requested to note that the Company's Equity shares are 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. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their address, bank details, nominations, power of attorney, etc. to their depository participant only and not to the Company or its Registrars and Share Transfer Agents.
7. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. As per the Reserve Bank of India guidelines, with effective from 30th September, 2009, Electronic Clearing Service (ECS) has been moved completely on to the National Electronic Clearance System (NECS) platform, through the core banking system. Accordingly, dividend will be credited to the member's bank account through NECS, where complete core banking details are available with the Company. In the event, any branch of a bank has not migrated to core banking



system, or where the core banking account number is not furnished by the member to their Depository Participant / Company as the case may be, the Company will print the details as available in its records on the dividend warrants to be issued to the members.

8. Members are advised to avail the facility of National Electronic Clearing Service (NECS) for receipt of dividends. Members are requested to contact their respective Depository Participants (DPs) for availing NECS facility. Members holding shares in physical form and desirous of availing NECS facility are requested to complete the NECS 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.
9. 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 2009-10 the Company has transferred the unclaimed amount pertaining to Final Dividend for the financial year 2001-2002 amounting to Rs.8,30,34.40 to IEPF. Members who have not yet encashed their final dividend warrants from the financial year 2002-2003 onwards are requested to make their claims to the Company immediately.
10. Details under Clause 49 of the Listing Agreement entered into with the Madras Stock Exchange Limited in respect of Directors seeking re-appointment at the Annual General Meeting are given below.
11. Members desirous of having any information regarding Accounts are requested to address their queries to the General Manager (Finance) at the

Registered Office of the Company at least seven days before the date of the Annual General Meeting, so that the requisite information is made available at the meeting. Members are requested to bring their copy of the Annual Report to the Meeting.

12. Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No.6

The Non-Executive Directors are required to devote more time and attention. Further, taking into consideration the current competitive business environment and corporate governance norms which require enhanced levels of decision making thereby making the responsibilities of the Directors more onerous, it is proposed to remunerate the Director(s) of the Company who are neither in the whole time employment nor managing director with such commission up to a ceiling of 1% of the net profits of the Company for every year, as computed in the manner referred to in Sections 198, 349 & 350 of the Companies Act, 1956 for a period of 5 years commencing from 1st April, 2010 to 31st March, 2015.

The Board of Directors shall determine each year the specific amount to be paid as commission to the Non-Executive Directors which shall not exceed 1% of the net profits of the Company for that year as computed in the manner as stated above.

The Board of Directors accordingly recommends the resolution set out at Item No.6 of the accompanying Notice for the approval of the Members.

All the Non-Executive Directors of the Company are interested in this resolution to the extent of commission that may be payable to them from time to time.

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

Chennai
14.07.2010

Dr. H.B.N. Shetty
Director

Details of Directors seeking re-appointment in the 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	-	Data Quest Infotech and Enterprises Limited
Chairman/Member of the Committees of Board of Directors of other Companies	-	-
Shareholding	48090 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 in the manner indicated in Schedule IA of the Companies Act, 1956.



REPORT OF THE DIRECTORS' TO THE MEMBERS

Your Directors have pleasure in presenting their report on the financial results of the company for the Seventy Third year, along with the audited Balance Sheet as on 31st March, 2010 and the Profit and Loss Account for the year ended 31st March, 2010.

1. FINANCIAL RESULTS

Your Directors are pleased to furnish below the financial results for the year ended 31st March, 2010.

Particulars	For the Current Year ended 31st March, 2010		For the Previous Year ended 31st March, 2009	
	Rs.		Rs.	
Profit before Interest and Depreciation		18,67,66,845		20,35,72,200
Less: Interest	3,44,632		15,31,802	
Depreciation	1,25,67,607		1,48,01,221	
		1,29,12,239		1,63,33,023
Profit before extraordinary items		17,38,54,606		18,72,39,177
Exceptional items		1,93,61,883		—
Prior year adjustments (Net)		(5,67,971)		(4,35,809)
Profit before tax		19,26,48,518		18,68,03,368
Provision for taxation				
- Income Tax		(7,50,00,000)		(7,00,00,000)
- Fringe Benefit Tax		—		(30,00,000)
- Deferred Tax		39,20,515		78,57,447
Short Provision for Income Tax of earlier years		(36,936)		(5,71,177)
Profit after tax before exceptional items		12,15,32,097		12,10,89,638
Extraordinary Items (Net of Tax)		(34,32,731)		80,75,05,163
Profit after tax after exceptional items		11,80,99,366		92,85,94,801
Add: Transfer from Profit & Loss Account				
- Surplus from previous year brought forward		25,14,84,812		3,36,04,166
Profit for Appropriation		36,95,84,178		96,21,98,967
Appropriations:				
General Reserve		5,00,00,000		50,00,00,000
Transfer to Contingency Reserve		1,00,00,000		—
Special One Time Interim Dividend 2008-09		—		12,80,00,000
Tax on Special One Time Interim Dividend 2008-09		—		2,17,53,600
Interim Dividend Paid		1,51,50,000		1,57,45,265
Tax on Interim Dividend		25,74,743		26,75,908
Final Dividend - Proposed		3,03,00,000		3,63,60,000
Tax on Proposed Final Dividend		51,49,485		61,79,382
Balance Profit carried to Balance Sheet		25,64,09,950		25,14,84,812
		36,95,84,178		96,21,98,967

2. DIVIDEND

Your Directors, considering the profits projected for the year 2009-10, have declared and paid an interim dividend of 50% (Rs.5/- per share) on the equity share capital of Rs.303.00 lakhs amounting to Rs.151.50 lakhs during the year. Further, your directors have pleasure in recommending a final dividend of 100% (Rs.10/- per share) for the year ended 31st March, 2010 amounting to Rs.303.00 lakhs. The Company will bear the dividend distribution tax of Rs.51.49 lakhs.



3. CHANGE IN THE NAME OF THE DIVISION

During the year under review, the name of the Fine Chemicals Division of the Company was changed to Pharmaessense Chemistry Services Division with a new vision "To be a multi-dimensional chemistry services organization, that delivers cost-effective, world-class solutions, driven strongly by Science and Technology, thus, truly enabling the Global Pharma and Health sectors." With such an envisioning as its focus and guiding light, the Company intends to achieve a brand equity that is truly reflective of the culture, tradition and strength.

4. PERFORMANCE OF YOUR COMPANY

The Total Gross Sales of the Company for the year ended 31st March, 2010 decreased by 2.43% as compared to the previous year and was at Rs.96.08 crores. The Company's OTC (Over The Counter) segment's Gross Sales stood at Rs.88.98 crores while Company's Pharmaessense Chemistry Services Division segment's sales was Rs.4.76 crores.

Profit before exceptional and extraordinary items was at Rs.17.38 crores, which is lower by 7% when compared to the previous year. The net profit after Extraordinary items was at Rs.11.80 crores.

5. BUY-BACK OF SHARES

The Board at its meeting held on 30th January, 2010 considered and approved the buy-back of equity shares of the company at a rate not exceeding Rs.550/- per equity share. In view of the fact that the price of the shares have gone up over and above the buy-back offer price, since the buy-back announcement, the Board considered updates and deliberated upon the buy-back. Considering the price movement, the Board felt that the Company could not buy-back the shares and hence the buy-back offer was withdrawn on 14th July, 2010.

6. FIXED DEPOSITS

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

7. DIRECTORS

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

8. 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, 2010 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.

9. 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. The report on Corporate Governance and Management Discussion and Analysis is attached to this Annual Report.

10. SUBSIDIARY COMPANIES

Data Quest Infotech & Enterprises Limited

There were no business operations during the year under review. All the issues pertaining to the International Call Centre pending with the various statutory authorities for over a period of time have been resolved and hence the administrative costs pertaining to the same will not recur. The pending issues having been sorted out, the Board now will be able to look into other options/ alternatives available before the Company which may be pursued with in the overall interest of the stakeholders and the Company.

Holistic Beauty Care Limited

During the year under review the Company was focusing on niche segment of pain management using alternative techniques, primarily into treating headache, backache, neck and shoulder and generalised Myalgia, catering to the age group of 30-75. The Company plans to concentrate on preventive care, larger format in pain management including palliative care, Acquire Diagnostics centres and venture in primary care. The types of treatment shall be pain management, prevention of diseases and Primary care.



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, on application, has received the approval from the Central Government under Section 212(8) of the Companies Act, 1956, exempting the Company from attaching the accounts, etc., of its subsidiary companies with the Balance Sheet of the Company. Hence the accounts of the subsidiaries viz., Data Quest Infotech and Enterprises Limited and Holistic Beauty Care Limited are not attached. Besides, a statement giving certain information as required under Section 212(8) of the Companies Act, 1956, is attached along with the Consolidated Accounts. **The Company will make available the Annual accounts and the related detailed information of its Subsidiary Companies viz., Data Quest Infotech and Enterprises Limited and Holistic Beauty Care Limited to any investor of Amrutanjan Health Care Limited and its Subsidiary Companies viz., Data Quest Infotech and Enterprises Limited and Holistic Beauty Care Limited 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 viz., Data Quest Infotech and Enterprises Limited and Holistic Beauty Care Limited. The Company shall furnish hard copies of the accounts of its subsidiaries viz., Data Quest Infotech and Enterprises Limited and Holistic Beauty Care Limited to any shareholder on demand.**

11. CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the company and its subsidiaries viz., Data Quest Infotech & Enterprises Limited and Holistic Beauty Care Limited have been prepared and presented in the Annual Report.

12. 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.

13. 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.

14. AUDITORS

The Auditors, M/s. P.S. Subramania Iyer & Co., Chartered Accountants, hold office upto the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from M/s. P.S. Subramania Iyer & Co., that their appointment, if made, would be in conformity with the limits specified in the said section..

15. COST AUDITOR

The Company has received the approval from the Central Government for appointment of Mr. G. Thangaraj, Cost Accountant as the Cost Auditor to conduct the audit of Cost records maintained by the Company in respect of the Formulations and Bulk Drugs business for the year ended 31st March, 2010.

16. ACKNOWLEDGEMENT

The Board of Directors expresses its sincere appreciation to all the shareholders, customers and well wishers of the Company for their co-operation and support extended to the Company and looks forward to their continued patronage in the years to come.

The Board of Directors also expresses its gratitude and places on record its sincere appreciation to Indian Overseas Bank, Punjab National Bank, HDFC Bank Limited and IDBI Bank Ltd., the concerned departments of State and Central Governments, Employees, the Union 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.

Chennai
14.07.2010

S. Sambhu Prasad
Managing Director

Dr. H.B.N. Shetty
Dr. Pasumarthi S.N. Murthi
D. Seetharama Rao
A. Satish Kumar
Directors