

Since 1893

Amrutanjari

Pure Healthy Essence

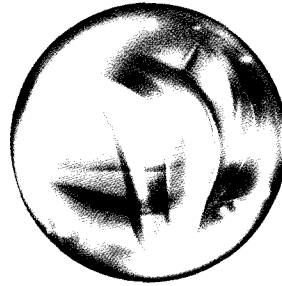
75TH

ANNUAL REPORT

2011-12

Amrutanjan - Brand Identity and its elements

Symbol



Nature's Essence symbol: A blend of health, science, nature and youthfulness to increase the brand's appeal across all demographics.

Seal of trust

Since 1893

Pioneer in the industry with the seal of trust and believability in the brand's products for having catered to consumers pain free living for over a century now.

Typography

Amrutanjan

Cursive typography to bring in modernity for easier brand recall and youth connect.

Promise

Pure Healthy Essence

"Pure Healthy Essence" is nature and science combined to give healthy beauty. It emphasizes that naturally extracted essence with deep action for health works effectively and without side effects. This pure, trusted extracts are derived from natural products through scientific research.



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Ten Year Record

(₹ in Lakhs)

PARTICULARS	2012*	2011*	2010 *	2009 *	2008	2007	2006	2005	2004	2003
Sales	12,042.88	10,775.39	9,374.55	9,607.61	8,566.20	8,269.58	8,025.64	7,591.83	7,694.08	7,774.74
Other Income	409.09	483.22	605.19	695.57	39.76	98.91	134.07	78.72	94.44	111.35
Total Income	12,451.97	11,258.61	9,979.74	10,303.18	8,605.96	8,368.49	8,159.71	7,670.55	7,788.52	7,886.09
Profit Before Tax (PBT)	1,809.84	1,608.22	1,926.48	1,868.03	994.37	1,427.85	1,259.11	892.53	740.16	501.38
Provision for Taxation										
- Current tax & short provision of earlier years	630.00	416.43	750.37	735.71	173.49	518.36	514.85	335.58	315.80	194.15
- Deferred Tax	124.06	(101.97)	(39.21)	(78.57)	194.77	(17.44)	(60.46)	(46.25)	(35.83)	(0.66)
Profit after Tax (PAT)	1,238.03	1,089.82	1,215.32	1,210.89	626.11	926.93	804.72	603.20	460.19	307.89
Dividend #	438.46	443.81	454.50	521.05	224.00	192.00	128.00	112.00	105.60	96.00
Fixed Assets & Investments	7,624.01	10,069.30	6,823.21	1,861.74	2,228.89	1,537.55	1,593.55	2,042.41	2,300.55	2,369.23
Net Current Assets	4,494.05	3,270.05	3,326.39	7,862.96	1,563.27	1,761.18	1,156.26	2,424.24	2,421.80	1,910.07
Total	12,118.06	13,339.35	10,149.60	9,724.70	3,792.16	3,298.73	2,749.81	4,466.65	4,722.35	4,279.30
Represented by:										
Share Capital	292.31	303.00	303.00	310.17	320.00	320.00	320.00	320.00	320.00	320.00
Reserves	9,673.93	9,989.29	9,438.34	9,072.28	2,225.27	1,999.16	1,628.60	2,469.83	2,368.82	2,327.76
Net Worth	9,966.24	10,292.29	9,741.34	9,382.45	2,545.27	2,319.16	1,948.60	2,789.83	2,688.82	2,647.76
Loans	1,891.51	2,662.69	125.85	20.64	846.70	768.61	572.80	1,387.95	1,698.42	1,260.60
Deferred Tax Liability	260.31	384.37	282.41	321.61	400.19	210.96	228.41	288.87	335.11	370.94
Total	12,118.06	13,339.35	10,149.60	9,724.70	3,792.16	3,298.73	2,749.81	4,466.65	4,722.35	4,279.30
Earnings per share (₹) (before extraordinary items)	43.93	35.97	40.03	38.07	19.57	28.96	25.15	18.85	14.38	9.62
Book value per shares (₹)	340.95	339.58	329.50	302.50	79.54	72.47	60.89	87.18	84.03	82.74
Dividend (%)	150.00	150.00	150.00	570.00	70.00	60.00	40.00	35.00	33.00	30.00

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

On the paid-up Share Capital after buy back

Board of Directors

Mr. S. Sambhu Prasad *Chairman & Managing Director*

Dr. H.B.N. Shetty

Mr. D. Seetharama Rao

Dr. Pasumarthi S.N. Murthi

Mr. A. Satish Kumar

Dr. Marie Shiranee Pereira

Management Team

Mr. Kannan K. *General Manager - Finance*

Mr. Joydeep Chatterjee *Business Head - Sales & Marketing*

Mr. Srikanta K.N. *VP - Exports & Beverages Marketing*

Mr. Jeyakanth S. *General Manager - Supply Chain Management*

Mr. Natarajan B. *Head - HR*

Mr. Ravichandran J. *DGM - Research & Development and Quality*

Statutory Auditors

P. S. Subramania Iyer & Co.,

Chartered Accountants

Chennai

Bankers

HDFC Bank Limited

Yes Bank Limited

Punjab National Bank

Registered Office

No.103 (Old No.42-45), Luz Church Road,

Mylapore, Chennai 600 004

Telephone: 044-24994164 / 24994146 / 24994465 / 24994366

Fax: 044-24994585

E-mail: investors@amrutanjan.com

Website: www.amrutanjan.com

Factories

Mylapore, Chennai

Uppal, Hyderabad

Alathur Village, Kancheepuram District (T.N.)

Registrar & Share Transfer Agents

Cameo Corporate Services Limited

"Subramaniam Building"

No.1, Club House Road, Chennai 600 002.

Telephone: 044-28460390 (5 Lines)

Fax: 044-24860129

E-mail: investor@cameoindia.com



Our Values

Commitment towards interests of all Stakeholders-customers, employees & 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.

Dear Valued Stakeholders,

This year marks your Company's 75th anniversary as a public corporation. This is a feat achieved by very few companies both in India and around the world. One of the reasons for this is delivering consistent consumer satisfaction. Last year was a testimony to this in that your Company delivered top line and bottom line growth in spite of inflationary pressures and stiff competition.

The substantial growth seen in 2011-12 was a result of investments made in brand and distribution process the prior year. Some of the areas of improvement are as follows:

- Focus on secondary sales (sales of our distributors to the market) which brought in consistency in revenue month on month and growth in direct coverage
- Relaunch of Brand Amrutanjan
- Growth in new products
- Growth in markets beyond South and East: Market share gain in West Zone which is the largest market for rubs and balms (Nielsen report)

Another area of focus for the Company is Cost Management. I strongly and passionately believe in one thing and I espouse this at every interaction I get with my team: Costs should be managed in house before passing on to the consumer. I think companies have a moral obligation to do this. While inflation in our Country is being driven up due to structural and macro-economic factors, collectively companies are choosing the easy way out of passing the costs on down the value chain and perpetuating this vicious cycle.

The recent foray into beverages also started off well with top line growth of 30% in the very first year of acquisition and the brand Fruitnik achieving the number 3 spot in terms of market share in Tamil Nadu.

Our pilot foray into pain services business under the banner Amrutanjan Care, resulted in treatment of 2500 patients in the very first year of operation. The vision is to be present across the spectrum from products to services and to be a true Specialist in Pain Management. As we interacted with these patients we have truly seen the trust and credibility your brand carries. The pain center is operational in Chennai at this moment and plans are underway to take this model to other metros.

In spite of heavy competition from multinationals and larger domestic companies, your company is thriving and growing and will continue to do so due to a strong focus on process and customer.

S. Sambhu Prasad

*Chairman and Managing Director
Amrutanjan Health Care Limited*

“Pure Healthy Essence”

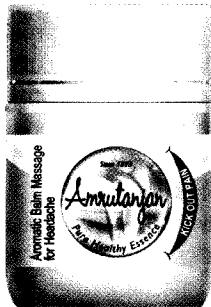
“Pure Healthy Essence” connotes a naturally extracted essence with a deep action formula i.e. effective and without side effects.

Pure Healthy Essence means a pure, trusted natural extract derived from natural products through scientific research. Nature and science are combined to give healthy beauty.

Products in Pain Management



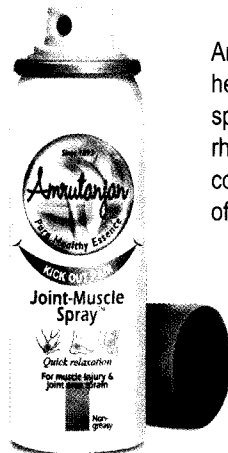
Amrutanjan Faster Relaxation balm has powerful ingredients which help in instant relief from headaches. It is the only balm to have 5 sku's catering to all channel segments and consumers.



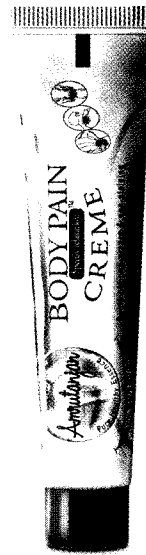
Amrutanjan Aromatic balm is the pioneer in the pain category being the only successful unique aroma balm in the market. It is a soft and smooth balm. It is used for immediate relief from headaches. It is helpful in steaming and aroma therapy.



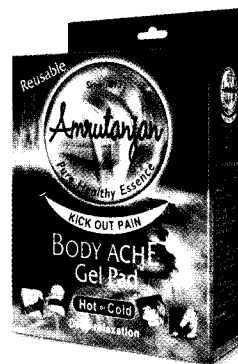
Amrutanjan Roll-on can be easily applied for quick relief from headaches. It is easy to carry and has a pleasant fragrance.



Amrutanjan Joint - Muscle spray helps in instant relief from internal sports injury, sprains and minor rheumatic pain. It provides the cooling effect required in this kind of pain.



Amrutanjan Body Pain crème is used to get relief from general body pain which include neck, back, and knee. Body pain is generally caused due to excessive physical stress, sitting in same posture for long time etc.



Amrutanjan Reusable Gel pad has dual purpose of providing Hot and Cold Therapy. It is durable, burst and puncture resistant. Hot Therapy relieves muscle pain, restores elasticity & increases blood circulation while Cold Therapy is useful in treating acute bone and muscle injuries, arthritis, rheumatoid arthritis and post surgical conditions.

Products in Congestion Management



Amrutanjan Relief for Cough & Cold Rub, Cough & Cold Rub is a complete natural remedy for cough & cold with soothing aroma which gets absorbed faster on the skin.



Amrutanjan Relief Cough & Cold Syrup is effective for dry cough, allergic cough, smoker's cough and irritation caused by pollution. It is alcohol free and doesn't cause drowsiness. It dissolves the thick mucus and contains goodness of Vasaka and Yastimadhu.



Amrutanjan Relief Cough & Cold Inhaler provides quick relief from nasal congestion when inhaled. It's the only inhaler enriched with Nilgiri oil.

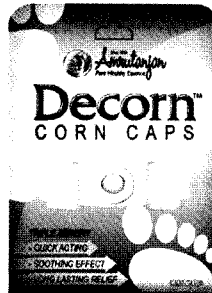


Amrutanjan Relief Cough & Cold Mint soothes throat and freshens breath. It contains refreshing mint which soothes the throat and gives cooling effect. It contains Nilgiri ka tel and citrus

Products in Health Care



Amritanjan Diakyur is a unique herbal formula that helps to control your blood sugar levels. Taken from ancient Ayurveda manuscripts, this powerful remedy is enriched with a unique combination of Salacia reticulata, Cassia javanica, Gymnema sylvestre and Terminalia arjuna. Together, they help to control Diabetic hyperglycemia as well as keep your heart healthy.



Amritanjan Decorn Corn Caps provides quick soothing action for soft feet. It has ayurvedic medicine for corn removal in foot. It is quick acting and provides long lasting relief.

Personal Hygiene



Comfy sanitary napkin offers triple benefits. It got superior absorption, rash free and comes with the all new leak proof technology that ensures zero leak

Foods & Beverages



New Fruitnik juice drink is filled with goodness of natural fruits

- Apple gives you minerals & vitamins
- Grape contains a high amount of anti-oxidants
- Mango is a great source of vitamin A, B & E



Kitchen Delights
Mother's food.
Now just minutes away.
Anywhere. Anytime.

Foray into Beverages

Your Company got into F&B space and acquired Fruitnik brand which has over 58 years of reputation in Tamil Nadu, known for its quality and taste. Fruitnik is available in three variants Mango, Apple and Grape.

Non carbonated soft drinks are growing around 25% and thanks to the team effort, your Company in the very first year of acquisition has grown more than 30%.

Your Company has aggressive plans to re launch FRUITNIK, the first fruit drink that was created in India. Our endeavor is to serve the community with good quality products that are safely sourced, conscientiously manufactured and carefully packed.

Way forward:

Re launch Fruitnik with new logo and new packaging.

What is new Fruitnik:

1. New Fruitnik is positioned as the brand for the youth.
2. The Fruitnik name has fruit within it and this makes it easy to speak about the goodness of fruit.
3. Fruitnik adds zest to life because it has the "Power of Fruit".

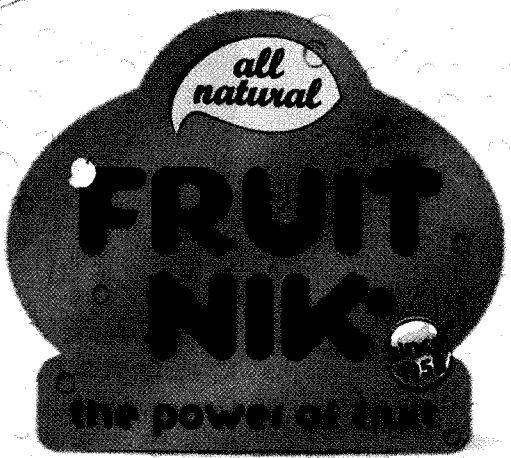
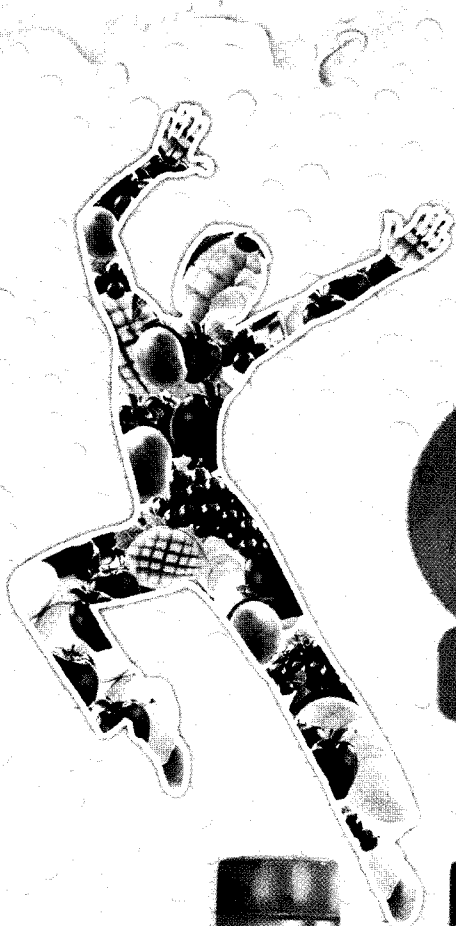
new logo has been crafted as a unit with the basic brand philosophy of giving Fruitnik a youthful imagery.

New Bottle:

New Bottle and label has been designed keeping in mind the youthful imagery of the brand.

We have created a brand mnemonic which will represent the basic position of the power of fruit. This is a fruit person composed of various fruits. The mnemonic is powerful tool to associate with the brand, as it is shown as a dynamic figure with a lot of energy and bounce which comes because of Fruitnik "power of fruit".

We are confident that these initiatives will further help to strengthen our beverage portfolio.



all new!

fruit is good, but grapes are great.
Grapes are rich in dietary fibre, Vitamins B1 and B2 and antioxidants.

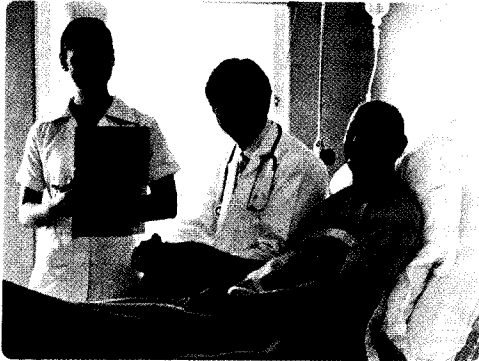
resveratrol That's the great stuff inside a grape. And inside its juice. Once inside you, it makes your heart beat healthier, your brain tick quicker and your muscles stay younger!

despite its bad rep because of adam and eve, an apple is not in the least sinful.
Any more vitamins, minerals and antioxidants in there and you would call it St. Apple!

Which fruit lowers cholesterol and your weight at the same time? And fires up neurotransmitters that keep your brain sharp? And cuts the risk of cancer? You guessed it!

what's next best to eating a mango? drinking two mangoes!
vitamin A
inside a mango it does nothing, but when the mango is inside you it does astonishing good!
antioxidants and flavonoids and whatnots.
Can't remember all that? Just remember Fruitnik!
more fruitnik inside, more life outside!
Drink up and perk up!

THE PAIN EXPERTS



RADIOFREQUENCY ABLATION

Radiofrequency ablation is used to treat chronic lower back pain and other joint pains, such as arthritis.

OZONE THERAPY

New treatments such as ozone therapy can keep conditions like arthritis in check.



DISTRESSED BY BACKACHE?

There are different types of back pain. Acute back pain lasts for less than 4 weeks while sub-acute pain lasts from 4 to 12 weeks. However, chronic acute pain can last for more than 12 weeks.



CALL FOR CARE
24354313/14 | 9094048991

Mylai Renganathan Street, (behind Natesan Park), T.Nagar, Chennai :17

CARE is an initiative started in 2011 by Amrutanjan Healthcare Limited and inculcates Amrutanjan's values which have stood strong for 118 years.



KNEE PAIN BOTHERING YOU?

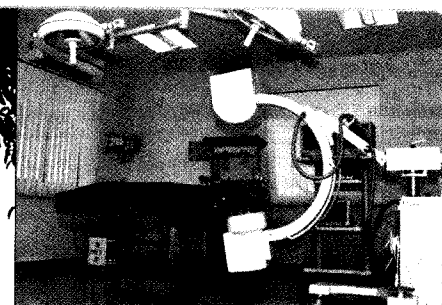
Osteoarthritis is the most common cause of knee pain. The condition first starts showing itself by the age of 20 and manifests itself fully around the age of 40.

Mrs. Vijaya Subramaniam
about CARE

I suffered from pain in my left shoulder for many days. After approaching Amrutanjan Care Specialized Center for Pain Management, I feel much better after the consultation and physiotherapy.

Conditions Treated at CARE

- Cancer pain (pancreas, colorectal, lung, breast, bone etc.)
- Cervical and lumbar facet joint pain
- Complex regional pain syndrome (Reflex Sympathetic Dystrophy – RSD)
- Headache / Occipital neuralgia (scalp / head pain)
- Hip pain
- Intercostals neuralgia (rib pain)
- Lower back pain
- Neck pain
- Nerve entrapment syndromes
- Sciatica / Radiculopathy (nerve pain)
- Shoulder pain and knee pain (osteoarthritis)
- Spasticity related syndromes/ pain
- And many more



MAP

Road Directions



log onto our website: www.amrutanjancare.com

Open between 08:00 AM to 08:00 PM from Monday to Saturday and 08:00 AM to 01:00 PM on Sundays. Also, online appointments can be made via email - enquiry@amrutanjancare.com.

Notice is hereby given that the Seventy Fifth Annual General Meeting of the Members of Amrutanjan Health Care Limited will be held on Thursday, the 27th day of September 2012 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:

Item No: 1 – To receive, consider and adopt the Balance Sheet as at 31st March, 2012, the Profit and Loss account for the year ended on that date and the Report of the Directors' and the Auditors' thereon.

Item No: 2 – To take on record Interim Dividend already paid and to declare Final Dividend on Equity Shares for the year ended 31st March, 2012.

Item No: 3 – To appoint a director in place of Dr. Pasumarthi S.N. Murthi, who retires by rotation and being eligible, offers himself for re-appointment.

Item No: 4 – To appoint Auditors and to fix their remuneration.

Special Business:

Item No: 5 – To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Section 257 of the Companies Act, 1956 Dr. Marie Shiranee Pereira, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 102 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

Item No: 6 – To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with Article 56 of Articles of Association of the Company, and subject to other such approvals, consents, sanctions, if any, required from any authority and subject to such conditions as may be prescribed while granting such approvals, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include any duly authorized committee thereof), the consent of the Members be and is hereby accorded for sub-dividing the Equity Shares of the Company, including the paid up shares, such that each existing Equity Share of nominal value of ₹ 10/- (Rupees Ten) each be sub-divided into 2 (Two) Equity Shares of nominal value of ₹ 5/- (Rupee Five) each, and consequently, the Authorized Share Capital of ₹ 5,00,00,000/- (Rupees Five Crores only) would comprise of 1,00,00,000 Equity Shares of ₹ 5/- each with effect from the "Record Date" to be determined by the Board for this purpose."

"RESOLVED FURTHER THAT pursuant to the sub-division of the Equity Shares of the Company, each existing paid-up Equity Share of the Company of the nominal value of ₹ 10/- (Rupees Ten) each, as existing on the Record Date, shall stand sub-divided into Two equity shares of nominal value of ₹ 5/- (Rupee Five) each fully paid up, with effect from the Record Date."

"RESOLVED FURTHER THAT the existing physical share certificates in relation to the issued Equity Shares of the Company be cancelled and the Board be and is hereby authorized to recall the same from the Shareholders, if necessary and to issue new share certificates in lieu thereof, with regard to the sub-divided Equity shares in accordance with the provisions of the Companies (Issue of Share Certificate) Rules, 1960 and in case of Members who hold the Equity Shares opt to receive the sub-divided Equity shares, in dematerialized form, the sub-divided Equity Shares shall be credited to the respective beneficiary account of the Members with their respective Depository Participants and the Company shall take such corporate actions as may be necessary in relation to the existing Equity Shares."

"RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interest of the Company, for giving effect to the aforesaid resolution, including but not limited to signing and execution of necessary forms, papers, writings, agreement and documents, including giving customary representations and warranties, together with such indemnities as may be deemed necessary and expedient in its discretion and settling any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decisions shall be final and binding on all the Members."

NOTICE (continued)

Item No: 7 – To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), the Memorandum of Association of the Company be and is hereby altered by substituting the existing clause V as under”.

Clause V: The Authorized Share Capital of the Company is ₹ 5,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹ 5/- each with or without voting rights with a power to consolidate or subdivide into such classes and to increase or reduce the capital whenever the circumstances warrant.”

“RESOLVED FURTHER THAT the nominal value of Equity Shares wherever it appears in the Memorandum of Association of the Company or any other documents of the Company be replaced by ₹ 5/- in place of ₹10/-.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary in this regard.”

Item No: 8 – 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 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the existing Article 3 of the Articles of Association of the Company be and is hereby altered by substituting with the following Article:

Article 3 : The Authorized Share Capital of the Company is ₹ 5,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹ 5/- each.”

“RESOLVED FURTHER THAT the nominal value of Equity Shares wherever it appears in the Articles of Association of the Company or any other documents of the Company be replaced by ₹ 5/- in place of ₹ 10/-.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary in this regard.”

For and On Behalf of the Board of Directors
For **AMRUTANJAN HEALTH CARE LIMITED**
S. Sambhu Prasad
Chairman & Managing Director

Chennai
6th August, 2012

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 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 PRIOR TO THE TIME FIXED FOR THE MEETING.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. The Register of Members and the Share Transfer Books will remain closed from 24th September, 2012 to 27th September, 2012 (both days inclusive) for determining the names of members eligible for Dividend on Equity Shares.
5. The Final Dividend on Equity Shares as recommended by the Board will be paid on approval by the Members of the Company to the eligible Equity Shareholders whose names appear in the Register of Members of the Company as on 24th September, 2012 and to the eligible beneficial owners whose names appear in the list provided by the by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on the close of business hours on 27th September, 2012.
6. 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.

NOTICE (continued)

7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company/Registrars and Share Transfer Agents, Cameo Corporate Services Private 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 2011-12, the Company has transferred the unclaimed dividend pertaining to the Financial Year 2003-2004 amounting to ₹ 1,12,658/- and Financial Year 2004-2005 amounting to ₹ 75,129/- to IEPF. Members who have not yet encashed their Final Dividend warrants from the Financial Year 2004-2005 onwards are requested to make their claims to the Company immediately.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Share Transfer Agents, Cameo Corporate Services Private Limited.
10. The Ministry of Corporate Affairs (MCA), Government of India, has by its Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to their shareholders electronically as part of its Green Initiative in Corporate Governance.

We request the members to update the email address with their depository participant to ensure that the Annual Report and other documents reach you on your preferred email account in order to save paper and participate in the "Green Initiative" of the MCA.
11. Pursuant to the circular issued by MCA and the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, it has been decided to dispense with the practice of distributing gift products of the Company at the ensuing Annual General Meeting.

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

Item No: 5

The Board of Directors of the Company ("the Board"), at its meeting held on 2nd November, 2011 appointed Dr. Marie Shiranee Pereira, as an Additional Director of the Company with effect from 2nd November, 2011, pursuant to Section 260 of the Companies Act, 1956 ("the Act"), read with Article 102 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Act, Dr. Marie Shiranee Pereira will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with a deposit of ₹ 500/- for proposing the candidature of Dr. Marie Shiranee Pereira for the office of Director of the Company under the provisions of Section 257 of the Act.

Dr. Marie Shiranee Pereira is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act, The Company has received the requisite Form DD-A from Dr. Marie Shiranee Pereira, in terms of Companies (Disqualifications of Directors under Section 274 (1)(g) of the Companies Act, 1956) Rules, 2003, confirming her eligibility for such appointment.

None of the Directors are interested or concerned in the resolution, except Dr. Marie Shiranee Pereira, to whom the resolution relates.

The Board recommends the resolution for approval of the Members.

Item No: 6

The present Authorized Share Capital of the Company is ₹ 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 Equity Shares of ₹ 10/- each.

The present Subscribed and paid up Equity Share Capital of the Company is ₹ 2,92,30,630/- divided into 29,23,063 Equity Shares of ₹ 10/- each fully paid up.

The Members may be aware that the Equity Shares of the Company are presently listed on Madras Stock Exchange Limited (MSE).

In order to improve the liquidity of the Company's Shares in the Stock Market and to make it affordable to the small investors, the Board of Directors of the Company at their meeting held on 6th August, 2012 considered it desirable to sub-divide the Equity Shares of the Company.

NOTICE (continued)

Accordingly, 50,00,000 Equity Shares of ₹ 10/- each of the Company comprised in its Authorized Share Capital is proposed to be sub-divided into 1,00,00,000 Equity Shares of ₹ 5/- each. The Subscribed and Paid-up Capital of the Company, as existing on the Record Date for the purpose of the sub-division of Equity Shares, will also be sub-divided into Equity Shares of the nominal value of ₹ 5/- each fully paid up, with effect from the Record Date. The Record Date on which this sub-division would become effective will be decided by the Board after obtaining the shareholders' approval, which will be notified through the Stock Exchanges.

The consent of the Members is being sought in accordance with the provisions of Section 94 of the Companies Act, 1956 and Article 56 of the Articles of Association of the Company.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of the shares held by them in the Company.

Item No(s): 7 & 8

The proposed sub-division of the nominal value of the Equity Shares of the Company from ₹ 10/- per share to ₹ 5/- per share requires an amendment to the Capital Clause of the Memorandum of Association and Articles of Association of the Company.

Accordingly, Clause V of the Memorandum of Association of the Company and Article 3 of the Articles of Association of the Company are proposed to be altered in the manner set out in the resolution, to reflect the alteration in the Authorized Share Capital of the Company.

The approval of the Members of the Company is sought pursuant to the provisions of Sections 16 and 31 of the Companies Act, 1956 for the proposed alteration to the Memorandum and Articles of Association of the Company or any other document(s) of the Company.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of the shares held by them in the Company.

For and On Behalf of the Board of Directors
For **AMRUTANJAN HEALTH CARE LIMITED**
S. Sambhu Prasad
Chairman & Managing Director

Place : Chennai

Date : 6th August, 2012

Additional information on Directors recommended for appointment / reappointment in the AGM as required under Clause 49 of the Equity Listing Agreement

Name of Director	Dr. Pasumarthi S. N. Murthi	Dr. Marie Shiranee Pereira
Date of Birth	11.08.1934	07.01.1963
Date of Appointment	05.08.1989	02.11.2011
Qualification	B.Sc, M.B.B.S, FRCS (Edin U.K.) FIMSA	M.phil, Ph.D
Expertise in Specific Functional Area	Retd. Consultant Surgeon with wide experience in the field of Medicine. He is the only Medical expert on the Board of Amrutanj Health Care Limited and advises on any medical issues pertaining to the products of the Company.	Research experience.
List of other Companies in which Directorships held	Nil	Nil
Chairmanship / Member of Committees of Board of Directors of other Companies	Nil	Nil
Shareholding	2.63%	Nil
Relationship with other Directors	Not related to any other directors of Amrutanj Health care Limited as provided under the Schedule IA of the Companies Act, 1956.	Not related to any other directors of Amrutanj Health care Limited as provided under the Schedule IA of the Companies Act, 1956.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report on the financial results of the Company for the Seventy Fifth year, along with the Audited Balance Sheet as on 31st March, 2012 and the Profit and Loss Account for the year ended 31st March, 2012.

1. Financial Results

Your Directors are pleased to furnish below the financial results for the year ended 31st March, 2012.

Particulars	For the Current Year ended 31st March, 2012		For the Previous Year ended 31st March, 2011	
	₹	₹	₹	₹
Profit before Interest and Depreciation		23,25,96,644		18,15,12,661
Less: Interest	2,42,65,752		30,15,993	
Depreciation	2,73,47,110		1,76,74,382	
		5,16,12,862		2,06,90,375
Profit before tax		18,09,83,782		16,08,22,286
Provision for taxation				
– Income Tax		(6,30,00,000)		(4,15,00,000)
– Deferred Tax		1,24,06,138		(1,01,96,739)
Short Provision for Income Tax of earlier years		-		(1,42,658)
Profit after tax before extraordinary items		13,03,89,920		10,89,82,889
Extraordinary Items (Net of Tax)		(32,93,494)		(21,90,580)
Net Profit		12,70,96,426		10,67,92,309
Add:				
Transfer from Profit & Loss Account				
– Surplus from previous year brought forward		25,90,04,946		25,64,09,950
Profit for Appropriation		38,61,01,372		36,32,02,259
Appropriations:				
General Reserve		5,00,00,000		5,00,00,000
Transfer to Contingency Reserve		-		25,00,000
Interim Dividend Paid		1,46,15,315		1,51,50,000
Tax on Interim Dividend		23,70,969		25,74,743
Final Dividend - Proposed		2,92,30,630		2,92,30,630
Tax on Proposed Final Dividend		47,41,940		47,41,940
Balance Profit carried to Balance Sheet		28,51,42,518		25,90,04,946
		38,61,01,372		36,32,02,259



DIRECTORS' REPORT (continued)

2. DIVIDEND

Your Directors, considering the profits projected for the Year 2011-12, have declared and paid an interim dividend of 50% (₹ 5 per share) on the equity share capital of ₹ 292.31 lakhs amounting to ₹ 146.15 lakhs during the year. Further, your directors have pleasure in recommending a final dividend of 100% (₹ 10/- per share) for the year ended 31st March, 2012 amounting to ₹ 292.31 lakhs. The Company will bear the dividend distribution tax of ₹ 47.42 lakhs.

3. PERFORMANCE OF YOUR COMPANY

The Total OTC Sales of the Company for the year ended 31st March, 2012 has increased by 22.46% compared to the previous year and was at ₹ 120.02 crores. The Company's Gross Sales across segments stood at ₹ 149.04 crores.

4. BUY-BACK OF SHARES

Your Company bought back 1,06,937 shares of face value ₹ 10/- each at ₹ 900/- per share, which amounts to less than 10% of the paid up share capital & free reserves for the Financial Year ended 31st March 2010, through the tender offer method. The same was approved by the Board in May 2011 and the offer was open between July 4th and July 18th. Consequent to the buyback, the promoters' holding has gone up by 1.78%. The buyback offer closed on July 18, 2011.

5. FIXED DEPOSITS

Your Company has neither accepted nor renewed any deposits since September, 2000.

6. DIRECTORS

Dr. Pasumarthi S.N. Murthi, Director, retires by rotation and being eligible, offers himself to be reappointed. Approval of the Shareholders is also being sought for the appointment of Dr. Marie Shiranee Pereira as an Additional Director of the Company on 2nd November, 2011.

Changes during the Year:

The following changes in the Board of Directors took place during the Financial Year 2011-2012 :

- I. Dr. Marie Shiranee Pereira was appointed as an Independent Director with effect from 2nd November, 2011.

- II. Mr. S. Sambhu Prasad was re-designated as Chairman & Managing Director of the Company with effect from 13th February, 2012.

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, 2012 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. COMPLIANCE CERTIFICATE UNDER SECTION 383A OF THE COMPANIES ACT, 1956

In accordance with the provisions of Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules, 2001, the Company has obtained a certificate from Mr. P. Sriram, Practising Company Secretary, confirming that the Company has complied with all the provisions of Companies Act, 1956 and a copy of such certificate is annexed to the report.

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 are found elsewhere in this Report.

10. SUBSIDIARY COMPANIES**Holistic Beauty Care Limited**

The Company was struck off from the records of the Registrar of Companies pursuant to Section 560(3) of the Companies Act, 1956, since the Company was not operational.

Siva's Soft Drink Private Limited

Siva's Soft Drink Private Limited, a wholly owned subsidiary of the Company had filed a Company Application with the Hon'ble High Court of Madras for amalgamation with the Company and the necessary orders were obtained from the Hon'ble High Court of Madras dated 25th April, 2012 for dispensing with the meeting. The Company is in the process of filing Petition before the Hon'ble High Court, Madras. The Scheme shall be given effect to in the books with effect from the appointed date of 1st April, 2011, upon receipt of necessary approvals.

This Company has shown Net Sales of ₹ 1995.35 lakhs for the year ended 31.03.2012. The plant is located at Aranvoyal Village, Thiruvallur District. This plant caters to manufacture and sale of fruit drinks, which comes in three flavours, viz., Mango, Grape and Apple under the brand name & trademark 'Fruitnik'.

Amrutanjan Pharmaessense Private Limited

The Company with a view to rationalize and reorganise its business activities and to further strengthen each of these distinct businesses decided to hive off its Chemical Division, engaged in the business of manufacturing fine chemicals and bulk drugs intermediaries carried on by the undertaking situated at Plot No 37-39, SIDCO Industrial Estate, Alathur, Kancheepuram District, Tamil Nadu 603 110, by way of transfer as a going concern with all the assets and liabilities pertaining to the said division, which was the principal subject at the Board Meeting held on the 19th January, 2011. The Company had obtained necessary approval from the Shareholders of the Company by means of a postal ballot pursuant to Section 192A of the Companies Act, 1956 dated 19th January, 2011 and the Shareholders of the Company had consented for the said proposal for transfer / sale of Chemistry Service Division to Amrutanjan Pharmaessense Private Limited with effect from 16th May, 2011.

This Company, a Wholly Owned Subsidiary, after the transfer of Division has shown Net Sales of ₹ 887.63 lakhs for the year ended 31.03.2012.

11. Consolidated Financial Statement

The holding companies are exempt from publishing the accounts of subsidiaries subject to fulfillment of certain conditions vide Circular No. 2/2011 dated 2nd February, 2011 issued by the Ministry of Corporate Affairs. However, the financial statements of the subsidiaries Siva's Soft Drink Private Limited and Amrutanjan Pharmaessense Private Limited, has been prepared and form part of the Consolidated Financial Statements.

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 to form part of this report. However, based upon the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts that are being circulated to Members does not include the Statement of Particulars of Employees under Section 217(2A). Any member interested in obtaining a copy may write to the Compliance Officer at the Registered Office and a copy thereof will be forwarded by post.

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

Mr. G. Thangaraj, Cost Accountant has been duly appointed as the Cost Auditor to conduct the Cost Audit with respect to Pharmaceuticals business of the Company for current financial year ending 31st March, 2013. He was also the Cost Auditor for the previous year ended 31st March 2012.

16. Significant events post Balance Sheet date

The Board of Directors of Amrutanjan Health Care Limited approved for Amalgamation of Siva's Soft Drink Private Limited with the Company on the Board Meeting held on 13th February, 2012 and believes that the Scheme of Amalgamation would benefit the shareholders, employees and other shareholders of the Company. This will result in economy in scale of operations, reduction in overheads and other expenses, ensure administrative convenience, achieve economies in procurement and distribution of raw materials and finished products and to optimize productivity and better management controls of the Company. Siva's Soft Drink Private Limited had filed an Application with the Hon'ble High Court of Madras for Amalgamation with the Company and

the necessary orders were obtained from the Hon'ble High Court of Madras dated 25th April, 2012 for dispensing with the meeting. The Company is in the process of filing Petition before the Hon'ble High Court, Madras. The Scheme shall be given effect to in the books with effect from the appointed date of 1st April, 2011, upon receipt of necessary approvals.

17. 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 HDFC Bank Ltd, Yes Bank Ltd., ICICI Bank Ltd., Punjab National Bank, Tamil Nadu Industrial Investment Corporation 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.

S. Sambhu Prasad
Chairman & Managing Director

Dr. H.B.N. Shetty
Dr. Pasumarthi S.N. Murthi
D. Seetharama Rao
A. Satish kumar
Dr. Marie Shiranee Pereira
Directors

Place : Chennai

Date : 6th August, 2012

COMPLIANCE CERTIFICATE

Registration No. 18-000017

Authorised Capital: ₹ 5,00,00,000/-

To,

The Members,

M/s. AMRUTANJAN HEALTH CARE LIMITED

We have examined the registers, records, books and papers of **AMRUTANJAN HEALTH CARE LIMITED** ("the Company") as required to be maintained under the Companies Act, 1956, ("the Act") and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31st March, 2012**. In our opinion and to the best of our information and according to the examinations carried out by us and information, explanations and declarations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies at the dates specified therein.
3. The Company being a public limited company the applicability of Section 3(1)(iii) does not arise.
4. The Board of Directors met 4 (Four) times on 03.05.2011, 08.08.2011, 04.11.2011, 13.02.2012 in respect of which meetings the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 14.09.2011 to 19.09.2011 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting of the Company for the financial year ended on 31.03.2011 was held on 19.09.2011 and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting of members was held during the year under review.
8. As per the information and declaration given by the Management, the Company had not granted any loans to Directors, persons, firms or Companies to which the provisions of Section 295 of the Companies Act, 1956 is applicable.
9. As per the information and explanation given by the Management, during the financial year under review the Company had not entered into inter-se transactions to which the provisions of Section 297 of the Act is applicable.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. According to the information, explanations and declaration furnished by the Management, there was no instance falling within the purview of Section 314 of the Companies Act, 1956 and hence the Company was not required to obtain any approval from the Board of Directors, members, Central Government during the financial year under review.
12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The Company, during the financial year under review, has:
 - i) delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - ii) deposited the amount of dividend declared including interim dividend in a separate Bank Account within five days from the date of declaration of such Dividend
 - iii) paid/posted warrants for Dividends to all the members within a period of 30 days from the date of declaration and that all unclaimed/unpaid Dividend has been transferred to Unpaid Dividend Account of the Company
 - iv) Transferred the amounts in Unpaid Dividend account, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - v) Duly complied with the requirements of Section 217 of the Act.

Annexure Forming Part of the Report of the Directors (continued)

14. The Board of Directors of the Company is duly constituted and appointment of Additional Director has been duly made. There were no appointment of Director, Alternate Director and Director to fill Casual Vacancy during the financial year under review.
15. The Company had not appointed Managing Director / Wholetime Director / Manager during the financial year under review except for the change in the designation of Mr. S. Sambhu Prasad as Chairman cum Managing Director.
16. The Company had not appointed any sole-selling agents during the financial year under review.
17. In the opinion of the Management, the Company had no transaction which necessitated the Company to seek any approval from the Central Government, Company Law Board, Regional Director, Registrar of Companies during the financial year under review.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company had not issued shares / debentures / other securities during the financial year under review.
20. The Company has bought back 1,06,937 Equity Shares during the financial year under review.
21. The Company had not issued any Redeemable Preference Shares / Debentures and hence the question of redeeming any Preference Shares / Debentures does not arise.
22. The Company wherever necessary has kept in abeyance rights to Dividend, Rights Shares and Bonus Shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. According to the information and explanation given by the Management, the Company had not accepted any deposits from public & outsiders during the year under review and hence the question of complying with the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 does not arise.
24. The amount borrowed by the Company from banks and financial institutions during the financial year under review are within the borrowing limits of the Company and necessary resolution as per Section 293(1)(d) of the Companies Act, 1956 has been passed in the duly convened general meeting.
25. According to the information, explanations and declaration furnished by the Management, the Company has made loans / investments / extended corporate guarantees after passing necessary Board resolution, during the year under review.
26. The Company had not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the financial year under review.
27. The Company had not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company had not altered the provisions of the Memorandum with respect to name during the year under scrutiny.
29. The Company had not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company had not altered its Articles of Association during the financial year under scrutiny.
31. According to the information, explanations and declaration furnished by the Management, no prosecution has been initiated against the Company or no show cause notices has been received by the company for any alleged offences under the Act and hence the question of fine or penalties does not arise.
32. The Company had not received any amount as security from its employees during the financial year, hence the applicability of the provisions of Section 417(1) of the Act does not arise.
33. As per the information and explanations furnished by the Management, the Company had not constituted its own provident fund pursuant to the provisions of Section 418 of the Act. However the Company had been regular in depositing both employees' and employer's contribution to Provident Fund with prescribed authorities.

For P. Sriram & Associates

P. Sriram

Practising Company Secretary

C.P No.: 3310

Place : Chennai

Date : 6th August, 2012



Annexure A

Statutory Registers as maintained by the Company for the financial year ending on 31st March 2012.

1. Register of Members u/s 150 of the Companies Act, 1956 (Electronic Mode).
2. Register of Share Application and Allotment.
3. Register of Directors u/s 303 of the Companies Act, 1956.
4. Register of Directors Shareholdings u/s 307 of the Companies Act, 1956.
5. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299, 301 and 301(3) of the Companies Act, 1956.
6. Minutes of the Annual General Meeting / Extra Ordinary General Meeting & Board Meetings u/s 193 of the Companies Act, 1956.
7. Register of Charges u/s 143 of the Companies Act, 1956.
8. Register of Investments u/s 49 of the Companies Act, 1956.
9. Register of Transfers u/s 108 of the Companies Act, 1956 (Electronic Mode).
10. Register of Securities Bought Back u/s 77A of Companies Act, 1956.

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March 2012

Name of the Document	Date of Event	Date of filing	Due Date
Form 23AC & ACA (Due Date extended by MCA)	31.03.2011	31.12.2011	31.12.2011
Form 20B	19.09.2011	18.11.2011	18.11.2011
Form 4A	03.05.2011	02.06.2011	03.06.2011
Form 32 (Cessation of Company Secretary)	06.10.2011	05.11.2011	06.11.2011
Form 32 (Appointment of Additional Director)	02.11.2011	20.01.2012	02.12.2011
Form 32 (Change in Designation of the Managing Director)	13.02.2012	06.03.2012	13.03.2012
Form 1INV	2003-2004	28.11.2011	28.09.2011
Form 1INV	2004-2005	19.03.2012	08.03.2012
Form 62 (Buy- back of shares)	03.05.2011	02.06.2011	03.06.2011
Form 8	14.06.2011	26.07.2011	14.07.2011
Form 17	18.08.2011	24.08.2011	18.09.2011
Form 23C	03.05.2011	02.06.2011	02.08.2011

Annexure Forming Part of the Report of the Directors (continued)



INFORMATION IN ACCORDANCE WITH THE COMPANIES ACT, 1956
(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.

	Year ended 31.03.2012 ₹	Year ended 31.03.2011 ₹		
A) POWER AND FUEL CONSUMPTION				
1. Electricity:				
a) Purchased:				
Units	5,68,271	4,83,335		
Total Amount (₹)	40,68,202	38,74,841		
Rate/Unit (₹)	7.16	8.02		
b) Own Generation:				
(i) Through Diesel Generator:				
Units	1,76,369	2,47,637		
Units per litre of Diesel	2.84	3.55		
Cost/Unit (₹)	15.31	11.50		
(ii) Through Steam Generator:				
Units	—	—		
Cost/Unit (₹)	—	—		
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 31.03.2012 ₹	Year ended 31.03.2011 ₹
Electricity:				
Amrutanjan Pain Balm	(Per Ton)		8,413	8,439



FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

I. RESEARCH & DEVELOPMENT

1. SPECIFIC AREAS IN WHICH R&D IS CARRIED OUT BY THE COMPANY

CONSUMER PRODUCT RESEARCH (OTC)

- Development of Non rubefaciant OTC products.
- Development of OTC pain care and cold care products for US market.
- Continual improvement and value addition to the existing products to overcome the competitors.
- Development of cold care product.
- Development of a personal care product.

2. BENEFITS OF R & D

CONSUMER PRODUCT RESEARCH (OTC)

- Development of innovative and novel OTC products for the business improvement
- Conducting the stability studies to ensure the shelf life for the a) products developed b) existing products improved c) packaging of the products improved
- Technology transfer for the products developed to the production dept.
- Support and solvation of any trouble shooting in the production
- Providing literature data and scientific data about the products and their key ingredients
- Exploration for the development of cost effective formulations.

3. PLANNING FOR THE FUTURE:

CONSUMER PRODUCT RESEARCH (OTC)

- Marketing of non rubefaciant products to avoid the dependency on the pain balm category products.
- Launch of personal care products.

4. EXPENDITURE ON R & D

(₹ in Lakhs)

Capital	-
Recurring	5.67
Total	5.67

Total R&D expenditure as a percentage of total turnover is 0.05%.

II. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

Total foreign exchange earnings	163.11
Total foreign exchange outgo	10.70

Management Discussion and Analysis Report

I. INDUSTRY STRUCTURE AND DEVELOPMENTS

OTC CATEGORY OVERVIEW

India's new age population is subjected to many life style driven ailments like headaches, back pain, diabetes and cholesterol to name a few. With the rise in middle class comes the "baggage" of fast paced life styles that inhibit the time spent being active and thus perpetuate the onset of these diseases at an early age. Today we are seeing even teenagers come into our pain clinics in Chennai complaining of back pain!

This is also driving the sales of OTC products like pain rubs for instance as consumers are seeking to self medicate. The rubefacient category has seen double digit growth over the recent years due to the change in consumer behavior. The largest region in terms of sales is West Zone which is growing the fastest followed by South and East albeit at a lower pace. Small packs are finding saliency with consumers as well as growth led by rural India.

New formats like spray and roll on are gaining acceptance among consumers in Metros indicating growing need for instant product delivery.

Your Company executed well across all the above trends with market share gain in West Zone as well as successful launch of formats like Sprays and Roll ons.

About Pure Healthy Essence

"Pure Healthy Essence" is nature and science combined to give healthy beauty. It emphasizes that naturally extracted essence with deep action for health works effectively and without side effects. This pure, trusted extracts are derived from natural products through scientific research.

Pure Healthy Essence

Pain Management

"Kick out pain" is the key phrase for positioning of your Company's pain management range of products. "Different solutions for Different kinds of pain" is the key benefit of Amrutanjan's product range which was developed with the utmost scientific due diligence and consumer need understanding. Last year was a successful year in terms of growth for the pain care business with the relaunch of the entire range and especially the brand Roll On which had shown both value and volume growth across the country and especially Maharashtra.



Management Discussion and Analysis Report (continued)

CONGESTION MANAGEMENT



"Relief" has created a strong presence in the Cough and Cold category, where the category was dominated until now by a single brand. With the launch of Relief franchise comprising of cold rub, inhaler, lozengels and cough syrup, Amrutanjan has leveraged its century old trust and credibility in Congestion Management (Amrutanjan yellow balm is still used for cold management by some consumers). Products like Relief mint and Relief Inhaler have doubled their sales over the previous year. In addition to an aggressive advertisement campaign in television and print, the brand has a strong online presence in social media outlets like Twitter and Face book with an active follower base of 15000.

Feminine Hygiene Category



Amrutanjan launched Comfy line of Sanitary napkins last year as a strategy to strengthen our core vision to be a Health Care Company. The category size is ₹ 1200 cr and growing by double digits due to a per capita penetration of only 11%.

New Media Initiatives for Amrutanjan – Internet Marketing

There are currently 120 million Internet users in India. This offers a tremendous opportunity for marketers to directly communicate and engage consumers in an economical way (compared to traditional medium like television and print). Further, the nature of the medium allows marketers to track response and effectiveness of campaigns immediately. Last year, your company did an internet



campaign for Roll on where in almost 20000 consumers directly interacted with the brand on line and this was done at a fraction of the cost of a television campaign. Today these 20000 consumers are part of our long term customer data base where in future marketing campaigns, offers, new launches can be exposed and feedback sought instantaneously.

Retail Consumer engagement program

As part of bringing Amrutanjan closer to consumers and customers, it was decided to promote the products through consistent activities at the retail level. The key objective of a Merchandising strategy for your Company was to aim for category leadership at the point of purchase. It was to create a strong presence in the category shelves and drive growth through innovative and exciting programs in the market place.

Distribution

Your Company continues to believe distribution is the key tool to sustain profitable volume growth. Rural India remains a tremendous opportunity and is being accessed for our products through van and direct distribution. Strong Urban distribution focus supported by retail consumer engagement drive helped us gain share of market in key states. Your company's direct distribution has grown by 12 percentage points year over year.

Exports

With a clear Management vision of 'Grow Global', today our organization is exporting to more than 15 countries. This has been possible mainly because of identifying the right business associates, who have the required infrastructure to market and distribute our products.

Apart from this, the excellent quality of our products, innovative new packaging and the support extended by our R&D and Marketing department to meet the regulatory issues of many countries, which are very demanding and follows stringent rules before they give the clearance, helped to get the required approvals from the respective authorities.

Today, we have completed all the required regulatory formalities in countries like, Singapore, West Indies, Mauritius, Madagascar, South Africa, Uganda, Maldives, Cambodia, Netherlands, Sudan, Oman, New Zealand etc.

The registration process is in an advanced stage in countries like Kyrgyzstan, Myanmar, Dubai and few other countries.

Our brands are well accepted in all these countries.

II CORPORATE SOCIAL RESPONSIBILITY

Amrutanjan always aligns with the interest of its stakeholders which include the society at large. Your company has chosen many areas to make contribution to the society and one of which is "Arogya Maiyam", a rural clinic in a village near Kodaikanal.

THE AROGYA MAIYAM & AMRUTANJAN

The Arogya Maiyam in B.L. Shed village, supported and sponsored by Amrutanjan started functioning from the 1st of July 2009.

Management Discussion and Analysis Report (continued)



The Bonded Labour village (Better known as B.L. Shed village) is largely populated by locals and Sri Lankan Tamils who were bought to the Palani hills to build the Ghat road as bonded labour, hence the name.

Previously, people at the B.L. Shed village and Vadagouchi village had to travel a distance of 12 to 15 Km. to the nearest medical centre. This primary health care clinic brings medical aid to their doorstep. Over the last two years and eight months, the Clinic has treated over 5,000 patients.

A large percentage of the patients are treated for fever, cold and body pain. About 20% for cuts/wounds and 10% for abdominal pains/toothache, etc. They are also screened for blood pressure and diabetes.

The Arogya Maiyam held several health camps including a general health camp and an Eye Camp. On the 22nd of April, 2012 the Arogya Maiyam conducted a very successful eye camp for the B.L Shed and the surrounding villages.

During the Eye camp 202 patients were attended to over a single day, 115 glasses were donated and of the 30 people who were identified with cataract, 11 underwent surgeries at the Aravind Eye hospital in Madurai. This has been one of the most successful Eye Camps conducted in the Palani hills area.

III OPPORTUNITIES AND THREATS

1. OTC

In 1893, the founder of your Company, Dessodharaka Nageswara Rao Pantulu saw an opportunity in the market that sought Indian medicine to counter Western (English) products. This opportunity was well served for almost 120 years!

Today the opportunity is multifold with the rapid urbanization of India and the growing middle class seeking health care products to manage their fast paced life styles. Since 1991, India has added almost 300 million people to the middle class alone! That is the entire population of United States.

But if one looks at the composition of the OTC industry the weightage is more towards pain and congestion management products alone. While this serves Amrutanjan very well in the near future, as your company largely operates in the Rubefacient space (Pain and Congestion Management), the consumer need is also towards management of life style diseases like Diabetes, weight gain and cholesterol. There is also need for nutraceutical products that can add to one's preventive health care regime.

Today your Company has more formats in the pain and congestion management than any competitor, satisfying every consumer need. Further, thanks to the culture of research based product development, your Company has a proprietary product called Diakyur for the management of diabetes that is strictly herbal and with no side effects.

Your Company can truly become a nature based health care company with a multi disciplinary-multi product approach to health care management.

The challenges to this are both internal and external. Internal being poor execution. Today the opportunities in India are tremendous. India is at a point in her history where USA was in the 1950's. Management teams are paid to execute and that should be the focus.

External challenges are competition from multinational companies and also regulatory reforms (or lack of). The OTC industry lobby should continue to work with the regulatory authorities to allow more Rx to OTC conversions like the West so consumers are given the power to make informed choices.

Indian companies like Amrutanjan Health Care Ltd., can thrive and grow in this highly competitive environment if we focus on execution and innovation. That is the opportunity and also the challenge.

2. NON CARBONATED BEVERAGES (FRUITNIK)

Amrutanjan was founded in 1893 as a challenge to western brands in the pain management space. Fruitnik was founded in 1958 as a challenge to Western brands in the Non Carbonated Fruit Juice space! Both share strong and loyal consumer bases in their geographies of operation. The NCS (Non-Carbonated Soft Drink) category focusing on fruit based products has only a 11% per capita penetration. USA has around 80% and China has around 40%. This is a big opportunity.

While Mango juices are the prime driver of category sales, there is a indication of consumer acceptance towards new flavors, health based drinks and also 100% juices. Fruitnik unlike the competition has offerings across many fruit sources: mango, apple, grape and lime that are all derived from natural sources. Further Fruitnik is being relaunched under the banner of "Power of Fruit" that should sync well with the consumer need of health-based beverages that are natural (unlike carbonated colas).

Another opportunity is the fact that more and more fruit juice brands are being sold in ready to Drink Plastic(PET) and Tetra based packages unlike the glass bottles that need to be reused by the manufacturer. This bodes very well for Amrutanjan in terms of synergy as there is almost a 50% overlap in outlets where both the OTC and Fruit drink products are sold.

The challenges are inflationary pressures on margin and competition. While this is largely due to raw and packing material cost, the bigger issue is today most fruit beverage brands are sold as commodities offering no pricing power. Brands always enjoy higher margins whereas me too products are followers that offer no unique value proposition to the consumer and thus get discounted heavily by the trade.

Your Company's Management is addressing this by focusing on

Management Discussion and Analysis Report (continued)

uniqueness of the brand (taste) and also in terms of packaging and positioning on a health platform. Distribution costs that are usually higher in this industry while a challenge are also being mitigated by combining distribution with the OTC business in areas where a synergy exists (rural markets where a retailer stocks both pain balms and fruit juices).

IV. RISK AND CONCERNS

1. OTC

The biggest risk facing the Company is allopathy based pain products from Pharmaceutical companies whereas our company's products have always been natural. There seem to be a consumer shift towards the allopathy based products as they offer quicker pain relief but with side effects. Another concern is extraordinary inflation of key raw materials that have in some cases doubled or even tripled in price over the past couple of years. But your management is proactively addressing this by reducing overall cost of operations. For instance we have taken a drive to reduce overall packing material consumption. This "lean manufacturing and lean design" approach will help us weather the inflationary storms and be more competitive at the same time.

2. NON-CARBONATED BEVERAGES

The inflation pressures affecting the OTC business are also a threat to the beverages business. Cost leadership strategies at the product design phase and along the value chain from manufacturing to retail are the most efficient ways to mitigate this risk on the long term. Another risk is regulatory that involve controls on use of certain packaging materials and limits on ground water consumption.

V. OUTLOOK

1. OTC

The slowdown in demand and growing competition has forced the brands to reduce costs and market more aggressively. Brands have realized that strong brands are integral to the success in FMCG and that the equity of a brand is largely dependent on innovation, quality and aggressive marketing. The demand for OTC products is also increasing in both Urban (20%) and Rural (19%) markets. The OTC segment is expected to grow to ₹ 10,000 crores by 2013.

The Company has taken all this into account and launched new products and re-launched, repositioned existing products to extend the product life cycle and obtain the most out of them. This coupled with the plans to strengthen the distribution through Rural market distribution Drive puts the Company in a strong position to capitalize on market growth opportunities going forward.

2. NON-CARBONATED BEVERAGES

As a beverage brand the attitude would be to position itself with distinguished brand imagery in the mind space of the consumer. We will be launching products that will cater to major occasions of consumption. To achieve our aspirations we are building unique competencies which will help us to produce unique & quality

products. We will surprise our consumer with pioneering brand imagery & communication.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Proper and adequate internal control systems have been put in place by your Company to safeguard and protect all its assets against loss from unauthorized use or disposition. Your Company has Policies and procedures for every transaction which are strictly followed. This further ensures that transactions are authorized, recorded and reported correctly. Risk Based Internal Audit is being done. All the issues and observations raised/made by the internal auditors are suitably addressed to, acted upon and followed up properly.

Your Company has a number of internal control systems to monitor performance from the procurement of raw-materials to processing and conforming to standards. Production Review meetings, Sales & Marketing Review meetings and General Review meetings are held regularly. Expenses are analysed at micro level during Monthly Review Meetings.

VII. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's financial performance with respect to operational performance can be enumerated as below:

	(₹ in lakhs)	
	2011-2012	2010-2011
Sales from Operations	11,523.72	10,338.80
Other Income	409.09	483.22
Total Income	11,932.81	10,822.02
Total Expenditure	9,606.85	9,006.90
PBIDT	2,325.96	1,815.12
Depreciation	273.47	176.74
PBIT	2,052.49	1,638.38
Interest	242.65	30.16
PBT	1,809.84	1,608.22
Current Tax / earlier year Income Tax	630.00	416.42
Deferred Tax	(124.06)	101.97
PAT (before Extraordinary Item)	1,303.90	1,089.83
Extraordinary Item	(32.93)	(21.91)
PAT (after Extraordinary Item)	1,270.97	1,067.92
Key Financial Ratios		
(expressed as %)		
PBDIT / Net Sales	20.18	17.56
PBIT / Sales	17.81	15.85
PBT / Total Income	15.17	14.86
PAT / Total Income	10.93	10.07
(before Extraordinary Item)		
PAT / Total Income		
(after Extraordinary Item)	10.65	9.87

Management Discussion and Analysis Report (continued)

VIII. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

Amrutanjan Health Care Limited is in a growth phase and along with the growth comes the need for quality people to lead the operations and take the company to the next level. Keeping this in mind your Company has invested in Identifying, Developing and Engaging the key resource of the Company – Our People. Your company had total employee strength of 369 as on 31st March, 2012.

The Human Resources function strives to deliver contemporary HR practices focusing on the five key imperatives of talent management, leadership development, capability enhancement of the sales force, employee engagement and rewards & recognition.

TALENT MANAGEMENT

Sourcing of the right talent is the biggest challenge for any business and your company spends a lot of time in recruiting the right resource for propelling the growth of the company. The company is in the process of implementing an on-line Performance Management system to improve the review mechanism and keep track of the developments during the year. Adequate importance is given on Job enrichment as a means of retention of talent.

LEADERSHIP DEVELOPMENT

Leadership development is one of the key initiatives to manage the complexities of the business. Your Company launched AGILE (Amrutanjan Group Initiative for Leadership Excellence) to develop the capabilities of Senior Leaders in the Company. As part of this program, training programs were conducted in the identified competencies for the senior leaders and coaching sessions were conducted for their personal development.

CAPABILITY ENHANCEMENT OF SALES FORCE

The sales force is the most important part of the organization as they are the primary source of revenue generation. The Company lays a high emphasis on developing this key resource of the organization and continuous training programs are provided for their development. The Company also believes in developing internal resource to take over key positions within the organisation.

EMPLOYEE ENGAGEMENT

Employee engagement is an important lead indicator which leads to better performance of the company. Your company conducts

annual Employee engagement survey to assess their level of engagement with the Company and it is a pleasure to note that the engagement index this year has gone up over last year.

Further, the Company places importance on the health and wellbeing of its employees. This is done through promotion campaigns which include free screening facilities, provision of information booklets, etc. for prevention of major diseases such as diabetes, dental and eye related problems. Employees are also encouraged to participate in voluntary blood donation camps that are organized on a regular basis.

REWARDS AND RECOGNITION

The Company constantly creates new Incentive programs to motivate the sales force towards achieving their goals and rewarding them for the same. Variable pay is introduced to make employees to strive towards achieving the set goals of the company and earn more. Long Service of employees is valued and recognized to motivate other employees to stay and build a career within the company. Top regions and performers of the year are being rewarded with trophies and gift vouchers.

RELATIONSHIP WITH UNION

Amrutanjan has excellent relationship with its affiliated Union, Amrutanjan Health Care Limited Employees' Union. The long term wage settlement with the said Union entered on mutually agreed terms is due for renewal in the coming year.

With aggressive growth targets for the future, Human Resources practices at AHCL is fully tuned to the business requirements of an organization that is committed to developing its people to take care of the future requirements of the Company.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the ambit of applicable laws and regulations. Actual results, performance and achievements might differ substantially or materially from those expressed or implied. The Company's performance could also be affected due to the failure of monsoon which in turn may increase the input costs, major political and economic changes in India and changes in tax laws.

Place : Chennai

Date : 6th August, 2012

S. Sambhu Prasad
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

I. OUR CORPORATE GOVERNANCE PHILOSOPHY

Amrutanjan's philosophy on Corporate Governance envisages the adoption of best business policies and alignment of the highest levels of transparency, integrity, honesty, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, bankers, government and employees.

The Company is committed to best corporate governance practices which stems not only from the letter of law but also from the inherent belief of doing business in the right way. The Company believes that all its actions and operations must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

II. BOARD OF DIRECTORS

1. Changes during the Year:

The following changes in the Board of Directors took place during the Financial Year 2011-2012 :

- I. Dr. Marie Shiranee Pereira was appointed as an Independent Director with effect from 2nd November, 2011.
- II. Mr. S. Sambhu Prasad was re-designated as Chairman & Managing Director of the Company with effect from 13th February, 2012.

2. Composition, Category, Size of the Board:

The Board of Directors of the Company is a balanced Board, comprising of a Managing Director and Non- Executive Directors which includes independent professionals. As on March 31, 2012, there were six Directors on the Board, out of which three are Independent, two are Non- Executive and one Executive Director who is the Chairman cum Managing Director.

None of the Directors on the Board is a member of more than 10 Committees or a Chairman of more than 5 Committees (as specified under clause 49) across all Companies in which he/she is a Director. All Directors have made necessary disclosures regarding their Directorship and Committee positions occupied by them in other Companies.

The details of other Directorships, positions held either in Committees of the Board of Directors as well as attendance at Board Meetings/Annual General Meeting are as follows:

Name of the Director	Category / Status/ Designation	No of Board Meetings		No of Directorship held in other Companies#	No of Committee Membership held in other Companies^	Attendance at the Last AGM
		Held	Attended			
Mr. S. Sambhu Prasad* (Chairman & Managing Director)	Promoter / Executive Director	4	3	-	-	Yes
Mr. D. Seetharama Rao	Promoter / Non-Executive Director	4	4	-	-	Yes
Dr. Pasumarthi.S.N.Murthi	Promoter / Non-Executive Director	4	4	-	-	Yes
Dr. H.B.N. Shetty	Non-Executive / Independent Director	4	4	-	-	Yes
Mr. A. Sathish Kumar	Non-Executive / Independent Director	4	3	3	3	Yes
Dr.Marie Shiranee Pereira **	Non-Executive / Independent Director	2	2	-	-	N.A.

does not include Private / Foreign Companies and Section 25 Companies.

^ includes Membership of Audit Committee and Investor Grievance Committee as per Clause 49 of the Listing Agreement.

*Appointed as Chairman and Managing Director w.e.f 13th February, 2012.

** Appointed w.e.f 2nd November, 2011.

3. Number and dates on which the Board meetings were held:

During the financial year 2011-12, the Board met four times. The maximum time gap between two board meetings was not more than four months. The meetings were held on (i) 3rd May 2011, (ii) 8th August 2011, (iii) 4th November 2011, (iv) 13th February 2012.

4. Information supplied to the Board

Detailed agenda notes are sent to each Director well in advance before the Board and Committee meetings. The agenda items inter-alia include Secretarial & Legal Compliance matters, business matters and financial reporting. A business review presentation is made at each Board Meeting to appraise the Directors and the Senior Management team about the performance of the Company. The Board provides strategic direction for improving the performance of the Company. Business plans, annual operating and capital expenditure budgets are also placed and reviewed by the Board along with the Senior Management team of the Company.

5. Code of conduct

The Board of Directors of the Company has laid down Code of Conduct for the Directors and Senior Management Personnel of the Company. The Code has been posted on the Company's website www.amrutanjan.com. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as on March 31, 2012. A declaration to this effect signed by the Managing Director forms part of this report.

6. Compliance Structure

The Board also periodically reviews the status of compliance of various laws applicable to the Company and also the initiatives taken to improve the standards of compliance adherence.

III. COMMITTEES OF THE BOARD:

a. Audit Committee:

In Compliance with the provisions of Section 292A of the Companies Act, 1956 and in accordance with the provisions of Clause 49 of the Listing Agreement, the Company has a qualified and independent Audit Committee at the Board level. The Audit Committee performs the functions and role in accordance with Clause 49 of the Listing Agreement. The Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting process.

Composition

The Audit Committee consists of the following four directors. All the members of the committee have good knowledge of finance, accounts and business management. The Composition of the Audit Committee is in compliance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. During the year, the Audit Committee was reconstituted on 2nd November, 2011 and at present consists of following directors as its members.

1. Dr. H.B.N.Shetty	Chairman
2. Mr. A.Satish Kumar	Member
3. Mr. D.Seetharama Rao	Member
4. Dr. Marie Shiranee Pereira	Member (appointed w.e.f 2nd November, 2011)

The Chairman of the Audit Committee is an Independent Director. The Chairman of the Audit Committee was also present at the previous Annual General Meeting, as mandated under the listing agreement, to answer shareholder queries. All the members of the Audit Committee are financially literate and all of them have accounting and related financial management expertise.

Terms of Reference

The terms of reference for the Audit Committee basically flows and covers all the areas as stipulated under Clause 49 of the Listing Agreement. This inter-alia includes the following:

1. Oversight of Company's financial reporting processes.
2. Reviewing the quarterly / annual financial results, financial statements before submission to the Board for approval, with particular reference to the accounting policies & procedure, major accounting policies, related party transactions.
3. Recommending to the Board, the appointment / re-appointment of Statutory Auditors and Internal Auditors and fixation of audit fees.
4. Approving internal audit plan and reviewing efficacy and adequacy of internal control systems / function.
5. Discussion with internal auditors and review of internal audit reports at quarterly intervals
6. Discussions with external auditors about the scope of audit including the observations of the auditors.

Meetings & Attendance :

During the year, the Audit Committee met 4 times on 3rd May, 2011, 8th August, 2011, 4th November, 2011 and 13th February, 2012. The details of the attendance of the Committee members are as follows:

The gap between any two meetings was not more than four months. Attendance of each member at the Committee Meetings are as follows:

Name of the member	Category	No of meetings attended
Dr. H.B.N.Shetty	Chairman and Independent Director	4
Mr. A.Sathish Kumar	Independent Director	3
Dr. Marie Shiranee Pereira	Independent Director	2
Mr. D.Seetharama Rao	Promoter / Non-Executive Director	4

b. Remuneration committee:

I. Constitution of Remuneration Committee:

Remuneration Committee presently comprises three members as per details in the following table:

Name	Category
Dr. H.B.N. Shetty	Non-Executive/Independent Director
Dr. Pasumarthi S.N. Murthi	Promoter/Non- Executive Director
Mr. D. Seetharama Rao	Promoter/Non- Executive Director

The Chairman of the Remuneration Committee is Dr. H.B.N. Shetty. The Remuneration Committee has been constituted to recommend / review the remuneration package of the Chairman & Managing Director. The remuneration policy is in consonance with the existing industry practice and also with the provisions of the Companies Act, 1956.

i) Remuneration to Chairman & Managing Director:

During the year under review, there was no change in the remuneration paid to the Chairman & Managing Director and therefore there was no meeting of the said Committee.

ii) Remuneration to Non-Executive Directors:

Non-Executive Directors are eligible for maximum of 1% commission per annum on the net profits of the Company w.e.f. 1st April, 2010, which was approved by the shareholders at the AGM held for the financial year 2010.

The sitting fees paid for the year ended 31st March, 2012 to the Directors are as follows:

Name of the Director	Amount (in ₹)
Mr. D. Seetharama Rao	1,50,000
Dr. Pasumarthi S.N. Murthi	90,000
Dr. H.B.N. Shetty	1,50,000
Mr. A. Sathish Kumar	67,500
Dr. Marie Shiranee Pereira	45,000

iii) **Shareholding of Non-Executive Directors:**

Name of the Director	Category	No of shares held
Mr. D. Seetharama Rao	Promoter/Non-Executive Director	48090
Dr. Pasumarthi S.N. Murthi	Promoter/Non-Executive Director	66063
Dr. H.B.N. Shetty	Non-Execuive & Independent Director	84
Mr. A. Sathish Kumar	Non-Execuive and Independent Director	-
Dr. Marie Shiranee Pereira	Non-Execuive and Independent Director	-

c. **Shareholders'/Investors' Grievance Committee:**

The Company has constituted a Shareholders' Grievance Committee to address various matters relating to investors' servicing and grievances like transfer of shares etc.

Composition

The Shareholders' / Investors' Grievance Committee consists of Dr. H.B.N. Shetty and Mr. D. Seetharama Rao. Dr. H.B.N. Shetty is the Chairman of the Committee. The Committee met four times during the year under review on 3rd May, 2011, 8th August, 2011, 4th November, 2011 and 13th February, 2012. Attendance of each member at the Committee Meetings are as follows:

Name of the member	Category	No of meetings attended
Dr. H.B.N. Shetty	Chairman and Independent Director	4
Mr. D. Seetharama Rao	Promoter/Non-Executive Director	4

Terms of Reference:

The terms of reference of the Investors' Grievance Committee includes:

- Review of the mechanism implemented for redressal of shareholders' and investors' grievances.
- Overseeing the performance of the Registrar and Transfer Agents of the Company and recommending measures for improvement in the quality of investor services.

The total number of complaints received and resolved to the satisfaction of the shareholders during the year under review was 15. No request for transfer is pending as on 31st March, 2012, except those that are pending in various courts.

CORPORATE GOVERNANCE REPORT (continued)

d. Share Transfer Committee:

The Committee consists of four members viz., Dr. H.B.N. Shetty, Mr. D. Seetharama Rao, Dr. Pasumarthi S.N. Murthi and Mr. S. Sambhu Prasad. During the year under review, the Committee met 4 times on the following dates :

- i. 3rd May, 2011
- ii. 8th August, 2011
- iii. 4th November, 2011
- vi. 13th February, 2012

Attendance of each member at the committee Meetings are as follows:

Name of the member	Category	No of meetings attended
Dr. H.B.N.Shetty	Chairman & Independent Director	4
Mr. D. Seetharama Rao	Promoter/Non-Executive Director	4
Dr. Pasumarthi S.N. Murthi	Promoter/Non-Executive Director	4
Mr. S. Sambhu Prasad (Chairman & Managing Director)	Promoter & Executive Director	3

The Committee approves the transfer, transmission, transposition of shares, issue of duplicate share certificates and allied matters. The Company's Registrar and Share Transfer Agents, Cameo Corporate Services Limited has adequate infrastructure to process the above matters.

Compliance Officer of the Company:

During the year, the Company had appointed Mr. S. Sriram as the Compliance Officer for the purpose of Listing Agreement.

COMPLIANCE

A Certificate from Practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges forms part of this Annual Report.

IV. GENERAL BODY MEETINGS:

Date, time, venue of the last three Annual General Meetings and details of special resolutions passed in the last three Annual General Meetings

DETAILS OF GENERAL MEETINGS:

Location and time, where Annual General Meetings in the last three years were held:

Year	AGM/ EGM	Day & Date	Venue	Time
2008-2009	AGM	30th September, 2009	Kamaraj Memorial Hall, Anna Salai, Chennai-6	2:30 PM
2009-2010 *	AGM	25th August, 2010	Narada Gana Sabha, (Sathguru Gnananandha Hall), No.314 (Old No. 254), T.T.K.Road, Chennai-18	10:30 AM
2010-2011	AGM	19th September, 2011	Narada Gana Sabha (Sathguru Gnananandha Hall), No.314 (Old No. 254), T.T.K.Road, Chennai-18	11:00 AM

* A special resolution was passed pursuant to the provisions of Section 309(4) of the Companies Act, 1956 for payment of commission to the Non-Executive Directors of the Company.

V. DISCLOSURES:

- a. Details of transactions of material nature with any of the related parties as specified in Accounting Standard 18 issued by the Institute of Chartered Accountants of India have been reported in the notes on accounts.
- b. The Company has complied with all the requirements of regulatory authorities and no penalties / strictures were imposed on the Company by the Stock Exchanges or SEBI, or any Statutory Authority on any matter related to capital markets, during the last three years.
- c. The Company has not adopted any Whistle Blower policy. However, the Company has not denied access to any personnel to approach the Management or the Audit Committee on any issue.
- d. Details of compliance with Mandatory Requirements:
 - i) Code of Conduct: The Company has laid down procedures to be followed by the Members of the Board and Senior Management Personnel for ethical professional conduct.
 - ii) CEO / CFO Certification: The CEO / CFO Certification of the Financial Statements and the Cash Flow Statement for the year are attached and form part of the Annual Report.

MEANS OF COMMUNICATION

Your Company recognizes the importance of two way communication with shareholders and of giving a balanced report of results and progress and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting.

A. Quarterly Results:

The approved financial results are forthwith sent to the Stock Exchanges where the shares are listed and are displayed on the Company's website www.amrutanjan.com and are generally published in Business Line (all editions) (National Daily) and Dhinamani (Vernacular Newspaper), within forty eight hours of approval thereof.

B. News Releases, Presentations, etc.:

Official news releases and presentations made to media, institutional investors, analysts, etc. are displayed on the Company's website www.amrutanjan.com

C. Website:

The Company's website www.amrutanjan.com contains a separate dedicated section 'Investors' where shareholders information is available. Quarterly Results, Annual Reports, Code of Conduct and Ethics, Presentation to Investors and Shareholding Pattern are also available on the website in a user friendly and downloadable form.

D. Annual Report:

The Annual Report containing inter-alia the Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Corporate Governance Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report.

E. Designated Exclusive Email ID:

The Company has designated the e-mail id viz., : investors@amrutanjan.com exclusively for investor servicing. This e-mail id has been displayed on the Company's website www.amrutanjan.com.

CORPORATE GOVERNANCE REPORT (continued)



VI. GENERAL SHAREHOLDER INFORMATION:

AGM date, time and venue : 27th September, 2012 , at Narada Gana Sabha, (Sathguru Gnananandha Hall), No. 314 (Old No. 254), T.T.K. Road, Chennai-18 at 10.30 a.m.

Financial Calendar:

1st Quarter	1st April to 30th June
2nd Quarter	1st July to 30th September
3rd Quarter	1st October to 31st December
4th Quarter	1st January to 31st March

Date of Book Closure : 24th September, 2012 to 27th, September 2012 (both days inclusive)
 Dividend Payment Date : After 27th September, 2012 but within the statutory time limit of 30 days
 Registered Office : No.103, (Old No.42-45), Luz Church Road, Mylapore, Chennai – 600 004
 Website : www.amrutanjan.com

Listing on Stock Exchanges

The Company's shares are listed on Madras Stock Exchange Limited and are permitted to be traded under Indonex Trading Platform ('S' Group) on the Bombay Stock Exchange Limited with effect from 7th January, 2005. The shares are also being traded in National Stock Exchange of India Limited with effect from 5th November, 2009.

Listing fee for 2011-2012 has been paid to Madras Stock Exchange Limited where the Company's Equity Shares are listed.

Stock code/Scrip code & ISIN No:

Name of the Exchange	Scrip code
Bombay Stock Exchange Limited	590006
National Stock Exchange of India Limited	AMRUTANJAN
ISIN for Dematerialized Equity shares (NSDL and CDSL) :	INE098F01015

Market Price Data:

Stock Price data: Monthly High & Low during the financial year 2011- 2012

Month	Bombay Stock Exchange Ltd (BSE) (in ₹ per Share)		National Stock Exchange of India Ltd (NSE) (in ₹ per Share)	
	Month's high	Month's Low	Month's high	Month's Low
April 2011	831.90	622.00	833.40	620.00
May 2011	817.00	675.00	816.90	658.00
June 2011	807.00	701.65	807.00	701.00
July 2011	996.80	723.00	998.00	723.25
August 2011	948.00	686.15	949.00	685.20
September 2011	868.90	731.05	869.60	731.60
October 2011	810.00	691.50	811.60	690.60
November 2011	854.00	679.35	854.80	677.00
December 2011	726.00	610.10	732.70	610.20
January 2012	855.80	635.40	855.00	636.00
February 2012	881.00	739.05	880.00	741.00
March 2012	830.50	738.50	831.50	737.00

Registrars and Share Transfer Agents:

Cameo Corporate Services Limited,
 'Subramaniam Building',
 No.1, Club House Road, Chennai 600 002
 Telephone No.: (044) 28460390 (5 Lines) Fax No.: (044) 28460129
 Email: investor@cameoindia.com.

a. Share Transfer system:

Presently, the share transfers which are received in physical form are processed and the share certificates are returned within the stipulated period from the date of receipt, if the documents are clear in all respects.

b. (i) Distribution of Shareholding as on 31st March, 2012 :

Shareholding			Shareholders		Share Amount	
₹		₹	Numbers	% to total	₹	% to total
10	-	5000	13855	97.01	6817380	23.33
5001	-	10000	233	1.63	1751880	5.99
10001	-	20000	99	0.69	1452940	4.97
20001	-	30000	31	0.22	791420	2.71
30001	-	40000	15	0.11	521220	1.78
40001	-	50000	13	0.09	609000	2.08
50001	-	100000	20	0.14	1353820	4.63
100001		And above	16	0.11	15932970	54.51
Total			14282	100.00	29230630	100.00

(ii) Distribution of shares by category as on 31st March, 2012:

Category	No of shares held	(%)
Promoters	1285565	43.98
General public and others	1192246	40.79
Body corporate	198810	6.80
NRIs	25929	0.89
Banks/ FI	2726	0.10
FII	2000	0.07
Trusts	4215	0.14
Clearing Member	14317	0.49
Mutual Funds	400	0.01
Directors/ Relatives	196855	6.73
Total	2923063	100.00

CORPORATE GOVERNANCE REPORT (continued)

c. Dematerialization of shares and liquidity:

The shares of the Company are in compulsory demat mode and are available for trading in the depository systems of both NSDL & CDSL. As on 31st March, 2012, 25,44,809 shares, representing 87.06% of the total number of shares, are in dematerialized form.

d. Plant Location:

OTC Divisions		Pharmaessense Chemistry Services Division*
No. 103 (Old No. 42-45), Luz Church Road, Mylapore, Chennai 600 004. Tamil Nadu	Plot No. 14, Industrial Development Area, Uppal, Hyderabad- 500 039. Andhra Pradesh	Plot No. 37-39, SIDCo Industrial Estate, Alathur, Kancheepuram District, Tamil Nadu - 603110

*Hived off as Amrutanjan Pharmaessense Private Limited, a wholly owned subsidiary of the Company w.e.f. 16th May, 2011.

e. Address for correspondence:

For transfer/dematerialization of shares, payment of dividend and other queries relating to the shares may be addressed to:

For Shares held in Physical form:

Cameo Corporate Services Limited,
'Subramaniam Building',
No.1, Club House Road, Chennai 600 002
Telephone No.: (044) 28460390 (5 Lines) Fax No.: (044) 28460129
Email: investor@cameoindia.com

For Shares in Dematerialized mode:

To the respective Depository Participant
of the Beneficial Owners.

The above Report was approved by the Board of Directors at its Meeting held on 6th August, 2012 at Chennai.

PRACTISING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Amrutanjan Health Care Limited.

We have examined the compliance of conditions of Corporate Governance by Amrutanjan Health Care Limited, for the year ended on March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai
Date : 6th August, 2012

For P. Sriram & Associates
P. Sriram
Practising Company Secretary
C.P No.: 3310

CERTIFICATE UNDER SUB - CLAUSE V OF CLAUSE 49 OF THE LISTING AGREEMENT



We, S. Sambhu Prasad, Chairman & Managing Director and K. Kannan, General Manager- Finance of the Company, do hereby confirm and certify that:

1. We have reviewed financial results for the year ended 31st March, 2012 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii) these statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies. In our opinion there are adequate internal controls over financial reporting.
4. We have indicated to the Auditors and the Audit Committee
 - i) Significant changes in the internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - iii) That there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

S. Sambhu Prasad
Chairman & Managing Director

K. Kannan
General Manager (Finance)

Place : Chennai

Date : 6th August, 2012

DECLARATION ON CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchange(s) I hereby declare that the Members of the Board and Senior Management have affirmed compliance with the Code of Conduct for the year ended 31st March, 2012.

Place : Chennai

Date : 6th August, 2012

S. Sambhu Prasad
Chairman & Managing Director



Since 1893

Amritanjan

Pure Healthy Essence



To the Members of Amrutanjan Health Care Limited

1. We have audited the attached Balance Sheet of Amrutanjan Health Care Limited as at 31.03.2012, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis; evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003, as amended by the Companies (Auditors Report) (Amendment) Order, 2004 issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared, in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and a fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
 - ii) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **P.S.SUBRAMANIA IYER & CO.,**
Firm Registration No: 004104S
Chartered Accountants

N. SRINIVASAN

Partner

Membership No: 200330

Place: Hyderabad

Date: 30.05.2012

Annexure to the Auditors' Report referred to in paragraph 3 of our report of even date to the members of Amrutanjan Health Care Limited on the financial statements for the year ended March 31, 2012.

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets are being physically verified by the management as per a phased programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies have been noticed on such verification.
- c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- 2) a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies notified on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- 3) a) The Company has granted unsecured loans, to two companies covered in the register maintained under Section 301 of the Companies Act, 1956, of which one loan was repaid during the year. The amount outstanding at the year end is ₹ 18,48,91,501/- and maximum amount outstanding during the year was ₹ 19,69,45,699/-
- b) The terms and conditions of the loans given by the Company, are prima facie not prejudicial to the interest of the company.
- c) There is no stipulation as to repayment of principal and for payment of interest.
- d) Not Applicable.
- e) The company has taken an unsecured loan from a company covered in the register maintained under Section 301 of the Companies Act, 1956. The amount outstanding at the year end is ₹ 1,97,82,392/- and maximum amount outstanding during the year was ₹ 2,64,25,824/-
- f) The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the company.
- g) There is no stipulation as to repayment of principal and the company has been regular in payment of interest.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal controls.
- 5) According to the information and explanations given to us, we are of the opinion that the contracts or arrangements that need to be entered in the register required to be maintained under Section 301 of the Companies Act, 1956 have been so entered. Sub-clause (b) is not applicable.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act.
- 7) The Company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
- 8) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by Central Government for the maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.



- 9) a) According to the information and explanations given to us the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, investor education and protection fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues with the appropriate authorities. No undisputed amount payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty were outstanding, at the year end for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, details of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess, which have not been deposited on account of any dispute are given below :

Statute	Nature of Dues	Amount ₹	Period	Forum where dispute is pending
Central Excise Act	Excise Duty	8,89,155	2000-2001	CESTAT
Income Tax Act	Income Tax	64,53,470	2007-2008	CIT (Appeals)
Income Tax Act	Income Tax	36,40,000	2009-2010	CIT (Appeals)

- 10) The Company does not have any accumulated losses at the end of financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution / bank.
- 12) As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of the activities of the company does not attract any special statute applicable to the

chit fund and nidhi/mutual benefit fund/societies.

- 14) The Company is not dealing in or trading in shares, securities, debentures and other investments.
- 15) There are no guarantees outstanding as at the year end that are given by the company for loans taken by subsidiary company from bank.
- 16) In our opinion and according to the information and explanations given to us and on an overall examination, the term loans have been applied for the purpose for which they were obtained.
- 17) On the basis of an overall examination of the financial statements of the Company, in our opinion, and according to the information and explanation given to us, no funds raised on short-term basis have been used for long-term investment.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the Management.

For P.S.SUBRAMANIA IYER & CO.,

Firm Registration No: 004104S

Chartered Accountants

N. SRINIVASAN

Partner

Place: Hyderabad

Date: 30.05.2012

Membership No: 200330

Balance Sheet as at 31 March, 2012

	Note No.	as at 31st March, 2012 ₹	as at 31st March, 2011 ₹
I. EQUITY AND LIABILITIES			
1) Shareholder's Funds			
a) Share Capital	3	2,92,30,630	3,03,00,000
b) Reserves and Surplus	4	96,73,92,754	99,89,29,112
2) Non-Current Liabilities			
a) Long-term borrowings	5	5,96,44,250	3,34,20,800
b) Deferred tax liabilities (net)	6	2,60,31,338	3,84,37,476
c) Other long term liabilities	7	46,09,545	39,46,361
d) Long term provisions	8	20,19,143	3,10,946
3) Current Liabilities			
a) Short-term borrowings	9	12,95,07,183	22,44,92,568
b) Trade payables	10	5,89,01,573	6,35,71,624
c) Other current liabilities	11	6,69,48,945	9,65,24,223
d) Short-term provisions	12	5,19,48,950	4,09,38,121
TOTAL		139,62,34,311	153,08,71,231
II. ASSETS			
1) Non-current assets			
a) Fixed assets	13		
i) Tangible assets		15,76,91,126	29,86,06,189
ii) Intangible assets		3,02,509	5,42,605
iii) Capital work-in-progress		31,93,594	44,01,766
iv) Intangible assets under development		16,70,787	4,80,510
b) Non-current investments	14	56,36,12,905	51,71,36,751
c) Long term loans and advances	15	21,07,02,605	3,53,72,023
d) Other non-current assets	16	75,29,499	66,90,579
2) Current assets			
a) Current investments	17	3,59,30,524	16,69,51,617
b) Inventories	18	7,90,85,549	8,54,06,090
c) Trade receivables	19	10,98,07,040	11,62,78,814
d) Cash and cash equivalents	20	14,72,95,794	19,87,62,689
e) Short-term loans and advances	21	6,59,00,188	8,49,36,192
f) Other current assets	22	1,35,12,191	1,53,05,406
TOTAL		139,62,34,311	153,08,71,231
Significant accounting policies	2		

The accompanying notes form an integral part of Financial Statements

As per our Report of even date

For **P.S. Subramania Iyer & Co.,**

Chartered Accountants

N. Srinivasan

Partner

Membership No. 200330

Place : Hyderabad

Date : 30th May, 2012

S. Sambhu Prasad

Chairman & Managing Director

K. Kannan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

Dr. Marie Shiranee Pereira

Directors

Statement of Profit and Loss for The Year Ended 31 March, 2012



	Note	Year ended 31st March, 2012	Year ended 31st March, 2011
	No.	₹	₹
Revenue from operations	23	115,23,72,279	103,38,80,473
Other Income	24	4,09,09,237	4,83,22,161
Total Revenue		119,32,81,516	108,22,02,634
EXPENSES:			
Cost of materials consumed	25	41,67,91,505	39,34,96,996
Products Purchase / Processing Charges		4,43,88,410	2,85,73,311
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(1,07,61,443)	(48,27,062)
Employee benefit expenses	27	15,84,13,435	15,92,11,304
Financial Costs	28	2,71,24,429	52,55,864
Depreciation	13	2,73,47,110	1,76,74,382
Other Expenses	29	34,89,94,288	32,19,95,553
Total Expenses		101,22,97,734	92,13,80,348
Profit before exceptional and extraordinary items and tax		18,09,83,782	16,08,22,286
Exceptional Items		-	-
Profit before extraordinary items and tax		18,09,83,782	16,08,22,286
Extraordinary Items	30	(32,93,494)	(21,90,580)
Profit before tax		17,76,90,288	15,86,31,706
Tax expense:			
1) Current tax		(6,30,00,000)	(4,15,00,000)
2) Deferred tax		1,24,06,138	(1,01,96,739)
Short provision for Income tax of earlier years		-	(1,42,658)
Profit after tax for the year		12,70,96,426	10,67,92,309
Earnings per share			
Basic and Diluted before extraordinary item		43.93	35.97
Basic and Diluted after extraordinary item		42.82	35.24
Significant accounting policies	2		

The accompanying notes form an integral part of Financial Statements

As per our Report of even date

For **P.S. Subramania Iyer & Co.,**

Chartered Accountants

N. Srinivasan

Partner

Membership No. 200330

Place : Hyderabad

Date : 30th May, 2012

S. Sambhu Prasad

Chairman & Managing Director

K. Kannan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

Dr. Marie Shiranee Pereira

Directors

Cash Flow Statement for the Year Ended 31 March, 2012

	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	18,09,83,782	16,08,22,286
Adjustments for:		
Depreciation	2,73,47,110	1,76,74,382
Interest received	(1,02,17,004)	(1,44,62,792)
Income from Investments	(1,68,17,983)	(1,70,39,108)
Amortisation of Premium on Investments	16,18,753	15,49,425
Dividend received	(40,37,403)	(69,17,975)
Rent receipts	(9,46,400)	(5,51,700)
Provision for Bad and Doubtful Debts	-	41,93,292
Profit on sale of Fixed Assets	(16,84,446)	(1,30,003)
Profit on sale of Investments	(29,60,011)	(22,11,266)
Interest paid	2,42,65,752	30,15,993
Loss on sale of fixed assets	12,18,254	-
Operating Profit before Working Capital Changes	19,87,70,404	14,59,42,534
Adjustments for:		
Trade & other receivables	1,46,68,858	(2,66,96,166)
Inventories	63,20,541	(1,23,11,565)
Trade payables	(3,47,21,931)	(32,43,366)
Cash generated from operations	18,50,37,872	10,36,91,437
Direct Taxes Paid	(4,58,56,839)	(4,48,27,070)
Net Cash from operating activities	13,91,81,033	5,88,64,367
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including Capital Work-in-Progress	(3,65,94,190)	(10,27,60,765)
Sale / Transfer of fixed assets	8,77,93,663	7,35,000
(Purchase) / Sale of investments	13,89,78,860	3,56,86,349
Investments in Subsidiary Company	(5,00,000)	(24,73,80,000)
Sundry Deposits	1,00,00,000	(1,00,00,000)
Loan / advances to subsidiary companies	(18,49,46,507)	(77,76,951)
Loan / advances from subsidiary company	2,22,41,575	-
Interest received	2,88,28,202	2,69,92,257
Dividend received	40,37,403	39,52,584
Rent received	9,46,400	5,42,800
Cash Flow before extraordinary items	7,07,85,406	(30,00,08,726)
Net Cash (used in) / generated from Investing Activities	7,07,85,406	(30,00,08,726)

Cash Flow Statement for the Year Ended 31 March, 2012



	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Loan	2,62,23,450	4,17,76,000
Increase / (Decrease) in Short Term Loans	(11,47,67,777)	21,19,07,200
Dividend paid (including interim Dividend & Dividend Tax)	(5,09,58,854)	(5,31,74,228)
Interest paid	(2,45,77,391)	(9,97,475)
Buyback of equity shares	(9,62,43,300)	-
Cost in relation to buyback of equity shares	(11,09,462)	-
Net Cash (used in) / generated from financing Activities	(26,14,33,334)	19,95,11,497
Net Increase / (Decrease) in cash & cash equivalents	(5,14,66,895)	(4,16,32,862)
Cash and cash equivalents opening balance	19,87,62,689	24,03,95,551
Cash and cash equivalents closing balance	14,72,95,794	19,87,62,689

S. Sambhu Prasad
Chairman & Managing Director

Dr. H.B.N. Shetty
Dr. Pasumarthi S.N. Murthi
D. Seetharama Rao
Dr. Marie Shiranee Pereira
Directors

Place : Hyderabad
Date : 30th May 2012

K. Kannan
General Manager (Finance)

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow statement of Amrutanjan Health Care Limited, derived from the audited financial statements for the year ended 31st March 2012 and the year ended 31st March 2011 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreement with Stock Exchange.

As per our Report of even date
For **P.S.Subramania Iyer & Co.**
Chartered Accountants

Place : Hyderabad
Date : 30.05.2012

N. Srinivasan
Partner
Membership No. 200330

NOTES TO THE FINANCIAL STATEMENTS

1. BACKGROUND

Amrutanjan Health Care Limited was established in the year 1893, specializing in Ayurvedic balm for headaches, cold and cough. The Company is a Public Limited Company and is listed on the Madras Stock Exchange.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis for preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

2.2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimate is recognized prospectively – Current and future periods.

2.3. Revenue recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Sale of goods: Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of excise duty.

Sale of Services: Income from services are recognised as and when the services are rendered.

Other Income: Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Insurance claims and scrap sales proceeds are accounted on cash basis

2.4. Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets Depreciation is provided on written down value method except on plant and machinery acquired after April 1, 1992, which is provided on straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956. Additions made during the year are depreciated pro-rata from the date of addition. Freehold / Leasehold lands are not depreciated. Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

2.5. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a written down value method at the rates prescribed under schedule XIV of the Companies Act, 1956. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are

reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

2.6. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.7. Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.8. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Investment property: Investment in buildings that are not intended to be occupied substantially for use by, or in the operations of, the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation.

2.9. Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average cost method method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.10. Lease Assets

As a lessee:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability at the implicit rate of return. Finance charges are charged to the Statement of Profit and Loss.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

2.11. Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange difference arising on foreign exchange transactions during the year and on restatement of monetary assets and liability are recognized in the Statement of Profit and Loss of the year.

2.12. Retirement and other employee benefits

a. Provident fund:

Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions.

b. Gratuity:

The Company provides for gratuity, a defined benefit retirement Plan (the "Gratuity Plan") covering eligible employees. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company provides the gratuity benefit through annual contribution to a fund managed by the Life Insurance Corporation (LIC). Under this scheme the settlement obligation remains with the Company although the LIC administers the scheme and determines the contribution premium required to be paid by the Company. Gratuity, which is a defined benefit scheme, is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

c. Compensated absence:

Provision for compensated absence is made by the Company based on an actuarial valuation as at the balance sheet date of the unavailed leave standing to the credit of employees in accordance with the service rules of the Company.

2.13. Accounting for Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax



liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.14. Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability if resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements.

2.15. Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

2.16. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid.

2.17. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)



3. Share Capital

	March 31, 2012 ₹	March 31, 2011 ₹
a. Authorised Share Capital:		
50,00,000 Equity Shares of ₹ 10/- each	5,00,00,000	5,00,00,000
b. Issued, Subscribed and Fully Paid up Share Capital:		
29,23,063 (30,30,000) Equity Shares of ₹ 10/- each fully paid-up	2,92,30,630	3,03,00,000
c. Reconciliation of number of shares		
Number of equity shares at the beginning of the year	30,30,000	30,30,000
Add: Rights issue / Bonus issue	-	-
Less: Buy back	1,06,937	-
Number of equity shares at the end of the year	29,23,063	30,30,000

d. Number of shares held by share holders more than 5% of total shares

Name of the Share Holder	As on 31st Mar 2012		As on 31st Mar 2011	
	No. of Shares	% held	No. of Shares	% held
Mrs. Rajeswari S	3,27,475	11.20%	3,17,847	10.49%
Mrs. Leela Bhamara	2,48,485	8.50%	2,48,485	8.20%
Miss Ramayamma S	2,22,981	7.63%	2,22,981	7.36%
Mrs. Nageswaramma P	1,85,516	6.35%	1,85,516	6.12%
Mr. Sambhu Prasad S	1,54,023	5.27%	1,54,023	5.08%

e. Equity shares bought back (during 5 years preceding March 31, 2012):

Period ended	No. of Shares	Face Value per share	Face Value of Shares Bought Back
March 31, 2012	1,06,937	10	10,69,370
March 31, 2011	-	-	-
March 31, 2010	71,660	10	7,16,600
March 31, 2009	98,340	10	9,83,400
March 31, 2008	-	-	-

Terms/ Rights / restrictions attached to shares:

The Company has only one type of equity shares. Every shareholder is entitled to one vote per share.

Buy Back of Shares:

The Company bought back 1,06,937 fully paid up equity shares of ₹ 10/- each, at a price of ₹ 900/- per share payable in cash, for an aggregate amount not exceeding of ₹ 9,62,43,300 from the open market through tender offer method.

NOTES TO THE FINANCIAL STATEMENTS (continued)



4. Reserves & Surplus

	March 31, 2012 ₹	March 31, 2011 ₹
a Capital redemption reserve		
Opening balance	17,00,000	17,00,000
Add: transfer from general reserve	10,69,370	-
Closing balance	<u>27,69,370</u>	<u>17,00,000</u>
b General reserve		
Opening balance	72,57,24,166	67,57,24,166
Add: transfer from Statement of Profit & Loss	5,00,00,000	5,00,00,000
Less: transfer to capital redemption reserve	(10,69,370)	-
Less: utilized towards buy back of shares	(9,51,73,930)	-
Closing balance	<u>67,94,80,866</u>	<u>72,57,24,166</u>
c Contingency reserve		
Opening balance	1,25,00,000	1,00,00,000
Add: transfer from Statement of profit & loss	-	25,00,000
Less: transfer to provision for investments / advances	(1,25,00,000)	-
Closing balance	<u>-</u>	<u>1,25,00,000</u>
d Surplus in Statement of Profit & Loss		
Opening balance	25,90,04,946	25,64,09,950
Add: Current year surplus	12,70,96,426	10,67,92,309
Less: Transfer to general reserve	(5,00,00,000)	(5,00,00,000)
Less: Transfer to contingency reserve	-	(25,00,000)
Less: Interim Dividend - Paid [₹ 5/- per share (previous year ₹ 5/- per share)]	(1,46,15,315)	(1,51,50,000)
Less: Tax on Interim Dividend	(23,70,969)	(25,74,743)
Less: Final Dividend - Proposed [RS. 10/- per share (previous year ₹ 10/- per share)]	(2,92,30,630)	(2,92,30,630)
Less: Tax on Proposed Dividend	(47,41,940)	(47,41,940)
Closing balance	<u>28,51,42,518</u>	<u>25,90,04,946</u>
Total	<u>96,73,92,754</u>	<u>99,89,29,112</u>

5. Long-term borrowings

Secured

Term Loans from Banks

Total

	March 31, 2012 ₹	March 31, 2011 ₹
Term Loans from Banks	5,96,44,250	3,34,20,800
Total	<u>5,96,44,250</u>	<u>3,34,20,800</u>

Term Loan referred above to the extent of:

- ₹ 4,50,00,000 (₹ 3,34,20,800) repayable in ten equal half yearly installments with interest @ 11.50%. The repayment will be complete in February, 2016.
- ₹ 1,46,44,250 (nil) repayable in ten equal half yearly installments with interest @ 11.80%. The repayment will be complete in February, 2016.

Term Loans are secured by way of hypothecation of specific plant & machinery, specific investments in mutual funds and current assets of the company, both present and future, ranking pari passu.

NOTES TO THE FINANCIAL STATEMENTS (continued)



6. Deferred tax liabilities (Net)

	March 31, 2012 ₹	March 31, 2011 ₹
Deferred tax liability arising from timing differences in respect of fixed assets	2,55,20,632	3,79,50,140
Deferred tax liability arising from timing differences in respect of expenses / provisions	5,10,706	4,87,336
Net Deferred Tax Liability	2,60,31,338	3,84,37,476

7. Other long term liabilities

	March 31, 2012 ₹	March 31, 2011 ₹
Rent Deposits	3,65,784	3,17,600
Caution deposits from customers	42,43,761	36,28,761
	46,09,545	39,46,361

8. Long-term Provisions

	March 31, 2012 ₹	March 31, 2011 ₹
Provision for Employee Retirement Benefits	20,19,143	3,10,946
Provision for compensated absences	20,19,143	3,10,946

9. Short-term Borrowings

	March 31, 2012 ₹	March 31, 2011 ₹
a Secured Loan		
Working Capital Demand Loan - Bank*	8,00,00,000	10,00,00,000
Cash Credit from Banks#	2,54,04,791	24,92,568
Loan against Fixed Deposits@	43,20,000	9,20,00,000
	10,97,24,791	19,44,92,568
b Unsecured Loan		
From Bank	-	3,00,00,000
From Subsidiary Company	1,97,82,392	-
	12,95,07,183	22,44,92,568

* secured by lien on specific investments in mutual funds

secured by hypothecation of specific plant and machinery, inventories and book debts and lien on specific fixed deposits.

@ secured by lien on specific fixed deposits

NOTES TO THE FINANCIAL STATEMENTS (continued)



10. Trade Payables

	March 31, 2012 ₹	March 31, 2011 ₹
Due to Micro Small and Medium Enterprises	19,14,132	28,11,311
Due to Others	5,69,87,441	6,07,60,313
	<u>5,89,01,573</u>	<u>6,35,71,624</u>

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

	March 31, 2012 ₹	March 31, 2011 ₹
Principal amount due and remaining unpaid	7,16,668	21,05,984
Interest due on above and the unpaid interest	11,97,464	7,05,327
Interest paid	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	4,92,137	5,93,458
Amount of further interest remaining due and payable in succeeding years	-	7,688

11. Other Current - Liabilities

	March 31, 2012 ₹	March 31, 2011 ₹
Current maturities of long term debt	1,50,00,000	83,55,200
Interest accrued but not due on borrowings	17,06,879	20,18,518
Other payables		
– Creditors for capital goods	7,41,212	2,52,56,967
– Creditors for expenses	3,00,24,669	3,56,46,325
– Other liabilities	1,13,74,041	1,44,55,786
Due to directors	15,00,000	48,63,176
Unclaimed dividend	66,02,144	59,28,251
	<u>6,69,48,945</u>	<u>9,65,24,223</u>

12. Short Term Provisions

	March 31, 2012 ₹	March 31, 2011 ₹
Provision for employee benefits		
Provision for gratuity	7,78,794	46,62,782
Provision for compensated absences	30,27,135	23,02,769
	<u>38,05,929</u>	<u>69,65,551</u>
Other Provisions		
Provision for income tax (net of advance tax)	1,41,70,451	-
Provision for dividend	2,92,30,630	2,92,30,630
Provision for dividend tax	47,41,940	47,41,940
	<u>4,81,43,021</u>	<u>3,39,72,570</u>
	<u>5,19,48,950</u>	<u>4,09,38,121</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Non-Current Investments	Face Value	March 31, 2012 ₹	March 31, 2011 ₹
Investment Property (at cost less accumulated depreciation)			
Cost of Land & Building given on operating lease		6,37,39,953	-
Less: Accumulated depreciation		(76,47,290)	-
Net Block		5,60,92,663	-
Non-Trade Investments (Unquoted):			
National Savings Certificates (Deposited with the Collector of Central Excise, Chennai)	5,500	5,500	5,500
5 Equity Shares in Capexil (Agencies) Ltd. of ₹ 1,000/- each fully paid	5,000	5,000	5,000
60,800 Equity Shares of Re.1/- each in Madras Stock Exchange Ltd.	60,800	1,60,000	1,60,000
Non-Trade Investments (Quoted):			
1950 Equity Shares in Marg Securities of ₹ 10/- each fully paid	19,500	65,325	65,325
21,450 Equity Shares in Saha Keil Ltd. of ₹ 10/- each fully paid	2,14,500	2,14,500	2,14,500
1,006 Equity Shares in NTPC Ltd of ₹ 10/- each fully paid	10,060	62,372	62,372
38 Equity Shares in Punjab National Bank of ₹ 10/- each fully paid	380	14,820	14,820
450 Equity Shares in Periakaramalai Tea & Produce Co. Ltd of ₹ 10/- each fully paid	4,500	54,000	54,000
7 Equity Shares in Dewan Housing Finance Ltd of ₹ 10/- each fully paid (purchased during the year)	70	2,244	-
2,070 (2,120) (6.85%) Tax Free Bonds of Indian Infrastructure Finance Company Limited of ₹ 1,00,000/- each (50 units redeemed during the year)	20,70,00,000	20,95,94,857	21,61,07,836
2,100 (Zero Coupon) Bonds of NABARD of ₹ 20,000 each	4,20,00,000	2,24,70,000	2,24,70,000
16,800 (10.24%) Debentures of L & T Finance Limited of ₹ 1,000/- each	1,68,00,000	1,75,86,124	1,76,91,898
Nil (P.Y.100) 6 % Cumulative Preference Shares in Metal Box Limited of ₹ 100/- each fully paid (written off during the year)	10,000	-	11,684
Investments in Subsidiaries (Unquoted):			
Nil (P.Y. 29,04,407) Equity Shares in Data Quest Infotech & Enterprises Ltd of ₹ 10/- each fully paid (written off during the year)	2,90,44,070	-	3,00,11,428
3,50,000 Equity Shares in Holistic Beauty Care Limited of ₹ 10/- each fully paid	3,50,000	35,00,000	35,00,000
9,00,000 Equity Shares in Siva's Soft Drink Private Limited of ₹ 10/- each fully paid, out of which 4 fully paid-up equity shares are held in the name of nominees	90,00,000	25,70,00,000	25,70,00,000
50,000 Equity Shares in Amrutanjan Pharmaessence Private Limited of ₹ 10/- each fully paid, out of which 4 fully paid-up equity shares are held in the name of nominees (purchased during the year)	50,000	5,00,000	-
Total		56,73,27,405	54,73,74,363
Less: Provision for Investments		37,14,500	3,02,37,612
Net of provision		56,36,12,905	51,71,36,751
Quoted Investments - Cost		25,00,64,242	25,64,00,926
- Market Value		25,53,13,341	25,20,89,773
Unquoted Investments - Cost		31,35,48,663	26,07,35,825

NOTES TO THE FINANCIAL STATEMENTS (continued)



15. Long term loans and advances

(Unsecured, considered good unless otherwise stated)

	March 31, 2012 ₹	March 31, 2011 ₹
Capital Advance	2,58,11,104	1,88,11,104
Loans and advances to subsidiaries		
Considered good	18,48,91,501	1,35,88,209
Considered doubtful	1,11,84,032	17,05,36,396
Less : Provision made	(1,11,84,032)	(17,05,36,396)
Other Loans and Advances		
Advance Tax / TDS (net off provisions)	-	29,72,710
	21,07,02,605	3,53,72,023

16. Other non-current assets

	March 31, 2012 ₹	March 31, 2011 ₹
Balance with excise authorities, paid under protest	9,79,945	9,79,945
Security deposits	65,49,554	57,10,634
	75,29,499	66,90,579

NOTES TO THE FINANCIAL STATEMENTS (continued)



17. Current investments

Investment In Mutual Funds (Unquoted):

**marked as lien for long term / short term borrowings

	March 31, 2012 ₹	March 31, 2011 ₹
774,656 (previous year 27,602,004) units of ₹ 10 each of Templeton India Short Term Income Retail Plan - Monthly Dividend Reinvestment **	8,64,175	3,08,28,703
24,56,036.939 (previous year 24,56,036.939) units of ₹ 10 each of Templeton India Income Opportunities Fund - Dividend Payout **	2,50,00,000	2,50,00,000
9,55,277.716 (previous year 9,48,973.685) units of ₹ 10 each of Templeton India Income Opportunities Fund - Dividend Reinvestment **	1,00,66,349	1,00,66,349
NIL (previous year 20,52,309.258) units of ₹ 10 each of Reliance Regular Savings Fund - Debt Plan - Institutional Dividend (redeemed during the year)	-	2,50,00,000
Nil (previous year 10,00,000.000) units of ₹ 10 each of Canara Robeco - FMP – Growth - (redeemed during the year)	-	1,00,00,000
Nil (previous year 7,86,887.310) units of ₹ 10 each of Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan - (redeemed during the year)	-	2,00,00,000
Nil (previous year 8,59,874.800) units of ₹ 10 each of Birla Sun Life Govt Securities Long Term Dividend – Payout (redeemed during the year)	-	1,00,00,000
Nil (previous year 9,85,371.520) units of ₹ 10 each of Kotak Credit Opp Fund Monthly Dividend (redeemed during the year)	-	1,00,00,000
Nil (previous year 15,35,575.000) units of ₹ 10 each of Kotak FMP 370 Days Series Dividend (redeemed during the year)	-	1,53,55,750
Nil (previous year 4,66,962.303) units of ₹ 10 each of Reliance Monthly Income Plan-Monthly Dividend Plan (redeemed during the year)	-	50,50,874
Nil (previous year 5,74,759.394) units of ₹ 10 each of ICICI Prudential Interval Fund (redeemed during the year)	-	56,49,941
Total	3,59,30,524	16,69,51,617

18. Inventories

	March 31, 2012 ₹	March 31, 2011 ₹
Raw materials	2,60,05,274	2,52,74,021
Work in progress	-	31,73,790
Finished goods	4,23,56,640	4,77,97,675
Packing materials	1,07,23,635	91,60,604
	7,90,85,549	8,54,06,090

NOTES TO THE FINANCIAL STATEMENTS (continued)



19. Trade receivables

	March 31, 2012 ₹	March 31, 2011 ₹
Unsecured, considered good		
Outstanding for a period exceeding 6 months	82,10,416	75,39,136
Others	10,15,96,624	10,87,39,678
	10,98,07,040	11,62,78,814
Unsecured, considered doubtful		
Outstanding for a period exceeding 6 months	1,49,78,811	3,09,25,437
Provision for doubtful debts	(1,49,78,811)	(3,09,25,437)
	-	-
Total	10,98,07,040	11,62,78,814

20. Cash and cash equivalents

	March 31, 2012 ₹	March 31, 2011 ₹
Cash in hand	4,94,143	10,29,308
Cheques in hand	5,71,86,308	3,34,61,563
Balance with banks		
Current Accounts	81,45,811	51,25,802
Fixed Deposits maturing within 3 months	-	1,01,00,000
Other Bank Balances:		
Margin Deposit	2,33,97,981	18,87,015
Fixed Deposits maturing within 12 months *	5,04,19,407	8,86,31,268
Fixed Deposits maturing after 12 months *	10,50,000	5,25,99,482
Unclaimed Dividend Accounts	66,02,144	59,28,251
	14,72,95,794	19,87,62,689

* includes ₹ 5,14,69,407/- (₹ 3,86,00,750/-) under lien with banks for borrowings

21. Short-term loans and advances

	March 31, 2012 ₹	March 31, 2011 ₹
Unsecured and considered good		
Deposits and Balances with excise authorities	95,27,117	2,16,19,046
Sundry Deposits (refer note 34)	1,00,00,000	2,00,00,000
Other advances	4,63,73,071	4,33,17,146
	6,59,00,188	8,49,36,192

22. Other current assets

	March 31, 2012 ₹	March 31, 2011 ₹
Interest accrued on Investments / Deposits	1,35,12,191	1,53,05,406
	1,35,12,191	1,53,05,406

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Revenue from operations

	Year Ended March 31, 2012 ₹	Year Ended March 31, 2011 ₹
Sale of Products		
Export Sales	1,64,26,853	2,50,11,640
Domestic Sales	118,57,14,162	105,25,27,967
	<u>120,21,41,015</u>	<u>107,75,39,607</u>
Less: Excise Duty paid	(51,916,213)	(4,36,59,134)
	<u>115,02,24,802</u>	<u>103,38,80,473</u>
Other operating revenues	21,47,477	-
	<u>115,23,72,279</u>	<u>103,38,80,473</u>

24. Other Income

	Year Ended March 31, 2012 ₹	Year Ended March 31, 2011 ₹
Interest Income	1,02,17,004	1,44,62,792
Dividend Income	40,37,403	69,17,975
Net gain / (loss) on sale of investment	29,60,011	22,11,266
Rent Receipt (refer note 45)	9,46,400	5,51,700
Income from investments	1,68,17,983	1,70,39,108
Profit on sale of assets	16,84,446	1,30,003
Scrap sales	14,61,186	19,22,761
Other Income	27,84,804	50,86,556
	<u>4,09,09,237</u>	<u>4,83,22,161</u>

25. Cost of Materials consumed

	Year Ended March 31, 2012 ₹	Year Ended March 31, 2011 ₹
Opening Stock of Raw Materials & Packing Materials	3,44,34,625	2,67,47,003
Purchases Of Raw Materials & Packing Materials	43,12,43,565	40,11,84,618
	<u>46,56,78,190</u>	<u>42,79,31,621</u>
Less: Transfer of stock to subsidiary company	1,21,57,776	-
	<u>45,35,20,414</u>	<u>42,79,31,621</u>
Less: Closing stock of raw Materials & Packing Materials	3,67,28,909	3,44,34,625
Consumption of Raw & Packing Materials	<u>41,67,91,505</u>	<u>39,34,96,996</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

	Year Ended March 31, 2012 ₹	Year Ended March 31, 2011 ₹
Opening Stock		
Finished Goods	4,77,97,675	4,51,70,929
Process Stock	31,73,790	11,76,594
	5,09,71,465	4,63,47,523
Less: Transfer of stock to subsidiary company	1,96,38,971	-
	3,13,32,494	4,63,47,523
Closing stock		
Finished Goods	4,23,56,640	4,77,97,675
Process Stock	-	31,73,790
	4,23,56,640	5,09,71,465
(Increase) / Decrease in Stock	(1,10,24,146)	(46,23,942)
Excise Duty on Increase / (Decrease) on Finished Goods	2,62,703	(2,03,120)
	(1,07,61,443)	(48,27,062)

27. Employee benefit expenses

	Year Ended March 31, 2012 ₹	Year Ended March 31, 2011 ₹
Salaries & Wages	13,44,34,538	13,14,37,157
Contribution to Provident & Other Funds	1,63,76,064	1,84,81,431
Staff Welfare expenses	76,02,833	92,92,716
	15,84,13,435	15,92,11,304

28. Financial Costs

	Year Ended March 31, 2012 ₹	Year Ended March 31, 2011 ₹
Interest Expenses	2,42,65,752	30,15,993
Bank charges	28,58,677	22,39,871
	2,71,24,429	52,55,864

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. Other Expenses

	Year Ended March 31, 2012 ₹	Year Ended March 31, 2011 ₹
Power & Fuel	1,00,29,233	1,21,92,338
Repairs & Maintenance :		
- Building	10,07,567	12,70,684
- Machinery	28,63,474	32,68,005
- Others	47,39,038	72,30,505
Freight and Transport Charges	1,98,61,894	1,75,02,633
Advertisement	11,75,63,789	9,79,03,451
Selling Expenses	5,96,09,280	5,56,62,021
Commission on Sales	20,43,144	19,18,268
Bad debts written off	12,99,094	-
Sales Tax	5,74,62,997	4,35,91,642
Rates and Taxes	35,66,239	24,79,937
Insurance	13,87,095	23,57,874
Travelling Expenses	2,61,23,076	2,55,21,638
Conveyance	32,68,564	24,64,594
Retainer & Consultancy	50,15,273	51,86,821
Security Charges	32,55,758	43,13,676
Rent (Refer note 45)	38,65,474	14,53,395
Printing & Stationery	29,92,547	31,22,198
Postage & Telegrams	16,47,090	16,11,529
Communication Expenses	77,19,382	74,83,172
Legal Expenses	4,34,366	19,80,197
Research & Development Expenses	5,67,329	60,07,259
Donations	12,05,000	9,43,751
Auditor's Remuneration:		
- Audit Fees	6,00,000	6,00,000
- Tax Audit	1,21,330	75,000
- Tax Representation	1,10,300	40,000
- Other services (including limited review fees)	2,11,995	1,95,000
- Out of Pocket expenses	18,701	12,450
Cost Audit Fees	1,00,000	1,20,000
Directors Sitting Fees	5,02,500	7,05,000
Commission to Non-Executive Directors	15,00,000	17,61,761
Lease Rent	6,71,665	10,65,480
Investments written off	11,684	-
Less : provision made in earlier years	(11,684)	-
Loss on fixed assets sold / discarded	12,18,254	-
Exchange difference (net)	-	1,03,567
EDP Expenses	18,72,668	32,71,502
Provision for doubtful debts	-	41,93,292
Miscellaneous Expenses	45,40,172	43,86,913
	34,89,94,288	32,19,95,553

NOTES TO THE FINANCIAL STATEMENTS (continued)



30. Extraordinary Item

		Year Ended March 31, 2012 ₹	Year Ended March 31, 2011 ₹
Cost in relation to Buy-back of EquityShare		(11,09,462)	-
Investments / Advances of subsidiary company written off *	20,05,47,823		
Less : Provisions made in earlier years	(20,05,47,823)	-	-
Provision for Investments / Advances - subsidiary company (Refer Note 44)	1,46,84,032		
Less : Transfer from Contingency reserve	(1,25,00,000)	(21,84,032)	(2,190,580)
TOTAL		(32,93,494)	(2,190,580)

* represents investments / advances in Data Quest Infotech & Enterprises Ltd written off, since the said company has been struck off u/s 560 (5) of Companies Act, 1956 during the year

31. Monies for which the company is contingently liable :

- Bonds executed in favour of Collector of Central Excise, Chennai – ₹ 8,00,000/- (₹ 8,00,000)
- Guarantees/Letter of Credit issued on behalf of Company by Banks – ₹ 2,11,19,251/- (₹ 2,25,34,291/-)
- Contingent Liability in respect of Income Tax ₹ 20,43,194/- (₹ 20,43,194/-). However, the said amount has been paid under protest.
- Appeals filed in respect of disputed demands:

	2011-12 ₹	2010-11 ₹
Excise Duty	8,89,155	8,89,155
ESI	3,96,545	3,96,545
Service Tax	12,94,186	12,94,186
Income Tax	1,00,93,470	64,53,470

- Lease Rent in respect of lease hold land has been revised by the Government of Tamil Nadu with retrospective effect from November 2001 and the arrears on this account up to 31st March 2012 is ₹ 5,04,32,834/-. The company has contested the said revision before the Madras High Court in a writ petition and pending resolution of the proceedings, it is not practicable either to estimate the liability nor the timing of the cash outflows.
- Claims against the Company not acknowledged as debts : ₹ 1,88,31,161/- (1,33,03,607/-)

32. Estimated amount of capital expenditure commitments ₹ 3,00,00,000/- (₹ 4,00,00,000)

- The Company has transferred ₹ 1,87,787/- (₹ 2,55,014/-) of unclaimed dividend to Investor Education and Protection Fund during the year.
- Unclaimed Dividend amounting to ₹ 15,689 (₹ 9,549/-) is pending on account on litigation among claimants.

NOTES TO THE FINANCIAL STATEMENTS (continued)

34. Sundry Deposits represent Fixed Deposit with Dewan Housing Finance Corporation Limited renewed during the year.

35. CIF Value of Imports

	2011-12 ₹	2010-11 ₹
a. Raw & Other Materials	1,51,74,771	2,74,30,826
b. Capital Goods	-	-
Total	1,51,74,771	2,74,30,826

36. Expenditure in foreign currency

	2011-12 ₹	2010-11 ₹
a. Travelling Expenses	3,79,069	1,45,970
b. Others	6,90,680	30,87,089
Total	10,69,749	32,33,059

37. Earnings in foreign currency

	2011-12 ₹	2010-11 ₹
Export Sales (F.O.B Value)	1,63,11,092	2,50,11,640

38. Clause 32 Disclosure:

a) Loans and Advances in the nature of loans given to subsidiaries:

Name of Company

Holistic Beauty Care Limited
(fully provided)

Amrutanjan Pharmaessense Private Limited

Siva's Soft Drink Private Limited

Balance as on 31-03-2012 ₹	Maximum balance during the year ₹
-	1,11,84,032
18,48,91,501	18,97,60,043
-	1,20,54,198

Notes : Loans and Advances in the nature of loans shown above are without any repayment schedule

b) Investment by the loanees in the shares of the company - Nil

39. Turnover & Stock

Class Of Goods	Opening Stock ₹	Purchases ₹	Sales ₹	Closing Stock ₹
Amrutanjan Pain Balm	2,44,90,824	-	1,05,32,82,443	1,98,36,437
Inhaler & Others	42,29,046	-	8,65,46,874	1,07,59,464
Agency Products	49,66,536	4,43,88,410	6,03,79,807	1,17,60,739
Chemicals	1,41,11,269	-	19,31,891	-
Total	4,77,97,675	4,43,88,410	1,20,21,41,015	4,23,56,640

NOTES TO THE FINANCIAL STATEMENTS (continued)

40. Details of Raw Materials Consumed

	2011-12 Value (₹)	2010-11 Value (₹)
Karpoor Powder	1,24,70,661	1,12,36,380
Pudina Ka Phool	10,84,40,476	6,39,98,567
Nilgiri Ka Tel	3,09,51,194	2,25,39,788
Chaha Ka Tel	1,06,63,103	73,60,575
Hard Paraffin (N)	1,28,23,175	98,01,355
Soft Paraffin	1,80,39,479	1,45,70,909
Gandhapura Tel	1,15,22,547	90,00,443
Chemicals	33,81,744	8,10,05,750
Others	4,02,93,391	2,76,53,593
Total	24,85,85,770	24,71,67,360

41. Siva's Soft Drink Private Limited, a wholly owned subsidiary of the Company has on 25th April, 2012 filed an application for amalgamation with the Company with the Hon'ble High Court of Madras. The Scheme shall be given effect to in the Book with effect from the Appointed Date of 1st April, 2011, upon the receipt of the necessary approvals.

42. Related Party Disclosures

- i) **List of related parties and relationships :**
- a) **Parties where control exists – subsidiaries**
 Holistic Beauty Care Limited
 Siva's Soft Drink Pvt Ltd
 Amrutanjan Pharmaessense Private Limited
- b) **Key Management Personnel :**
 Sri S. Sambhu Prasad, Chairman & Managing Director
- c) **Relative to Key Management Personnel :**
 Mrs. Rajeswari S – Mother
- ii) **Transactions with related parties mentioned in (a) above:**

Nature of Transaction

	2011-12 ₹	2010-11 ₹
Loans / Advances granted (net) (Refer Note 43)	16,27,04,932	77,76,951
Interest Paid	1,80,158	-
Interest Received	-	6,42,022
Rent Received	6,36,000	96,000
Investment in Shares	5,00,000	-
Provision for Advances / Investments	1,46,84,032	21,90,580
Outstanding as on 31st Mar 2012:		
Loans / Advances Receivable (net of provisions)	18,48,91,501	1,35,88,209
Loans / Advances Payable	1,97,82,392	-
Investments (net of provisions)	25,75,00,000	26,05,00,000
iii) Transactions with related parties mentioned in (b) above:	2011-12	2010-11
	₹	₹
Remuneration	80,39,500	88,08,807
Dividend Paid	23,10,345	23,10,345
Amount payable as on 31st Mar 2012	NIL	31,01,415
iv) Transactions with related parties mentioned in (c) above:	2011-12	2010-11
	₹	₹
Dividend Paid	48,15,845	45,28,845

NOTES TO THE FINANCIAL STATEMENTS (continued)

43. The Company has transferred the relevant assets and liabilities of the Pharmaessense Chemistry Services Division at the book values (as per the resolution passed by the shareholders vide postal ballot on 23rd Mar 2011) to Amrutanjan Pharmaessense Private Ltd (APPL), a wholly owned subsidiary company with effect from 16th May 2011. The net amount aggregating to ₹ 15,38,66,291/- after adjustment of ₹ 5,00,000/- in the form of investment in shares in APPL is due to the company as on 31st March 2012. In the opinion of the management, the said amount will be realized over a period of time taking into account the business opportunities of the said company. The financial results of the said division after the effective date do not form part of the financial results for the year ended 31st March 2012 and hence not comparable with the financial results for the year ended 31st March 2011.

44. Amount of ₹ 1,46,84,032/- (including ₹ 1,25,00,000 transferred from contingency reserve) has been provided for the value of investments / advances in Holistic Beauty Care Ltd., since the said company has discontinued the business operations.

45. The Company's significant leasing arrangements are in respect of operation leases for premises. These leasing arrangements are not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent in the profit and loss account. (refer note 29)

The company has also given certain land and building on operating lease. The rental income on such lease is included in rental receipt (refer note. 24)

46. Earnings Per Share

	2011-12 ₹	2010-11 ₹
a) Numerator-Profit as per P & L a/c before extraordinary item (in ₹)	13,03,89,920	10,89,82,889
b) Numerator-Profit as per P & L a/c after extraordinary item (in ₹)	12,70,96,426	10,67,92,309
c) Denominator- Weighted average number of Equity shares outstanding	29,67,620	30,30,000
d) Earnings per share (Basic and Diluted) before extraordinary item (in ₹)	43.93	35.97
e) Earnings per share (Basic and Diluted) after extraordinary item (in ₹)	42.82	35.24
f) Nominal value of shares (in ₹)	10.00	10.00

47. Employee Benefits

	2011-12 ₹	2010-11 ₹
a) Defined Benefit Plans - As per Actuarial valuation on March 31 2012		
Gratuity		
A Expense recognised in the statement of Profit & Loss Account for the year ended March 31 2012		
1 Current service cost	25,54,306	34,49,322
2 Interest Cost	14,58,366	12,71,216
3 Past Service Cost	-	13,97,444
4 Expected return on plan assets	(15,44,395)	12,21,079
5 Net actuarial (gain) / loss recognised during the year	(9,66,080)	(2,09,589)
6 Total Expense	14,72,197	46,87,314
B Actual return on plan assets		
1 Expected return on plan assets	15,44,395	12,21,079
2 Actuarial gain / (loss) on plan assets	(15,44,395)	(12,21,079)
3 Actual return on plan assets	-	-
C Net Asset/ Liability recognised in the Balance Sheet		
1 Present value of obligation	1,84,20,999	1,95,10,341
2 Fair value of plan assets	1,76,42,205	1,48,47,559
3 Funded status [surplus/(deficit)]	(7,78,794)	(46,62,782)
4 Net Assets / (Liability) recognised in the Balance Sheet	(7,78,794)	(46,62,782)

NOTES TO THE FINANCIAL STATEMENTS (continued)



	2011-12 ₹	2010-11 ₹
D Change in Present value of the Obligation during the year ended March 31 2012		
1 Present value of obligation as at April 1, 2011	1,95,10,341	1,69,57,368
2 Current service cost	25,54,306	34,49,322
3 Interest Cost	14,58,366	12,71,216
4 Past Service Cost	-	13,97,444
5 Benefits paid	(25,61,539)	(21,34,341)
6 Actuarial (gain) / loss on obligation	(25,40,475)	(14,30,668)
7 Present value of obligation as at March 31, 2012	1,84,20,999	1,95,10,341
E Change in Assets during the year ended March 31, 2012		
1 Fair Value of plan assets as at April 1, 2011	1,48,47,559	1,45,50,331
2 Expected return on plan assets	15,44,395	12,21,079
3 Adjustment to opening balance	38,48,952	-
4 Contributions made	15,07,233	24,31,569
5 Benefits paid	(25,61,539)	(21,34,341)
6 Actuarial gain / (loss) on plan assets	(15,44,395)	(12,21,079)
7 Fair Value of plan assets as at March 31, 2012	1,76,42,205	1,48,47,559
F Major categories of plan assets as a percentage of total plan - 100% Qualifying insurance Policy	-	-
G Actuarial Assumptions		
1 Discount rate	8.00%	8.00%
2 Expected rate of return on plan assets	8.00%	8.50%
3 Salary Escalation	5.00%	8.00%

b) Gratuity is administered through Group gratuity scheme with Life Insurance Corporation of India. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligation

Leave Salary

The defined benefit obligations which are provided for but not funded as on 31-3-2012 is ₹ 50,46,278/- (₹ 26,13,715)

48. Previous Year Figures

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our Report of even date
For **P.S. Subramania Iyer & Co.,**
Chartered Accountants
N. Srinivasan
Partner
Membership No. 200330
Place : Hyderabad
Date : 30th May, 2012

S. Sambhu Prasad
Chairman & Managing Director
K. Kannan
General Manager (Finance)

Dr. H.B.N. Shetty
Dr. Pasumarthi S.N. Murthi
D. Seetharama Rao
Dr. Marie Shiranee Pereira
Directors



**STATEMENT PURSUANT TO GENERAL EXEMPTION GRANTED
BY THE MINISTRY OF CORPORATE AFFAIRS U/S 212(8) OF THE
COMPANIES ACT, 1956**

(₹ in lakhs)

Sl No.	PARTICULARS	SIVA'S SOFT DRINK PRIVATE LIMITED	AMRUTANJAN PHARMAESSENSE PRIVATE LIMITED
1	Capital	90.00	5.00
2	Reserves	600.68	(360.06)
3	Total Assets	1,253.90	1,852.94
4	Total Liabilities	1,253.90	1,852.94
5	Details of Investments	-	-
6	Turnover	1,995.35	874.55
7	Profit before Taxation	79.16	(277.00)
8	Provision for Taxation	(26.57)	(83.06)
9	Profit after Taxation	52.59	(360.06)
10	Proposed Dividend	-	-

S. Sambhu Prasad
Chairman & Managing Director

Dr. H.B.N. Shetty
Dr. Pasumarthi S.N. Murthi
D. Seetharama Rao
Dr. Marie Shiranee Pereira
Directors

Place : Hyderabad
Date : 30th May, 2012

K. Kannan
General Manager (Finance)

STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956

Name of the Subsidiary Companies	Extent of Holding Company's interest in the Subsidiary at the end of Financial year of the subsidiary		Net aggregate amount of profit/(losses) of the subsidiary so far as it concerns the members of the Holding Company and is not dealt in the account of the holding company		Net aggregate amount of profit/(losses) of the subsidiary so far as it concerns the members of the Holding Company and is dealt in the account of the holding company		
	Subsidiary's Financial year ended on	No. of Shares Held	% of total paid-up capital	For the Financial year of the Subsidiary (₹)	For the previous Financial years since it became the Holding Company's Subsidiary (₹)	For the Financial year of the Subsidiary (₹)	For the previous Financial years since it became the Holding Company's Subsidiary (₹)
SIVA'S SOFT DRINK PRIVATE LIMITED	31-03-2012	900,000 Equity Share of ₹ 10/- each	100.00	52,59,298	(12,11,700)	52,59,298	(12,11,700)
AMRUTANJAN PHARMAESSENSE PRIVATE LIMITED	31-03-2012	50,000 Equity Share of ₹ 10/- each	100.00	(3,60,05,716)	-	(3,60,05,716)	-

S. Sambhu Prasad
Chairman & Managing Director

K. Kannan
General Manager (Finance)

Dr. H.B.N. Shetty
Dr. Pasumarthi S.N. Murthi
D. Seetharama Rao
Dr. Marie Shiranee Pereira
Directors

Place : Hyderabad
Date : 30th May 2012



Consolidated Financial Statements





Auditor's Report

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF AMRUTANJAN HEALTH CARE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AMRUTANJAN HEALTH CARE LIMITED AND ITS SUBSIDIARIES

We have examined the attached Consolidated Balance Sheet of the Amrutanjan Health Care Limited and its subsidiaries as at 31st March 2012, the Consolidated Profit & Loss Account and also the Consolidated Cash Flow Statement for the year then ended. These financial statements are the responsibilities of the management of Amrutanjan Health Care Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the audit in accordance with the generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material aspects, in accordance with and identified financial reporting frame work and are free of material misstatements. An audit also includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant accounting estimates made by the management, as well as evaluating the overall financial statements. We believe our audit provides a reasonable basis for our opinion.

We report that the Consolidated Financial Statements have been prepared by the management of Amrutanjan Health Care Limited in accordance with the requirements of the Accounting Standards (AS 21- Consolidated Financial Statements), issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Amrutanjan Health Care Limited and its subsidiaries included in the Consolidated Financial Statements.

In our opinion and to the best of our information and according to the explanation given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and also give a true and fair view in conformity with the accounting principles generally accepted in India :

- a. In the case of Consolidated Balance Sheet, of the state of affairs of Amrutanjan Health Care Limited and its Subsidiaries as at 31st March, 2012;
- b. In the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of Amrutanjan Health Care Limited and its Subsidiaries for the year ended;
- c. In the case of the Consolidated Cash Flow Statement, of the Consolidated Cash Flows of Amrutanjan Health Care Limited and its Subsidiaries for the year then ended.

For **P.S.Subramania Iyer & Co,**
Firm Registration No: 004104S
Chartered Accountants,

Place : Hyderabad
Date : 30.05.2012

N.Srinivasan
Partner
Membership No.200330

Consolidated Balance Sheet As At 31 March 2012

	Note No.	as at 31st March, 2012 ₹	as at 31st March, 2011 ₹
I. EQUITY AND LIABILITIES			
1) Shareholder's Funds			
a) Share Capital	3	2,92,30,630	3,03,00,000
b) Reserves and Surplus	4	93,54,34,636	98,35,97,150
2) Non-Current Liabilities			
a) Long-term borrowings	5	6,11,17,250	3,69,73,800
b) Deferred tax liabilities (net)	6	3,53,11,750	3,87,72,786
c) Other long term liabilities	7	44,39,545	39,46,361
d) Long term provisions	8	20,19,143	3,10,946
3) Current Liabilities			
a) Short-term borrowings	9	13,97,24,791	26,04,04,513
b) Trade payables	10	10,32,08,632	6,95,98,154
c) Other current liabilities	11	7,32,86,368	10,18,15,731
d) Short-term provisions	12	5,11,35,973	4,11,52,654
TOTAL		143,49,08,718	156,68,72,095
II. ASSETS			
1) Non-current assets			
a) Fixed assets	13		
i) Tangible assets		32,32,38,628	32,55,08,672
ii) Intangible assets		19,56,15,126	19,78,28,139
iii) Capital work-in-progress		34,76,045	44,01,766
iv) Intangible assets under development		16,70,787	4,80,510
b) Non-current investments	14	25,15,97,202	25,66,36,751
c) Long term loans and advances	15	2,58,11,104	1,88,11,104
d) Other non-current assets	16	2,59,77,816	2,36,02,363
2) Current Assets			
a) Current investments	17	3,59,30,524	16,69,51,617
b) Inventories	18	13,16,05,369	10,32,37,472
c) Trade receivables	19	17,63,97,101	11,88,37,528
d) Cash and cash equivalents	20	15,23,91,403	24,42,96,952
e) Short-term loans and advances	21	9,76,85,422	9,08,22,050
f) Other current assets	22	1,35,12,191	1,54,57,171
TOTAL		143,49,08,718	156,68,72,095
Significant accounting policies	2		

The accompanying notes form an integral part of Consolidated Financial Statements

As per our Report of even date

For **P.S. Subramania Iyer & Co.,**

Chartered Accountants

N. Srinivasan

Partner

Membership No. 200330

Place : Hyderabad

Date : 30th May, 2012

S. Sambhu Prasad

Chairman & Managing Director

K. Kannan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

Dr. Marie Shiranee Pereira

Directors



Statement of Consolidated Profit and Loss for The Year Ended 31 March 2012

	Note No.	Year Ended 31st March, 2012 ₹	Year Ended 31st March, 2011 ₹
Revenue from operations	23	143,14,78,957	105,40,87,847
Other Income	24	4,57,59,449	4,80,26,401
Total Revenue		147,72,38,406	110,21,14,248
EXPENSES:			
Cost of materials consumed	25	60,43,35,908	40,65,65,435
Products Purchase / Processing Charges		5,13,76,015	3,13,90,031
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(75,61,454)	(54,00,999)
Employee benefit expenses	27	19,57,62,776	16,32,65,715
Financial Costs	28	3,12,44,244	56,43,201
Depreciation	13	3,38,33,614	1,81,49,758
Other Expenses	29	40,70,47,609	32,64,95,861
Total Expenses		131,60,38,712	94,61,09,002
Profit before exceptional and extraordinary items and tax		16,11,99,694	15,60,05,246
Exceptional Items		-	-
Profit before extraordinary items and tax		16,11,99,694	15,60,05,246
Extraordinary Items	30	(32,93,494)	(21,90,580)
Profit before tax		15,79,06,200	15,38,14,666
Tax expense:			
1) Current tax		(6,50,00,000)	(4,15,00,000)
2) Deferred tax		34,43,807	(1,00,52,534)
Short provision for Income tax of earlier years		-	(1,42,658)
Profit after tax for the year		9,63,50,007	10,21,19,474
Earnings per share			
Basic and Diluted before extraordinary item		33.57	34.43
Basic and Diluted after extraordinary item		32.47	33.70
Significant accounting policies	2		

The accompanying notes form an integral part of Consolidated Financial Statements

As per our Report of even date

For **P.S. Subramania Iyer & Co.,**

Chartered Accountants

N. Srinivasan

Partner

Membership No. 200330

Place : Hyderabad

Date : 30th May, 2012

S. Sambhu Prasad

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General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

Dr. Marie Shiranee Pereira

Directors

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012



	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	15,91,99,695	15,60,05,246
Adjustments for:		
Depreciation	3,38,33,614	1,81,49,758
Interest received	(1,29,72,406)	(1,41,23,992)
Income from Investments	(1,68,17,983)	(1,70,39,108)
Amortisation of Premium on Investments / Non-Compete Fees	32,85,420	15,49,425
Dividend received	(40,37,403)	(69,17,975)
Rent receipts / Paid	(4,21,400)	(4,55,700)
Provision for Bad and Doubtful Debts	-	41,93,292
Profit on sale of Fixed Assets	(16,84,446)	(1,30,003)
Profit on sale of Investments	(29,60,011)	(22,11,266)
Interest paid	2,77,67,740	33,74,000
Loss on sale of fixed assets	12,18,254	-
Operating Profit before Working Capital Changes	18,64,11,074	14,23,93,677
Adjustments for:		
Trade & other receivables	(7,53,83,812)	(2,99,37,343)
Inventories	(2,83,67,897)	(1,15,49,541)
Trade payables	70,96,925	9,21,522
Cash generated from operations	8,97,56,290	10,18,28,315
Direct Taxes Paid	(4,91,06,839)	(4,48,27,070)
Net Cash from operating activities	4,06,49,451	5,70,01,245
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including Capital Work-in-Progress	(4,43,62,805)	(10,27,75,577)
Sale of fixed assets	44,95,763	7,35,000
(Purchase) / Sale of investments	13,89,78,860	3,56,86,349
Purchase of investments others	-	(24,73,80,000)
Sundry Deposits	1,00,00,000	(1,00,00,000)
Loans to subsidiary company	(55,006)	(21,90,580)
Loan / advances from subsidiary company	-	-
Interest received	3,15,83,604	2,72,28,973
Dividend received	40,37,403	39,52,584
Rent received	4,21,400	4,46,800
Cash Flow before extraordinary items	14,50,99,219	(29,42,96,451)
Net Cash (used in) / generated from Investing Activities	14,50,99,219	(29,42,96,451)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011



	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Loan	1,35,32,322	4,17,76,000
Increase / (Decrease) in Short Term Loans	(11,47,67,777)	21,05,59,688
Dividend paid (including interim Dividend & Dividend Tax)	(5,09,58,854)	(5,31,74,228)
Interest paid	(2,80,79,379)	(13,55,482)
Buyback of equity shares	(9,62,43,300)	-
Cost in relation to buyback of equity shares	(11,09,462)	-
Net Cash (used in) / generated from financing Activities	(27,76,26,450)	19,78,05,978
Net Increase / (Decrease) in cash & cash equivalents	(9,18,77,780)	(3,94,89,228)
Cash and cash equivalents opening balance	24,42,69,183	28,37,86,180
Cash and cash equivalents closing balance	15,23,91,403	24,42,96,952

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow statement of Amrutanjan Health Care Limited, derived from the audited financial statements for the year ended 31st March 2012 and the year ended 31st March 2011 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreement with Stock Exchange.

As per our Report of even date
For **P.S.Subramania Iyer & Co.**
Chartered Accountants

N. Srinivasan
Partner
Membership No. 200330

Place : Hyderabad
Date : 30.05.2012

1. BACKGROUND

Amrutanjan Health Care Limited was established in the year 1893, specializing in Ayurvedic balm for headaches, cold and cough. The Company is a Public Limited Company and is listed on the Madras Stock Exchange.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis for preparation

The financial statements of subsidiaries are included in the consolidated financial statements. The consolidated financial statements are drawn up by using uniform accounting policies for like transactions and other events and are presented to the extent possible, in the same manner as the company's individual financial statements. Inter company receivables and liabilities, income and expenses are eliminated. The difference between the cost of investments in subsidiaries over the book value of the subsidiaries on the date of acquisition are recognized in the consolidated financial statements as goodwill where the difference is positive and as capital reserve where the difference is negative. The goodwill arising on consolidation is not amortized but instead evaluated for impairment.

2.2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimate is recognized prospectively – Current and future periods.

2.3. Revenue recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Sale of goods: Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of excise duty.

Sale of Services: Income from services are recognised as and when the services are rendered.

Other Income: Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Insurance claims and scrap sales proceeds are accounted on cash basis

2.4. Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets Depreciation is provided on written down value method except on plant and machinery acquired after April 1, 1992, which is provided on straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956. Additions made during the year are depreciated pro-rata from the date of addition. Freehold / Leasehold lands are not depreciated. Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.



2.5. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a written down value method at the rates prescribed under schedule XIV of the Companies Act, 1956. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The goodwill arising on consolidation is not amortised but instead evaluated for impairment. Non-compete fees is amortised over the period of agreement.

2.6. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.7. Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.8. Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Investment property: Investment in buildings that are not intended to be occupied substantially for use by, or in the operations of, the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation.

2.9. Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.10. Lease Assets

As a lessee:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability at the implicit rate of return. Finance charges are charged to the Statement of Profit and Loss.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

2.11. Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange difference arising on foreign exchange transactions during the year and on restatement of monetary assets and liability are recognized in the Statement of Profit and Loss of the year.

2.12. Retirement and other employee benefits

a. Provident fund:

Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions.

b. Gratuity:

The Company provides for gratuity, a defined benefit retirement Plan (the "Gratuity Plan") covering eligible employees. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company provides the gratuity benefit through annual contribution to a fund managed by the Life Insurance Corporation (LIC). Under this scheme the settlement obligation remains with the Company although the LIC administers the scheme and determines the contribution premium required to be paid by the Company Gratuity, which is a defined benefit scheme, is accrued based on an actuarial valuation at the balance sheet date carried out by an independent actuary.

c. Compensated absence:

Provision for compensated absence is made by the Company based on an actuarial valuation as at the balance sheet date of the unavailed leave standing to the credit of employees in accordance with the service rules of the Company.

2.13. Accounting for Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.



Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.14. Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. If the outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognized in the financial statements.

2.15. Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

2.16. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid.

2.17. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



3. Share Capital

	March 31, 2012 ₹	March 31, 2011 ₹
a. Authorised Share Capital:		
50,00,000 Equity Shares of ₹ 10/- each	5,00,00,000	5,00,00,000
b. Issued, Subscribed and Fully Paid up Share Capital:		
29,23,063 (30,30,000) Equity Shares of ₹ 10/- each fully paid-up	2,92,30,630	3,03,00,000
c. Reconciliation of number of shares		
Number of equity shares at the beginning of the year	30,30,000	30,30,000
Add: Rights issue / Bonus issue	-	-
Less: Buy back	1,06,937	-
Number of equity shares at the end of the year	29,23,063	30,30,000

d. Number of shares held by share holders more than 5% of total shares

Name of the Share Holder	As on 31st Mar 2012		As on 31st Mar 2011	
	No. of Shares	% held	No. of Shares	% held
Mrs. Rajeswari S	3,27,475	11.20%	3,17,847	10.49%
Mrs. Leela Bhramara	2,48,485	8.50%	2,48,485	8.20%
Miss Ramayamma S	2,22,981	7.63%	2,22,981	7.36%
Mrs. Nageswaramma P	1,85,516	6.35%	1,85,516	6.12%
Mr. Sambhu Prasad S	1,54,023	5.27%	1,54,023	5.08%

e. Equity shares bought back (during 5 years preceding March 31, 2012):

Period ended	No. of Shares	Face Value per share	Face Value of Shares Bought Back
March 31, 2012	1,06,937	10	10,69,370
March 31, 2011	-	-	-
March 31, 2010	71,660	10	7,16,600
March 31, 2009	98,340	10	9,83,400
March 31, 2008	-	-	-

Terms/ Rights / restrictions attached to shares:

The Company has only one type of equity shares. Every shareholder is entitled to one vote per share.

Buy Back of Shares:

The Company bought back 1,06,937 fully paid up equity shares of ₹ 10/- each, at a price of ₹ 900/- per share payable in cash, for an aggregate amount not exceeding of ₹ 9,62,43,300 from the open market through tender offer method.

4. Reserves & Surplus

	March 31, 2012 ₹	March 31, 2011 ₹
a Capital redemption reserve		
Opening balance	17,00,000	17,00,000
Add: transfer from general reserve	10,69,370	-
Closing balance	27,69,370	17,00,000
b General reserve		
Opening balance	72,36,88,045	67,57,24,166
Add: transfer from Statement of Profit & Loss	5,00,00,000	5,00,00,000
Less: deductions	-	(20,36,121)
Less: transfer to capital redemption reserve	(10,69,370)	-
Less: utilized towards buy back of shares	(9,51,73,930)	-
Closing balance	67,74,44,745	72,36,88,045
c Contingency reserve		
Opening balance	1,25,00,000	1,00,00,000
Add: transfer from Statement of profit & loss	-	25,00,000
Less: transfer to provision for investments / advances	(1,25,00,000)	-
Closing balance	-	1,25,00,000
d Surplus in Statement of Profit & Loss		
Opening balance	24,57,09,105	24,77,86,944
Add: Current year surplus	9,63,50,007	10,21,19,474
Add : Adjustments	1,41,20,263	-
Less: Transfer to general reserve	(5,00,00,000)	(5,00,00,000)
Less: Transfer to contingency reserve	-	(25,00,000)
Less: Interim Dividend - Paid [₹ 5/- per share (previous year ₹ 5/- per share)]	(1,46,15,315)	(1,51,50,000)
Less: Tax on Interim Dividend	(23,70,969)	(25,74,743)
Less: Final Dividend - Proposed [(₹ 10/- per share (previous year ₹ 10/- per share))]	(2,92,30,630)	(2,92,30,630)
Less: Tax on Proposed Dividend	(47,41,940)	(47,41,940)
Closing balance	25,52,20,521	24,57,09,105
Total	93,54,34,636	98,35,97,150

5. Long Term Borrowings

	March 31, 2012 ₹	March 31, 2011 ₹
Secured		
Term Loans from Banks	5,96,44,250	3,34,20,800
Term Loan from TIIC	14,73,000	35,53,000
Total	<u>6,11,17,250</u>	<u>3,69,73,800</u>

Term Loan referred above to the extent of:

- a) ₹ 4,50,00,000 (₹ 3,34,20,800) repayable in ten equal half yearly installments with interest @ 11.50%. The repayment will be complete in February, 2016.
- b) ₹ 1,46,44,250 (nil) repayable in ten equal half yearly installments with interest @ 11.80%. The repayment will be complete in February, 2016.
- c) ₹ 14,73,000 (₹ 35,53,000) repayable in four equal installments with interest @ 11.75%. The repayment will be complete in August 2014.

Term Loans are secured by way of hypothecation of specific plant & machinery, specific investments in mutual funds and current assets of the company, both present and future, ranking pari passu.

6. Deferred tax liability (Net)

	March 31, 2012 ₹	March 31, 2011 ₹
Deferred tax liability arising from timing differences in respect of fixed assets	3,48,01,044	3,82,85,450
Deferred tax liability arising from timing differences in respect of expenses / provisions	5,10,706	4,87,336
Net Deferred Tax Liability	<u>3,53,11,750</u>	<u>3,87,72,786</u>

7. Other long term liabilities

	March 31, 2012 ₹	March 31, 2011 ₹
Rent Deposits	1,95,784	3,17,600
Caution deposits from customers	42,43,761	36,28,761
	<u>44,39,545</u>	<u>39,46,361</u>

8. Long term provisions

	March 31, 2012 ₹	March 31, 2011 ₹
Provision for Employee Retirement Benefits		
Provision for compensated absences	20,19,143	3,10,946
	<u>20,19,143</u>	<u>3,10,946</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)



9. Short term borrowings

	March 31, 2012 ₹	March 31, 2011 ₹
a Secured Loan		
Working Capital Demand Loan - Bank*	11,00,00,000	10,00,00,000
Cash Credit from Banks#	2,54,04,791	24,92,568
Loan against Fixed Deposits@	43,20,000	12,79,11,945
	13,97,24,791	23,04,04,513
b Unsecured Loan		
From Bank	-	3,00,00,000
	13,97,24,791	26,04,04,513

* secured by lien on specific investments in mutual funds.

secured by hypothecation of specific plant and machinery, inventories and book debts and lien on specific fixed deposits.

@ secured by lien on specific fixed deposits.

10. Trade Payables

	March 31, 2012 ₹	March 31, 2011 ₹
Due to Micro Small and Medium Enterprises	19,14,132	28,11,311
Due to Others	10,12,94,500	6,67,86,843
	10,32,08,632	6,95,98,154

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

	March 31, 2012 ₹	March 31, 2011 ₹
Principal amount due and remaining unpaid	7,16,668	21,05,984
Interest due on above and the unpaid interest	11,97,464	7,05,327
Interest paid	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	4,92,137	5,93,458
Amount of further interest remaining due and payable in succeeding years	-	7,688

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)



11 Other current liabilities

	March 31, 2012 ₹	March 31, 2011 ₹
Current maturities of long term debt	1,70,80,000	1,05,95,200
Interest accrued but not due on borrowings	17,06,879	20,18,518
Other payables		
- Creditors for capital goods	7,41,212	2,52,56,967
- Creditors for expenses	3,23,67,303	3,74,26,257
- Other liabilities	1,32,88,830	1,57,27,362
Due to directors	15,00,000	48,63,176
Unclaimed dividend	66,02,144	59,28,251
	<u>7,32,86,368</u>	<u>10,18,15,731</u>

12. Short term provisions

	March 31, 2012 ₹	March 31, 2011 ₹
Provision for employee benefits		
Provision for gratuity	7,78,794	46,62,782
Provision for compensated absences	30,27,135	23,02,769
	<u>38,05,929</u>	<u>69,65,551</u>
Other Provisions		
Provision for income tax (net of advance tax)	1,33,57,474	2,14,533
Provision for dividend	2,92,30,630	2,92,30,630
Provision for dividend tax	47,41,940	47,41,940
	<u>4,73,30,044</u>	<u>3,41,87,103</u>
	<u>5,11,35,973</u>	<u>4,11,52,654</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1 April 2011 ₹	Addition ₹	Deletion / Adjustments / Transfer* ₹	As on 31 March 2012 ₹	As on 1 April 2011 ₹	Addition ₹	Deletion / Adjustments/ Transfer ₹	As on 31 March 2012 ₹	As on 31 March 2011 ₹	
I. Tangible Assets										
a) Own assets										
Land *	2,57,19,589	-	70,00,000	1,87,19,589	-	-	-	1,87,19,589	2,57,19,589	
Building *	11,59,26,391	39,29,611	50,24,725	11,48,31,277	2,33,22,571	74,12,125	18,95,513	8,59,92,094	9,26,03,820	
Plant And Machinery	23,74,01,543	11,67,17,806	9,50,96,802	25,90,22,547	5,01,17,655	2,20,92,242	1,38,49,795	20,06,62,445	18,72,83,888	
Pilot Plant	26,23,200	-	26,23,200	-	20,10,135	7,563	20,17,698	-	6,13,065	
Furniture, Fittings & Lab Equipments	2,75,64,568	46,98,565	55,38,218	2,67,24,915	1,58,19,938	15,95,289	24,56,358	1,49,58,869	1,17,44,630	
Computers	1,98,92,605	11,09,240	12,16,591	1,97,85,254	1,64,89,272	14,92,516	7,47,183	25,50,649	34,03,333	
Vehicle	1,05,22,991	9,62,992	7,37,526	1,07,48,457	66,43,107	10,33,140	2,28,155	33,00,365	38,79,884	
	43,96,50,887	12,74,18,214	11,72,37,062	44,98,32,039	11,44,02,678	3,36,32,875	2,11,94,702	32,29,91,188	32,52,48,209	
b) Leasehold assets										
Building	4,50,000	-	-	4,50,000	1,89,537	13,023	-	2,47,440	2,60,463	
	44,01,00,887	12,74,18,214	11,72,37,062	45,02,82,039	11,45,92,215	3,36,45,898	2,11,94,702	32,32,38,628	32,55,08,672	
II. Intangible Assets										
Goodwill	25,000	-	-	25,000	-	-	-	25,000	25,000	
Goodwill on consolidation	19,19,79,284	-	-	19,19,79,284	-	-	-	19,19,79,284	19,19,79,284	
Technical Know How	8,75,000	-	8,75,000	-	5,68,750	-	5,68,750	-	3,06,250	
Non - Compete Fees	50,00,000	-	-	50,00,000	-	16,66,667	-	33,33,333	50,00,000	
Computer Softwares	24,16,140	-	1,14,847	23,01,293	18,98,535	1,87,716	62,467	2,77,509	5,17,605	
	20,02,95,424	-	9,89,847	19,93,05,577	24,67,285	18,54,383	6,31,217	19,56,15,126	19,78,28,139	
Grand Total (I + II)	64,03,96,311	12,74,18,214	11,82,26,909	64,95,87,616	11,70,59,500	3,55,00,281	2,18,25,919	51,88,53,754	52,33,36,811	
As per Last Balance Sheet	24,56,22,859	39,34,94,892	37,21,440	63,53,96,311	8,62,75,673	3,08,93,824	1,09,997	51,83,36,811	15,93,47,186	
Capital work-in-progress								34,76,045	44,01,766	
Intangible assets under development								16,70,787	4,80,510	

* Deletions / Adjustments in land includes ₹ 70,00,000/- (accumulated depreciation ₹ Nil) classified as Capital advance in the current year.

* Deletions / Adjustments in Building includes ₹ 29,07,777/- (accumulated depreciation ₹ 13,30,817/-) classified as Capital as Investment property in the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)



14. Non-Current Investments

	Face Value	March 31, 2012 ₹	March 31, 2011 ₹
Investment Property (Cost less accumulated depreciation) :			
Cost of Building given on operating lease		29,07,777	-
Less : Accumulated Depreciation		(13,30,817)	-
Net Block		15,76,960	-
Non-Trade Investments (Unquoted):			
National Savings Certificates (Deposited with the Collector of Central Excise, Chennai)	5,500	5,500	5,500
5 Equity Shares in Capexil (Agencies) Ltd. of ₹ 1,000/- each fully paid	5,000	5,000	5,000
60,800 Equity Shares of Re.1/- each in Madras Stock Exchange Ltd.	60,800	1,60,000	1,60,000
Non-Trade Investments (Quoted) :			
1950 Equity Shares in Marg Securities of ₹ 10/- each fully paid	19,500	65,325	65,325
21,450 Equity Shares in Saha Keil Ltd. of ₹ 10/- each fully paid	2,14,500	2,14,500	2,14,500
1,006 Equity Shares in NTPC Ltd of ₹ 10/- each fully paid	10,060	62,372	62,372
38 Equity Shares in Punjab National Bank of ₹ 10/- each fully paid	380	14,820	14,820
450 Equity Shares in Periakaramalai Tea & Produce Co. Ltd of ₹ 10/- each fully paid	4,500	54,000	54,000
7 Equity Shares in Dewan Housing Finance Ltd of ₹ 10/- each fully paid (purchased during the year)	70	2,244	-
2,070 (2,120) (6.85%) Tax Free Bonds of Indian Infrastructure Finance Company Limited of ₹ 1,00,000/- each (50 units redeemed during the year)	20,70,00,000	20,95,94,857	21,61,07,836
2,100 (Zero Coupon) Bonds of NABARD of ₹ 20,000 each	4,20,00,000	2,24,70,000	2,24,70,000
16,800 (10.24%) Debentures of L & T Finance Limited of ₹ 1,000/- each	1,68,00,000	1,75,86,124	1,76,91,898
Nil (P.Y.100) 6 % Cumulative Preference Shares in Metal Box Limited of ₹ 100/- each fully paid written off during the year	10,000	-	11,684

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)



	Face Value	March 31, 2012 ₹	March 31, 2011 ₹
Investments in Subsidiaries (Unquoted):			
Nil (P.Y. 29,04,407) Equity Shares in Data Quest Infotech & Enterprises Ltd of ₹ 10/- each fully paid (written off during the year)	2,90,44,070	-	3,00,11,428
3,50,000 Equity Shares in Holistic Beauty Care Limited of ₹ 10/- each fully paid	3,50,000	35,00,000	-
Total		25,53,11,702	28,68,74,363
Less : Provision for Investments		37,14,500	3,02,37,612
Net of provision		25,15,97,202	25,66,36,751
Quoted Investments - Cost		24,97,84,417	25,64,00,926
- Market Value		25,53,13,341	25,20,89,773
Unquoted Investments - Cost		18,12,785	26,07,35,825

15. Long term loans and advances (Unsecured, considered good unless otherwise stated)

	March 31, 2012 ₹	March 31, 2011 ₹
Capital Advance	2,58,11,104	1,88,11,104
Loans and advances to subsidiaries		
Considered doubtful	1,11,84,032	17,05,36,396
Less : Provision made	(1,11,84,032)	(17,05,36,396)
	2,58,11,104	1,88,11,104

16. Other non-current assets

	March 31, 2012 ₹	March 31, 2011 ₹
Balance with excise authorities, paid under protest	9,79,945	9,79,945
Bottles & Crates	1,81,30,526	1,64,63,340
Security deposits	68,67,345	61,59,078
	2,59,77,816	2,36,02,363

17. Current Investments

	March 31, 2012 ₹	March 31, 2011 ₹
Investment in Mutual Funds (Unquoted):		
** marked as lien for long term / short term borrowings		
774.656(previous year 27,602.004) units of ₹ 10 each of		
Templeton India Short Term Income Retail Plan - Monthly Dividend Reinvestment **	8,64,175	3,08,28,703
24,56,036.939 (previous year 24,56,036.939) units of ₹ 10 each of		
Templeton India Income Opportunities Fund - Dividend Payout **	2,50,00,000	2,50,00,000
9,55,277.716 (previous year 9,48,973.685) units of ₹ 10 each of		
Templeton India Income Opportunities Fund - Dividend Reinvestment **	1,00,66,349	1,00,66,349
NIL (previous year 20,52,309.258) units of ₹ 10 each of		
Reliance Regular Savings Fund - Debt Plan - Institutional Dividend (redeemed during the year)	-	2,50,00,000
Nil (previous year 10,00,000.000) units of ₹ 10 each of		
Canara Robeco - FMP – Growth -(redeemed during the year)	-	1,00,00,000
Nil (previous year 7,86,887.310) units of ₹ 10 each of		
Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan - (redeemed during the year)	-	2,00,00,000
Nil (previous year 8,59,874.800) units of ₹ 10 each of		
Birla Sun Life Govt Securities Long Term Dividend – Payout (redeemed during the year)	-	1,00,00,000
Nil (previous year 9,95,371.520) units of ₹ 10 each of		
Kotak Credit Opp Fund Monthly Dividend (redeemed during the year)	-	1,00,00,000
Nil (previous year 15,35,575.000) units of ₹ 10 each of		
Kotak FMP 370 Days Series Dividend (redeemed during the year)	-	1,53,55,750
Nil (previous year 4,66,962.303) units of ₹ 10 each of		
Reliance Monthly Income Plan - Monthly Dividen Plan (redeemed during the year)	-	50,50,874
Nil (previous year 5,74,759.394) units of ₹ 10 each of		
ICICI Prudential Interval Fund (redeemed during the year)	-	56,49,941
Total	3,59,30,524	16,69,51,617

18. Inventories

	March 31, 2012 ₹	March 31, 2011 ₹
Raw materials	4,25,92,749	2,68,00,546
Work in progress	30,42,912	31,73,790
Finished goods	6,42,98,353	5,64,16,685
Packing materials	2,16,71,355	1,68,46,451
	13,16,05,369	10,32,37,472

19. Trade Receivables

	March 31, 2012 ₹	March 31, 2011 ₹
Unsecured, considered good		
Outstanding for a period exceeding 6 months	82,10,416	75,39,136
Others	16,81,86,685	11,12,98,392
	17,63,97,101	11,88,37,528
Unsecured, considered doubtful		
Outstanding for a period exceeding 6 months	3,09,25,437	3,09,25,437
Provision for doubtful debts	(3,09,25,437)	(3,09,25,437)
	-	-
Total	17,63,97,101	11,88,37,528

20. Cash & Cash Equivalents

	March 31, 2012 ₹	March 31, 2011 ₹
Cash in hand	5,82,405	10,57,394
Cheques in hand	5,71,86,308	3,34,61,563
Balance with banks		
Current Accounts	1,28,55,158	1,12,31,979
Fixed Deposits maturing within 3 months	-	1,01,00,000
Other Bank Balances:		
Margin Deposit	2,36,95,981	18,87,015
Fixed Deposits maturing within 12 months *	5,04,19,407	12,80,31,268
Fixed Deposits maturing after 12 months *	10,50,000	5,25,99,482
Unclaimed Dividend Accounts	66,02,144	59,28,251
	15,23,91,403	24,42,96,952

* includes ₹ 5,17,67,407/- (₹ 7,80,00,750/-) under lien with banks for borrowings

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)



21. Short-term loans and advances

	March 31, 2012 ₹	March 31, 2011 ₹
Unsecured and considered good		
Deposits and Balances with excise authorities	1,91,05,665	2,17,44,113
Sundry Deposits (refer note 34)	1,00,00,000	2,00,00,000
Other advances	6,85,79,757	4,90,77,937
	9,76,85,422	9,08,22,050

22. Other current assets

	March 31, 2012 ₹	March 31, 2011 ₹
Interest accrued	1,35,12,191	1,54,57,171
	1,35,12,191	1,54,57,171

23. Revenue from operations

	Year Ended 31st March 2012 ₹	Year Ended 31st March 2011 ₹
Sale of Products		
Export Sales	3,08,16,579	2,50,11,640
Domestic Sales	145,96,22,286	107,28,86,270
	149,04,38,865	109,78,97,910
Less: Excise Duty paid	(6,11,07,385)	(4,38,59,013)
	142,93,31,480	105,40,38,897
Other operating revenues	21,47,477	48,950
	143,14,78,957	105,40,87,847

24. Other Income

	Year Ended 31st March 2012 ₹	Year Ended 31st March 2011 ₹
Interest Income	1,29,72,406	1,41,23,992
Dividend Income	40,37,403	69,17,975
Net gain / (loss) on sale of investment	29,60,011	22,11,266
Rent Receipt (Refer Note 39)	3,10,400	4,55,700
Income from investments	1,68,17,983	1,70,39,108
Profit on sale of assets	16,84,446	1,30,003
Scrap sales	32,88,733	20,54,456
Other Income	36,88,067	50,93,901
	4,57,59,449	4,80,26,401

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)



25. Cost of Materials consumed

	Year Ended 31st March 2012 ₹	Year Ended 31st March 2011 ₹
Opening Stock of Raw Materials & Packing Materials	4,36,46,997	3,73,90,404
Purchases Of Raw Materials & Packing Materials	62,49,53,015	41,28,22,028
	<u>66,86,00,012</u>	<u>45,02,12,432</u>
Less: Closing stock of raw Materials & Packing Materials	6,42,64,104	4,36,46,997
Consumption of Raw & Packing Materials	<u>60,43,35,908</u>	<u>40,65,65,435</u>

26. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

	Year Ended 31st March 2012 ₹	Year Ended 31st March 2011 ₹
Opening Stock		
Finished Goods	5,64,16,685	5,31,20,934
Process Stock	31,73,790	11,76,594
	<u>5,95,90,475</u>	<u>5,42,97,528</u>
Closing stock		
Finished Goods	6,42,98,353	5,64,16,685
Process Stock	30,42,912	31,73,790
	<u>6,73,41,265</u>	<u>5,95,90,475</u>
(Increase) / Decrease in Stock	<u>(77,50,790)</u>	<u>(52,92,947)</u>
Excise Duty on Increase / (Decrease) on Finished Goods	1,89,336	(1,08,052)
	<u>(75,61,454)</u>	<u>(54,00,999)</u>

27. Employee benefit expenses

	Year Ended 31st March 2012 ₹	Year Ended 31st March 2011 ₹
Salaries & Wages	16,44,10,905	13,51,71,362
Contribution to Provident & Other Funds	1,83,40,083	1,87,03,586
Staff Welfare expenses	1,30,11,788	93,90,767
	<u>19,57,62,776</u>	<u>16,32,65,715</u>

28. Financial Costs

	Year Ended 31st March 2012 ₹	Year Ended 31st March 2011 ₹
Interest Expenses	2,77,67,740	33,74,000
Bank charges	34,76,504	22,69,201
	<u>3,12,44,244</u>	<u>56,43,201</u>

29. Other Expenses

	Year Ended 31st March 2012 ₹	Year Ended 31st March 2011 ₹
Power & Fuel	1,82,79,796	1,28,31,926
Repairs & Maintenance:	-	
- Building	13,70,791	13,13,678
- Machinery	77,79,618	33,20,889
- Others	96,43,437	74,03,873
Freight and Transport Charges	3,19,05,034	1,90,58,874
Advertisement	11,93,64,027	9,80,02,913
Selling Expenses	6,08,60,941	5,58,61,437
Commission on Sales	25,83,925	19,19,618
Bad debts written off	12,99,094	-
Sales Tax	6,71,16,981	4,43,61,352
Rates and Taxes	41,31,833	25,34,271
Insurance	24,40,320	22,67,154
Travelling Expenses	3,07,74,288	2,59,14,727
Conveyance	33,68,036	24,64,594
Retainer & Consultancy	61,64,792	55,55,220
Security Charges	46,13,116	43,13,676
Rent (Refer Note: 39)	42,91,474	14,77,395
Printing & Stationery	41,34,267	31,31,549
Postage & Telegrams	16,66,027	16,12,836
Communication Expenses	86,77,184	75,30,312
Legal Expenses	4,34,366	19,80,197
Research & Development Expenses	5,67,329	60,07,259
Donations	12,22,100	9,45,051
Auditor's Remuneration :		
Audit Fees	10,24,720	7,37,875
Tax Audit	1,65,450	80,515
Tax Representation	1,10,300	40,000
Other services (including limited review fees)	2,11,995	1,95,000
Out of Pocket expenses	18,701	12,450
Cost Audit Fees	1,00,000	1,20,000
Directors Sitting Fees	5,02,500	7,05,000
Commission to Non-Executive Directors	15,00,000	17,61,761
Lease Rent	6,71,665	10,65,480
Investments written off	11,684	-
Less : provision made in earlier years	(11,684)	-
Loss on fixed assets sold / discarded	12,18,254	-
Exchange difference (net)	-	1,03,567
EDP Expenses	18,72,668	32,71,502
Provision for doubtful debts	-	41,93,292
Amortisation of Non-Compete Fees	16,66,667	-
Miscellaneous Expenses	52,95,913	44,00,618
	40,70,47,609	32,64,95,861

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)



30. Extraordinary Item

		Year Ended 31st March 2012 ₹	Year Ended 31st March 2011 ₹
Cost in relation to Buy-back of EquityShare		(11,09,462)	-
Investments / Advances of subsidiary company written off *	20,05,47,823		
Less : Provisions made in earlier years	(20,05,47,823)	-	-
Provision for Investments / Advances - subsidiary company (Refer Note: 38)	1,46,84,032		
Less : Transfer from Contingency reserve	(1,25,00,000)	(21,84,032)	21,90,580
TOTAL		(32,93,494)	21,90,580

* represents investments / advances in Data Quest Infotech & Enterprises Ltd written off, since the said company has been struck off u/s 560 (5) of Companies Act, 1956 during the year

31. Monies for which the company is contingently liable :

- Bonds executed in favour of Collector of Central Excise, Chennai – ₹ 8,00,000/- (₹ 8,00,000)
- Guarantees/Letter of Credit issued on behalf of Company by Banks – ₹ 2,11,19,251/- (₹ 2,25,34,291/-)
- Contingent Liability in respect of Income Tax ₹ 20,43,194/- (₹ 20,43,194/-). However, the said amount has been paid under protest.
- Appeals filed in respect of disputed demands:

	2011-2012	2010-2011
Excise Duty	8,89,155	8,89,155
E S I	3,96,545	3,96,545
Service Tax	12,94,186	12,94,186
Income Tax	1,00,93,470	64,53,470

- Lease Rent in respect of lease hold land has been revised by the Government of Tamil Nadu with retrospective effect from November 2001 and the arrears on this account up to 31st March 2012 is ₹ 5,04,32,834/-. The company has contested the said revision before the Madras High Court in a writ petition and pending resolution of the proceedings, it is not practicable either to estimate the liability nor the timing of the cash outflows.
- Claims against the company not acknowledged as debts : ₹ 1,88,31,161/- (1,33,03,607/-)

32. Estimated amount of capital expenditure commitments ₹ 3,00,00,000/- (₹ 4,00,00,000)

33. (a) The Company has transferred ₹ 1,87,787/- (₹ 2,55,014/-) of unclaimed dividend to Investor Education and Protection Fund during the year.

(b) Unclaimed Dividend amounting to ₹ 15,689 (₹ 9,549/-) is pending on account on litigation among claimants.

34. Sundry Deposits represent Fixed Deposit with Dewan Housing Finance Corporation Limited renewed during the year.

35. The following subsidiary companies i.e Siva's Soft Drink Pvt Limited and Amrutanjani Pharmaessense Private Limited are considered in the consolidated financial statements. The other subsidiary company i.e Holistic Beauty Care Limited has not been considered for consolidation since the said company has applied under section 560 of the Companies Act, 1956 for strike off register.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36 Segment Information

Primary Business Segments	OTC Products		Pharmaessense		Beverages		Others		Net Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
(a) Revenue :										
External Sales	114,76,64,750	94,23,30,802	8,44,41,220	9,15,49,671	19,72,25,510	2,01,58,424	21,47,477	48,950	143,14,78,957	105,40,87,847
Inter Segment Sales										
Total Revenue	114,76,64,750	94,23,30,802	8,44,41,220	9,15,49,671	19,72,25,510	2,01,58,424	21,47,477	48,950	143,14,78,957	105,40,87,847
(b) Result	21,85,64,269	18,35,87,224	(3,42,26,336)	(2,81,15,742)	1,14,28,231	(5,50,471)	(1,39,04,375)	(34,73,762)	18,18,61,789	15,14,47,249
Less : Unallocated expenditure net of unallocated income									(2,39,66,746)	(3,23,60,344)
Operating Profit									15,78,95,043	11,90,86,905
Interest expense									(2,77,67,740)	(33,74,000)
Interest Income and Income from Investments									3,10,72,391	4,02,92,341
Profit before Tax									16,11,99,694	15,60,05,246
Provision for taxation :									(6,50,00,000)	(4,15,00,000)
- Income Tax									34,43,807	(1,00,52,534)
- Deferred Tax									-	(1,42,658)
- Short Provision of I.T of earlier years									(32,93,494)	(21,90,580)
Extraordinary Items (net of tax)										
Profit after Tax									9,63,50,007	10,21,19,474
(c) Segment Assets	58,17,66,896	39,32,79,491	18,52,94,453	17,95,86,874	10,39,62,170	12,10,82,498	19,62,47,555	19,19,79,284	106,72,71,074	88,59,28,147
Unallocated Assets									36,67,59,951	68,39,16,657
Total Assets	58,17,66,896	39,32,79,491	18,52,94,453	17,95,86,874	10,39,62,170	12,10,82,498	19,62,47,555	19,19,79,284	143,40,31,025	156,98,44,804
(d) Segment Liabilities	12,19,68,532	12,57,96,201	3,59,08,669	2,18,99,625	5,46,76,248	5,43,54,735	-	-	21,25,53,449	20,20,50,561
Unallocated Liabilities									25,68,12,310	35,38,97,093
Total Liabilities	12,19,68,532	12,57,96,201	3,59,08,669	2,18,99,625	5,46,76,248	5,43,54,735	-	-	46,93,65,759	55,59,47,654
(e) Capital expenditure	3,15,03,862	9,65,93,993	10,32,308	6,47,23,510	64,53,856	14,812	51,30,288	-	3,76,66,458	16,13,32,315
Unallocated expenditure									4,34,850	4,34,850
(f) Depreciation	2,22,54,946	1,22,96,132	64,84,197	12,86,258	27,45,494	2,84,950	8,71,881	1,90,426	3,23,56,518	1,40,57,766
Unallocated Depreciation									14,77,096	40,91,992
(g) Significant non-cash items										

The Company has disclosed business segment as the primary segment and is organised in to three main business segments namely OTC products, Chemicals and beverages

The Company caters mainly to the needs of the domestic market and as such there are no reportable geographical segments.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

Other unallocable expenditure includes revenues and expenses which are not directly identifiable to the individual segments as well as expenses which relate to the Company as a whole.





37. Related Party Disclosures

- i) List of related parties and relationships:
 - a) Parties where control exists – subsidiaries
Holistic Beauty Care Limited
 - b) Key Management Personnel:
Sri S. Sambhu Prasad, Chairman & Managing Director
 - c) Relative to Key Management Personnel:
Mrs. Rajeswari .S – Mother

ii) Transactions with related parties mentioned in (a) above:

Nature of Transaction	2011-2012 ₹	2010-2011 ₹
Loans / Advances granted (net)	55,006	88,08,807
iii) Transactions with related parties mentioned in (b) above:		
Remuneration	80,39,500	88,08,807
Dividend Paid	23,10,345	23,10,345
Amount payable as on 31st Mar 2012	NIL	31,01,415
iv) Transactions with related parties mentioned in (c) above:		
Dividend Paid	48,15,845	45,28,845

38. Amount of ₹ 1,46,84,032/- (including ₹ 1,25,00,000 transferred from contingency reserve) has been provided for the value of investments / advances in Holistic Beauty Care Ltd., since the said company has discontinued the business operations.

39. The Company's significant leasing arrangements are in respect of operation leases for premises. These leasing arrangements are not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent in the profit and loss account. (Refer Note: 29).

The Company has also given certain land and building on operating lease. The rental income on such lease is included in rental receipt (Refer Note: 24).

40. Earnings Per Share

	2011-2012 ₹	2010-2011 ₹
a) Numerator-Profit as per P & L a/c before extraordinary item (in ₹)	9,96,43,501	10,43,10,054
b) Numerator-Profit as per P & L a/c after extraordinary item (in ₹)	9,63,50,007	10,21,19,474
c) Denominator- Weighted average number of Equity shares outstanding	29,67,620	30,30,000
d) Earnings per share (Basic and Diluted) before extraordinary item (in ₹)	33.57	34.43
e) Earnings per share (Basic and Diluted) after extraordinary item (in ₹)	32.47	33.70
f) Nominal value of shares (in ₹)	10.00	10.00

41. Employee Benefits

	2011-2012 ₹	2010-2011 ₹
a) Defined Benefit Plans - As per Actuarial valuation on March 31 2012		
Gratuity		
A Expense recognised in the statement of Profit & Loss Account for the year ended March 31 2012		
1 Current service cost	25,54,306	34,49,322
2 Interest Cost	14,58,366	12,71,216
3 Past Service Cost	-	13,97,444
4 Expected return on plan assets	(15,44,395)	12,21,079
5 Net actuarial (gain) / loss recognised during the year	(9,66,080)	(2,09,589)
6 Total Expense	14,72,197	46,87,314

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)



	2011-2012 ₹	2010-2011 ₹
B Actual return on plan assets		
1 Expected return on plan assets	15,44,395	12,21,079
2 Actuarial gain / (loss) on plan assets	(15,44,395)	(12,21,079)
3 Actual return on plan assets	-	-
C Net Asset/ Liability recognised in the Balance Sheet		
1 Present value of obligation	1,84,20,999	1,95,10,341
2 Fair value of plan assets	1,76,42,205	1,48,47,559
3 Funded status [surplus/(deficit)]	(7,78,794)	(46,62,782)
4 Net Assets / (Liability) recognised in the Balance Sheet	(7,78,794)	(46,62,782)
D Change in Present value of the Obligation during the year ended March 31 2012		
1 Present value of obligation as at April 1, 2011	1,95,10,341	1,69,57,368
2 Current service cost	25,54,306	34,49,322
3 Interest Cost	14,58,366	12,71,216
4 Past Service Cost	-	13,97,444
5 Benefits paid	(25,61,539)	(21,34,341)
6 Actuarial (gain) / loss on obligation	(25,40,475)	(14,30,668)
7 Present value of obligation as at March 31, 2012	1,84,20,999	1,95,10,341
E Charge in Assets during the year ended March 31,2012		
1 Fair Value of plan assets as at April 1, 2011	1,48,47,559	1,45,50,331
2 Expected return on plan assets	15,44,395	12,21,079
3 Adjustment to opening balance	38,48,952	-
4 Contributions made	15,07,233	24,31,569
5 Benefits paid	(25,61,539)	(21,34,341)
6 Actuarial gain / (loss) on plan assets	(15,44,395)	(12,21,079)
7 Fair Value of plan assets as at March 31,2012	1,76,42,205	1,48,47,559
F Major categories of plan assets as a percentage of total plan - 100% Qualifying Insurance Policy	-	-
G Actuarial Assumptions		
1 Discount rate	8.00%	8.00%
2 Expected rate of return on plan assets	8.00%	8.50%
3 Salary Escalation	5.00%	8.00%

- b) Gratuity is administered through Group gratuity scheme with Life Insurance Corporation of India. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligation

Leave Salary

The defined benefit obligations which are provided for but not funded as on 31-3-2012 is ₹ 50,46,278/- (₹ 26,13,715)

42. Previous Year Figures

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31,2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our Report of even date

For **P.S. Subramania Iyer & Co.,**

Chartered Accountants

N. Srinivasan

Partner

Membership No. 200330

Place : Hyderabad

Date : 30th May, 2012

S. Sambhu Prasad

Chairman & Managing Director

K. Kannan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

Dr. Marie Shiranee Pereira

Directors

Amrutanjan reborn for you with Pure Healthy Essence

It kicks out your pain

Body Ache Gel Pad
Hot and Cold Pad
for deep relaxation

Roll-on
Faster relaxation
headache
On-the-move



Body Pain crème
Speedy relaxation
from pain in
or out of home



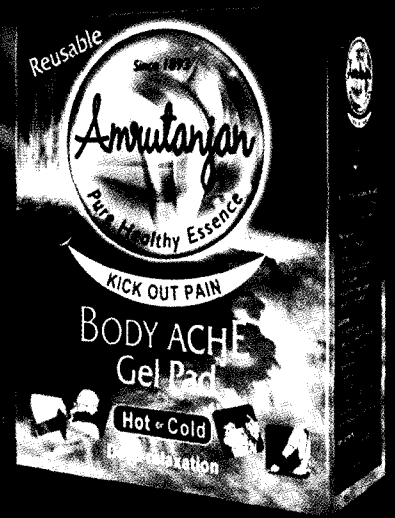
Joint-Muscle
Spray
For quick
relaxation
from sprains



Faster relaxation
Balm massage
for Headache
at Home



Aromatic Balm massage
for Headache



It gives you relief from congestion

Wuhool Relief
(use small quantity
for children)



Aaah! Relief
(use regular quantity
for adults)





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