



79th ANNUAL REPORT 2015 -16



FROM AMRUTANJAN

all natural™

FRUIT
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since
1958

the power of fruit

Amrutanjan's Fruitnik - a new fruit juice drink filled with goodness of natural fruits.

Fruitnik comes in 3 flavours:

Recharging Mango

Essential nutrients and fibre for total well-being

Revitalising apple

Rich source of vitamins and minerals to fight cell ageing

Refreshing lemon

Squeezed with vitamins and antioxidants for body hydration



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A quality product of Amrutanjan Health Care Ltd.

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TEN YEAR RECORD

(₹ in lakhs)

PARTICULARS	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11*	2009-10 *	2008-09 *	2007-08	2007
Sales	19,192.25	17,062.11	14,440.37	14,209.16	14,038.22	10,775.39	9,374.55	9,607.61	8,566.20	8,269.58
Other Income	573.05	469.43	283.71	426.64	449.26	483.22	605.19	695.57	39.76	98.91
Total Income	19,765.30	17,531.54	14,724.08	14,635.80	14,487.48	11,258.61	9,979.74	10,303.18	8,605.96	8,368.49
Profit Before Tax (PBT)	3,456.19	2,638.69	2,125.34	1,779.43	1,889.00	1,608.22	1,926.49	1,868.03	994.37	1,427.85
Provision for Taxation:										
Current tax & short Provision of earlier years	1,163.76	920.00	715.00	589.93	650.00	416.43	750.37	735.71	173.49	518.36
Deferred Tax	(50.64)	7.18	(41.97)	(22.46)	(117.49)	(101.97)	(39.51)	(78.57)	194.77	(17.44)
Profit after Tax (PAT)	2,241.79	1,711.51	1,452.31	1,211.96	1,356.49	1,089.82	1,215.63	1,210.89	626.11	926.93
Dividend	562.68	511.54	467.69	438.46	438.46	443.81	454.50	521.05	224.00	192.00
Fixed Assets & Investments	3,304.04	3,056.03	2,960.08	4,790.09	5,394.60	10,069.30	6,823.21	1,861.74	2,228.89	1,537.55
Net Current Assets	8,935.12	7,569.22	7,487.71	5,502.08	4,970.80	3,270.05	3,326.39	7,862.96	1,563.27	1,761.18
Total	12,239.16	10,625.25	10,447.79	10,292.17	10,365.40	13,339.35	10,149.60	9,724.70	3,792.16	3,298.73
Represented by:										
Share Capital	292.31	292.31	292.31	292.31	292.31	303.00	303.00	310.17	320.00	320.00
Reserves	11,755.46	10,192.19	9,399.86	8,494.72	7,794.61	9,989.29	9,438.34	9,072.28	2,225.27	1,999.16
Net Worth	12,047.77	10,484.50	9,692.17	8,787.03	8,086.92	10,292.29	9,741.34	9,382.45	2,545.27	2,319.16
Loans	-	-	550.00	1,257.54	2,008.42	2,662.69	125.85	20.64	846.70	768.61
Deferred Tax Liability	191.39	140.75	205.62	247.60	270.06	384.37	282.41	321.61	400.19	210.96
Total	12,239.16	10,625.25	10,447.79	10,292.17	10,365.40	13,339.35	10,149.60	9,724.70	3,792.16	3,298.73
Earnings per share (₹) (before extraordinary items)	15.34	11.71	9.94	8.29	45.71	35.97	40.03	38.07	19.57	28.96
Book value per shares (₹)	82.43	71.74	66.32	62.46	276.67	339.58	329.50	340.95	79.54	72.47
Dividend (%)	192.50	175.00	160.00	150.00	150.00	150.00	150.00	170.00	70.00	60.00

Shares subdivision from ₹10/- to ₹ 2/- effected during 2012-13

Corporate Information

Board of Directors	S. Sambhu Prasad Dr. H.B.N. Shetty Dr. Pasumarthi S.N. Murthi Dr. (Ms) Marie Shiranee Pereira Dr. S. Vydeeswaran G. Raghavan V. Swaminathan	<i>Chairman & Managing Director</i> <i>Non-executive Independent Director</i> <i>Non-executive Director</i> <i>Non-executive Independent Director</i> <i>Non-executive Independent Director</i> <i>Non-executive Independent Director</i> <i>Non-executive Independent Director</i>
Chief Financial Officer	K. Kannan	
Company Secretary & Compliance Officer	M. Srinivasan	
Management Team	Joydeep Chatterjee S. Jeyakanth Dr. J. Ravichandran	<i>Business Head - Sales & Distribution, Marketing (Body Products)</i> <i>GM - Supply Chain Management</i> <i>GM - QC / QA / R&D</i>
Statutory Auditors	P.S. Subramania Iyer & Co. Chartered Accountants Chennai	
Bankers	HDFC Bank Limited Yes Bank Limited Punjab National Bank ICICI Bank Limited	
Registered Office	No.103 (Old No.42-45), Luz Church Road Mylapore, Chennai - 600 004. Telephone : 044-2499 4164 / 2499 4146 / 2499 4465 / 2499 4366 Fax : 044-2499 4585 E-mail : investors@amrutanjan.com Website : www.amrutanjan.com	
Corporate Identity Number	L24231TN1936PLC000017	
Factories	Alathur, Kancheepuram District, Tamil Nadu Uppal, Hyderabad Aranvoyal Village, Tiruvallur Dist., Tamil Nadu	
Registrar & Share Transfer Agent	Cameo Corporate Services Limited "Subramaniam Building" No.1, Club House Road, Chennai - 600 002. Telephone : 044-2846 0390 (5 Lines), Fax : 044-2486 0129 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.

Chairman and Managing Director's Letter

Dear Valued Owners,

The year 2015-16 saw continuation of the growth trajectory for your company with top line increasing 13 % from 171 crores to 192 crores and the profit after tax growing 30 % from 17.12 crores to 22.42 crores. Both our OTC and beverage businesses continued to see growth in volumes and key metric growth. I would like to add a few points in this letter on what we are trying to achieve at the macro level before I delve into specifics.

- Bringing high level of focus in terms of capital and managerial time in strengthening the core OTC business.
- Creating organizational capabilities to make new launches into large sustainable brands within 3 years.
- Investing a higher amount of Gross profits into the brand Amrutanjan and new launches.
- Working on increasing distribution expansion strategies in strong (South and East) as well as developing markets like West and North
- Developing internal leadership pipelines to ensure projects and functions are efficiently staffed. The single biggest challenge facing most companies is access to quality manpower.
- Working to make the beverage business self sustainable.
- Expanding product development and research infrastructure to yield new pain relief products.
- Building a execution focused organization that delivers consistent results.

These and many initiatives have yielded a CAGR of 12 % and 30 % these past three years in the top and bottom lines respectively. This year on year performance is vindication that our strategies are in line with the long-term vision of the company.

Some salient points of the year in review:

- The OTC business grew top line by 13%
- Fruitnik business grew top line by 10% from 20 to 22 cr
- Gross margin expansion of OTC business from 61.6 % to 64 %
- Gross margin expansion of Beverage business from 23% to 24.3%
- Northern zone recording highest sales ever
- Head Business growth: our consumer segmentation strategy rolled out in 2012 , continues to give us steady growth year on year.
- Body products maintaining share of revenue of 8 % indicating growth with the company but at the same time not cannibalizing other products
- Our sanitary napkin brand, Comfy, doubled sales to 3.0 cr and continues to enjoy high initial acceptance from the consumers.
- Our trade receivables days outstanding has shown a reduction of 10%
- The Roll-On as a format today is Sizeable
- Reduction in Fruitnik freight from 11.8 % of sales to 9.8 % of sales due to local sourcing strategies

We are a company fully focused on fundamentals and wish to be a self aware, grounded organization focusing on investing in what is working and trimming what is not. As we enter our 125th year of existence in 2017, the Board and the management team are very excited about the future and prospects of our organization. Our loyal consumers have kept us in business for over a century and as long as we don't take that for granted, I am confident we will continue to thrive.

We are also fortunate to have long term focused shareholders who have been supportive and passionate about their company throughout and the fact that we all have to add value to their investments is never forgotten.

Last but not least, giving back to the community is something our founder built into the ethos of our organization that is continued today beyond the mandated CSR activities. Last year your company helped in supporting diverse activities like supporting education of underprivileged girls, building toilets for the needy, health care delivery to tribals in Nilgiris and supporting animal welfare. Many of these were initiated before the new regulations came into effect.

Sincerely,

S. Sambhu Prasad



Our products and services

“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.



Amrutanjan Pain Balm Extra Power (APBEP)- Is the classic headache & cold remedy for over 120 years with unique Aroma, now with new and improved actives to make it more efficient and provide faster relief while maintaining the naturally extracted essence of its ten active ingredients. This will ensure better cooling, long lasting effect and help treat pain more efficiently.



Amrutanjan Strong Double Power (ASDP)- the stronger neutral colored white balm relieves severe headaches and back pains. The balm accompanied with a massage gives you incredible relief within minutes. So no matter how demanding our job is you can always rely on Amrutanjan Strong Double Power that removes your headache or back pain. The balm promises faster and long lasting relief.



Amrutanjan Headache Faster Relaxation Roll-On (AFRR)- Quick instant reliever for headache which suits the modern lifestyle which can be used on the go, Non-greasy solution, convenient to use, easy to carry with rapid action, Instant relief, refreshing aroma and stain free.



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 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.



Back Pain Roll-on provides instant relief from back pain. Get instant and long lasting relief from back pain.

- Easy to use & apply
- Non-staining
- Non-messy
- Zero wastage

Product in Congestion Management



Relief Cough & Cold Cold Rub: The mild formulation of Relief cold rub is the perfect remedy for cold congestion as it is the first ever specialist formulation which is gentle on skin, but tough on cold. It is 100% natural and has no side effects. It contains specialized oils which gives soothing aroma and faster relief from cough and cold.



Relief Cough & Cold Cough Syrup: Having a cough is no fun and it knocks you out from regular activities. Relief cough syrup is an effective cough remedy which relieves dry cough, allergic cough, smokers cough and inflammation caused by pollution. It does not contain alcohol and does not give any drowsiness. It is 100% natural and is completely safe. It contains the goodness of Vasaka and Yastimandu which are natural throat decongestant.



Relief Cough & Cold Nasal Inhaler: Chill and pollution lowers your general resistance and weakens your multiple nasal defenses. Relief Nasal inhaler is your perfect partner in those times as its quick acting decongesting formula provides quick relief from nasal congestion. It is the first inhaler to be enriched with Nilgiri oil, a powerful and safe nasal decongestant. Its sleek shape makes it handy to carry and it is completely natural and has no side effects.



Relief Cough & Cold Swas Mint: Relief Swas mint provides instant relief from cold and sore throat. Its powerful combination of Nilgiri oil and citrus gives a cooling and refreshing effect. It soothes the throat and freshens breath.

Product in Health Care & Hygiene



Amrutanjan Decorn Corn Caps is an Ayurvedic medicine for corn removal in foot. It is quick acting and comes in easy to use bandage. Its soothing effect gives long lasting relief. Its quick action helps in achieving soft feet and removes corn effectively. It is completely natural, safe to use and has no side effects.



Comfy Sanitary Napkin offers triple benefits. It has got superior absorption, rash free and comes with the all new leak proof technology that ensure zero leak.



Amrutanjan Xpert Dermal Ointment for relief from rashes, itches, cracked heels and eczema.



Established in 1893, Amrutanjan has grown to become one of India's most trusted household brands. With a commitment to sound healthcare management using the perfect blend of science and nature, we at Amrutanjan believe that innovation, coupled with nature's essence, can enhance the living standards of people. We look to the purest ways of bettering your health, and with your best interests at heart, we are continuously striving towards delivering "pure healthy essence" through our wide range of products in pain, congestion, hygiene and beverage categories, so you can live a beautiful, healthy life.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Seventy Ninth (79th) Annual General Meeting (AGM) of the Members of Amrutanjan Health Care Limited will be held on Thursday, the 22nd September, 2016 at 10.30 A.M. at Narada Gana Sabha (Sathguru Gnanananda Hall), No. 314 (Old No.254), T.T.K. Road, Chennai 600 018 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited (Standalone & Consolidated) Profit and Loss Account for the year ended March 31, 2016 and the Balance Sheet as on that date together with the Board's and Auditors' Reports thereon.
2. To take on record interim dividends already paid on equity shares for the year ended March 31, 2016.
3. To re-appoint Dr. Pasumarthi S.N. Murthi (holding DIN 00051303) as Non-executive Director who retires by rotation and, being eligible, offers himself for re-appointment.
4. **To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 139 and 142 and other applicable provisions if any, of the Companies Act, 2013, M/s. P.S. Subramania Iyer & Co., Chartered Accountants, Chennai (Firm Registration No.004104S) be and are hereby re-appointed as Auditors of the Company to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, on a remuneration to be decided by the Board of Directors on the recommendation of the Audit Committee".

SPECIAL BUSINESS:

5. **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 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the members hereby approve/ratify the remuneration of ₹ 1,00,000/- (Rupees One Lakh only) excluding service tax and out of pocket expenses at actuals to Mr. G. Thangaraj (Regn. No. 100464), Cost Accountant, who was appointed as the Cost Auditor to conduct the audit of cost records maintained by the Company for the financial year ended March 31, 2017."

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED THAT in accordance with the provisions of applicable laws, including Section 14 of the Companies Act, 2013 and the rules made thereunder as amended from time to time, approval of the shareholders of the Company be and is hereby accorded to adopt the restated Articles of Association of the Company, a draft of which was displayed on the website and is placed before the meeting (which be and is hereby specifically approved), in substitution of the existing Articles of Association of the Company.

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 it may in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders of the Company or otherwise to the end and intent that the shareholders of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT Mr. S. Sambhu Prasad, Chairman & Managing Director and Mr. M. Srinivasan, Company Secretary, be and are hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolutions, including filing of necessary forms with the Registrar of Companies, Tamilnadu, as may be required in relation to such amendments and to comply with all other requirements in this regard."

BY ORDER OF THE BOARD

Place : Chennai

Date : 11th August, 2016

Registered Office:

Amrutanjan Health Care Limited

CIN: L24231TN1936PLC000017

No.103, Luz Church Road, Mylapore,

Chennai 600 004

Tel : 044-2499 4465; Fax : 044-2499 4585

Email : shares@amrutanjan.com

Website : www.amrutanjan.com

M. Srinivasan

Company Secretary & Compliance Officer

NOTICE TO SHAREHOLDERS (Contd.)

NOTES:

1. Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote (on a poll only) instead of himself/herself and such proxy need not be a member of the company. Proxy form is being sent together with this Annual Report.
2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY EIGHT HOURS before commencement of the meeting. Proxies submitted on behalf of limited companies, societies etc, must be supported by appropriate resolutions/authority as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total voting share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total voting share capital of the company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.
3. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("Act") in respect of the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
4. Corporate Members/FIIs/Financial Institutions intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of the Board resolution/such other documents authorizing their representatives to attend and vote at the AGM well in advance.
5. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
6. The Register of Members and the share transfer books will remain closed from September 16, 2016 to September 22, 2016 (both days inclusive) for determining the names of members eligible for voting. Transfers received during book closure, if any, will be considered only after reopening of the Register of Members.
7. 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 share-holdings in the company are advised to avail the facility of dematerialization of equity shares of the company.
8. 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 Transfer Agents (RTA), M/s. Cameo Corporate Services Private Limited.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company/RTA for consolidation into a single-folio.
10. 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 2015-16, the Company has transferred the unclaimed dividend pertaining to the Financial Years 2007-2008 (Final Dividend), 2008-2009 (Interim Dividend) and 2008-2009 (Special Dividend) amounting to ₹ 1,56,714/-, ₹ 2,95,705/- and ₹ 13,77,600/- respectively to IEPF. Members who have not yet encashed their final dividend warrants from the Financial Year 2008-2009 onwards are requested to make their claims to the Company immediately. Pursuant to Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company has provided / hosted the required details of unclaimed amounts referred to under Section 205C (2) of the Companies Act, 1956 on its website and also in the website of the Ministry of Corporate Affairs (MCA) in the relevant form every year.
11. 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 Transfer Agents, M/s. Cameo Corporate Services Private Limited.
12. The members holding shares in demat format are requested to update their email addresses 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 Ministry of Corporate Affairs.
13. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays between 10.00 a.m. and 5.00 p.m. up to and including the date of the Annual General Meeting.
14. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least Seven days before the date of Annual General Meeting to enable the Company to keep the information ready at the meeting.
15. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
16. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 72 of the Act, are requested to submit details to the RTA in the prescribed Form SH 13 for this purpose.
17. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

NOTICE TO SHAREHOLDERS (Contd.)

18. Members may also note that the Notice of the Seventy Ninth AGM and the Annual Report for 2015-16 will be available on the Company's website www.amrutanjan.com and also on the website of the Stock Exchanges respectively, www.bseindia.com and www.nseindia.com. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor e-mail id: investors@amrutanjan.com.
19. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Thursday, September 22, 2016.
20. **VOTING THROUGH ELECTRONIC MEANS**

Pursuant to the provisions of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company provides the Members the facility to exercise their right to vote at the 79th AGM by electronic means and the businesses may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The procedure and instructions for e-voting forms part of this notice

- (i) The e-voting period commences on Monday, 19th September, 2016 (9.00 am IST) and ends on Wednesday, 21st September, 2016 (5.00 pm IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 15th September, 2016 may cast their votes electronically.
- (ii) The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by a member, he shall not be allowed to change it subsequently.
- (iii) The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on 15th September, 2016.
- (iv) Sri. P.Sriram of M/s P.Sriram & Associates, Practising Company Secretary (Membership No. FCS 4862) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (v) The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against forthwith to the Chairman of the Company.
- (vi) Voting is provided to the members through E-voting and at the Annual General Meeting of the Company. A member can opt for only one mode of voting i.e either through e-voting or at the Annual General Meeting of the Company.
- (vii) If a Member casts votes by both modes, then voting done through E-voting shall prevail.

The results shall be declared not later than two days from the date of Annual General Meeting (AGM) of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.amrutanjan.com and on the website of CDSL within forty eight hours of AGM and communicated to the National Stock Exchange Limited where the shares of the Company are listed.

The instructions for shareholders voting electronically are as under:

- (i) The voting period commences on Monday, September 19, 2016 (9.00 am IST) and ends on Wednesday, 21st September 2016 (5.00 pm IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 15th September, 2016 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the image verification as displayed and click on Login.
- (vii) If you are holding shares in the demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

NOTICE TO SHAREHOLDERS (Contd.)

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field (Sequence number has been provided as Serial Number (SL No) in the Address Label. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyyformat.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

NOTICE TO SHAREHOLDERS (Contd.)

STATEMENT OF MATERIAL FACTS

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 (Act), the following statement sets out all material facts relating to the Special Businesses mentioned under Item Nos. 5 & 6 of the accompanying Notice:

5. Remuneration to Cost Auditor:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to conduct the audit of the cost records of the applicable products of the Company. As per the Rules, remuneration payable to the cost auditor is required to be ratified by the members of the Company in a general meeting. The Board of Directors of the Company at its meeting held on August 11, 2016 has considered and approved the appointment of Mr. G. Thangaraj, Cost Accountant (Registration No: 100464) as the Cost Auditor of the Company for the financial year 2016-17 at a remuneration of 1,00,000/- (Rupees One Lakh only) plus applicable service tax and out of pocket expenses that may be incurred.

Copies of relevant resolution of the Audit Committee and Board are available for inspection of the members on any working day of the Company between 9.00 a.m. and 5.00 p.m. at the Registered office of the Company.

The Board of directors accordingly recommends the resolutions set out in Item No. 5 of the accompanying Notice for the approval of members.

6. Alteration of Articles of Association:

In order to incorporate necessary changes in the existing Articles of Association to make it in alignment with the provisions of the Companies Act, 2013 and the rules framed there under, as amended from time, it is proposed to amend the provisions of the existing Articles of Association ("AOA") to make the necessary changes.

The draft of the restated AOA is available on the website of the Company, www.amrutanjan.com/investors, along with the notice of this AGM as Attachment 1 for kind perusal of the members.

The Board has granted its approval to the alteration in the AOA vide resolution dated August 11, 2016. The approval of the members of the Company is required, by way of a special resolution pursuant to Section 14 of the Companies Act, 2013, for adoption of restated AOA.

Draft of the restated AOA shall be placed at the meeting for inspection by the members and shall also be available for inspection at the registered office of the Company during business hours.

The Board of directors accordingly recommends the resolutions set out in Item No. 6 of the accompanying Notice for the approval of members.

There is no financial or other interest of the directors and their relatives in the above resolutions except to the extent of each of the director representation on the Board of the Company. Further, no key managerial personnel and their relatives have any financial or other interest in these resolutions.

BY ORDER OF THE BOARD

Place : Chennai
Date : 11th August, 2016

M. Srinivasan
Company Secretary & Compliance Officer

Registered Office:
Amrutanjan Health Care Limited
CIN: L24231TN1936PLC000017
No.103, Luz Church Road, Mylapore, Chennai 600 004
Tel : 044-2499 4465 Fax : 044-2499 4585
Email : shares@amrutanjan.com Website : www.amrutanjan.com

NOTICE TO SHAREHOLDERS (Contd.)

Additional information on Director recommended for reappointment in the AGM as required under Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

Name of Director & DIN	Dr. Pasumarthi S.N. Murthi (DIN 00051303)
Date of Birth & Age	11th August, 1934; 82 Years
Date of Appointment	5th August, 1989
Qualifications	B.Sc, M.B.B.S, FRCS (Edin U.K) FIMSA
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 Amrutanjan Health Care Limited and advises on any medical issues relating to the products of the Company;
List of other Companies in which Directorships held	Nil
Chairmanship / Member of Committees of Board of Directors of other Companies	Nil
Shareholding	332195 Equity Shares of the Company
Relationship with other Directors	Not related to any other director of Amrutanjan Health Care Limited.

BOARD'S REPORT

Your Directors have pleasure in presenting the Seventy Ninth Annual Report on the business and operations of the Company along with the audited Balance Sheet as on March 31, 2016 and the Profit and Loss account for the year ended on that date.

1. FINANCIAL RESULTS

The highlights of the financial results for the year ended March 31, 2016 are summarized below:

Particulars	For the Current Year ended 31st March, 2016		For the Previous Year ended 31st March, 2015	
	₹		₹	
Profit before Interest and Depreciation	37,16,81,969		29,20,34,294	
Interest	8,16,418		46,47,200	
Depreciation and Amortization	<u>2,52,46,566</u>	<u>2,60,62,984</u>	<u>2,35,17,545</u>	<u>2,81,64,745</u>
Profit before exceptional items	34,56,18,985		26,38,69,549	
Exceptional items	-		-	
Prior year adjustments (Net)	-		-	
Profit before tax	34,56,18,985		26,38,69,549	
Provision for taxation				
– Income Tax	(11,40,00,000)		(9,20,00,000)	
– Deferred Tax	(50,64,169)		(7,17,687)	
– Short Provision for Income Tax of earlier years	(23,76,350)		-	
Profit after tax before extraordinary items	<u>22,41,78,466</u>		<u>17,11,51,862</u>	
Extraordinary Items (Net of Tax)	-		-	
Net Profit	<u>22,41,78,466</u>		<u>17,11,51,862</u>	
Add:				
Transfer from Profit & Loss Account	-		-	
– Surplus from previous year brought forward	51,05,07,169		40,57,36,623	
Profit for Appropriation	<u>73,46,85,635</u>		<u>57,68,88,485</u>	
Appropriations:				
General Reserve	50,00,000		50,00,000	
Reserve Interim dividend Paid	5,62,68,963		1,60,76,847	
Tax on Interim Dividend	1,15,82,540		32,14,424	
Final Dividend-Proposed	-		3,50,76,756	
Tax on Proposed Final Dividend	-		70,13,289	
Balance Profit carried to Balance Sheet	<u>66,18,34,132</u>		<u>51,05,07,169</u>	
	<u>73,46,85,635</u>		<u>57,68,88,485</u>	

BOARD'S REPORT (Contd.)

2. PERFORMANCE OF YOUR COMPANY

Your Company witnessed a 12.48% growth in turnover during the financial year 2015-16 with total Gross Sales of ₹ 191.92 Crores as against ₹ 170.62 Crores during the previous financial year.

OTC and Beverages Business – Performance At Glance

	2015-16	2014-15	CHANGE %
Production-Tonnes	709.02	677.21	4.70
- Kilo Ltrs	5308.85	4940.89	7.45
Sales Volume - Tonnes	695.37	668.34	4.04
- Kilo Ltrs	5048.70	4595.06	9.87
Sale Value (in Crore)	191.92	170.62	12.48
Operating EBITDA (in Crore)	37.17	29.20	27.29
Operating EBITDA Margin (%)	19.37	17.11	13.20

Highlights of segment-wise performance and state of affairs are discussed in detail in the Management Discussion and Analysis Report attached as **ANNEXURE - A**.

3. DIVIDEND

The Directors, considering the profits projected for the year 2015-16, had declared and paid two interim dividends. The first interim dividend of 60% (₹ 1.20 per share) on the equity share capital of ₹ 292.31 lakhs amounting to ₹ 175.38 lakhs was paid during February, 2016. The second interim dividend of 132.50 % (₹ 2.65 per share) amounting to ₹ 387.31 Lakhs was paid during March, 2016. The Company has borne the dividend distribution tax of ₹ 115.83 Lakhs towards the two interim dividends paid to the equity shareholders. As such, the Board of Directors did not propose any final dividend.

4. AMOUNT CARRIED FORWARD TO RESERVES

An amount of ₹ 50 lakhs has been carried to the General Reserves for the year ending March 31, 2016.

5. SHARE CAPITAL

Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of shares (including Sweat Equity Shares and ESOS) to employees of the Company under any scheme;

6. FIXED DEPOSITS

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V (Acceptance of Deposits by Companies) of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and was not holding any amount under Fixed Deposit Account as on March 31, 2016.

7. FINANCE

The cash and cash equivalent as at March 31, 2016 was ₹ 47.95 Crores. The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 are given in Note No.27 of the Notes to the Financial Statements.

9. CORPORATE GOVERNANCE

As per Regulation 34 read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Practicing Company Secretary confirming Compliance, forms an integral part of this Report as **ANNEXURE - B**. Compliance reports in respect of all laws applicable to the Company have been reviewed by the Board of Directors periodically.

10. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

As part of CSR initiatives, your Company during the financial year 2015-16 has funded projects in the areas of Animal Welfare, Promoting Woman Education, Rural Health and Infrastructure development. The Annual Report on CSR activities undertaken by the Company during the financial year 2015-16 is annexed vide **ANNEXURE C**. These projects are in accordance with Schedule VII of the Companies Act, 2013. The composition of the CSR Committee is given in the Corporate Governance Report.

The CSR Committee met on 11th February, 2016 to oversee the activities, programs and execution of initiatives as per the predetermined guidelines of the Board and had approved the CSR Spend to the tune of ₹ 43.76 lakhs incurred during the year. The Board takes pleasure to note that the Company has spent the entire amount that was mandatorily to be incurred towards the CSR spends for the year 2015-16.

11. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower and the same was hosted on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director/ employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

BOARD'S REPORT (Contd.)

12. DIRECTORS & KEY MANAGERIAL PERSONNEL

Dr. Pasumarthi S.N. Murthi retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

The resolution seeking approval of the members for re-appointment of Dr. Pasumarthi S.N. Murthi has been incorporated in the Notice of the Annual General Meeting along with brief details about him.

The Independent Directors of the Company have submitted a declaration under Section 149(7) of the Act that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.

The terms and conditions of appointment of the Independent Directors are placed on the weblink <http://www.amrutanjan.com/investors>. The Company has also disclosed the Directors' familiarisation methodology on its weblink <http://www.amrutanjan.com/investors>.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are – Mr. K. Kannan, CFO and Mr. M. Srinivasan, Company Secretary.

13. BOARD EVALUATION

Pursuant to the provisions of Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director).

Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered / evaluated the Boards' performance, Performance of the Chairman and other Non-independent Directors.

The criteria for performance evaluation have been detailed in the Corporate Governance Report.

14. REMUNERATION POLICY

The Remuneration policy of the Company with respect to appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the weblink <https://amrutanjan.com/policy>. The Nomination and Remuneration Committee has framed a Policy on Board diversity appropriate to the business requirements of the Company, which

inter-alia specifies optimum combination of Executive Directors, Non-Executive Directors and Independent Directors, the recommendatory requirement for each of the directors to possess functional diversity and role of NRC to ensure that the Policy on Board diversity is considered while recommending the appointment of new directors on the Board of the company.

15. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules framed thereunder are provided in **ANNEXURE - D**.

16. BOARD MEETINGS

During the year, 5 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under Section 173(1) of the Companies Act, 2013.

17. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) & 134(5) of the Companies Act, 2013:

- I. that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- II. that the directors had selected such accounting policies and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- III. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. that the annual financial statements have been prepared on a going concern basis;
- V. that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- VI. that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

18. SECRETARIAL AUDIT:

Pursuant to provisions of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial

BOARD'S REPORT (Contd.)

Personnel) Rules, 2014, your Company engaged the services of M/s. P. Sriram and Associates, Company Secretaries in Practice, Chennai to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2016. The Secretarial Audit Report for the financial year ended March 31, 2016 in Form No. MR-3 is attached as **ANNEXURE - E** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

19. EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT-9 as on March 31, 2016 as per provisions of Section 92(3) of the Companies Act, 2013 is attached as **ANNEXURE - F** to this Report.

20. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorised and recorded. Information provided to management is reliable and timely and statutory obligations are adhered to. Details of the same are provided in the Management Discussion and Analysis Report attached

21. ENVIRONMENTAL, SAFETY AND HEALTH

The Company is committed to ensure sound Safety, Health and Environmental performance related to its activities, products and services. The Company is taking continuous steps to develop Safer Process Technologies and Unit operations. The Company has been investing heavily in areas such as Process Automation for increased safety and reduction of human error element. Enhanced level of training on Process and Behaviour based safety, adoption of safe & environmental friendly production process, monitoring and periodical review of the designed Safety Management System is done on a continuous basis. The Company is committed to continuously take further steps to provide a safe and healthy environment.

22. RISK MANAGEMENT POLICY :

Your company has a Risk Management Policy adopted by the Board and created Risk Registers in selected key process areas. Periodical in-house risk audits were conducted to detect and mitigate the risks in a timely and effective manner. Management Discussion and Analysis Report contained more details on the risk management practiced by the Company.

23. SUBSIDIARY COMPANY

The Gross sales of the Company's subsidiary Amrutanjan Pharmaessense Pvt Ltd was ₹ 2.59 Crores as against the Gross sales ₹ 3.47 Crores during the previous year.

24. CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statement prepared in accordance with the Accounting Standards. A report on the performance and financial position of the subsidiary is provided in the notes to the consolidated financial statements. Pursuant to the provisions of Section 129(3) of the Act

read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiary in Form AOC-1 is attached to the financial statements of the Company.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of the subsidiary are available on the website of the Company. The annual report and the annual accounts of the subsidiary and the related detailed information shall be made available to the shareholder of the company seeking such information.

25. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Form AOC-2, as required under Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, is attached as part of this report vide **ANNEXURE – G**.

26. CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS/OUTGO

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are furnished in **ANNEXURE - H** to this Report.

27. UNCLAIMED SHARES

The Company does not have any unclaimed shares in the demat suspense account or unclaimed suspense account pursuant to SEBI Listing Regulations.

28. AUDITORS

The auditors M/s P.S. Subramania Iyer & Co., Chartered Accountants, (Firm Registration No. 004104S) retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. As required under the provisions of section 139&141 of the companies Act,2013 and the rules made there under as may be applicable, the company has obtained written confirmation from M/s.P.S. Subramania Iyer & Co ., that their re-appointment, if made, would be in conformity with the limits specified in the said section.

The Auditors' report to the shareholders on the standalone and consolidate financials for the year ended March 31, 2016 does not contain any qualification, observation or adverse comment.

29. COST AUDITOR

Mr.G. Thangaraj, Cost Accountant has been duly appointed as the Cost Auditor to conduct the cost audit with respect to OTC business of the company for current financial year ending March 31, 2017.

BOARD'S REPORT (Contd.)

He was also the cost auditor for the previous year ended March 31, 2016.

30. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments occurred affecting the financial position of the Company between the closure of the financial year 2015-16 and the date of this report.

31. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material Orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future Operations.

32. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

33. INDUSTRIAL RELATIONS & HUMAN RESOURCES

The Company constantly striving to enhance the level of employee engagement and to ensure healthy career growth for employees at all levels. Focus was given on right staffing and skilling in identified areas and to keep the employee attrition rate to minimum. Please also refer **ANNEXURE - A** for further details.

34. PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2015-2016, no complaints were received by the Company related to sexual Harassment.

35. ACKNOWLEDGEMENT

The Directors wish to express their sincere appreciation to all the Government Departments, Bankers, Customers, Distributors, Suppliers and the shareholders for their co-operation and support extended during the year.

The Directors also wish to thank all the employees for their contribution, support and continued commitment throughout the year.

Place : Chennai

Date : 11th August, 2016

For and on behalf of the Board

S. Sambhu Prasad
Chairman and Managing Director

Registered Office:

Amrutanjan Health Care Limited

CIN: L24231TN1936PLC000017

No.103, Luz Church Road, Mylapore, Chennai 600 004

Tel : 044-2499 4465 Fax : 044-2499 4585

Email : shares@amrutanjan.com Website : www.amrutanjan.com

I. INDUSTRY STRUCTURE AND DEVELOPMENTS

OTC Category Overview

India's OTC category is valued at Rs. 18,677 crores and comprises of Rubefacients, Digestives, Inhalers, Analgesics and Acne preparations. This category is a part of the ₹ 2,61,152 crores FMCG industry. The rubefacient segment contributes to 17% of the OTC category and is growing steadily due to increased consumption of allopathic balms. Your company is a Top 7 player in the overall rubefacient segment with second position in the Headache space.

The rubefacient industry is dominated by players dominating either the cold, body or head ache segment. The Allopathic brands generate majority of their revenue from body pain products while the multinational derives the entire market share from congestion and cold. It is your company that has successfully offered products covering all areas of the rubefacient space: congestion, headache and bodyache. The category while regulated still has low barriers to industry owing to the relative ease of which the product can be manufactured and this results in many smaller players entering the market. Your company wishes to protect and grow its share by continuing the investment in the brand, distribution and introduction of newer pain relief offerings.

Pain Management

Your company has successfully segmented the pain management business into headache and body ache. An intricate understanding of consumer needs has resulted in successful introduction of formats, various balms, lotions and sprays. The last three years have resulted in a high rate of investment in the brand, which have resulted in market share protection, growth, and also a revival in the mind share of the brand in many parts of the country other than the South. Your company wishes to find progressive and modern ways to bring the Amrutanjan brand experience to the consumer, thereby offering a total pain management solution

Headache Management

The Headache products continue to generate the majority of the revenue to the company and the segment has grown at an average CAGR of 11% these past three years. The successful segmentation of headache products based on market potential and consumer needs has resulted in a steady growth of the category. The Roll-On format has been a big hit with the new entrants to the category who do not desire the greasiness or the smell of the traditional balms.

Communication

Your company had developed a new television communication for the products in both the head and body range with "Kick Out Pain" theme to establish the positioning of Amrutanjan Pain Balm Extra Power for everyday headaches, Strong balm for Strong Headache and Back pain and Roll-on for Headaches on the go.

Headache Pain Management

Your company, as mentioned above, holds the second position in terms of market share in the Headache segment. We have products for headache space specifically targeting both the urban and the rural consumer. The Roll-On format which was the precursor to our Body

Roll-On innovation has been a growth driver for your company and is being increasingly sought out by the urban and even the millennial consumers! We relaunched our traditional balm during the year under review with more potent and fast acting formula which has been well received by the consumers.

For Headache



Body Pain segment

The body-pain portfolio consists of Amrutanjan Back Pain Roll-On, Amrutanjan Joint Muscle Spray and Amrutanjan Body Pain Crème which will be phased out for Amrutanjan Body Pain Gel in FY'16.



Amrutanjan Back Pain Roll-On

Amrutanjan Back Pain Roll On (ABPRO) with capsaicin based Ayurvedic formula is devised to address body pain. It is available in easy to use roll-on format which offers no-hands application. Launched in the year 2013, it took off in the year 2014 on the back of a strong media campaign. It was met with competition from old and new counterparts alike. Your brand registered a volume growth of 187% during the same period as per Nielsen and was designated as the fastest growing body pain brand in the year 2015. The brand garnered more than 2% market share in most of its strongest markets within two years of existence. While ABPRO finds itself in a 'Red Ocean' in a market characterised by limited volume growth, it looks forward to offering a superior solution to the users. The way forward for the brand is to grab share from its competitors. The brand would look forward to be a part of the 'consideration-set' among 50% of pain product users in the next three years. The brand has to broaden its audience base going forward and improve accessibility across retail mediums.



Amrutanjan Joint Muscle Spray

Amrutanjan Joint Muscle Spray (JMS) is a Body pain relieving product in aerosol format which falls under the pain relief spray segment. It is an Ayurvedic, Non-NSAID pain relief spray. Its purpose is to help consumers regain the mobility instantly from sprain, strain and minor muscle injury.

Pain relief spray is a sub-segment of Body Pain Relief segment which has grown 20% from Rs 150 Cr to Rs 180 Cr in FY15. Pain relief

Management Discussion and Analysis Report (contd.)

products in spray format have shown higher growth rate is an expanding market. The market is effectively duopoly with two major players having more than 80% market share. Sales contribution is highly skewed towards urban areas. With these market details in consideration, JMS will be driven as a BTL brand with distribution focus in urban markets.

Amrutanjan Body Pain Creme

Amrutanjan Body Pain Crème is a Body pain relieving product in crème format and is available in tubes for dispensation. It is an Ayurvedic, Non-NSAID pain relief crème aimed at occasional users and is available in a value for money pack. In the next financial year, it will make way for a new and superior formulation which would be available in a value pack targeting mass consumers.



Congestion Management

We intend to focus on our ayurvedic based cough syrup and inhaler products that generate the bulk of revenue of our congestion category. Further, Amrutanjan Relief Inhaler already enjoys a number two market share position in the category that can be built upon. The recent consumer trends also show a shift away from allopathic cough syrups and towards ayurvedic treatments that your company can leverage.

For Congestion



Feminine Hygiene Category

The Indian Sanitary Napkin market was valued at Rs. 2917 Crore in 2014-15 and is growing at an average rate of 18% every year as reported by AC Nielsen. But only 12 per cent out of 355 million women in the menstrual period use sanitary napkins, while remaining 88 per cent choose cloth and other traditional means as a substitute. Research also shows that 70% of Indian women cannot afford to buy sanitary napkins and more than 20% of adolescent girls miss school because of menstrual issues.

Your company's Comfy sanitary napkin brand wishes to grow market share by addressing the needs of semi urban girls who are just entering puberty. Our brand Comfy has scored at par or better in key performance parameters when compared to leading multinational brands in the country in a multi-market consumer study done by your company. By leveraging on your company's distribution strength with the pharmacy channel combined with a high performance- value for money product line, we see opportunities in building a sustainable feminine hygiene brand.



Distribution

Traditional retail

Your company has a total distribution presence (direct and indirect) in 1.2 million outlets as measured by the Amrutanjan Pain Balm extra power (Nielsen, 2015). The strength of this distribution is present in the Southern and Eastern markets followed by Maharashtra and Gujarat in the west. The Northern markets are under served. The company is highly focused in a strategy of bringing newer products to stronger distributed markets while focusing on building equity and distribution in the West and North.

Social Media

It's a powerful marketing tool and is the "next big thing". It's cost effective too. With this marketing platform, we can have more access to our customers who can gain more knowledge about our brand and about all our products. When customers start following our page, we can follow them and will be able to interact with them. It helps us in understanding our customers as we'll get information such as who likes our product, who are loyal to us etc. The more we share valuable content in social media and influence people, the more likes and followers we get which will be good for our company.

- Create awareness among millennial customers
- Be relevant to youth as modern and lifestyle product and acquire more customers in the social media space
- Continuous and relevant engagement through understanding the needs.



Management Discussion and Analysis Report (contd.)

Brand Activity in Social Media

Amrutanjan FB - Nov 1st to Mar 27th	
Total No of Post	79
Reach	77075 (avg.: 1014 / post)
Engagement	7%
Page likes	8633
YouTube videos uploaded	3
Reach	14.8k

Along with the digital campaign, the association with programmes in top channels has given us a value add in YouTube. In TN, Association with Vijay TV in "Neeya Naana" is uploaded in YouTube which has an average viewership of 44000 per video.

In AP, association with Maa TV, in Super Singer, is uploaded in YouTube which has an average viewership of 50000 per video.

In KA, Association with Colors Kannada in "Maja Talkies", is uploaded in YouTube which has an average viewership of 1.02 lakhs per video.

These activities will be carried next year too as a part of the marketing strategy.

Modern Format Focus

The Modern Trade (MT) sales have been steadily increasing year on year. (₹ in Lakhs)

2013-14	2014-15	2015-16
606.87	766.85	1140.2

Today our Amrutanjan products are available in 5187 MT Stores.

The special visibility in MT was done in the year 2015-16 also in 1500 stores.

The Acceptance of your company products by Modern trade continue to show a very positive trend which has been clearly indicated by 48.65% growth in the sales through this channel. The Number of Modern Trade outlets have increased and the new products and categories from Amrutanjan are being accepted by all modern trade chains showing the legacy of Trust in your Company Products.

Exports

Amrutanjan Health Care- Grow Global Vision:

The number of countries for export have been steadily increasing and today your Amrutanjan products are available in 16 Countries and the introduction process is on in seven countries.

REGION	PRESENT COUNTRIES	PROPOSED COUNTRIES	TOTAL
AFRICA	6	3	9
MIDDLE EAST	4	2	6
SOUTH EAST ASIA	2	2	4
OTHERS	4	1	4
TOTAL	16	8	24

2015-16 we have seen a decline in the sales. This is due to the time taken to register the new factory location at Alathur in the respective countries and also external delay in the product registration.

(Sales ₹ in lakhs)

Market	2013-14	2014-15	2015-16
Africa	63	246	193
Middle East	30	89	34
South East Asia	31	10	14
Other Markets	27	13	16
Total	151	358	257

In 2015-16 we have initiated special merchandising activity in export markets. The merchandising activity with consumer sampling resulted in repeat orders.

We have already entered in to Kingdom of Saudi Arabia in 2015-16 and we have planned to enter UAE and Oman markets in a big way this year.

SCM (Supply Chain Management)

In OTC division, FY 2015-16, with the savings in packaging materials (due to favourable crude oil price) we were able to contain the material price in line with previous FY though there is a price increase in Menthol & Essential oil.

- For Menthol, short term contract with multiple sources, which resulted in average purchase price which is lower than the market price.

In Beverages division, in this FY, due to poor crop of Mango, Mango pulp price went up by 11% when compared to last FY. However, the impact got reduced because of the following points:

- Low weight PET bottles (short neck) combined with favourable crude price resulted in savings to the extent of INR 65 lakhs when compared to last FY.
- Mango pulp procurement in Aseptic packing resulted in savings of INR 3.50 lakhs.
- Sugar procurement from multiple manufacturers which resulted in savings of INR 10 lakhs.
- To reduce outbound logistics cost, 'regional sourcing' approach was continued.

Beverages

Your company clocked a turnover of 22 cr for the year in review from the beverage business. This was a 10% growth in a category that is growing at low single digits (Nielsen, 2015). Tamilnadu, Odisha and West Bengal continue to be the main drivers of this business. When the company acquired the brand Fruitnik in 2011, it was largely present in TN and since then your company's management team has successfully expanded this brand into the Eastern markets and parts of Karnataka and Telangana. The company's main focus going forward is to introduce health drinks that have no seasonality while focusing on building distribution and supply chain infrastructure in the non-TN markets.

Management Discussion and Analysis Report (contd.)

Amrutanjan Pain Services Business

Pain relief without surgery

Amrutanjan APMC which was started in 2011 is Chennai's first and only comprehensive pain management center, established by a 123-year old corporate. This is a specialized center for pain management that brings together medical specialists from various disciplines to formulate a customized allopathic cure for each patient. This helps patients manage pain without having to resort to surgery or invasive procedures. This technology intensive center brings the best of advanced pain management procedures which is a well established practice in the U.S.A. It currently operates four centers in Chennai, T.Nagar, Mylapore, Madipakkam, & Chrompet. All these centers have state-of-the-art infrastructure and since operations started, they have successfully treated over 9500 patients.

You can avoid surgery with proper pain management

Pain makes many people resort to surgery. However, on analysis, in almost 90% of the cases surgery can be completely avoided. Proper pain management not only helps you avoid surgery but is 60% cheaper. Amrutanjan APMC understands that each patient's pain is unique. A one-size-fits-all approach would never work and so each patient's medical history is carefully scrutinized by a team of doctors, evaluated and based on tests performed, a customized program is developed. This ensures that it will suit his/her physiological and unique needs with the help of a qualified team of medical practitioners.

II. CORPORATE SOCIAL RESPONSIBILITY

Section 135 of the Companies Act and the rules made there under insists on Corporate Social Responsibility. However Amrutanjan has strong roots in social causes as evidenced by the work done by its founder Dessodaraka Nageswararao Pantulu. The community park named after our founder and situated adjacent to our corporate office in Chennai is an example of his generosity as this was donated by him for the use and well being of citizens and families. Till today these values continue with the company as it supports social causes spanning rural development and animal rights.

1. PEOPLE FOR ANIMALS

"People for Animals" also known as PFA is India's largest animal welfare organization with a nationwide network of 26 hospitals, 165 units and 2.5 Lakh members. Amrutanjan has been supporting the cause of PFA year after year out of its CSR funds by donating to Chennai arm of PFA.

2. IIMPACT

IIMPACT's mission is to mobilize and motivate non-school-going girls aged 6 to 14, from socially and economically backward rural areas in India and put them firmly on the track for formal education through quality primary education.

IIMPACT's vision is to transform the lives of women, families, and entire communities in India by educating and empowering the girl child.

Amrutanjan has committed to extend support to IIMPACT's Girl Child Education Project in selected places.

3. ASHWINI

ASHWINI (Association for Health Welfare in the Nilgiris) is a registered charitable society working for the health welfare of the tribals of the Gudalur Valley. The vision of ASHWINI is to have a health care system that is accessible, acceptable and owned by the community.

Over the last 25 years, the 50 bed Gudalur Adivasi Hospital and a large community health program with eight area centres covering over 300 hamlets has been established. The secondary level care hospital caters to the health needs of the community and is staffed by tribals. The area centres are manned by two tribal "Health animators" each. At the village level, over 200 health volunteers support the health animators in the provision of care. Many aspects of the management of the programs are done by the tribal team. They are being groomed to take over the ownership of the health program.

In 1990, when ASHWINI was established, the health status of this community was precarious; with very high maternal and infant mortality rates. With steady work, ensuring the involvement of the community, this has improved. However, the disease in this susceptible population remains high. The reasons for this are varied, the common ones being the high prevalence of malnutrition, poverty, remoteness of the villages and lack of awareness. There is still a pressing need to support the patients for all aspects of health care.

The Tamil Nadu Health Systems Project (TNHSP) has been reimbursing the cost of tribal in patient care for the past six years. This has now been discontinued and the program has been handed over to The National Rural Health Mission (NRHM).

Amrutanjan has provided back up funding for the most essential medicines, consumables and manpower to enable ASHWINI to continue to provide the care for the neediest.

4. TOILETS IN RURAL AREAS

Amrutanjan's desire to support the Swachh Bharat Scheme of the Prime Minister of India has resulted in constructing toilets in rural areas of Tamil Nadu nearer to the Plants of the Company. Amrutanjan has funded to construct 24 toilets in 6 villages falling under Alathur Panchayat in Kancheepuram District in Tamil Nadu and 12 toilets in Ariyanur Village in the same District.

5. OTHER PROJECTS

Upon request made by the local Panchayat, Amrutanjan has constructed Drainage system in Aranvoyal village where the Company's beverage plant is located.

Flood Relief:

Management and employees of Amrutanjan were jointly engaged in the cause of flood relief in Chennai & Cuddalore during December 2015. The support was extended particularly in village Vadakku Chavadi in Cuddalore and Balasubramanian Nagar in Manali where food, utensils and other essential household items were distributed to homeless families.

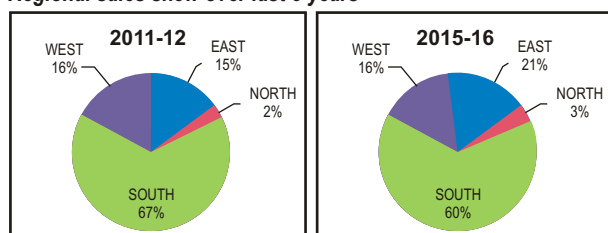
Management Discussion and Analysis Report (contd.)

III. OPPORTUNITIES AND THREATS

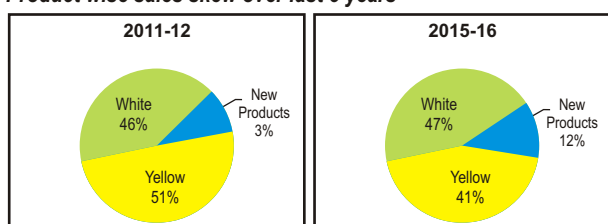
OTC

Your company's management continues to see opportunities in the OTC and personal care space focused specifically around modern, quick acting pain solutions and sanitary napkin products. Your company has a highly focussed business strategy based on distribution, consumer centric product offering and brand investments. This has resulted in CAGR of 12.4% in the past 5 years.

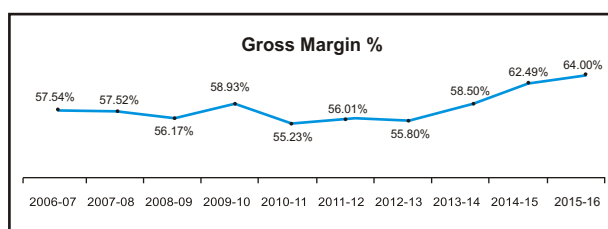
Regional sales skew over last 5 years



Product wise sales skew over last 5 years



Your company has embarked on cost control efforts which have resulted in the continuous improvement of gross margin.



The threats we foresee is increasing competitive pressures from new entrants with unique distribution and technological capabilities (Rx brands) as well as internal abilities to scale up our new launches and demographic expansion strategies.

Our brand Amrutanjan with its 123 years of existence enjoys a position of trust and equity with consumers that is matched by none and has a core competitive advantage due to its platform of natural healing. This cannot be replicated by an allopathic brand. Our core execution capabilities have also been steadily improving as evidenced by data presented in sections above. Building a successful business for the long term is a marathon and not a sprint and we are continuously building on our strengths and working towards eliminating weaknesses.

2. Non Carbonated Beverages (Fruitnik)

A new third party unit has been set up in Kolkata to service Odisha & West Bengal markets. Being held high on its taste and quality, your

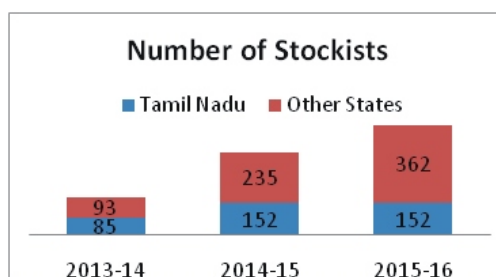
brand Fruitnik is present across and is being penetrated over most of the towns in Tamil Nadu, Odisha and West Bengal.

Driven by the evolving preference shift from mini to small packs, we had introduced 360 ml pack priced at ₹ 20/- . The off-takes and response from the market for Mango and Lemon launched in this segment are encouraging.

Expanding distribution geographies and channels, we continue our efforts on building long term business through enhanced distribution capabilities and brand building efforts.

The data below underscores our efforts in brand and distribution.

Year	Tamil Nadu	Other States	Total
2013-14	85	93	178
2014-15	152	235	387
2015-16	152	362	514



For the future, we are working to drive productivity and continue to tackle challenges like volatility in key input prices, high distribution costs as well as aggressive market controlling measures from the larger players.

Further, we have developed a strategy that we follow in our OTC business of distribution segmentation and product segmentation. For instance we have a ₹ 10 small pack to enter new markets while we focus on the more profitable larger volume pack for bigger towns.

The continuous challenge is the volatility in key input prices, high distribution costs as well as aggressive market controlling measures from the larger players.

SEGMENT-WISE PERFORMANCE

	2015-2016	2014-2015
(₹ In Lakhs)		
OTC		
Sales	16,138.50	14,256.44
Segment Results	3,544.10	2,827.31
Capital Employed	6,409.05	5,387.06
BEVERAGES		
Sales	2,171.42	1,997.02
Segment Results	(245.70)	(271.19)
Capital Employed	816.19	765.06

Management Discussion and Analysis Report (contd.)

IV. RISK AND CONCERNS

OTC

The external macro environment is a general concern to all companies. The volatility in cost of key input materials can have adverse effects on profit margins.

Non-Carbonated Beverages

The regulators, owing to the fact that it is a food product, closely scrutinize the industry and manufacturers have to constantly develop systems and controls to ensure consumer safety is always at the forefront. The volatility in cost of key input materials is a concern here as well.

V. OUTLOOK

The management team has executed well these past 6 years by doubling the organization's revenue and profits. We have also seen gains in total shareholder value creation via market capitalization increase as well as distribution of profits via dividends and an aggressive share split that was well received by the capital markets. Today Amrutanjan is able to scale up new launches to a 10 crore revenue level in 2 years. The challenge is for the team to take the new brands to a 50 crore mark within 4 years. This would give the brands sufficient scale to thwart competitive forces. Your company has chosen to focus all its efforts on five categories (headache management, body ache management, congestion management, beverages and women's hygiene management) that give us sufficient opportunities to continue the growth we have seen the past few years.

VI. RISK MANAGEMENT SYSTEM

Risk Audit is being conducted regularly by internal team based on the Risk registers created with the expertise of a professional consultant. Risk management Audit has been brought under the ISO audit schedules as part of regular compliance. Regular reviews are conducted to identify Key Risks by top management to strengthen the control system. Your Company has a Risk Management policy in place.

VII. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's key aspects of Internal Control System are:

Operating procedures are developed to ensure effectiveness of the processes.

Well defined organization structure and fixing the limitations of Authority.

Periodic reviews

Systems for monitoring the compliances on activities relating to statutory matters.

Robust Internal Audit systems & Robust Management Information Systems.

Your Company has policies and procedures for every transaction which are strictly followed. Advanced tools and techniques are used, as far as possible, by your Company to implement control systems. 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. This further ensures that transactions are authorized, recorded and reported correctly. All the issues and observations raised/made by the internal auditors are suitably addressed, acted upon and followed up.

VIII. 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)	
	2015-2016	2014-2015
Sales from Operations	18,437.68	16,332.57
Othe Income	573.05	469.43
Total Income	19,010.73	16,802.00
Total Expenditure	15293.91	13,880.60
PBIDT	3,716.82	2,921.40
Depreciation	252.47	235.17
PBIT	3,464.35	2,686.23
Interest	8.16	47.54
PBT	3,456.19	2,638.69
Current/ Earlier year Income Tax	1163.76	920.00
Deferred Tax	(50.64)	7.18
PAT (Before Extraordinary Item)	2,241.79	1,711.51
Extraordinary Item		
PAT (After Extraordinary Item)	2,241.79	1,711.51
Key Financial Ratios (expresses as %)		
PBIDT/ Net Sales	20.22%	17.89%
PBIT/Sales	18.85%	16.45%
PBT/Total Income	18.18%	15.70%
PAT/Total Income (before extraordinary item)	11.79%	10.19%
PAT/Total Income (after Extraordinary Item)	11.79%	10.19%

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

Amrutanjan Strives to maintain a cordial relationship and healthy atmosphere with its employees at all levels. Human Resources are considered as the most important and valuable asset of the Company. Continuous commitment to upgrade skills is an integral part of the Human Resource Development policy of the Company. Your Company had a total employee strength of 583 as on 31st March 2016 which includes OTC, Beverages and Amrutanjan Pain Management Centre

The Human Resource function has the following challenges during the year.

Human Capital

The Company lays great emphasis on retention of its human talent. The Company invests in human resources intangibles from time to time by providing On the job training, in house and external training program

Management Discussion and Analysis Report (contd.)

and workshops related to technical/ functional/ behavioural/ general and health and safety etc which motivated the employees' productivity and skills

Leadership

Amrutanjan as a Company believes in empowering its employees to enhance to quality of leadership within the Company. Development of leadership skills has been done in a methodical way of identifying the future leaders of the Company.

Employee Engagement

As in the past Amrutanjan has measured the engagement levels among employees through a survey called "PULSE" and HR has been working towards improvement of certain areas of development based on the outcome of the "PULSE" survey.

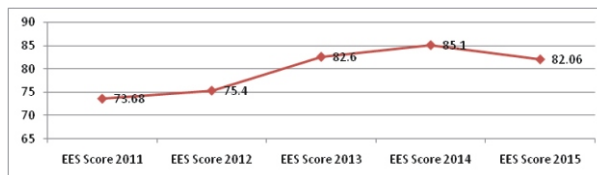
Rewards & Recognition

The Company has a unique incentive scheme to motivate employees to perform "Better to best" as an innovative way. Best performers were rewarded with shields and certificates which has given immense motivation amongst employees to perform better.

Relationship with Union

Amrutanjan has excellent relationship with its affiliated Union called the "Amrutanjan Health Care Limited Employees Union". During the year

our Factory has been shifted from Mylapore to Alathur Industrial Estate. The cordial relationship with the Union enabled us to shift the Factory without any obstacle or hindrance. The Union is being taken into confidence on Industrial relations issues whereby no conflict arises between the Union and your Management.



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.

For and on behalf of the Board

S. Sambhu Prasad
Chairman and Managing Director

Place : Chennai

Date : 11th August, 2016

I. OUR PHILOSOPHY ON CODE OF GOVERNANCE

Amrutanjan is committed itself to honesty and accountability. The commitment is reflected in all business activities of the company besides reflecting in its relations with the customers, suppliers, investors, government, etc. The Directors and the Senior Management Personnel are expected to conduct themselves in line with the standards observed in the Company's code of conduct both in letter and spirit. The company recognizes that all the decisions and actions will be taken in accordance with the code of conduct and to enhance long-term shareholder value. Considerable emphasis is placed on accountability in decision making and ethics in implementing them. We aim at providing complete transparency in our operations.

II. BOARD OF DIRECTORS

a. Changes during the Year

Mr. G. Raghavan and Mr. V. Swaminathan were inducted as Additional Directors (Independent) by the Board on 15th May, 2015 which appointments were later regularized in the Annual General Meeting held on 18th September, 2015. Mr. D. Seetharama Rao, Non-executive Director, has expired on 13th April, 2015.

b. Composition, Category, Size of the Board

The Board of Directors of the Company is adequately balanced and comprises of a Chairman-cum-Managing Director, Non- Executive and Independent Directors all of whom are professionals with considerable expertise and experience in the pharmaceuticals, finance, accounts, administration and marketing. As on March 31, 2016, there were seven Directors on the Board, out of which five were Independent (constituting 71% of the Board's strength) which includes a Woman Director. The remaining two Directors belong to Promoter Category, one being a Non- Executive Director and the other is the Executive Director designated as "Chairman cum Managing Director".

None of the Independent Directors of the Company served as an Independent Director in more than seven listed entities or three listed entities as the case may be, pursuant to Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015). None of the Directors of the Board is a member of more than 10 Committees or a Chairman of more than 5 Committees across all Companies in which he/she is a Director as per Regulation 26 of SEBI (LODR) Regulations, 2015. All Directors have made necessary disclosures regarding their Directorship and Committee positions occupied by them in other Companies.

The details of number of other Board of Directors or Committees in which a Director is a member or Chairperson as well as attendance of each Director at the Board Meetings and the last Annual General Meeting of the Company are as follows:

Name of the Director	Category / Designation	No of Board Meetings of the Company held and Attended during year 2015-16		No of Directorship held in other Companies#	No of Committe Membership held in other Companies ^	Whether attended Last AGM
		Held	Attended			
Mr. S. Sambhu Prasad Chairman & Managing Director	Promoter/Executive Director	5	5	1	-	Yes
Mr. D. Seetharama Rao®	Promoter/Non-Executive Director	0	0	-	-	No
Dr. Pasumarthi S.N. Murthi	Promoter/Non-Executive Director	5	3	-	-	No
Dr. H.B.N. Shetty	Non-Executive/Independent Director	5	4	1	-	Yes
(Ms)Dr. Marie Shiranee Pereira	Non-Executive/Independent Director	5	5	-	-	Yes
Dr. S. Vydeeswaran®	Non-Executive/Independent Director	5	5	-	-	Yes
Mr. V. Swaminathan*	Non-Executive/Independent Director	5	4	-	-	Yes
Mr. G. Raghavan*	Non-Executive/Independent Director	5	5	-	-	No

* Mr. V. Swaminathan & Mr. G. Raghavan were inducted as Non-Executive Independent Directors by the Board on 15th May, 2015 which appointments were later regularized in the Annual General Meeting held on 18th September, 2015

@ Mr. D. Seetharama Rao passed away on 13th April, 2015

^ includes Membership of Audit Committees and Stakeholders Relationship Committee as per Regulation 26 of the SEBI (LODR) Regulations, 2015 but does not include memberships and chairmanships of Directors in Committees in the Company;

does not include Private and Foreign Companies and Section 8 Companies, but includes wholly owned subsidiary of the Company.

REPORT ON CORPORATE GOVERNANCE (Contd.)

c. Number and dates on which the Board meetings were held

During the Financial year 2015-16, the Board met five times. The maximum time gap between any two board meetings was not more than 120 days. The Board Meetings were held on the following dates:

- i. 15th May, 2015
- ii. 13th August, 2015
- iii. 5th November, 2015
- iv. 11th February, 2016
- v. 11th March, 2016

d. Information supplied to the Board

Date of Board Meeting is informed to all Directors well in advance and detailed agenda notes are sent to each Director seven days before the Board Meeting. The agenda items inter-alia include Secretarial & Legal Compliance matters and financial reporting. A business review presentation is made at each Board Meeting to apprise the Directors on the performance of the Company. The Board provides strategic direction in improving the performance of the Company. Quarterly results, minutes of sub-committees & subsidiary, general notices of interest received from directors, annual budgets, risk audit report, legal compliance report, dividend data, authorizations for various business purposes are also placed and reviewed by the Board along with the senior management team of the Company.

e. 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 weblink <https://amrutanjan.com/pdf/CODE-OF-CONDUCT-OF-AHCL1>. All the Directors and Senior Management Personnel have re-affirmed compliance with the Code of Conduct on March 31, 2016. A declaration to this effect signed by the Chairman & Managing Director forms part of this report.

f. Compliance Structure

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

g. Familiarisation Programme

The Company has a system in place to familiarize its Independent Directors about the operations and functions of the Company, its performance, the industry and business model of the Company and its subsidiary, major litigations, regulatory scenario, etc. The senior management team gives a brief presentation on these areas during the Board Meetings. The details of the system are available in the Company's web link <https://amrutanjan.com/independent-director>.

h. Meeting of Independent Directors

A meeting of the Independent Directors of the Company was held on 11th February, 2016 to evaluate the performance of Non-Independent Directors and the Board as a whole and performance of the Chairperson. The evaluation was done on parameters such as attendance, level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its stakeholders. The Independent Directors expressed their satisfaction on the performance and effectiveness of the Board. They also expressed satisfaction with the Quality, Quantity and timelines of flow of information between the Company and the Board.

i. Code for Prohibition of Insider Trading

Pursuant to provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, to preserve the confidentiality and to prevent misuse of unpublished price sensitive information, the Company has adopted a Code for Prohibition of Insider Trading which is applicable to the Directors/ Specified persons of the Company. The Code also provides for disclosures from Directors and Specified persons in this regard.

j. Shareholding of Non-Executive Directors

Name of the Non-executive Director	Category	No of shares held as on 31.3.2016
Dr. Pasumarthi S.N. Murthi	Promoter	3,32,195
Dr. H.B.N. Shetty	Independent Director	-
Dr. (Ms) Marie Shiranee Pereira	Independent Director	-
Dr. S. Vydeeswaran	Independent Director	-
Mr. V. Swaminathan	Independent Director	250
Mr. G. Raghavan	Independent Director	7,360

REPORT ON CORPORATE GOVERNANCE (Contd.)

III. AUDIT COMMITTEE

Composition

In Compliance of the provisions of Section 177 of the Companies Act, 2013 and in accordance with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015, the Company has a qualified and independent Audit Committee consisting of following four Directors.

Name	Category
Dr. H.B.N. Shetty	Non-Executive Independent Director
Mr. S. Sambhu Prasad	Promoter / Executive Director
Dr. (Ms) Marie Shiranee Pereira	Non-Executive Independent Director
Mr. V. Swaminathan	Non-Executive Independent Director

All the members of the Audit Committee have good knowledge of finance, accounts and business management. Dr. H.B.N. Shetty was the Chairman of the Audit Committee who was also present at the previous Annual General Meeting to answer shareholder queries as mandated under Regulation 18 of the SEBI (LODR) Regulations, 2015. The Company Secretary is the Secretary to the Committee.

Terms of Reference

The terms of reference for the Audit Committee basically flows from and covers all the areas as stipulated under Sec. 177 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 of SEBI (LODR) Regulations, 2015. 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 accounting policies & procedure, accounting standards, 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 under review, the Audit Committee met 4 times on - 15th May, 2015, 13th August, 2015, 5th November, 2015 and 11th February, 2016. The details of the attendance of the Committee members are as follows:

Attendance of each member at the Committee was as follows:

Name of the member	No of meetings attended out of 4 meetings held
Dr. H.B.N. Shetty	4
Dr. (Ms) Marie Shiranee Pereira	4
Mr. S. Sambhu Prasad	4
Mr. V. Swaminathan	3

IV. NOMINATION and REMUNERATION COMMITTEE

Composition

Nomination and Remuneration Committee (NRC Committee) has been constituted by the Board as per the requirements of Section 178(1) of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015 which comprises of following three Directors:

Name	Category
Dr. H.B.N. Shetty	Non-Executive Independent Director
Dr. Pasumarthi S.N. Murthi	Promoter / Non-Executive Director
Dr. S. Vydeeswaran	Non-Executive Independent Director

Terms of Reference

The Remuneration Committee has been constituted to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Committee is also authorized to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the Remuneration of the Directors, Key Managerial Personnel and other Employees. The remuneration policy is in consonance with the existing industry practice and is also aligning with the provisions of the Companies Act, 2013. Chairman of the Committee is elected by the members for each meeting.

Meetings & Attendance

During the year under review, the NRC Committee met once on 13th August, 2015 which was chaired by Dr. H.B.N. Shetty. The details of the attendance of the Committee members are as follows:

Name of the member	Whether attended the meeting
Dr. H.B.N. Shetty	Yes
Dr. S. Vydeeswaran	Yes
Dr. Pasumarthi S.N. Murthi	No

Performance Evaluation Criteria

The Board has carried out evaluation of its own performance, the Directors individually and evaluation of working of the Committees of the Board for the financial year 2015-16. The structured evaluation process contained various aspects of the functioning of the Board and its Committees, number of Committees and their roles, frequency of meetings, level of participation, performance of duties and obligations and implementation of good corporate governance practices. The questionnaire of evaluation is a key part of the process of reviewing the functioning and effectiveness of each Board member.

The key roles expected to be performed by the Independent Directors – governance, control and guidance. The performance indicators of Independent Directors include – contribution to improve corporate governance practices, active participation in Board's/Committee' meetings and commitment to long-term strategic planning.

The Board expressed its satisfaction over the performance of all the Directors, Board and its Committees which reflected the overall engagement of the Directors, the Board and its Committees with the Company.

V) REMUNERATION TO NON-EXECUTIVE DIRECTORS

The disclosures with respect to remuneration paid to Mr. S. Sambhu Prasad, Chairman & Managing Director, have been made in the Board's Report.

Shareholders at the 78th Annual General Meeting held on September, 18, 2015 approved a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 to be paid and distributed among some or all of the directors of the Company (other than the Executive Directors) in a manner decided by the NRC Committee and this payment will be made with respect to the profits of the Company for each year.

The commission for non-executive directors is determined based on the performance evaluation and recommendation of NRC Committee and finally approved by the Chairman & Managing Director. The criteria, inter-alia, includes attendance in Board & Committee meetings, participation as Chairman or Member in the Committees, contribution in corporate planning, etc. The commission & sitting fees paid for the year ended 31st March, 2016 to the Non-executive Directors are as follows:

Name of the Director	Commission (in ₹)	Sitting Fees (in ₹)
Dr. Pasumarthi S.N. Murthi	2,50,000	60,000
Dr. H.B.N. Shetty	4,50,000	1,50,000
Dr. (Ms) Marie Shiranee Pereira	3,00,000	1,05,000
Dr. S. Vydeeswaran	3,50,000	1,05,000
Mr. V. Swaminathan	6,00,000	75,000
Mr. G. Raghavan	6,00,000	75,000

VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

The Stakeholders Relationship Committee has been constituted by the Board as per the requirements of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulation, 2015 and comprises of two members as per details in the following table:

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name	Category
Dr. H.B.N. Shetty	Non-Executive Independent Director
Dr. S. Vydeeswaran	Non-Executive Independent Director

The committee met four times during the year under review on 15th May, 2015, 13th August, 2015, 5th November, 2015 and 11th February, 2016. Both the Committee members have attended all the four meetings. Dr. H.B.N. Shetty was elected as Chairman in all the meetings.

Effective from 27th July, 2015, Mr. M. Srinivasan was the Compliance Officer for the purpose of Listing Agreement.

Terms of Reference

The terms of reference of the Stakeholders Relationship 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 9.

VII. SHARE TRANSFER COMMITTEE

Composition

The Share Transfer Committee has been constituted by the Board which comprises of the following three Directors:

Name	Category
Dr. H.B.N. Shetty	Non-Executive/Independent Director
Dr. Pasumarthi S.N. Murthi	Promoter/ Non-executive Director
Mr. S. Sambhu Prasad	Promoter / Executive Director

The committee met four times during the year under review on 15th May, 2015, 13th August, 2015, 5th November, 2015 and 11th February, 2016. The details of the attendance of the Committee members are as follows:

Name of the member	Category	No of meetings attended
Dr.H.B.N.Shetty	Independent Director	4
Dr. Pasumarthi S.N. Murthi	Promoter / Non-executive Director	2
Mr. S. Sambhu Prasad	Promoter / Executive Director	4

Terms of Reference

The Committee approves the transfer, transmission, transposition of shares, issue of duplicate share certificates and allied matters.

The Company's Share Transfer Agents, M/s.Cameo Corporate Services Limited has adequate infrastructure to process the above matters. No request for transfer was pending as on 31st March, 2016.

VIII. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition

The CSR Committee has been constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 and consists of the following Directors:

Name	Category
Mr. S. Sambhu Prasad	Promoter / Executive Director
Dr.H.B.N.Shetty	Non-executive Independent Director
Dr. S. Vydeeswaran	Non-executive Independent Director

The CSR Committee has adopted a policy that intends to protect Animal Welfare, empowering women, and so on as provided under Schedule VII of the Companies Act, 2013. The Committee met on 11th February, 2016 in which all the members of the Committee were present. Some of the key initiatives taken by the Company during the year under review are explained in Annexure C.

REPORT ON CORPORATE GOVERNANCE (Contd.)

IX. GENERAL BODY MEETINGS

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

DETAILS OF GENERAL MEETINGS

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

Year	AGM/ EGM	Day / Date	Venue	Time
2012-2013	AGM	8th August, 2013	Narada Gana Sabha (Sathguru Gnananandha Hall), No:314(Old No:254), T.T.K.Road, Chennai-18	10.30 A.M.
2013-2014#	AGM	22nd September, 2014	Narada Gana Sabha (Sathguru Gnananandha Hall), No:314(Old No:254), T.T.K.Road, Chennai-18	10.15 A.M
2014-2015@	AGM	18th September, 2015	Narada Gana Sabha (Sathguru Gnananandha Hall), No:314(Old No:254), T.T.K.Road, Chennai-18	10.15 A.M

2012-2013 i. No special resolution was passed during the year 2012-2013

- 2013-2014#**
- A special resolution was passed pursuant to section 14 and any other applicable provisions of the Companies Act 2013
 - A special resolution was passed pursuant to section 180(1)(c) to enable the Board of Directors to exercise borrowing powers.
 - A special resolution was passed pursuant to section 180(1)(a) of the Companies Act 2013 for enabling the Board to mortgage and charge immovable/moveable properties of the company
 - A special resolution was passed for ratification in terms of section 148 and other applicable acts of the Companies Act 2013 for approval of remuneration of Mr. G. Thangaraj, Cost Auditor.

2014-15@ i. A Special Resolution was passed pursuant to Clause 49 of the Listing Agreement and Sections 197 & 198 of the Companies Act, 2013 for payment of Commission to Non-Executive Directors of the Company upto a sum not exceeding 1% per annum of the net profits of the Company.

No special resolution was passed by postal ballot during the previous year. The Company has no proposal currently to pass any special resolution through postal ballot.

X. 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 web link - www.amrutanjan.com/investors and are generally published in Financial Express (English) and Makkal Kural (Regional language), 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, Board's 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

XI. GENERAL SHAREHOLDER INFORMATION

AGM date, time and venue	: 22nd September, 2016 at 10.30 A.M. at "Sathguru Gnananda Hall", Narada Gana Sabha, No.314, TTK Road, Chennai 600 018
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	: 16th September, 2016 to 22nd September, 2016
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 the National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051. The shares of the Company are also permitted to be traded under the permitted securities category on the Bombay Stock Exchange Limited. The Company has paid the Listing Fee to the National Stock Exchange and there are no dues to be paid.

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) :	INE098F01023

Market Price Data:

Stock Price data: Monthly High & Low during FY 2015-2016 in SENSEX

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 2015	564.40	437.50	564.90	437.00
May 2015	499.00	423.00	500.00	424.35
June 2015	461.00	392.90	460.00	391.80
July 2015	485.00	421.50	484.90	418.05
August 2015	530.90	400.00	530.90	391.25
September 2015	426.10	392.80	426.00	385.00
October 2015	479.70	419.10	480.00	417.25
November 2015	544.90	415.80	544.90	415.15
December 2015	517.25	451.25	520.00	450.00
January 2016	497.90	393.50	498.25	400.00
February 2016	448.00	376.60	444.90	375.55
March 2016	463.50	385.00	462.00	380.10

Registrar and Share Transfer Agents

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

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.

Distribution of Shareholding as on 31st March 2016

Shareholding	Shareholders		Share Amount	
	Numbers	% to total	₹	% to total
1 - 5000	18124	97.92	6137562	21.00
5001 - 10000	210	1.13	1539642	5.26
10001 - 20001	90	0.49	1317178	4.51
20001 - 30000	33	0.18	857966	2.94
30001 - 40000	10	0.05	340214	1.16
40001 - 50000	7	0.04	328524	1.12
50001 - 100000	19	0.10	1285774	4.40
100001 and above	17	0.09	17423770	59.61
Total	18510	100.00	29230630	100.00

Distribution of shares by category as on 31st March 2016

Category	No of shares held	Percentage(%)
Promoters	7375045	50.46
General public and others	6064517	41.50
Body corporate	657820	4.50
NRIs	179024	1.22
Banks/ FI	23690	0.16
FII	NIL	NIL
Trusts	501	0.01
Clearing Member	9193	0.06
Mutual Funds	297915	2.04
Directors/ Relatives	7610	0.05

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, 2016, 13465003 Equity shares representing 92.13% of the total number of shares are in dematerialized form.

Plant Location

OTC Division		Beverage Division
Plot No.37, 38 & 39, SIDCO Pharmaceutical Complex, Alathur Village, Thiruporur Taluk, Kancheepuram District, Tamil Nadu 603 110	Plot No:14, Industrial Development Area, Uppal, Hyderabad- 500 039.	160/1-A, Aranvoyal Village, Tiruvallur Taluk & District Tamil Nadu - 602 025.

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	For shares in Dematerialized mode
Cameo Corporate Services Limited, 'Subramaniam Building', No.1, Club House Road, Chennai 600 002 Telephone No.: (044) 28460390. Fax No.: (044) 28460129 Email: cameosys@cameoindia.com	To the respective Depository participant of the Beneficial owners

REPORT ON CORPORATE GOVERNANCE (Contd.)

XII. OTHER 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 adopted a Whistle Blower policy and 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 under review forms part of the Annual Report.
 - III. A Certificate from Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in 34(3) of SEBI (LODR) Regulations, 2015 forms part of this Report.
 - e. The web link where policy on dealing with related party transactions – www.amrutanjan.com/investors/policies.
 - f. The Internal auditors of the Company directly submits their report to the Audit Committee every quarter.
 - g. The Company has duly complied with the requirements of Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.
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COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LODR) Regulations, 2015

We, S. Sambhu Prasad, Chairman and Managing Director and K. Kannan, Chief Financial officer of the Company, do hereby confirm and certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 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 transactions 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 control 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.

For **AMRUTANJAN HEALTH CARE LIMITED**

Place : Chennai

Date : 11th August, 2016

S. SAMBHU PRASAD

Chairman & Managing Director

K. KANNAN

Chief Financial Officer

REPORT ON CORPORATE GOVERNANCE (Contd.)

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, 2016 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Regulations.

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.

For P.Sriram & Associates

Practising Company Secretaries

P. Sriram

Proprietor

C.P No: 3310

Place : Chennai

Date : 11th August, 2016

DECLARATION ON CODE OF CONDUCT

As provided under SEBI (LODR) Regulations, 2015, I hereby declare that the Board Members and Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended March 31, 2016.

Place : Chennai

Date : 11th August, 2016

S. Sambhu Prasad

Chairman & Managing Director

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

1. A brief outline of the company's CSR Policy, including overview of projects or programme proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

CSR Policy of the Company is available in our website under the following link: <http://amrutanjan.com/csr-policy>

2. The Composition of the CSR Committee:

Mr. S. Sambhu Prasad, Dr. H.B.N. Shetty, Dr. S. Vydeeswaran

3. Average net profit of the company for last three financial years: Rs. 21,86,82,380/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : Rs. 43,73,648/-

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs. 43,76,667/-

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below (all amounts in Rupees)

(1) S. No	(2) CSR project or activity identified.	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	(7) Cumulative expenditure upto to the reporting period Amount spent:	(8) Direct or through implementing agency *
1	People for Animals (Welfare of Animals)	Environment	Chennai, Tamil Nadu	12,00,000/-	12,00,000/-	12,00,000/-	Direct
2	IIMPACT (Women Empowerment)	Education	Jaunpur, Uttar Pradesh	5,00,000/-	5,00,000/-	17,00,000/-	Direct
3	ASHWINI (Association for Health Welfare in Nilgiris)	Health Care	Gudalur Vallley, Nilgiris, Tamil Nadu	8,00,000/-	8,00,000/-	25,00,000/-	Direct
4	Construction of Toilets in Rural Areas	Health Care & Sanitation	Kancheepuram Dist. Tamil Nadu	17,10,000/-	17,10,000/-	42,10,000/-	Direct
5	Construction of Drainage in Rural Areas	Environment	Aranvoyal Village, Tiruvallur Dist. Tamil Nadu	1,66,667/-	1,66,667/-	43,76,667/-	Direct
	TOTAL			43,76,667/-	43,76,667/-		

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

We hereby state that implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Mr. S. Sambhu Prasad
(Member)

Dr. H.B.N. Shetty
(Chairman CSR Committee)

Dr. S. Vydeeswaran
(Member)

I Disclosure as per Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- i. The ratio of the remuneration of director to the median remuneration of the employees of the Company for the financial year:

Mr. S. Sambhu Prasad	35 Times (35:1)
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- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Name	Designation	% Increase / (Decrease) in CTC
Mr. S. Sambhu Prasad	Chairman-cum-Managing Director	9.17
Mr. K. Kannan	Chief Financial Officer	9.06
Mr. M. Srinivasan	Company Secretary	NA*

*Since this information is for part of the year, the same is not comparable.

- iii. The percentage increase in the median remuneration of employees in the financial year: Around 15.16%

- iv. The number of permanent employees on the rolls of the Company: 583 employees

- v. The explanation on the relationship between average increase in remuneration and Company performance:

The Company's Profit after Tax (PAT) has grown from ₹ 17.12 Crores to ₹ 22.42 Crores, an increase of 30.96% against which the average increase in remuneration is 12.97%. The compensation package include a fair proportion of fixed and variable pay. While the increase in fixed pay is annually reviewed, the increase in variable pay is aligned to individual's and company's performance during the previous financial year.

- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

The remuneration of Key Managerial Personnel for the year 2015-16 amounted to ₹ 1.67 crores as against the profit after tax of ₹ 22.42 crores. The compensation packages of the Key Managerial Personnel are commensurate with the qualification, experience and performance of the Managerial Personnel and in line with the industry practices.

- vii. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.

Date	Issued Capital	Closing Market Price Per Share	EPS	PE Ratio	Market Capitalization (₹ In crores)
31.3.2015	29,230,630	478.40	11.71	40.85	699.20
31.3.2016	29,230,630	417.30	15.34	27.20	609.90
Increase/Decrease		(61.10)	3.63	(13.65)	(89.30)
% Increase		(12.8)	31	(33.4)	(12.8)

- viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration is around 13.29% for Employees other than Managerial Personnel and around 9.15% for Managerial Personnel.

Annexure Forming part of the Board's Report

- ix. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

Name	Designation	Remuneration in FY 2015-16 (in Crores)	Profit before Tax (PBT) (in Crores)	Remuneration as % of PBT
S. Sambhu Prasad	Managing Director	1.33	34.56	3.85
K. Kannan	CFO	0.22	34.56	0.64
M. Srinivasan@	Company Secretary	0.10	34.56	-

@ Since this information is for part of the year, the same is not comparable.

- x. Key parameters for any variable component of remuneration availed by the directors:

Non-Executive Directors (NEDs) are remunerated by way of Sitting Fee for each meeting of the Board/Committees of the Board attended by them and an annual commission within the ceiling of 1% of the net profits of the Company, as approved by the shareholders. Commission to respective NED is determined on the basis of an objective criteria discussed and agreed upon by the Nomination and Remuneration Committee unanimously. NEDs are reimbursed of any out of pocket expenses incurred by them for attending the meetings of the Company. The variable component of remuneration is paid in the form of Commission to Mr. S. Sambhu Prasad, as per the Remuneration Policy of the Company and based on the recommendation of Nomination and Remuneration Committee.

- xi. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

Not Applicable

- xii. Affirmation that the remuneration is as per the remuneration policy of the Company: Yes

II Statement showing details of Employees of the Company as per Section 197 (12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013 the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

For and on behalf of the Board

Place : Chennai

Date : 11th August, 2016

S. Sambhu Prasad
Chairman and Managing Director

Form No.MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Amrutanjan Health Care Limited
103, Old No. 42-45, Luz Church Road, Mylapore, Chennai-600 004

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Amrutanjan Health Care Limited (hereinafter called the "Company/AHCL"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015
- 6) Drug & Cosmetics Act, 1940.
- 7) Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and regulations.
- 8) The Hazardous Wastes (Management and Handling) Rules 1989;
- 9) The Prevention of Food Adulteration Act, 1954;
- 10) The Legal Metrology Act, 2009;
- 11) The Legal Metrology (Packaged Commodities) Rules, 2011;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Equity Listing Agreements entered into by the Company with National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried out with unanimous approval of the Board and there was no instance of dissent voting by any member during the period under review.

Annexure Forming part of the Board's Report

I have examined the systems and processes established by the Company to ensure the compliance with general laws including Labour Laws, Employees Provident Funds Act, Employees State Insurance Act & other State Laws, considering and relying upon representations made by the Company and its Officers for systems and mechanisms formed by the Company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the Company and its observance by them.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events / actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

Place : Chennai
Date : 11th August, 2016

P. Sriram & Associates
FCS No. 4862
C P No: 3310

Annexure A

To
The Members
Amrutanjan Health Care Limited
103, Old No. 42-45, Luz Church Road, Mylapore, Chennai – 600 004

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, the company had followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai
Date : 11th August, 2016

P. Sriram & Associates
FCS No. 4862
C P No: 3310

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1. CIN	L24231TN1936PLC000017
2. Registration Date	09.09.1936
3. Name of the Company	AMRUTANJAN HEALTH CARE LIMITED
4. Category/Sub-category of the Company	PUBLIC LIMITED COMPANY
5. Address of the Registered office & contact details	NO.103, (OLD NO.42-45) LUZ CHURCH ROAD, MYLAPORE, CHENNAI – 600 004
6. Whether listed company	YES
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai-2

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Ayurvedic Pain Balms	21003	88.49%
2	Beverages	10304	11.51%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the company	CIN/GLN	Subsidiary	% of shares held	Applicable Section
1	AMRUTANJAN PHARMAESSENSE PRIVATE LIMITED	U24232TN2011PTC078918	SUBSIDIARY	100%	Section 2(87) of the Companies Act, 2013

Annexure Forming part of the Board's Report

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	62,65,045	1,06,160	63,71,205	43.59	72,68,885	1,06,160	73,75,045	50.46	6.87
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Directors and their Relatives	10,03,840	-	10,03,840	6.87	-	-	-	-	-6.87
Sub – total (A) (1):	72,68,885	1,06,160	73,75,045	50.46	72,68,885	1,06,160	73,75,045	50.46	-
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub – total(A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A1)+(A2)	72,68,885	1,06,160	73,75,045	50.46	72,68,885	1,06,160	73,75,045	50.46	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,57,728	500	1,58,228	1.08	2,97,415	500	2,97,915	2.04	0.95
b) Banks / FI	15,430	250	15,680	0.11	23,440	250	23,690	0.16	0.05
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	22,696	0	22,696	0.16	0	0	0	0	-0.16
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	1,95,854	750	1,96,604	1.35	3,20,855	750	3,21,605	2.20	0.86

Annexure Forming part of the Board's Report

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	905226	6610	911836	6.24	6,55,210	2610	6,57,820	4.50	-1.74
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	40,15,322	11,02,062	51,17,384	35.01	39,95,669	10,40,457	50,36,126	34.46	-0.55
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6,77,292	-	6,77,292	4.63	8,27,292	-	8,27,292	5.66	1.03
c) Others (specify)									
Trust	5,001	0	5,001	0.03	501	0	501	0.01	-0.03
Non Resident Indian	1,27,823	335	1,28,158	0.88	1,78,689	335	1,79,024	1.22	0.34
Clearing Members	15,170	0	15,170	0.10	9,193	0	9,193	0.06	-0.04
Hindu Undivided Families	1,88,825	0	1,88,825	1.29	2,08,709	0	2,08,709	1.43	0.14
Any Other Total									
Sub-total (B)(2):-	59,34,659	11,09,007	70,43,666	48.19	58,75,263	10,43,402	69,18,665	47.34	-0.86
Total Public Shareholding (B)=(B)(1)+ (B)(2)	61,30,513	1109757	72,40,270	49.54	61,96,118	10,44,152	72,40,270	49.54	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,33,99,398	12,15,917	1,46,15,315	100	13,465,003	11,50,312	14,615,315	100	-

Annexure Forming part of the Board's Report

B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	%of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	%of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	S. Sambhu Prasad	2407490	16.47	-	2407490	16.47	-	-
2	D. Seetharama Rao	240450	1.65	-	-	-	-	1.65
3	S. Leela Bhramara	1242425	8.50	-	1482875	10.15	-	1.65
4	S. Ramayamma	1114905	7.63	-	1114905	7.63	-	-
5	Dr.P.S Narayana Murthi	332195	2.27	-	332195	2.27	-	-
6	P. Nageswaramma	927580	6.35	-	927580	6.35	-	-
7	Ramalingam Ganti	365320	2.50	-	365320	2.50	-	-
8	P. Sathyanarayana	324420	2.22	-	324420	2.22	-	-
9	Arikirevula Ramaa Prabhakar	287100	1.96	-	287100	1.96	-	-
10	Ramaa Prabhakar Arikirevula JT1 : Prabhakar Arikirevula	27000	0.18	-	27000	0.18	-	-
11	Radhakrishna S Executor of the Estate of Smt. S.Kamakshamma	62450	0.43	-	62450	0.43	-	-
12	S. Nageswara Rao	43710	0.30	-	43710	0.30	-	-
	Total	7375045	50.46	-	7375045	50.46	-	-

Annexure Forming part of the Board's Report

C) Change in Promoters' Shareholding (please specify, if there is no change) (Annexure A)

S.No.	Shareholder's Name	Shareholding at Beginning of Year		Date	Increase/Decrease in shareholding	% of Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016)	
		No. of Shares	% of Total Shares of the Company					No. of Shares	% of Total Shares of the Company
1	S. Sambhu Prasad	2407490	16.47	-	-	-	-	2407490	16.47
2	D. Seetharama Rao	240450	1.65	22.05.2015	Decrease	1.65	Transmission	-	-
3	D. Leela Bhramara	1242425	8.50	22.05.2015	Increase	1.65	Transmission	1482875	10.15
4	S. Ramayamma	1114905	7.63	-	-	-	-	1114905	7.63
5	P. Nageswaramma	927580	6.35	-	-	-	-	927580	6.35
6	Ramalingam Ganti	365320	2.50	-	-	-	-	365320	2.50
7	Dr. Pasumarthi S.N. Murthi	332195	2.27	-	-	-	-	332195	2.27
8	P. Satyanarayana	324420	2.22	-	-	-	-	324420	2.22
9	A. Ramaa Prabhakar	287100	1.96	-	-	-	-	287100	1.96
10	Nageswara Rao S	43710	0.30	-	-	-	-	43710	0.30
11	Radhakrishna S Executor to the Estate of Smt. S.Kamakshamma	62450	0.43	-	-	-	-	62450	0.43
12	A. Ramaa Prabhakar Jt 1: Prabhakar Arikirevula	27000	0.18	-	-	-	-	27000	0.18

Annexure Forming part of the Board's Report

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):(Annexure B)

S. No.	Shareholder's Name	Shareholding at Beginning of Year (01.04.2015)		Date	Increase/ Decrease in share-holding	% of Increase/ Decrease in share-holding	Reason	Cumulative Share-holding during the year (01/04/2015 to 31/03/2016)	
		No. of Shares	% of Total Shares of the Company					No. of Shares	% of Total Shares of the Company
1	Kedia Securities Private Limited	288478	1.97	09.10.2015	-288478	1.97	Sale	-	-
	Kedia Securities Private Limited (Having Same Pan)	-	-	09.10.2015	288478	1.97	Purchase	288478	1.97
2	Dipak Kanayalal Shah JT1: Mita Dipak Shah JT2: Sharad Kanyalal Shah	210000	1.44	-	-	-	-	210000	1.44
3	SCIL Ventures Limited	160000	1.09	31.07.2015	-150000	1.03	Sale	10000	0.07
4	Vijay Kishanlal Kedia	156853	1.07	09.10.2015	-156853	1.07	Sale	-	-
	Vijay Kishanlal Kedia (Having Same Pan)	-	-	09.10.2015	156853	1.07	Purchase	156853	1.07
5	Sundaram Mutual Fund A/c Sundaram Smile Fund	156228	1.07	-	-	-	-	-	-
		-	-	15.05.2015	4854	0.03	Purchase	161082	1.10
		-	-	29.05.2015	30881	0.21	Purchase	191963	1.31
		-	-	05.06.2015	23873	0.16	Purchase	215836	1.47
		-	-	12.06.2015	7185	0.05	Purchase	223021	1.52
		-	-	19.06.2015	9481	0.06	Purchase	232502	1.59
		-	-	26.06.2015	5795	0.04	Purchase	238297	1.63
		-	-	30.06.2015	10810	0.07	Purchase	249107	1.70
		-	-	03.07.2015	2114	0.02	Purchase	251221	1.72
		-	-	07.08.2015	7759	0.05	Purchase	258980	1.77
		-	-	21.08.2015	7201	0.05	Purchase	266181	1.82
		-	-	28.08.2015	19734	0.14	Purchase	285915	1.96
-	-	09.10.2015	10000	0.06	Purchase	295915	2.02		
6	Rajashekar Swaminathan Iyer (having Same Pan)	105000	0.7184	31.07.2015	150000	1.03	Purchase	255000	1.74
	Rajashekar Swaminathan Iyer (having Same Pan)	95000	0.65	-	-	-	-	95000	0.65
	Rajashekar Swaminathan Iyer	59609	0.41	-	-	-	-	59609	0.41

Annexure Forming part of the Board's Report

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):(Annexure B)

7	Arvinda Yashwantrao Kanani Jt1 : Kapil Yashwantrao Kanani	50830	0.35	-	-	-	-	50830	0.35
8	Meenakshi Narayanan Investments (P) Ltd	50000	0.34	-	-	-	-	50000	0.34
9	Katneni Mohini Rajyalakshmi	50000	0.34	-	-	-	-	50000	0.34
10	Mrs. Estelle D'souza Jt1 : Miss Katherine Symons Jt2 : Mr. Everard Symons Jt3 : Mr. Hilaire D'souza	44400	0.30	-	-	-	-	44400	0.30

E) Shareholding of Directors and Key Managerial Personnel: (Annexure C)

S. No.	Shareholder's Name	Shareholding at Beginning of Year		Date	Increase/ Decrease in shareholding	% of Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016)	
		No. of Shares	% of Total Shares of the Company					No. of Shares	% of Total Shares of the Company
1	S. Sambhu Prasad	2407490	16.47					2407490	16.47
2	Dr. Pasumarthi S.N. Murthi	332195	2.27	-	-	-	-	332195	2.27
3	Kannan K.	670	0.0045					670	0.0045
4	Kannan K	65	0.0004	-	-	-	-	65	0.0004

Annexure Forming part of the Board's Report

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	5,03,60,616	-	-	5,03,60,616
* Reduction	5,03,60,616	-	-	5,03,60,616
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

Annexure Forming part of the Board's Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in Rs.)
		S. Sambhu Prasad, MD	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,09,64,731	1,09,64,731
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,44,813	2,44,813
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	21,00,000	21,00,000
5	Others, please specify	-	-
	Total (A)	1,33,09,544	1,33,09,544
	Ceiling as per the Act	1,78,69,877	1,78,69,877

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount (in ₹)
		Dr. Pasumarthi SN Murthi	Dr. HBN Shetty	Dr. (Mrs) Marie Shiranee Pereira	Dr. S. Vydeeswaran	G. Raghavan	V. Swaminathan	
1	Independent Directors							
	Sitting Fee for attending board committee meetings	-	1,50,000	1,05,000	1,05,000	75,000	75,000	5,10,000
	Commission	-	4,50,000	3,00,000	3,50,000	6,00,000	6,00,000	23,00,000
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	6,00,000	4,05,000	4,55,000	6,75,000	6,75,000	28,10,000
2	Other Non-Executive Directors							
	Sitting Fee for attending board committee meetings	60,000	-	-	-	-	-	60,000
	Commission	2,50,000	-	-	-	-	-	2,50,000
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	3,10,000	-	-	-	-	-	3,10,000
	Total (B)=(1+2)	3,10,000	6,00,000	4,05,000	4,55,000	6,75,000	6,75,000	31,20,000
	Total Managerial Remuneration (A + B)	-	-	-	-	-	-	1,64,29,544
	Overall Ceiling as per the Act	-	-	-	-	-	-	2,14,43,853

Annexure Forming part of the Board's Report

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS*	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	10,19,464	22,77,818	32,97,282
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	10,19,464	22,77,818	32,97,282

* The information is for part of the year

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year ended 31st March, 2016, no penalties were levied or punishment / compounding fee imposed by the Regional Director / Court on the Company / Directors / Officers in Default.

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by Company with related parties referred to sub-section (1) section 188 of the Companies Act, 2013 including arms length transactions under third proviso thereto

1. Details of contracts of arrangements or transaction not at arm's length basis:

All transactions entered into by the Company during the year 2015-16 with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The transactions entered into by the Company during the year 2015-16 with related parties on an arm's length basis were not material in nature.

For and on behalf of the Board

S. Sambhu Prasad
Chairman and Managing Director

Place : Chennai
Date : 11th August, 2016

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE INFLOW AND OUTGO, ETC.

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(33) of the Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2016.

(A) CONSERVATION OF ENERGY	
(i) The steps taken or impact on conservation of energy	The manufacturing process adopted by the company is not power intensive. During the year, we have taken initiatives to increase the through put – by reducing manpower through automation.
(ii) The steps taken by the company for utilising alternate sources of energy	
(iii) The capital investment on energy conservation equipments;	
(B) TECHNOLOGY ABSORPTION	
(i) The efforts made towards technology absorption	The technology for the Manufacture of topical analgesic gel format had been developed and transferred to the production. We have developed and improved the efficacy of the existing pain balms. Efforts are also being made to improve the other products and processes.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;	Under the OTC and F&B Divisions, a number of new products have been developed and launched by utilizing the in house R&D expertise/infrastructure.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	—
(a) The details of technology imported;	
(b) The year of import	
(c) Whether the technology been fully absorbed;	
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv) The expenditure incurred on Research and Development	(₹ in Lakhs)
	Capital 11.56
	Recurring 43.38
(C) FOREIGN EXCHANGE EARNINGS AND OUTGO	
The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	(₹ in Lakhs)
	Foreign Exchange Earnings 262.23
	Foreign Exchange Outgo 134.17

For and on behalf of the Board

Place : Chennai
Date : 11th August, 2016

S. Sambhu Prasad
Chairman and Managing Director

Registered Office:
Amrutanjan Health Care Limited
CIN: L24231TN1936PLC000017
No.103, Luz Church Road, Mylapore, Chennai 600 004
Tel : 044-2499 4465 Fax : 044-2499 4585
Email : shares@amrutanjan.com Website : www.amrutanjan.com

Independent Auditor's Report

To the Members of Amrutjan Health Care Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Amrutjan Health Care Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2016 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to

the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the afore said standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the Directors, as on 31st March 2016, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2016, from being appointed as a Director in terms of 164(2) of the Act.

Independent Auditor's Report - (Contd.)

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B', and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 (c)– (f) to the financial statements;
 - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

V.Swaminathan
Partner
Membership No : 22276

Place: Chennai
Date: 06.05.2016

Annexure to the Independent Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2016, we report that :

- i) a) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) According to the information and the explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The Inventory has been physically verified at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The Company has granted unsecured loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interests of the Company.
 - (b) The terms of arrangement do not stipulate any repayment schedule for principal. However, interest is charged under Section 186 of the Act and received.
 - (c) As there are no schedules for repayment of principle and Interest, we are unable to offer our views regarding their overdue position.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans, investments, guarantees and securities under section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- (vi) 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 148(1) of the Act 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 records.
- (vii) a) According to the information and explanations given to us the Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, investor education and protection fund, income tax, sales 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, service tax, sales tax, customs duty and excise duty were outstanding, as at 31st March 2016 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
Central Excise Act	Excise Duty	29,65,328*	2011-2012	Commissioner (Appeals)
Service Tax	Service Tax & Penalty	1,06,79,603	08/10 to 06/11	CESTAT
Service Tax	Service Tax & Penalty	1,06,92,932	07/11 to 02/12	CESTAT
Service Tax	Service Tax	11,98,208	06/13 to 03/14	Commissioner (Appeals)

**Net of amount paid under protest

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly paragraph 3(viii) of the Order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable.
- (x) 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.

Annexure to the Independent Auditors' Report (Contd.)

- (xi) According to the information and explanations given to us and based on our examinations of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examinations of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on our examinations of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

V.Swaminathan
Partner
Membership No : 22276

Place: Chennai
Date: 06.05.2016

Annexure B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Amrutanjan Healthcare Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.□

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

V.Swaminathan
Partner
Membership No : 22276

Place: Chennai
Date: 06.05.2016

BALANCE SHEET AS AT 31 MARCH 2016

	Note No.	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	2,92,30,630	2,92,30,630
(b) Reserves and Surplus	4	117,55,46,376	101,92,19,413
(2) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)	5	1,91,38,877	1,40,74,708
(c) Other Long term Liabilities	6	41,97,861	39,77,861
(d) Long Term Provision	7	73,03,431	59,88,257
(3) Current Liabilities			
(a) Short Term Borrowings		-	-
(b) Trade payables	8	9,07,21,206	7,45,72,439
(c) Other current liabilities	9	14,29,63,191	9,67,39,594
(d) Short term Provisions	10	1,82,52,250	5,86,62,403
TOTAL		<u>148,73,53,822</u>	<u>130,24,65,305</u>
ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		22,28,94,516	12,91,22,599
(ii) Intangible assets		10,76,412	12,56,716
(iii) Capital Work in progress		71,60,464	3,77,10,112
(iv) Intangible assets under development		10,30,500	-
(b) Non Current Investments	12	9,82,41,915	13,75,12,554
(c) Long term Loans and advances	13	19,71,05,756	20,03,72,568
(d) Other non current assets	14	1,32,61,992	1,09,49,336
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	15	7,90,77,905	7,21,43,875
(c) Trade receivables	16	26,17,74,906	26,33,88,471
(d) Cash and cash equivalents	17	47,95,31,172	37,59,40,450
(e) Short-term loans and advances	18	8,99,67,732	4,24,80,680
(f) Other Current assets	19	3,62,30,552	3,15,87,944
TOTAL		<u>148,73,53,822</u>	<u>130,24,65,305</u>
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

V. Swaminathan

Partner

Membership No.22276

Place : Chennai

Date : 6th May 2016

S. Sambhu Prasad

Chairman & Managing Director

K. Kannan

Chief Financial Officer

M. Srinivasan

Company Secretary

Dr. H.B.N. Shetty

Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

	Note No.	Year ended 31st March, 2016 ₹	Year ended 31st March, 2015 ₹
Revenue from operations	20	184,37,68,344	163,32,57,858
Other Income	21	5,73,05,114	4,69,43,027
Total Revenue		<u>190,10,73,458</u>	<u>168,02,00,885</u>
Expenses:			
Cost of materials consumed	22	58,58,90,020	55,24,55,089
Purchase of Stock-in-Trade		6,26,79,807	4,54,75,921
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	33,67,112	3,77,939
Employee benefit expense	24	28,01,23,136	25,27,20,361
Financial costs	25	20,01,546	61,71,533
Depreciation and amortization expense		2,52,46,566	2,35,17,545
Other expenses	26	59,61,46,286	53,56,12,948
Total Expenses		<u>155,54,54,473</u>	<u>141,63,31,336</u>
Profit before extraordinary items and tax		34,56,18,985	26,38,69,549
Extraordinary items		-	-
Profit before tax		34,56,18,985	26,38,69,549
Tax expense:			
Current tax		(11,40,00,000)	(9,20,00,000)
Deferred tax		(50,64,169)	(7,17,687)
Short provision for Income Tax of earlier years		(23,76,350)	-
Profit after tax for the year		<u>22,41,78,466</u>	<u>17,11,51,862</u>
Earning per equity share:			
Basic and Diluted before extraordinary item	41	15.34	11.71
Basic and Diluted after extraordinary item		15.34	11.71
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
V. Swaminathan
Partner
Membership No.22276

S. Sambhu Prasad
Chairman & Managing Director

Dr. H.B.N. Shetty
Director

K. Kannan
Chief Financial Officer

Place : Chennai
Date : 6th May 2016

M. Srinivasan
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	34,56,18,985	26,38,69,549
Adjustments for:		
Depreciation & Amortisation	2,52,46,566	2,35,17,545
Interest received	(3,38,14,074)	(2,71,86,382)
Income from Investments	(89,26,731)	(77,87,377)
Amortisation of Premium on Investments	1,05,744	1,05,485
Dividend received	(5,213)	(11,28,274)
Rent receipts	(1,93,200)	(2,63,200)
Profit on sale of Fixed Assets	(75,15,480)	(4,71,252)
Net (gain) /loss on sale of Investments	-	2,32,072
Interest paid	8,16,418	46,47,200
Loss on sale of fixed assets	-	-
Operating Profit before Working Capital Changes	32,13,33,015	25,55,35,366
Adjustments for:		
Trade & other receivables	(5,00,34,922)	(71,11,019)
Inventories	(69,34,030)	(55,76,010)
Trade payables	6,41,17,213	3,91,99,632
Cash generated from operations	32,84,81,276	28,20,47,969
Direct Taxes Paid	(11,48,98,387)	(9,37,79,104)
Net Cash from operating activities	21,35,82,889	18,82,68,865
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,19,53,670)	(5,80,61,330)
Sale / Transfer of fixed assets	93,80,000	5,61,553
(Purchase) / Sale of investments	-	(1,12,747)
Loan / advances from / (to) subsidiary company	(2,68,05,921)	(62,15,846)
Fixed deposit with banks withdrawn/(placed) (under lien)	1,48,85,411	(1,13,23,442)
Interest received	3,80,98,197	1,93,39,661
Dividend received	5,213	11,28,274
Rent received	1,93,200	2,63,200
Net Cash (used in) / generated from Investing Activities	1,38,02,430	(5,44,20,677)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Loan	-	-
Increase / (Decrease) in Short Term Loans	-	(5,50,00,000)
Dividend paid (including interim Dividend & Dividend Tax)	(10,99,41,548)	(5,69,09,484)
Interest paid	(8,16,418)	(49,39,842)
Net Cash (used in) / generated from financing Activities	(11,07,57,966)	(11,68,49,326)
Net Increase / (Decrease) in cash & cash equivalents	11,66,27,353	1,69,98,862
Cash and cash equivalents opening balance	30,60,53,805	28,90,54,943
Cash and cash equivalents closing balance	42,26,81,158	30,60,53,805

Notes :

1. Cash and Cash equivalent comprise of:

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Cash in hand	7,69,910	5,34,375
Cheques in hand	5,35,57,269	3,71,31,697
Balances with banks : in Current Accounts	2,39,37,351	2,00,42,211
in Deposit Accounts	34,44,16,628	24,83,45,522
	42,26,81,158	30,60,53,805
Add : Deposits (under lien)	4,64,86,508	6,13,71,919
Dividend Accounts	1,03,63,506	85,14,726
Cash and Cash equivalents (As per Note 18)	47,95,31,172	37,59,40,450

2. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 notified under the Companies (Accounting Standard) Rules 2006.

3. Purchase of fixed assets includes movements of capital work-in-progress during the year.

4. Previous year's figures have been re-grouped/reclassified wherever applicable.

As per our Report of even date

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

Chartered Accountants

V. Swaminathan

Partner

Membership No.22276

Place : Chennai

Date : 6th May 2016

S. Sambhu Prasad

Chairman & Managing Director

K. Kannan

Chief Financial Officer

M. Srinivasan

Company Secretary

Dr. H.B.N. Shetty

Director

NOTES TO FINANCIAL STATEMENTS

1. BACKGROUND

Amrutanjan Health Care Limited was established in the year 1893 and specializing in Ayurvedic balm for headaches, cold and cough. The Company is a public limited company and is listed on the Bombay Stock Exchange(BSE) and the National Stock Exchange (NSE).

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 133 and the other relevant provisions of the Companies Act, 2013.

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 recognized 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 recognized net of excise duty.

Sale of Services: Income from services are recognized 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.

The Company has given effect to the useful life of assets for the purpose of computation of depreciation as per Schedule II of the Companies Act, 2013. Additions made during the year was 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 as per the prescribed Accounting Standards. 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

NOTES TO FINANCIAL STATEMENTS - (contd.)

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.

NOTES TO FINANCIAL STATEMENTS - (contd.)

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

NOTES TO FINANCIAL STATEMENTS - (contd.)

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.

NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
3 Share Capital		
a Authorised Share Capital:		
2,50,00,000 (2,50,00,000) Equity Shares of ₹ 2/- (₹ 2/-) each	5,00,00,000	5,00,00,000
b Issued, Subscribed and Fully Paid up Share Capital		
1,46,15,315 (1,46,15,315) Equity Shares of ₹ 2/- (₹ 2/-) each	2,92,30,630	2,92,30,630
c Reconciliation of Shares		
Number of Equity at the beginning of year	1,46,15,315	1,46,15,315
Add : Issued during the Year	-	-
Less: Buy Back	-	-
Number of Equity at the end of the year	1,46,15,315	1,46,15,315

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

Name of the Share holder	As on 31st March 2016		As on 31st March 2015	
	No. of Shares	% held	No. of Shares	% held
Mr. Sambhu Prasad S	24,07,490	16.47%	24,07,490	16.47%
Mrs. Leela Bhramara	14,82,875	10.15%	12,42,425	8.50%
Miss. Ramayamma S	11,14,905	7.63%	11,14,905	7.63%
Mrs. Nageswaramma P	9,27,580	6.35%	9,27,580	6.35%

e Equity share bought back (during 5 years preceding March 31, 2016) :

Period ended	No. of Shares	Face Value Per Share	Face Value of Shares Bought back
March 31, 2016	-	-	-
March 31, 2015	-	-	-
March 31, 2014	-	-	-
March 31, 2013	-	-	-
March 31, 2012	1,06,937	10	10,69,370

Terms / Rights / restrictions attached to shares :

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

NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2016 ₹	March 31, 2015 ₹
4 Reserves and Surplus		
a) Capital redemption reserve	27,69,370	27,69,370
b) General Reserve		
Opening balance	50,59,42,874	53,14,80,866
Add : transferred from Statement of Profit & Loss	50,00,000	50,00,000
Less : reduction in carrying amount of assets as per Schedule II of Companies Act,2013 (net of deferred tax)	-	(3,05,37,992)
Closing balance	<u>51,09,42,874</u>	<u>50,59,42,874</u>
c) Contingency reserve	-	-
d) Surplus in Statement of Profit & Loss		
Opening balance	51,05,07,169	40,57,36,623
Add : Current year surplus	22,41,78,466	17,11,51,862
Less : Transfer to general reserve	(50,00,000)	(50,00,000)
Less : Interim Dividend - Paid [₹ 3.85/- per share (previous year ₹ 1.10/ per share)]	(5,62,68,963)	(1,60,76,847)
Less : Tax on Interim Dividend	(1,15,82,540)	(32,14,424)
Less: Final Dividend - Proposed [Nil(previous year ₹ 2.20/- per share)]	-	(3,50,76,756)
Less: Tax on Proposed Dividend	-	(70,13,289)
Closing Balance	<u>66,18,34,132</u>	<u>51,05,07,169</u>
TOTAL	<u>117,55,46,376</u>	<u>101,92,19,413</u>
5 Deferred tax liabilities (Net)	March 31, 2016 ₹	March 31, 2015 ₹
Deferred tax liability arising from timing differences in respect of fixed assets	1,93,73,260	1,54,51,024
Deferred tax asset arising from timing differences in respect of expenses /provisions	(2,34,383)	(13,76,316)
Net Deferred Tax Liability	<u>1,91,38,877</u>	<u>1,40,74,708</u>
6 Other long term liabilities	March 31, 2016 ₹	March 31, 2015 ₹
Rent Deposits	3,79,600	1,59,600
Caution deposits from customers	38,18,261	38,18,261
	<u>41,97,861</u>	<u>39,77,861</u>
7 Long-term Provisions	March 31, 2016 ₹	March 31, 2015 ₹
Provision for employee benefits		
Provision for gratuity	29,86,009	26,54,278
Provision for compensated absences	43,17,422	33,33,979
	<u>73,03,431</u>	<u>59,88,257</u>

NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2016 ₹	March 31, 2015 ₹
8 Trade Payables		
Due to Micro Small and Medium Enterprises	29,35,507	37,26,147
Due to Others	8,77,85,699	7,08,46,292
	<u>9,07,21,206</u>	<u>7,45,72,439</u>
The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under :		
Principal amount due and remaining unpaid	-	8,15,102
Interest due on above and the unpaid interest	29,35,507	29,11,045
Interest paid	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	24,462	21,465
Amount of further interest remaining due and payable in succeeding years	-	-
9 Other current liabilities		
	March 31, 2016 ₹	March 31, 2015 ₹
Current maturities of long term debt	-	-
Interest accrued but not due on borrowings	-	-
Other payables		
- Creditors for capital goods	13,16,527	13,24,243
- Creditors for expenses	10,87,04,693	6,94,86,712
- Other liabilities	1,76,28,465	1,44,13,913
Due to directors	49,50,000	30,00,000
Unclaimed dividend	1,03,63,506	85,14,726
	<u>14,29,63,191</u>	<u>9,67,39,594</u>
10 Short Term Provisions		
	March 31, 2016 ₹	March 31, 2015 ₹
Provision for employee benefits		
Provision for gratuity	34,56,754	34,56,754
Provision for compensated absences	8,78,791	6,76,862
	43,35,545	41,33,616
Other Provisions		
Provisions for income tax (net of advance tax)	1,39,16,705	1,24,38,742
Provisions for dividend	-	3,50,76,756
Provision for dividend tax	-	70,13,289
	<u>1,39,16,705</u>	<u>5,45,28,787</u>
	<u>1,82,52,250</u>	<u>5,86,62,403</u>

NOTES TO FINANCIAL STATEMENTS - (contd.)

11 Fixed Assets

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1 April 2015	Addition	Deletion	As on 31 March 2016	As on 1 April 2015	Addition	Deletion	As on 31 March 2016	As on 31 March 2016	As on 31 March 2015
I. Tangible Assets										
a) Own assets										
Land	1,18,52,413	88,70,518	-	2,07,22,931	-	-	-	-	2,07,22,931	1,18,52,413
Building	5,81,71,263	9,95,48,405	18,77,655	15,58,42,013	2,51,13,242	1,78,87,529	6,74,870	4,23,25,901	11,35,16,112	3,30,58,021
Plant And Machinery	15,62,05,358	1,96,44,277	-	17,58,49,635	8,37,04,251	1,67,17,478	-	10,04,21,729	7,54,27,906	7,25,01,107
Furniture,Fittings & Lab Equipments	1,05,72,561	5,62,641	-	1,11,35,202	59,89,418	10,67,507	-	70,56,925	40,78,277	45,83,143
Vehicles	1,28,05,798	19,42,576	-	1,47,48,374	73,59,855	10,26,300	-	83,86,155	63,62,219	54,45,943
Computers	37,97,026	20,75,563	-	58,72,589	23,24,689	9,56,787	-	32,81,476	25,91,113	14,72,337
Total Tangible Assets (a+b)	25,34,04,419	13,26,43,980	18,77,655	38,41,70,744	12,44,91,455	3,76,55,601	6,74,870	16,14,72,186	22,26,98,558	12,89,12,964
b) Leasehold assets										
Building	4,50,000	-	-	4,50,000	2,40,364	13,678	-	2,54,042	1,95,958	2,09,636
Total Tangible Assets (a+b)	25,38,54,419	13,26,43,980	18,77,655	38,46,20,744	12,47,31,819	3,76,69,279	6,74,870	16,17,26,228	22,28,94,516	12,91,22,600
II. Intangible Assets										
Goodwill	-	-	-	-	-	-	-	-	-	-
Non-Compete Fees	-	-	-	-	-	-	-	-	-	-
Computer software	45,59,791	-	-	45,59,791	33,03,075	1,80,304	-	34,83,379	10,76,412	12,56,716
Total Intangible Assets	45,59,791	-	-	45,59,791	33,03,075	1,80,304	-	34,83,379	10,76,412	12,56,716
Grand Total (I + II)	25,84,14,210	13,26,43,980	18,77,655	38,91,80,535	12,80,34,894	3,78,49,583	6,74,870	16,52,09,607	22,39,70,928	13,03,79,316
As per Last Balance Sheet	32,36,91,660	2,66,42,216	8,69,19,666	26,34,14,210	17,66,31,693	2,20,34,478	6,56,31,276	13,30,34,895	13,03,79,315	14,70,59,967
Capital Work-in-Progress					14,91,20,982				71,60,464	3,77,10,112

* Reduction in carrying amount of assets as per Schedule 11 of Companies Act 2013.

NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	Face Value	March 31, 2016 ₹	March 31, 2015 ₹
12 Non Current Investments			
Investment Property (at Cost less accumulated depreciation)			
Cost of Land & Building given on operating Lease		1,05,40,847	6,31,09,036
Less: Accumulated Depreciation		(26,82,763)	(1,60,86,087)
Net Block		78,58,084	4,70,22,949
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 ₹ 1/- each in Madras Stock Exchange Ltd.	60,800	1,60,000	1,60,000
Non-Trade Investments (Quoted) :			
1,006 Equity Shares in NTPC Ltd of ₹ 10/- each fully paid	10,060	62,372	62,372
190 Equity Shares in Punjab National Bank of ₹ 2/- each fully paid	380	14,820	14,820
20 Equity Shares in Dewan Housing Finance Ltd of ₹ 10/- each fully paid	200	2,244	2,244
50000 (8.23%) Tax Free Bonds of Indian Railway Finance Corporation Limited of ₹ 1,000/- each	5,00,00,000	5,00,00,000	5,00,00,000
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	1,71,63,895	1,72,69,669
Traded Investments (unquoted) :			
50,000 Equity Shares in Amrutanjan Pharmaessense Private Limited of ₹ 10/- each fully paid, out of which 4 fully paid-up equity shares are held in the name of nominees	5,00,000	5,00,000	5,00,000
Total		9,82,41,915	13,75,12,554
Quoted Investments - Cost		8,97,13,331	8,98,19,105
- Market Value		8,97,83,485	8,99,19,516
Unquoted Investments - Cost		6,70,500	6,70,500
13 Long Term Loans and advances			
Unsecured, Considered good			
		March 31, 2016	March 31, 2015
		₹	₹
Capital Advance		-	3,00,72,732
Advance to subsidiary company		19,71,05,756	17,02,99,836
		19,71,05,756	20,03,72,568
14 Other Non Current assets			
		March 31, 2016	March 31, 2015
		₹	₹
Balance with excise authorities, paid under protest		33,77,762	30,61,202
Security deposits		98,84,230	78,88,134
		1,32,61,992	1,09,49,336

NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2016 ₹	March 31, 2015 ₹
15 Inventories		
Raw Materials	2,73,68,840	1,49,71,536
Work In Progress	-	-
Finished Stock	3,43,76,889	3,78,39,560
Packing Materials	1,73,32,176	1,93,32,779
	<u>7,90,77,905</u>	<u>7,21,43,875</u>
16 Trade Receivables		
	March 31, 2016 ₹	March 31, 2015 ₹
<i>Unsecured, Considered good</i>		
Outstanding for a period exceeding 6 months	6,91,88,930	5,98,82,741
Others	19,25,85,976	20,35,05,730
	<u>26,17,74,906</u>	<u>26,33,88,471</u>
<i>Unsecured, Considered Doubtful</i>		
Outstanding for a period exceeding 6 months	1,49,78,811	1,49,78,811
Provision for Doubtful Debts	(1,49,78,811)	(1,49,78,811)
	<u>26,17,74,906</u>	<u>26,33,88,471</u>
17 Cash & Cash equivalents		
	March 31, 2016 ₹	March 31, 2015 ₹
Cash in Hand	7,69,910	5,34,375
Cheques in Hand	5,35,57,269	3,71,31,697
Balance with Banks		
Current Accounts	2,39,37,351	2,00,42,211
Fixed Deposits with maturity of less than 3 months	-	49,15,000
Other Bank Balances :		
Fixed Deposits with maturity of less than 12 months	11,00,000	11,22,60,659
Fixed Deposits with maturity of more than 12 months	34,33,16,628	13,11,69,863
Fixed Deposits under lien @	4,64,86,508	6,13,71,919
Unclaimed Dividend Accounts	1,03,63,506	85,14,726
	<u>47,95,31,172</u>	<u>37,59,40,450</u>
@ Marked as lien against credit facilities availed		
18 Short-term loans and advances		
	March 31, 2016 ₹	March 31, 2015 ₹
<i>Unsecured and considered good</i>		
Deposits and Balances with excise authorities	2,47,50,640	1,19,74,693
Other advances	6,52,17,092	3,05,05,987
	<u>8,99,67,732</u>	<u>4,24,80,680</u>
19 Other current assets		
	March 31, 2016 ₹	March 31, 2015 ₹
Interest accrued on Investments / Deposits	3,62,30,552	3,15,87,944
	<u>3,62,30,552</u>	<u>3,15,87,944</u>

NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
20 Revenue from operations		
Sale of Products		
Export Sales	2,62,23,402	3,58,37,744
Domestic Sales	189,30,01,612	167,03,74,002
	191,92,25,014	170,62,11,746
Less: Excise Duty paid	(8,82,32,365)	(8,08,64,373)
	183,09,92,649	162,53,47,373
Other operating revenues	1,27,75,695	79,10,485
	184,37,68,344	163,32,57,858
21 Other Income		
	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
Interest Income	3,38,14,074	2,71,86,382
Dividend Income	5,213	11,28,274
Net gain / (loss) on sale of investment	-	(2,32,072)
Rent Receipt (refer note : 40)	1,93,200	2,63,200
Income from investments	89,26,731	77,87,377
Profit on sale of assets	75,15,480	4,71,252
Scrap sales	27,97,674	30,39,438
Exchange Difference - (Net)	4,37,556	1,54,015
Other Income	36,15,186	71,45,161
	5,73,05,114	4,69,43,027
22 Cost of Materials consumed		
	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
Opening Stock of Raw Materials & Packing Materials	3,43,04,315	2,84,90,829
Purchases of Raw Materials & Packing Materials	59,62,86,721	55,82,68,575
	63,05,91,036	58,67,59,404
Less: Closing Stock of Raw Materials & Packing Materials	4,47,01,016	3,43,04,315
Consumption of Raw & Packing Materials	58,58,90,020	55,24,55,089

NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
23 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
Opening Stock		
Finished Goods	3,78,39,560	3,80,77,036
Process Stock	-	-
	<u>3,78,39,560</u>	<u>3,80,77,036</u>
Closing stock		
Finished Goods	3,43,76,889	3,78,39,560
Process Stock	-	-
	<u>3,43,76,889</u>	<u>3,78,39,560</u>
(Increase) / Decrease in Stock	34,62,671	2,37,476
Excise Duty on Increase / (Decrease) on Finished Goods	(95,559)	1,40,463
	<u>33,67,112</u>	<u>3,77,939</u>
24 Employee benefit expenses		
	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
Salaries & Wages	24,17,03,419	21,37,55,014
Contribution to Provident & Other Funds	2,13,71,184	2,35,88,599
Staff Welfare expenses	1,70,48,533	1,53,76,748
	<u>28,01,23,136</u>	<u>25,27,20,361</u>
25 Financial Costs		
	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
Interest Expenses	8,16,418	46,47,200
Bank charges	11,85,128	15,24,333
	<u>20,01,546</u>	<u>61,71,533</u>

NOTES TO FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
26 Other Expenses		
Power & Fuel	1,63,49,241	1,65,47,327
Repairs & Maintenance :		
Building	6,54,684	17,54,848
Machinery	46,71,987	58,51,311
Others	46,56,749	44,11,960
Consumables	75,00,313	47,73,924
Freight and Transport Charges	4,82,81,047	4,46,32,082
Advertisement	20,82,38,034	20,25,13,738
Selling Expenses	8,70,03,141	6,52,71,299
Commission on Sales	14,77,028	8,34,807
Bad debts	-	32,88,442
Sales Tax	10,01,27,295	8,89,16,553
Rates and Taxes	40,98,294	51,08,816
Insurance	43,34,272	34,24,904
Travelling Expenses	4,01,52,790	3,91,04,036
Conveyance	50,29,953	55,56,828
Retainer & Consultancy	76,19,134	72,92,562
Security Charges	86,79,175	47,32,372
Rent (refer note : 40)	87,46,413	53,21,726
Printing & Stationery	26,99,038	23,44,067
Postage & Telegrams	20,51,554	12,10,275
Communication Expenses	75,95,456	80,49,542
Legal Expenses	12,50,250	3,94,083
Research & Development Expenses	43,38,147	11,66,132
CSR Expenditure	43,76,667	17,00,000
Donations	59,236	33,923
Auditor's Remuneration :		
Audit Fees	12,00,000	10,12,000
Tax Representation	1,85,394	-
Other services (including limited review fees)	5,16,539	5,37,643
Out of Pocket expenses	33,280	30,618
Cost Audit Fees	1,00,000	1,00,000
Directors Sitting Fees	5,70,000	5,77,500
Commission to Non-Executive Directors	25,50,000	20,00,000
Lease Rent	22,11,163	17,49,337
EDP Expenses	19,22,958	15,56,475
Advances written off	16,26,206	-
Miscellaneous Expenses	52,40,848	38,13,818
	59,61,46,286	53,56,12,948

NOTES TO FINANCIAL STATEMENTS - (contd.)

27. Monies for which the company is contingently liable :

- a. Bonds executed in favour of Collector of Central Excise, Chennai – ₹ 8,00,000/- (₹ 8,00,000)
- b. Guarantees/Letter of Credit issued on behalf of Company by Banks – ₹ 2,07,44,251/- (₹ 2,27,73,781/-) and Corporate guarantee given to banks for credit facilities availed by subsidiary company – ₹ 2,50,00,000/- (₹ 2,50,00,000/-)

c. Appeals filed in respect of disputed demands :	2015-16	2014-15
	₹	₹
Excise Duty	61,62,430	61,62,430
E S I	3,96,545	3,96,545
Service Tax	2,35,50,688	2,23,52,480
Income Tax	50,31,844	1,21,36,664

Includes ₹ 54,20,956/- paid under protest.

- d. 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 2016 is ₹ 7,70,84,479/-. The company has contested the said revision before the Madras High Court in a writ petition. The company has made provision of ₹ 9,42,400/- towards the above.
- e. Balances with excise authorities include a sum of ₹ 79,45,555/- being input credit taken on services which is yet to be adjusted in payment of excise duty in view of decision pending with concerned authorities on this matter in earlier years

28. Estimated amount of capital expenditure commitments ₹ 10,00,00,000/- (₹ 5,00,00,000)

29. a. The Company has transferred ₹ 15,34,314/- (₹ 3,28,148/-) of unclaimed dividend to Investor Education and Protection Fund during the year.
- b. Unclaimed Dividend amounting to ₹ 27,034/- (₹ 27,034/-) is pending on account on litigation among claimants.

30. The company has spent ₹ 43,76,667 towards CSR expenditure for such activities specified in Schedule VII of Companies Act,2013.

31. CIF Value of Imports

	2015-16	2014-15
	₹	₹
a. Raw & Other Materials	1,09,10,747	1,96,89,003
b. Capital Goods	-	-
Total	1,09,10,747	1,96,89,003

32. Expenditure in foreign currency

	2015-16	2014-15
	₹	₹
a. Travelling Expenses	5,63,537	14,61,661
b. Others	19,42,383	5,20,607
Total	25,05,920	19,82,268

NOTES TO FINANCIAL STATEMENTS - (contd.)

33. Earnings in foreign currency

	2015-16	2014-15
	₹	₹
Export Sales (F.O.B Value)	2,62,23,402	3,58,37,744

34. Clause 32 Disclosure

- a) Loans and Advances in the nature of loans given to subsidiary

Name of Company

Amrutanjan Pharmaessense Private Limited

Balance as on
31-03-2016

Maximum balance
during the year

₹
19,71,05,756

₹
19,71,05,756

Notes : Loans and Advances in the nature of loans shown above are without any repayment schedule. Interest u/s 186(7) of Companies Act, 2013 has been charged on the loans granted during the year.

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

35. Turnover & Stock

Class of Goods	Opening Stock ₹	Purchases ₹	Sales ₹	Closing Stock ₹
Amrutanjan Pain Balm	2,53,59,587	-	155,18,06,544	2,62,20,271
Inhaler & Others	43,26,463	-	5,70,58,546	33,33,460
Agency Products	58,10,124	5,13,32,872	8,92,97,553	40,11,546
Beverages	23,43,386	1,13,46,935	22,10,62,371	8,11,612
	3,78,39,560	6,26,79,807	191,92,25,014	3,43,76,889

36. Details of Consumption and Purchases

Details of Raw Materials Consumed

	2015-16 Value ₹	2014-15 Value ₹
KARPOOR POWDER	1,06,14,640	1,21,07,632
PUDINAKA PHOOL	12,56,30,912	9,30,22,496
NILGIRI KATEL	3,14,80,446	2,88,77,972
CHAHAKATEL	94,64,078	88,81,742
PUDINAKATEL	33,19,014	31,19,896
GANJNI KATEL	34,16,260	36,06,216
HARD PARAFFIN (N)	1,24,99,856	1,35,59,823
SOFT PARAFFIN	1,84,93,803	1,88,21,714
GANDHAPURATEL	1,64,72,197	1,53,79,501
MICRO WAX	55,65,965	58,57,566
SANITARY PAD	-	6,58,800
MANGO PULP	2,89,69,933	2,40,67,534
SUGAR	1,73,57,862	1,82,79,307
APPLE CONCENTRATE	11,85,449	20,89,230
OTHERS	2,27,09,090	2,81,31,175
TOTAL	30,71,79,505	27,64,60,604

NOTES TO FINANCIAL STATEMENTS - (contd.)

37. Segment Reporting

(In ₹)

Primary Business Segments	OTC Products		Beverages		Others		Net Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
(a) Revenue :								
External Sales	161,38,49,546	142,56,44,500	21,71,43,103	19,97,02,873	1,27,71,945	79,10,485	184,37,64,594	163,32,57,858
Inter Segment Sales	-	-	-	-	-	-	-	-
Total Revenue	161,38,49,546	142,56,44,500	21,71,43,103	19,97,02,873	1,27,71,945	79,10,485	184,37,64,594	163,32,57,858
(b) Result								
Less : Unallocated expenditure net of unallocated income	35,42,31,683	28,27,31,436	(2,45,74,231)	(2,71,19,396)	(1,65,55,666)	(1,75,38,457)	31,31,01,786	23,80,73,583
Operating Profit							30,36,89,385	23,24,14,716
Interest expense							(8,16,418)	(46,47,200)
Interest Income and Income from Investments							4,27,46,018	3,61,02,033
Profit before Tax							34,56,18,985	26,38,69,549
Provision for taxation :								
- Income Tax							(11,40,00,000)	(9,20,00,000)
- Deferred Tax							(50,64,169)	(7,17,687)
- Short Provision of I.T of earlier years							(23,76,350)	-
Profit after Tax							22,41,78,466	17,11,51,862
(c) Segment Assets								
Unallocated Assets	83,58,15,565	69,72,81,173	13,57,38,916	11,32,83,072	35,90,310	39,74,938	97,51,44,791	81,45,39,183
Total Assets	83,58,15,565	69,72,81,173	13,57,38,916	11,32,83,072	35,90,310	39,74,938	148,73,53,821	130,24,65,305
(d) Segment Liabilities								
Unallocated Liabilities	19,49,10,343	15,85,75,463	5,41,20,262	3,67,77,396	-	-	24,90,30,605	19,53,52,859
Total Liabilities	19,49,10,343	15,85,75,463	5,41,20,262	3,67,77,396	-	-	28,25,76,815	25,40,15,262
(e) Capital expenditure								
Unallocated Capital expenditure	7,68,88,828	1,32,90,207	45,62,956	60,01,354	86,050	2,11,968	8,15,37,834	1,95,03,529
(f) Depreciation								
Unallocated Depreciation	2,18,83,064	1,89,04,626	26,45,385	26,60,002	4,70,678	5,10,259	2,49,99,127	2,20,74,887
(g) Significant non-cash items								
	-	-	-	-	-	-	2,47,439	14,42,658
							-	-

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

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 unallocated 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.

NOTES TO FINANCIAL STATEMENTS - (contd.)

38. Related Party Disclosures

- (i) List of related parties and relationships :
- a) Parties where control exists – subsidiaries
Amrutanjan Pharmaessense Private Limited
- b) Key Management Personnel :
Sri S. Sambhu Prasad, Chairman & Managing Director

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

Nature of Transaction	2015-2016	2014-2015
	₹	₹
Loans / Advances (granted) / recovered	(2,68,05,921)	(62,15,845)
Rent Received	1,80,000	2,50,000
Interest Received	7,56,236	5,65,050
Purchase of Fixed Assets	-	-
Outstanding as on 31st Mar 2016		
Loans / Advances Receivable (refer note 40)	19,71,05,756	17,02,99,836
Investments	5,00,000	5,00,000
Interest Receivable	7,56,236	5,65,050
(iii) Transactions with related parties mentioned in (b) above :		
Remuneration	1,33,09,544	1,21,91,651
Dividend Paid	1,50,46,813	79,44,717
Amount payable as on 31st Mar 2016	21,00,000	10,00,000

39. The amount due from Amrutanjan Pharmaessense Private Limited, a wholly owned subsidiary company includes ₹ 15,38,66,291/- representing the net value of relevant assets and liabilities transferred on 16th May 2011. 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.

40. 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 .26)

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. 21)

NOTES TO FINANCIAL STATEMENTS - (contd.)

41. Earnings Per Share	2015-16	2014-15
(a) Numerator-Profit as per P & L a/c before extraordinary item (in ₹)	22,41,78,466	17,11,51,862
(b) Numerator-Profit as per P & L a/c after extraordinary item (in ₹)	22,41,78,466	17,11,51,862
(c) Denominator- Weighted average number of Equity shares outstanding	1,46,15,315	1,46,15,315
(d) Earnings per share (Basic and Diluted) before extraordinary item (in ₹)	15.34	11.71
(e) Earnings per share (Basic and Diluted) after extraordinary item (in ₹)	15.34	11.71
(f) Nominal value of shares (in ₹)	2.00	2.00
	2015-16	2014-15
	₹	₹
42. Employee Benefits		
a) Defined Benefit Plans - As per Actuarial valuation on March 31, 2016		
Gratuity		
A Expense recognised in the statement of Profit & Loss Account for the year ended March 31, 2016		
1 Current service cost	31,42,157	25,68,643
2 Interest Cost	16,38,573	14,82,967
3 Past Service Cost	-	-
4 Expected return on plan assets	14,25,849	(12,75,805)
5 Net actuarial (gain) / loss recognised during the year	(1,15,82,967)	(2,61,362)
6 Total Expense	(82,28,086)	30,37,167
B Actual return on plan assets		
1 Expected return on plan assets	14,25,849	(12,75,805)
2 Actuarial gain / (loss) on plan assets	(1,70,105)	(12,75,805)
3 Actual return on plan assets	-	-
C Net Asset/ Liability recognised in the Balance Sheet		
1 Present value of obligation	1,33,25,521	2,21,52,204
2 Fair value of plan assets	1,74,37,149	1,60,41,172
3 Funded status [surplus/(deficit)]	41,11,628	(61,11,032)
4 Net Assets / (Liability) recognised in the Balance Sheet	41,11,628	(61,11,032)
D Change in Present value of the Obligation during the year ended March 31, 2016		
1 Present value of obligation as at April 1, 2015	2,21,52,204	1,93,03,807
2 Current service cost	31,42,157	25,68,643
3 Interest Cost	16,38,573	14,82,967
4 Past Service Cost	-	-
5 Benefits paid	(18,54,341)	(1,88,770)
6 Actuarial (gain) / loss on obligation	(1,17,53,072)	(10,14,443)
7 Present value of obligation as at March 31, 2016	1,33,25,521	2,21,52,204

NOTES TO FINANCIAL STATEMENTS - (contd.)

	2015-16 ₹	2014-15 ₹
E Change in Assets during the year ended March 31, 2016		
1 Fair Value of plan assets as at April 1, 2015	1,60,41,172	1,62,29,942
2 Expected return on plan assets	14,25,849	12,75,805
3 Adjustment to opening balance	-	-
4 Contributions made	19,94,574	-
5 Benefits paid	(18,54,341)	(1,88,770)
6 Actuarial gain / (loss) on plan assets	(1,70,105)	(12,75,805)
7 Fair Value of plan assets as at March 31, 2016	1,74,37,149	1,60,41,172
F Major categories of plan assets as a percentage of total plan - 100% Qualifying Insurance Policy		
G Actuarial Assumptions		
1 Discount rate	7.50%	7.72%
2 Expected rate of return on plan assets	8.00%	8.00%
3 Salary Escalation	5.00%	5.00%

- 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 31-03-2016 is ₹ 51,96,213 (₹ 40,10,841).

43. Previous Year Figures

Previous year figures have been regrouped wherever necessary to comply with current year's classification.

As per our Report of even date

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

Chartered Accountants

V. Swaminathan

Partner

Membership No.22276

Place : Chennai

Date : 6th May 2016

S. Sambhu Prasad

Chairman & Managing Director

K. Kannan

Chief Financial Officer

M. Srinivasan

Company Secretary

Dr. H.B.N. Shetty

Director

Annexure Forming part of the Financial Statements

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

Name of the subsidiary : **Amrutanjan Pharmaessense Private Limited**

Reporting period for the subsidiary concerned, if different from the holding company's reporting period : N.A.

Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries : N.A.

Share capital : ₹. 5,00,000/-

Reserves & Surplus : (₹. 11,73,67,000/-)

Total assets : ₹. 11,46,35,825/-

Total Liabilities : ₹. 11,46,35,825/-

Investments : Nil

Turnover : ₹. 2,59,52,293/-

Profit before taxation : (₹. 1,87,85,587/-)

Provision for taxation : ₹. 3,62,396/-

Profit after taxation (₹. 1,84,23,191/-)

Proposed Dividend : Nil

% of shareholding : 100

Notes:

1. Names of subsidiaries which are yet to commence operations : N.A.
2. Names of subsidiaries which have been liquidated or sold during the year : N.A.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

S. Sambhu Prasad
Chairman & Managing Director

Dr. H.B.N. Shetty
Director

K. Kannan
Chief Financial Officer

M. Srinivasan
Company Secretary

Place : Chennai

Date : 6th May 2016

Independent Auditors' Report on Consolidated Financial Statements

To the Board of Directors of Amrutanjan Health Care Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Amrutanjan Health Care Limited (hereinafter referred to as 'the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements.")

Management's Responsibility for the Standalone Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable to the Consolidated Financial Statements.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated statement.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the Directors are disqualified as on 31st March 2016, from being appointed as a Director in terms of 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- i. The Consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 28 (c) – (f) to the consolidated financial statements;
 - ii. The Group does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred by its subsidiary company.

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

V.Swaminathan
Partner
Membership No : 22276

Place: Chennai
Date: 06.05.2016

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

	Note No.	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	2,92,30,630	2,92,30,630
(b) Reserves and Surplus	4	105,81,79,376	92,02,75,604
(2) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)	5	2,57,10,632	2,10,08,859
(c) Other long term liabilities	6	41,97,861	39,77,861
(d) Long Term Provision	7	73,03,431	59,88,257
(3) Current Liabilities			
(a) Short Term Borrowings	8	2,50,00,000	2,50,00,000
(b) Trade payables	9	9,27,56,184	7,72,42,350
(c) Other current liabilities	10	14,37,53,527	9,76,32,555
(d) Short term Provisions	11	1,82,52,250	5,86,62,403
TOTAL		<u>140,43,83,891</u>	<u>123,90,18,519</u>
ASSETS			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		28,68,07,928	23,93,74,365
(ii) Intangible assets		13,08,149	15,26,555
(iii) Capital Work in progress		71,60,464	3,77,10,112
(iv) Intangible assets under development		10,30,500	-
(b) Non Current Investments	13	8,98,83,831	9,09,99,390
(c) Long term Loans and advances	14	-	3,00,72,732
(d) Other non current assets	15	1,32,61,992	1,09,49,336
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	16	8,97,35,347	8,61,37,313
(c) Trade receivables	17	27,58,67,678	27,64,14,095
(d) Cash and cash equivalents	18	48,24,45,075	37,88,52,768
(e) Short-term loans and advances	19	12,06,52,375	5,59,58,959
(f) Other Current assets	20	3,62,30,552	3,10,22,894
TOTAL		<u>140,43,83,891</u>	<u>123,90,18,519</u>
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

V. Swaminathan

Partner

Membership No.22276

Place : Chennai

Date : 6th May 2016

S. Sambhu Prasad

Chairman & Managing Director

K. Kannan

Chief Financial Officer

M. Srinivasan

Company Secretary

Dr. H.B.N. Shetty

Director

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

	Note No.	31st March 2016 ₹	31st March 2015 ₹
Revenue from operations	21	186,74,35,327	166,56,85,299
Other Income	22	5,67,98,555	4,47,58,216
Total Revenue		<u>192,42,33,882</u>	<u>171,04,43,515</u>
EXPENSES:			
Cost of materials consumed	23	60,18,70,813	57,53,12,530
Purchase of Stock-in-Trade		6,26,79,807	4,95,79,006
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	58,04,247	26,46,582
Employee benefit expense	25	28,54,68,382	25,86,57,540
Financial costs	26	43,68,764	71,10,670
Depreciation and amortization expense		3,34,67,942	3,20,98,628
Other expenses	27	60,37,40,529	54,35,47,556
Total Expenses		<u>159,74,00,484</u>	<u>146,89,52,512</u>
Profit before extraordinary items and tax		<u>32,68,33,398</u>	<u>24,14,91,003</u>
Extraordinary items		-	-
Profit before tax		32,68,33,398	24,14,91,003
Tax expense:			
Current tax		(11,40,00,000)	(9,20,00,000)
Deferred tax		(47,01,773)	(4,54,617)
Short provision for Income Tax of earlier years		(23,76,350)	-
Profit after tax for the year		<u>20,57,55,275</u>	<u>14,90,36,386</u>
Earning per equity share:	36		
Basic and Diluted before extraordinary item		14.08	10.20
Basic and Diluted after extraordinary item		14.08	10.20
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
V. Swaminathan
Partner
Membership No.22276

S. Sambhu Prasad
Chairman & Managing Director

Dr. H.B.N. Shetty
Director

K. Kannan
Chief Financial Officer

Place : Chennai
Date : 6th May 2016

M. Srinivasan
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	32,68,33,398	24,14,91,003
Adjustments for:		
Depreciation & Amortisation	3,34,67,942	3,20,98,628
Interest received	(3,38,88,326)	(2,66,91,751)
Income from Investments	(89,26,731)	(77,87,377)
Amortisation of Premium on Investments	1,05,744	105,485
Dividend received	(5,213)	(11,28,274)
Rent receipts	(1,93,200)	(13,200)
Profit on sale of Fixed Assets	(75,15,480)	(4,71,252)
Loss on sale of fixed assets	-	2,32,072
Interest paid	38,94,079	69,32,259
Operating Profit before Working Capital Changes	31,37,72,213	24,47,67,593
Adjustments for:		
Trade & other receivables	(5,11,02,070)	(73,66,980)
Inventories	(35,98,034)	(10,92,185)
Trade payables	6,28,14,605	3,84,39,718
Cash generated from operations	32,18,86,714	27,69,32,516
Direct Taxes Paid	(11,48,98,387)	(9,37,79,104)
Net Cash from operating activities	20,69,88,327	18,31,53,412
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,19,53,670)	(5,80,61,330)
Sale / Transfer of fixed assets	93,80,000	5,61,553
(Purchase) / Sale of investments	-	(1,12,747)
Loan / advances from / (to) subsidiary company	-	-
Fixed deposit with banks withdrawn/(placed) (under lien)	1,58,16,411	(1,13,19,442)
Interest received	3,81,72,449	1,88,45,030
Dividend received	5,213	11,28,274
Rent received	1,93,200	13,200
Net Cash (used in) / generated from Investing Activities	4,16,13,603	(4,89,45,462)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	Year ended March 31, 2016 ₹	Year ended March 31, 2015 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Loan	-	-
Increase / (Decrease) in Short Term Loans	(1,72,06,365)	(5,50,00,000)
Dividend paid (including interim Dividend & Dividend Tax)	(10,99,41,548)	(5,69,09,484)
Interest paid	(38,94,079)	(73,64,798)
Net Cash (used in) / generated from financing Activities	(13,10,41,992)	(11,92,74,282)
Net Increase / (Decrease) in cash & cash equivalents	11,75,59,938	1,49,33,668
Cash and cash equivalents opening balance	30,66,65,123	29,17,31,455
Cash and cash equivalents closing balance	42,42,25,061	30,66,65,123

Notes :

1. Cash and Cash equivalent comprise of:

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Cash in hand	7,75,060	5,40,732
Cheques in hand	5,35,57,269	3,71,31,697
Balances with banks : in Current Accounts	2,54,76,104	2,06,47,172
in Deposit Accounts	<u>34,44,16,628</u>	<u>24,83,45,522</u>
	42,42,25,061	30,66,65,123
Add : Deposits (under lien)	4,78,56,508	6,36,72,919
Dividend Accounts	<u>1,03,63,506</u>	<u>85,14,726</u>
Cash and Cash equivalents (As per Note 18)	<u>48,24,45,075</u>	<u>37,88,52,768</u>

2. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 notified under the Companies (Accounting Standard) Rules 2006.

3. Purchase of fixed assets includes movements of capital work-in-progress during the year.

4. Previous year's figures have been re-grouped/reclassified wherever applicable.

As per our Report of even date

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

Chartered Accountants

V. Swaminathan

Partner

Membership No.22276

Place : Chennai

Date : 6th May 2016

S. Sambhu Prasad

Chairman & Managing Director

K. Kannan

Chief Financial Officer

M. Srinivasan

Company Secretary

Dr. H.B.N. Shetty

Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BACKGROUND

Amrutanjan Health Care Limited was established in the year 1893 and specializing in Ayurvedic balm for headaches, cold and cough. The Company is a public limited company and is listed on the Bombay Stock Exchange(BSE) and the National Stock Exchange (NSE).

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.

The Company has given effect to the useful life of assets for the purpose of computation of depreciation as per Schedule II of the Companies Act, 2013. Additions made during the year was 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

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 as per the prescribed Accounting Standards. 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. Non-compete fees amortised over the period of agreement. The goodwill arising on consolidation is not amortised but instead evaluated for impairment.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

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 contribution.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

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. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	As at March 31, 2016 ₹	As at March 31, 2015 ₹
3 Share Capital		
a Authorised Share Capital:		
2,50,00,000 (2,50,00,000) Equity Shares of ₹ 2/- (₹ 2/-) each	5,00,00,000	5,00,00,000
b Issued, Subscribed and Fully Paid up Share Capital		
1,46,15,315 (1,46,15,315) Equity Shares of ₹ 2/- (₹ 2/-) each	2,92,30,630	2,92,30,630
c Reconciliation of Shares		
Number of Equity at the beginning of year	1,46,15,315	1,46,15,315
Add : Issued during the Year	-	-
Less: Buy Back	-	-
Number of Equity at the end of the year	1,46,15,315	1,46,15,315

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

Name of the Share holder	As on 31st March 2016		As on 31st March 2015	
	No. of Shares	% held	No. of Shares	% held
Mr. Sambhu Prasad S	24,07,490	16.47%	24,07,490	16.47%
Mrs. Leela Bhramara	14,82,875	10.15%	12,42,425	8.50%
Miss. Ramayamma S	11,14,905	7.63%	11,14,905	7.63%
Mrs. Nageswaramma P	9,27,580	6.35%	9,27,580	6.35%

e Equity share bought back (during 5 years preceding March 31, 2016) :

Period ended	No. of Shares	Face Value Per Share	Face Value of Shares Bought back
March 31, 2016	-	-	-
March 31, 2015	-	-	-
March 31, 2014	-	-	-
March 31, 2013	-	-	-
March 31, 2012	1,06,937	10	10,69,370

Terms / Rights / restrictions attached to shares :

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2016 ₹	March 31, 2015 ₹
4 Reserves and Surplus		
a) Capital redemption reserve	27,69,370	27,69,370
b) General Reserve		
Opening balance	50,59,42,874	53,14,80,866
Add : Transferred from Statement of Profit & Loss	50,00,000	50,00,000
Less : Reduction in carrying amount of assets as per Schedule II of Companies Act,2013 (net of deferred tax)	-	(3,05,37,992)
Closing balance	<u>51,09,42,874</u>	<u>50,59,42,874</u>
c) Contingency reserve	-	-
d) Surplus in Statement of Profit & Loss		
Opening balance	41,15,63,360	32,89,08,290
Add : Current year surplus	20,57,55,275	14,90,36,386
Less : Transfer to general reserve	(50,00,000)	(50,00,000)
Less : Interim Dividend - Paid [₹ 3.85/- per share (previous year ₹ 1.10/ per share)]	(5,62,68,963)	(1,60,76,847)
Less : Tax on Interim Dividend	(1,15,82,540)	(32,14,424)
Less: Final Dividend - Proposed [Nil (previous year ₹ 2.40/- per share)]	-	(3,50,76,756)
Less: Tax on Proposed Dividend	-	(70,13,289)
Closing Balance	<u>54,44,67,132</u>	<u>41,15,63,360</u>
TOTAL	<u>105,81,79,376</u>	<u>92,02,75,604</u>
5 Deferred tax liability	March 31, 2016 ₹	March 31, 2015 ₹
Deferred tax liability arising from timing differences in respect of fixed assets	2,59,45,015	2,23,85,175
Deferred tax liability arising from timing differences in respect of expenses /provisions	(2,34,383)	(13,76,316)
Net Deferred Tax Liability	<u>2,57,10,632</u>	<u>2,10,08,859</u>
6 Other long term liabilities	March 31, 2016 ₹	March 31, 2015 ₹
Rent Deposits	3,79,600	1,59,600
Caution deposits from customers	38,18,261	38,18,261
	<u>41,97,861</u>	<u>39,77,861</u>
7 Long-term Provisions	March 31, 2016 ₹	March 31, 2015 ₹
Provision for employee benefits		
Provision for gratuity	29,86,009	26,54,278
Provision for compensated absences	43,17,422	33,33,979
	<u>73,03,431</u>	<u>59,88,257</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2016 ₹	March 31, 2015 ₹
8 Short term borrowings		
a) Secured Loan :		
Working Capital Demand Loan - Bank *	2,50,00,000	2,50,00,000
	<u>2,50,00,000</u>	<u>2,50,00,000</u>
* secured by hypothecation of specific plant and machinery, inventories, book debts and lien on specific fixed deposits.		
9 Trade Payables	March 31, 2016 ₹	March 31, 2015 ₹
Due to Micro Small and Medium Enterprises	29,35,507	37,26,147
Due to Others	8,98,20,677	7,35,16,203
	<u>9,27,56,184</u>	<u>7,72,42,350</u>
The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under :		
Principal amount due and remaining unpaid	-	8,15,102
Interest due on above and the unpaid interest	29,35,507	29,11,045
Interest paid	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	24,462	21,465
Amount of further interest remaining due and payable in succeeding years	-	-
10 Other current liabilities	March 31, 2016 ₹	March 31, 2015 ₹
Current maturities of long term debt.	-	-
Interest accrued but not due on borrowings	-	-
Other payables		
- Creditors for capital goods	13,16,527	13,24,243
- Creditors for expenses	10,90,54,128	7,00,54,003
- Other liabilities	1,80,69,366	1,47,39,583
Due to directors	49,50,000	30,00,000
Unclaimed dividend	1,03,63,506	85,14,726
	<u>14,37,53,527</u>	<u>9,76,32,555</u>
11 Short Term Provisions		
Provision for employee benefits		
Provision for gratuity	34,56,754	34,56,754
Provision for compensated absences	8,78,791	6,76,862
	<u>43,35,545</u>	<u>41,33,616</u>
Other Provisions		
Provisions for income tax (net of advance tax)	1,39,16,705	1,24,38,742
Provisions for dividend	-	3,50,76,756
Provision for dividend tax	-	70,13,289
	<u>1,39,16,705</u>	<u>5,45,28,787</u>
	<u>1,82,52,250</u>	<u>5,86,62,403</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

12 Fixed Assets

(In ₹)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on 1 April 2015	Addition	Deletion	As on 31 March 2016	As on 1 April 2015	Addition	Deletion	As on 31 March 2016	As on 31 March 2015
I. Tangible Assets									
a) Own assets									
Land	2,28,39,271	3,36,700	-	2,31,75,971	-	-	-	2,31,75,971	2,28,39,271
Building	10,84,94,698	5,73,12,776	18,77,655	16,39,29,819	4,04,10,372	52,73,162	6,74,870	11,89,21,155	6,80,84,326
Plant And Machinery	23,80,85,275	1,96,44,277	-	25,77,29,552	10,24,95,081	2,45,21,593	-	13,07,12,878	13,55,90,194
Furniture, Fittings & Lab Equipments	1,23,56,202	5,62,641	-	1,29,18,843	66,23,544	14,46,666	-	48,48,633	57,32,658
Vehicles	1,28,05,798	19,42,576	-	1,47,48,374	73,59,855	10,26,300	-	63,62,219	54,45,943
Computers	44,52,244	20,75,564	-	65,27,808	29,79,907	9,56,787	-	25,91,114	14,72,337
	39,90,33,488	8,18,74,534	18,77,655	47,90,30,367	15,98,68,759	3,32,24,508	6,74,870	28,66,11,970	23,91,64,729
b) Leasehold assets									
Building	4,50,000	-	-	4,50,000	2,40,364	13,678	-	1,95,958	2,09,636
	39,94,83,488	8,18,74,534	18,77,655	47,94,80,367	16,01,09,123	3,32,38,186	6,74,870	28,68,07,928	23,93,74,365
II. Intangible Assets									
Goodwill	-	-	-	-	-	-	-	-	-
Non-Compete Fees	-	-	-	-	-	-	-	-	-
Computer software	53,70,571	-	-	53,70,571	38,44,016	2,18,406	-	13,08,149	15,26,555
	53,70,571	-	-	53,70,571	38,44,016	2,18,406	-	13,08,149	15,26,555
Total Intangible Assets									
	40,48,54,059	8,18,74,534	18,77,655	48,48,50,938	16,39,53,139	3,34,56,592	6,74,870	28,81,16,077	24,09,00,920
Grand Total (I + II)									
	32,36,91,660	2,66,42,216	8,69,19,666	26,34,14,210	17,66,31,693	2,20,34,478	6,56,31,276	13,03,79,315	14,70,59,967
Capital Work-In-Progress								71,60,464	3,77,10,112
Intangible assets under development								10,30,500	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	Face Value	March 31, 2016 ₹	March 31, 2015 ₹
13 Non Current Investments			
Investment Property (at Cost less accumulated depreciation)			
Cost of Land & Building given on operating Lease		-	17,98,742
Less: Accumulated Depreciation		-	(7,88,957)
Net Block		<u>-</u>	<u>10,09,785</u>
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 ₹ 1/- each in Madras Stock Exchange Ltd.	60,800	1,60,000	1,60,000
Non-Trade Investments (Quoted) :			
1,006 Equity Shares in NTPC Ltd of ₹ 10/- each fully paid	10,060	62,372	62,372
190 Equity Shares in Punjab National Bank of ₹ 2/- each fully paid	380	14,820	14,820
20 Equity Shares in Dewan Housing Finance Ltd of ₹ 10/- each fully paid	200	2,244	2,244
50,000 (8.23%) Tax Free Bonds of Indian Railway Finance Corporation Limited of ₹ 1,000/- each	5,00,00,000	5,00,00,000	5,00,00,000
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	1,71,63,895	1,72,69,669
Total		<u>8,98,83,831</u>	<u>9,09,99,390</u>
Quoted Investments - Cost		8,97,13,331	8,98,19,105
- Market Value		8,97,83,485	8,99,19,516
Unquoted Investments - Cost		<u>1,70,500</u>	<u>1,70,500</u>
14 Long Term Loans and advances			
Unsecured, Considered good		March 31, 2016 ₹	March 31, 2015 ₹
Capital Advance		-	3,00,72,732
		<u>-</u>	<u>3,00,72,732</u>
15 Other Non Current assets		March 31, 2016 ₹	March 31, 2015 ₹
Balance with excise authorities, paid under protest		33,77,762	30,61,202
Security deposits		98,84,230	78,88,134
		<u>1,32,61,992</u>	<u>1,09,49,336</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	March 31, 2016 ₹	March 31, 2015 ₹
16 Inventories		
Raw Materials	3,19,01,304	2,04,02,861
Work In Progress	-	-
Finished Stock	4,05,01,867	3,78,39,560
Packing Materials	1,73,32,176	2,78,94,892
	<u>8,97,35,347</u>	<u>8,61,37,313</u>
17 Trade Receivables		
	March 31, 2016 ₹	March 31, 2015 ₹
<i>Unsecured, Considered good</i>		
Outstanding for a period exceeding 6 months	7,54,69,169	6,73,52,381
Others	20,03,98,509	20,90,61,714
	<u>27,58,67,678</u>	<u>27,64,14,095</u>
<i>Unsecured, Considered Doubtful</i>		
Outstanding for a period exceeding 6 months	3,04,79,696	3,04,79,696
Less : Provision for Doubtful Debts	(3,04,79,696)	(3,04,79,696)
	<u>27,58,67,678</u>	<u>27,64,14,095</u>
18 Cash & Cash equivalents		
	March 31, 2016 ₹	March 31, 2015 ₹
Cash in Hand	7,75,060	5,40,732
Cheques in Hand	5,35,57,269	3,71,31,697
Balance with Banks		
Current Accounts	2,54,76,104	2,06,47,172
Fixed Deposits maturing within 3 months	-	49,15,000
Other Bank Balances		
Fixed Deposits with maturity of less than 12 months	11,00,000	11,22,60,659
Fixed Deposits with maturity of more than 12 months	34,33,16,628	13,11,69,863
Fixed Deposits under lien @	4,78,56,508	6,36,72,919
Unclaimed Dividend Accounts	1,03,63,506	85,14,726
	<u>48,24,45,075</u>	<u>37,88,52,768</u>
@ marked as lien against credit facilities availed		
19 Short-term loans and advances		
Unsecured, Considered good		
	March 31, 2016 ₹	March 31, 2015 ₹
Deposits and Balances with excise authorities	2,79,45,283	2,43,76,043
Other advances	9,27,07,092	3,15,82,916
	<u>12,06,52,375</u>	<u>5,59,58,959</u>
20 Other current assets		
	March 31, 2016 ₹	March 31, 2015 ₹
Interest accrued on Investments / Deposits	3,62,30,552	3,10,22,894
	<u>3,62,30,552</u>	<u>3,10,22,894</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
21 Revenue from operations		
Sale of Products		
Export Sales	3,23,53,465	5,20,20,313
Domestic Sales	191,28,23,842	168,89,45,552
	194,51,77,307	174,09,65,865
Less: Excise Duty paid	(9,05,13,925)	(8,31,91,051)
	185,46,63,382	165,77,74,814
Other operating revenues	1,27,71,945	79,10,485
	186,74,35,327	166,56,85,299
22 Other Income		
	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
Interest Income	3,31,32,090	2,66,91,751
Dividend Income	5,213	11,28,274
Net gain / (loss) on sale of investment	-	(2,32,072)
Rent Receipt (refer note : 35)	13,200	13,200
Income from investments	89,26,731	77,87,377
Profit on sale of assets	75,15,480	4,71,252
Scrap sales	28,28,333	30,39,438
Exchange Difference - (Net)	6,86,737	1,28,245
Other Income	36,90,771	57,30,751
	5,67,98,555	4,47,58,216
23 Cost of Materials consumed		
	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
Opening Stock of Raw Materials & Packing Materials	3,97,35,640	3,83,21,706
Purchases of Raw Materials & Packing Materials	61,13,68,653	57,67,26,464
	65,11,04,293	61,50,48,170
Less: Closing Stock of Raw Materials & Packing Materials	4,92,33,480	3,97,35,640
Consumption of Raw & Packing Materials	60,18,70,813	57,53,12,530

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
24 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
Opening Stock		
Finished Goods	4,64,01,673	4,67,23,772
Process Stock	-	21,84,020
	4,64,01,673	4,89,07,792
Closing stock		
Finished Goods	4,05,01,867	4,64,01,673
Process Stock	-	-
	4,05,01,867	4,64,01,673
(Increase) / Decrease in Stock	58,99,806	25,06,119
Excise Duty on Increase / (Decrease) on Finished Goods	(95,559)	1,40,463
	58,04,247	26,46,582
25 Employee benefit expenses		
	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
Salaries & Wages	24,65,66,570	21,89,50,772
Contribution to Provident & Other Funds	2,16,54,501	2,40,18,351
Staff Welfare expenses	1,72,47,311	1,56,88,417
	28,54,68,382	25,86,57,540
26 Financial Costs		
	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
Interest Expenses	31,37,843	69,32,259
Bank charges	12,30,921	1,78,411
	43,68,764	71,10,670

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

Particulars	Year Ended March 31, 2016 ₹	Year Ended March 31, 2015 ₹
27 Other Expenses		
Power & Fuel	1,67,46,390	1,83,82,356
Repairs & Maintenance :		
Building	7,49,751	17,67,073
Machinery	52,86,335	72,67,030
Others	51,13,569	47,86,843
Consumables	75,00,313	47,73,924
Freight and Transport Charges	4,84,81,185	4,48,89,081
Advertisement	20,82,38,034	20,25,13,738
Selling Expenses	8,70,03,141	6,52,71,299
Commission on Sales	14,77,028	8,34,807
Bad debts	-	32,88,442
Sales Tax	10,09,47,405	8,92,81,621
Rates and Taxes	45,46,344	55,07,286
Insurance	46,67,048	40,74,177
Travelling Expenses	4,03,07,785	3,98,44,035
Conveyance	50,29,953	55,56,828
Retainer & Consultancy	90,68,424	73,73,374
Security Charges	91,73,589	58,53,047
Rent (refer note : 35)	87,46,413	53,21,726
Printing & Stationery	26,99,038	23,58,411
Postage & Telegrams	20,51,554	12,10,275
Communication Expenses	77,04,267	82,74,105
Legal Expenses	12,50,250	3,94,083
Research & Development Expenses	43,38,147	11,66,132
CSR Spends	43,76,667	17,00,000
Donations	59,236	33,923
Auditor's Remuneration :		
Audit Fees	14,28,000	12,12,000
Tax Representation	2,54,989	-
Other services (including limited review fees)	5,16,539	6,34,273
Out of Pocket expenses	33,280	30,618
Cost Audit Fees	1,00,000	1,00,000
Directors Sitting Fees	6,85,554	5,77,500
Commission to Non-Executive Directors	25,50,000	20,00,000
Lease Rent	22,11,163	17,49,337
Loss on fixed assets sold / discarded	19,22,958	-
EDP Expenses	16,26,206	15,56,475
Miscellaneous Expenses	68,49,974	39,63,737
	60,37,40,529	54,35,47,556

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

28. Monies for which the company is contingently liable :

- a. Bonds executed in favour of Collector of Central Excise, Chennai – ₹ 8,00,000/- (₹ 8,00,000)
- b. Guarantees/Letter of Credit issued on behalf of Company by Banks – ₹ 4,57,44,251/- (₹ 5,05,44,251/-)

c. Appeals filed in respect of disputed demands :

	2015-16 ₹	2014-15 ₹
Excise Duty	61,62,430	61,62,430
E S I	3,96,545	3,96,545
Service Tax	2,35,50,688	2,23,52,480
Income Tax	50,31,844	1,21,36,664

Includes ₹ 54,20,956 paid under protest

- d. 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 2016 is ₹ 7,70,84,899/-. 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. The company has made provision of ₹ 9,42,400 towards the same.
- e. Claims against the company not acknowledged as debts : ₹ 2,68,85,143/- (₹ 2,68,85,143/-)
- f. Balances with excise authorities include a sum of ₹ 79,45,555/- being input credit taken on services which is yet to be adjusted in payment of excise duty in view of decision pending with concerned authorities on this matter in earlier years
29. Estimated amount of capital expenditure commitments ₹ 10,00,00,000/- (₹ 5,00,00,000)
30. a. The Company has transferred ₹ 15,34,314/- (₹ 3,28,148/-) of unclaimed dividend to Investor Education and Protection Fund during the year.
- b. Unclaimed Dividend amounting to ₹ 27,034 (₹ 27,034/-) is pending on account on litigation among claimants.
31. The company has spent ₹ 43,76,667 towards CSR expenditure for such activities specified in Schedule VII of Companies Act,2013.
32. The Consolidated Financial Statements have been prepared by combining the accounts of Amrutanjan Health Care Limited and Amrutanjan Pharmaessense Private Limited (Wholly Owned Subsidiary) on a line to line basis as required by AS 21.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

33. Segment Reporting

(In ₹)

Primary Business Segments	OTC Products		Beverages		Chemicals		Others		Net Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
(a) Revenue :										
External Sales	161,38,49,546	142,56,44,500	21,71,43,103	19,97,02,873	2,36,70,733	3,24,27,441	1,27,71,945	79,10,485	186,74,35,327	166,56,85,299
Inter Segment Sales	-	-	-	-	-	-	-	-	-	-
Total Revenue	161,38,49,546	142,56,44,500	21,71,43,103	19,97,02,873	2,36,70,733	3,24,27,441	1,27,71,945	79,10,485	186,74,35,327	166,56,85,299
(b) Result										
Less : Unallocated expenditure net of unallocated income	35,42,31,683	28,24,81,436	(2,45,74,231)	(2,71,19,396)	(1,78,49,587)	(1,92,78,437)	(1,65,55,666)	(1,75,38,457)	29,52,52,199	21,85,45,146
Operating Profit									(95,94,401)	(56,58,867)
Interest expense									28,56,57,798	21,28,86,279
Interest Income and Income from Investments									(8,16,418)	(69,32,259)
Profit before Tax									4,19,92,018	3,55,36,983
Provision for taxation :									32,68,33,398	2,414,91,003
- Income Tax									(11,40,00,000)	(9,20,00,000)
- Deferred Tax									(47,01,773)	(7,17,687)
- Short provision for Income Tax of earlier years									(23,76,350)	-
- Extraordinary Items (net of tax)									-	-
Profit after Tax									20,57,55,275	14,90,36,386
(c) Segment Assets	83,58,15,565	69,72,81,173	13,57,38,916	11,32,83,072	11,46,35,825	15,39,40,664	35,90,310	39,74,938	1,08,97,80,616	96,84,79,847
Unallocated Assets									31,46,03,274	27,11,03,722
Total Assets	83,58,15,565	69,72,81,173	13,57,38,916	11,32,83,072	11,46,35,825	15,39,40,664	35,90,310	39,74,938	140,43,83,890	123,95,83,569
(d) Segment Liabilities	19,49,10,343	15,85,75,463	5,41,20,262	3,67,77,396	3,43,97,069	3,60,62,073			28,34,27,674	23,14,14,932
Unallocated Liabilities									3,35,46,210	5,86,62,403
Total Liabilities	19,49,10,343	15,85,75,463	5,41,20,262	3,67,77,396	3,43,97,069	3,60,62,073	-	-	31,69,73,884	29,00,77,335
(e) Capital expenditure	7,68,88,828	1,32,90,207	45,62,956	60,01,354	-	-	86,050	2,11,968	8,15,37,834	1,95,03,529
Unallocated Capital expenditure										71,38,687
(f) Depreciation	2,06,76,494	1,89,04,626	26,45,385	26,60,002	96,64,035	99,79,198	4,70,678	5,10,259	3,34,56,592	3,20,54,085
Unallocated Depreciation									11,350	44,543
(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, Beverages, Chemicals and others.

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 as well as expenses which relate to the Company as a whole.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

34. Related Party Disclosures

(i) List of related parties and relationships :

- a) Parties where control exists - Nil
- b) Key Management Personnel : Sri S. Sambhu Prasad, Chairman & Managing Director

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

Nature of Transaction	2015-16 ₹	2014-15 ₹
Nil	-	-

(iii) Transactions with related parties mentioned in (b) above :

Remuneration	1,33,09,544	1,21,91,651
Dividend Paid	1,50,46,813	79,44,717
Amount payable as on 31st Mar 2016	21,00,000	10,00,000

35. 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 .27)

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. 22)

36. Earnings Per Share

	2015-16	2014-15
(a) Numerator-Profit as per P & L a/c before extraordinary item (in ₹)	20,57,55,275	15,07,36,386
(b) Numerator-Profit as per P & L a/c after extraordinary item (in ₹)	20,57,55,275	15,07,36,386
(c) Denominator- Weighted average number of Equity shares outstanding	1,46,15,315	1,46,15,315
(d) Earnings per share (Basic and Diluted) before extraordinary item (in ₹)	14.08	10.31
(e) Earnings per share (Basic and Diluted) after extraordinary item (in ₹)	14.08	10.31
(f) Nominal value of shares (in ₹)	2.00	2.00

37. Employee Benefits

a) Defined Benefit Plans - As per Actuarial valuation on March 31, 2016 Gratuity

A Expense recognised in the statement of Profit & Loss Account for the year ended March 31, 2016

	2015-16 ₹	2014-15 ₹
1 Current service cost	31,42,157	25,68,643
2 Interest Cost	16,38,573	14,82,967
3 Past Service Cost	-	-
4 Expected return on plan assets	14,25,849	(12,75,805)
5 Net actuarial (gain) / loss recognised during the year	(1,15,82,967)	(2,61,362)
6 Total Expense	(82,28,086)	30,37,167

B Actual return on plan assets

1 Expected return on plan assets	14,25,849	12,75,805
2 Actuarial gain / (loss) on plan assets	(1,70,105)	(12,75,805)
3 Actual return on plan assets	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (contd.)

	2015-16 ₹	2014-15 ₹
C Net Asset/ Liability recognised in the Balance Sheet		
1 Present value of obligation	1,33,25,521	2,21,52,204
2 Fair value of plan assets	1,74,37,149	1,60,41,172
3 Funded status [surplus/(deficit)]	41,11,628	(61,11,032)
4 Net Assets / (Liability) recognised in the Balance Sheet	41,11,628	(61,11,032)
D Change in Present value of the Obligation during the year ended March 31, 2016		
1 Present value of obligation as at April 1, 2015	2,21,52,204	1,93,03,807
2 Current service cost	31,42,157	25,68,643
3 Interest Cost	16,38,573	14,82,967
4 Past Service Cost	-	-
5 Benefits paid	(18,54,341)	(1,88,770)
6 Actuarial (gain) / loss on obligation	(1,17,53,072)	(10,14,443)
7 Present value of obligation as at March 31, 2016	1,33,25,521	2,21,52,204
E Change in Assets during the year ended March 31, 2016		
1 Fair Value of plan assets as at April 1, 2015	1,60,41,172	1,62,29,942
2 Expected return on plan assets	14,25,849	12,75,805
3 Adjustment to opening balance	-	-
4 Contributions made	19,94,574	-
5 Benefits paid	(18,54,341)	(1,88,770)
6 Actuarial gain / (loss) on plan assets	(1,70,105)	(12,75,805)
7 Fair Value of plan assets as at March 31, 2016	1,74,37,149	1,60,41,172
F Major categories of plan assets as a percentage of total plan - 100% Qualifying Insurance Policy		
G Actuarial Assumptions		
1 Discount rate	7.50%	7.72%
2 Expected rate of return on plan assets	8.00%	8.00%
3 Salary Escalation	5.00%	5.00%

- 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 31-03-2016 is ₹ 51,96,213 (₹. 40,10,841).

38. Previous Year Figures

Previous year figures have been regrouped wherever necessary to comply with current year's classification.

As per our Report of even date

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

V. Swaminathan
Partner
Membership No.22276

Place : Chennai
Date : 6th May 2016

S. Sambhu Prasad
Chairman & Managing Director

K. Kannan
Chief Financial Officer

M. Srinivasan
Company Secretary

Dr. H.B.N. Shetty
Director



**Amrutanjan's
Initiative to Offer Sanitary Napkins
at affordable price to Women**



In India, only 12% of women use sanitary napkins
Research shows that 70% of Indian women do not afford to buy
sanitary napkins and more than 20% of adolescent girls miss
school because of menstrual issues.

For Headache



For Body Pain



For Congestion



For Women Hygiene



For Health & Hygiene



Amrutanjan Health Care Limited

CIN: L24231TN1936PLC000017

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

Tel : 044-2499 4465 Fax : 044-2499 4585 Website: www.amrutanjan.com

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
(Incorporated under the Companies Act, 1913)

**ARTICLES OF ASSOCIATION
OF
AMRUTANJAN HEALTH CARE LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the 79th annual general meeting of the Company held on 22nd September, 2016 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

TABLE 'F' EXCLUDED

- | | |
|--|--|
| 1. (1) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. | Table 'F' not to apply |
| (2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. | Company to be governed by these Articles |

Interpretation

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| 2. (1) In these Articles — | |
| (a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. | "Act" |
| (b) "Articles" means these articles of association of the Company or as altered from time to time. | "Articles" |
| (c) "Board of Directors" or "Board", means the collective body of the directors of the Company. | "Board of Directors" or "Board" |
| (d) "Company" means Amrutanjan Health Care Limited. | "Company" |
| (e) "Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act. | "Rules" |
| (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender. | "Number" and "Gender" |
| (3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be. | Expressions in the Articles to bear the same meaning as in the Act |

Share capital and variation of rights

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| Shares under control of Board | 3. | Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. |
| Directors may allot shares otherwise than for cash | 4. | Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. |
| Kinds of Share Capital | 5. | The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
(a) Equity share capital:
(i) with voting rights; and / or
(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
(b) Preference share capital |
| Issue of certificate | 6. | (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide -
(a) one certificate for all his shares without payment of any charges; or
(b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first. |
| Certificate to bear the amount | (2) | Every certificate shall specify the shares to which it relates and the amount paid-up thereon. |
| One certificate for shares held jointly | (3) | In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. |
| Option to receive share certificate or hold shares with depository | 7. | A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. |

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| 8. | If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. | Issue of new certificate in place of one defaced, lost or destroyed |
| 9. | The provisions of the foregoing Articles relating to issue of certificates shall <i>mutatis mutandis</i> apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company. | Provisions as to issue of certificates to apply <i>mutatis mutandis</i> to debentures, etc. |
| 10. (1) | The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules. | Power to pay commission in connection with securities issued |
| (2) | The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules. | Rate of commission in accordance with Rules |
| (3) | The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. | Mode of payment of commission |
| 11. (1) | If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act. | Variation of members' rights |
| (2) | To every such separate meeting, the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply. | Provisions as to general meetings to apply <i>mutatis mutandis</i> to each meeting |
| 12. | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith. | Issue of further shares not to affect rights of existing members |
| 13. | Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. | Power to issue redeemable preference shares |

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| Further issue of share capital | 14. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to - |
| | (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or |
| | (b) employees under any scheme of employees' stock option; or |
| | (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above. |
| Mode of further issue of shares | (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules. |

Lien

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| Company's lien on shares | 15. (1) The Company shall have a first and paramount lien - |
| | (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and |
| | (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company: |
| | Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause. |
| Lien to extend to dividends, etc. | (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company. |
| Waiver of lien in case of registration | (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien. |
| As to enforcing lien by sale | 16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:
Provided that no sale shall be made— |
| | (a) unless a sum in respect of which the lien exists is presently payable; or |
| | (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise. |
| Validity of sale | 17. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. |
| Purchaser to be registered holder | (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer. |

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| (3) | The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. | Validity of Company's receipt |
| (4) | The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. | Purchaser not affected |
| 18. (1) | The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. | Application of proceeds of sale |
| (2) | The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. | Payment of residual money |
| 19. | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim. | Outsider's lien not to affect Company's lien |
| 20. | The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company. | Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc. |

Calls on shares

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| 21. (1) | The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. | Board may make calls |
| (2) | Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. | Notice of call |
| (3) | The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances. | Board may extend time for payment |
| (4) | A call may be revoked or postponed at the discretion of the Board. | Revocation or postponement of call |
| 22. | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments. | Call to take effect from date of resolution |
| 23. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. | Liability of joint holders of shares |

When interest on call or instalment payable	24. (1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the “due date”), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
Board may waive interest	(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.
Sums deemed to be calls	25. (1)	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
Effect of non-payment of sums	(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
Payment in anticipation of calls may carry interest	26.	<p>The Board -</p> <p>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.</p>
Instalments on shares to be duly paid	27.	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
Calls on shares of same class to be on uniform basis	28.	<p>All calls shall be made on a uniform basis on all shares falling under the same class.</p> <p><i>Explanation:</i> Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.</p>
Partial payment not to preclude forfeiture	29.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.
Provisions as to calls to apply <i>mutatis mutandis</i> to debentures, etc.	30.	The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Transfer of shares

31. (1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. Instrument of transfer to be executed by transferor and transferee
- (2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
32. The Board may, subject to the right of appeal conferred by the Act decline to register - Board may refuse to register transfer
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.
33. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless - Board may decline to recognise instrument of transfer
- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
34. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Transfer of shares when suspended
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
35. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.

Transmission of shares

36. (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. Title to shares on death of a member
- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. Estate of deceased member liable
37. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either - Transmission Clause
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.

Board's right unaffected	(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
Indemnity to the Company	(3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
Right to election of holder of share	38. (1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
Manner of testifying election	(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
Limitations applicable to notice	(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
Claimant to be entitled to same advantage	39. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.	40. The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Forfeiture of shares

If call or instalment not paid notice must be given	41. If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
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42.	The notice aforesaid shall:	Form of notice
	(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and	
	(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	
43.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	In default of payment of shares to be forfeited
44.	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	Receipt of part amount or grant of indulgence not to affect forfeiture
45.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	Entry of forfeiture in register of members
46.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	Effect of forfeiture
47. (1)	A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	Forfeited shares may be sold, etc.
	(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture
48. (1)	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	Members still liable to pay money owing at the time of forfeiture
	(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	Member still liable to pay money owing at time of forfeiture and interest

Cesser of liability	(3)	The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
Certificate of forfeiture	49. (1)	A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
Title of purchaser and transferee of forfeited shares	(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
Transferee to be registered as holder	(3)	The transferee shall thereupon be registered as the holder of the share; and
Transferee not affected	(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
Validity of sales	50.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
Cancellation of share certificate in respect of forfeited shares	51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
Surrender of share certificates	52.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
Sums deemed to be calls	53.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.	54.	The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.

Alteration of capital

55. Subject to the provisions of the Act, the Company may, by ordinary resolution - Power to alter share capital
- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:
Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
 - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
56. Where shares are converted into stock: Shares may be converted into stock
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
 - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; Right of stockholders
 - (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.
57. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — Reduction of capital
- (a) its share capital; and/or
 - (b) any capital redemption reserve account; and/or
 - (c) any securities premium account; and/or
 - (d) any other reserve in the nature of share capital.

Joint Holders

Joint-holders	58.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:
Liability of Joint-holders		(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
Death of one or more joint-holders		(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
Receipt of one sufficient		(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
Delivery of certificate and giving of notice to first named holder		(d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
Vote of joint-holders		(e) (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.
Executors or administrators as joint holders		(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
Provisions as to joint holders as to shares to apply <i>mutatis mutandis</i> to debentures, etc.		(f) The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.

Capitalisation of profits

59. (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards :
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
60. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall -
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
- (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.
- (3) Any agreement made under such authority shall be effective and binding on such members.
- Capitalisation
- Sum how applied
- Powers of the Board
for capitalisation
- Board's power to issue fractional certificate/coupon etc.
- Agreement binding on members

Buy-back of shares

- Buy-back of shares 61. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

General meetings

- Extraordinary general meeting 62. All general meetings other than annual general meeting shall be called extraordinary general meeting.
- Powers of Board to call extraordinary general meeting 63. The Board may, whenever it thinks fit, call an extraordinary general meeting.

Proceedings at general meetings

- Presence of Quorum 64. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- Business confined to election of Chairperson whilst chair vacant (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
- Quorum for general meeting (3) The quorum for a general meeting shall be as provided in the Act.
- Chairman of the meetings 65. The Chairman of the Company shall preside as Chairperson at every general meeting of the Company.
- Directors to elect a Chairperson 66. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
- Members to elect a Chairperson 67. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.
- Casting vote of Chairperson at general meeting 68. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
- Minutes of proceedings of meetings and resolutions passed by postal ballot 69. (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

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| <p>(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -</p> <p>(a) is, or could reasonably be regarded, as defamatory of any person; or</p> <p>(b) is irrelevant or immaterial to the proceedings; or</p> <p>(c) is detrimental to the interests of the Company.</p> <p>(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.</p> <p>(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.</p> | <p>Certain matters not to be included in Minutes</p> <p>Discretion of Chairperson in relation to Minutes</p> <p>Minutes to be evidence</p> |
| <p>70. (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <p>(a) be kept at the registered office of the Company; and</p> <p>(b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.</p> <p>(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:</p> <p>Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.</p> | <p>Inspection of minute books of general meeting</p> <p>Members may obtain copy of minutes</p> |
| <p>71. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.</p> | <p>Powers to arrange security at meetings</p> |

Adjournment of meeting

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| <p>72. (1) The Chairperson may, <i>suo motu</i>, adjourn the meeting from time to time and from place to place.</p> <p>(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>(4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p> | <p>Chairperson may adjourn the meeting</p> <p>Business at adjourned meeting</p> <p>Notice of adjourned meeting</p> <p>Notice of adjourned meeting not required</p> |
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Voting rights

Entitlement to vote on show of hands and on poll	73.	Subject to any rights or restrictions for the time being attached to any class or classes of shares - (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
Voting through electronic means	74.	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
Vote of joint-holders	75. (1)	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
Seniority of names	(2)	For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
How members <i>non compos mentis</i> and minor may vote	76.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
Votes in respect of shares of deceased or insolvent members, etc.	77.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
Business may proceed pending poll	78.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
Restriction on voting rights	79.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.
Restriction on exercise of voting rights in other cases to be void	80.	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
Equal rights of members	81.	Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Proxy

82. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. Member may vote in person or otherwise
- (2) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. Proxies when to be deposited
83. An instrument appointing a proxy shall be in the form as prescribed in the Rules. Form of proxy
84. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Proxy to be valid notwithstanding death of the principal
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

85. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 14 (fourteen). Board of Directors
86. (1) Shri S. Sambhu Prasad shall be a director not liable to retire by rotation. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation. Directors not liable to retire by rotation
- (2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company. Same individual may be Chairperson and Managing Director/ Chief Executive Officer
87. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. Remuneration of directors
- (2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting. Remuneration to require members' consent

Travelling and other expenses	<p>(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or</p> <p>(b) in connection with the business of the Company.</p>
Execution of negotiable instruments	<p>88. All cheques, promissory notes, drafts, <i>hundis</i>, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.</p>
Appointment of additional directors	<p>89. (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p>
Duration of office of additional director	<p>(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>
Appointment of alternate director	<p>90. (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.</p>
Duration of office of alternate director	<p>(2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.</p>
Re-appointment provisions applicable to Original Director	<p>(3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.</p>
Appointment of director to fill a casual vacancy	<p>91. (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.</p>
Duration of office of Director appointed to fill casual vacancy	<p>(2) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.</p>

Powers of Board

92. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
- General powers of the Company vested in Board

Proceedings of the Board

93. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. When meeting to be convened
- (2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board. Who may summon Board meeting
- (3) The quorum for a Board meeting shall be as provided in the Act. Quorum for Board meetings
- (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law. Participation at Board meetings
94. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. Questions at Board meeting how decided
- (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. Casting vote of Chairperson at Board meeting
95. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose. Directors not to act when number falls below minimum
96. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. Who to preside at meetings of the Board
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting. Directors to elect a Chairperson

Delegation of powers	97. (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
Committee to conform to Board regulations	(2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
Participation at Committee meetings	(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
Chairperson of Committee	98. (1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
Who to preside at meetings of Committee	(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
Committee to meet	99. (1) A Committee may meet and adjourn as it thinks fit.
Questions at Committee meeting how decided	(2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
Casting vote of Chairperson at Committee meeting	(3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
Acts of Board or Committee valid notwithstanding defect of appointment	100. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
Passing of resolution by circulation	101. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

**Chief Executive Officer, Manager, Company Secretary
and Chief Financial Officer**

102. (a) Subject to the provisions of the Act,—
A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- Chief Executive Officer, etc.
- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- Director may be chief executive officer, etc.

Registers

103. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.
- Statutory registers
104. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- Foreign register
- (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

Dividends and Reserve

Company in general meeting may declare dividends	106.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
Interim dividends	107.	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
Dividends only to be paid out of profits	108. (1)	The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
Carry forward of profits	(2)	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
Division of profits	109. (1)	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
Payments in advance	(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
Dividends to be apportioned	(3)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom	110. (1)	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
Retention of dividends	(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

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| 111. (1) | Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. | Dividend how remitted |
| (2) | Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. | Instrument of payment |
| (3) | Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made. | Discharge to Company |
| 112. | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. | Receipt of one holder sufficient |
| 113. | No dividend shall bear interest against the Company. | No interest on dividends |
| 114. | The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. | Waiver of dividends |

Accounts

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| 115. (1) | The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. | Inspection by Directors |
| (2) | No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board. | Restriction on inspection by members |

Winding up

- Winding up of Company
116. Subject to the applicable provisions of the Act and the Rules made thereunder -
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
 - (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity and Insurance

- Directors and officers right to indemnity
117. (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- Insurance
- (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

General Power

- General power
118. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

Names and Addresses and Description of Subscribers	Names & description of Witnesses
K. nageswara Rao, Zamindar, 7, Thambu Chetty Street, Madras] T.V. Muthukumaraswamy,] Clerk, Messrs. Kothari & Sons,] Broadway, Madras
Chandulal M. Kothari, Share, Stock and Exchange Broker 42, Broadway, Madras]]]]
R.B. Shah, Incorporated Accountant & Auditor, Chartered Bank Buildings, Madras]]
C.S. Sastri, Incorporated Accountant & Auditor, "Chavali Gardens", Adyar, Chennai	V.N. Anantaraman, B.A., Assistant, Messrs. Sastri & Shah, Madras
M. Ramachandra Rao, Advocate Mylapore, Madras	M. Krishna Rao, Mylapore, Madras. Asst. United India Life Assurance Co. Ltd., Madras
N. Rama Rau, Advocate, Mylapore, Madras	M. Krishna Rao, Mylapore, Madras. Asst. United India Life Assurance Co. Ltd., Madras
S. Sambhu Prasad, Landlord, "Sree Bagh", Mylapore Madras	V.N. Anantaraman, B.A. Assistant, Messr. Sastri & Shah, Madras

Madras, dated 9th September, 1936