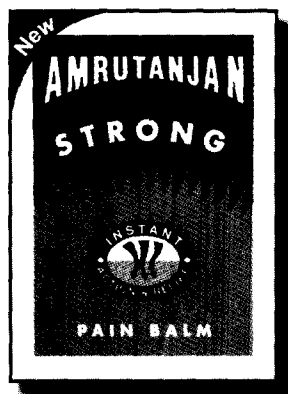


62nd ANNUAL REPORT 1998-99



AMRUTANJAN LIMITED

BOARD OF DIRECTORS

Sri S.V. Subramaniam
Sri K.M. Mathew
Sri S. Radhakrishna (Managing Director)
Dr. Pasumarthi S.N. Murthi
Sri D. Seetharama Rao
Sri R. Vijayaraghavan
Sri S. Sambhuprasad

AUDITORS

M/s. P.S. Subramania Iyer & Co.
Chartered Accountants
109/2, St. Mary's Road (1st Floor)
Chennai 600 018

BANKERS

State Bank of India
The Dhanalakshmi Bank Limited
Indian Overseas Bank

REGISTERED OFFICE

42-45 Luz Church Road
Mylapore, Chennai 600 004

FACTORIES AT

Mylapore, Chennai
Uppal, Hyderabad

BRANCHES AT

Bangalore, Mumbai, Calcutta, Delhi,
Ghaziabad, Hyderabad & Chennai

NOTICE

NOTICE is hereby given that the Sixty Second Annual General Meeting of the members of Amrutanjan Limited will be held at Sathguru Gnanananda Hall (Narada Gana Sabha), No.254, T.T.K.Road, Chennai 600 018, on Monday, the 20th September, 1999 at 4.30 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended 31st March, 1999, Reports of the Directors and Auditors thereon.
2. To declare dividend on shares.
3. To appoint a Director in the place of Sri K.M. Mathew, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Dr. Pasumarthi S.N. Murthi, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditor or Auditors and to fix his or their remuneration.

Special Business:

6. To appoint Sri S. Sambhuprasad, as a Director who was appointed by the Board under Section 260 of the Companies Act, 1956 and for that purpose to consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution, a notice of intention to move the same having been received from a member as required under Section 257 of the Companies Act, 1956.

"RESOLVED THAT Sri S. Sambhuprasad, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Article 125 and 126 of the Articles of Association of the Company and subject to the provisions of Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956, read with the amended Schedule XIII, including any statutory modifications or re-enactments thereof for the time being in force, approval of the Company be and is hereby accorded to the re-appointment of Sri S. Radhakrishna, as Managing Director of the Company, not liable to retire by rotation for a further period of five years with effect from 1st June, 1999 till the expiry of his term as Managing Director on 31st May, 2004."

"RESOLVED FURTHER THAT pursuant to Article 127 of the Articles of Association of the Company and subject to the provisions of Sections 198, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956, read with amended Schedule XIII, including any statutory modifications or re-enactments thereof for the time being in force, approval of the Company be and is hereby accorded for the payment of remuneration to Sri S. Radhakrishna by way of salary, allowances, commission and perquisites as specified below, subject to an overall limit of 5% of the net profits of the Company for each financial year computed in the manner prescribed in Sections 349 and 350 of the Companies Act, 1956, for a period of five years commencing from 1st June, 1999 till the expiry on 31st May, 2004."

- a. Salary: Rs.30,000/- per month in the grade of Rs.30,000 - 2,000 - 40,000.
- b. Commission on Net Profits: Remuneration by way of commission @ 1% shall be paid in addition to salary or perquisites or both or in lieu thereof. The amount of it, based on the net profits of the Company in a particular year, shall be subject to the overall ceilings laid down in Section 198 and Section 309.

Perquisites:

Perquisites may be allowed in addition to salary. These shall be restricted to an amount equal to the annual salary or Rs.4,50,000/- per annum, whichever is less. Unless the context otherwise requires, perquisites are classified into three categories 'A', 'B' and 'C' as follows:

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CATEGORY 'A'

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees on clubs and personal accident insurance. These may be provided for as under:

- i. Housing I: The expenditure by Company on hiring furnished accommodation for the appointee will be subject to the following ceiling.

Sixty percent of the salary, over and above ten percent payable by the appointee.

Housing II: In case the accommodation is owned by the Company, ten percent of the salary of the appointee shall be deducted by the Company.

Housing III: In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the appointee.

- ii. Medical Reimbursement: Expenses incurred by the appointee and the family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
- iii. Leave Travel Concession: For the appointee and his family, once in a year incurred in accordance with the rules specified by the Company.
- iv. Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- v. Personal Accident Insurance: Premium not to exceed Rs.4,000/- per annum.

Explanation: For the purpose of Category 'A' 'family' means the spouse, the dependent children and dependent parents of the appointee.

CATEGORY 'B'

1. Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act. Gratuity payable should not exceed half-a-month's salary for each completed year of service.
2. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY 'C'

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

"RESOLVED FURTHER notwithstanding anything contained above, where in any financial year, during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, it may pay him remuneration by way of salary and perquisites equivalent to the maximum permissible limit under Schedule XIII or any statutory modifications or re-enactments thereof."

Chennai
9.8.1999

By Order of the Board
For AMRUTANJAN LIMITED
S. Radhakrishna
Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item Nos.6 and 7 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 1999 to 20th September, 1999 (both days inclusive).
4. Dividend, upon its declaration at the meeting, will be paid to those members whose names appear in the Register of Members of the Company as on 20th September, 1999.
5. Pursuant to Section 205A of the Companies Act, 1956 all Unclaimed Dividends upto and inclusive of the Financial Year 1994-95 (31.3.1995) have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to submit their claims for dividend to the Registrar of Companies (Tamil Nadu), No.26, Haddows Road, Chennai 600 006.
6. Nomination facility is now available for shareholders. Members who want to avail of this facility, may fill in the enclosed Form No.2B and mail it to the Share Department of the Company at 42-45, Luz Church Road, Mylapore, Chennai 600 004.

EXPLANATORY STATEMENT AS REQUIRED BY SEC.173 OF THE COMPANIES ACT, 1956**Item No.6.**

Sri S. Sambhuprasad was appointed as an Additional Director of the Company by the Board of Directors on 22nd January, 1999 in terms of Section 260 of the Companies Act, 1956 read with Article 102 of the Articles of Association of the Company. Sri S. Sambhuprasad holds office only upto the date of the Annual General Meeting. The Company has received notice from a member of the Company with deposit proposing Sri S. Sambhuprasad's candidature for the office of Director and signifying his intention to move the Resolution as set out in item no.6 of this notice.

Sri S. Sambhuprasad, is an engineer by profession from the M.S.O.E., University of Wisconsin, U.S.A. and working in a manufacturing Company that makes a wide range of products.

Sri S. Sambhuprasad being young and energetic and with varied experience working in the U.S.A. in a manufacturing firm and also in a few consumer non-durable companies, will be of immense value to the Company.

The Board recommends the above resolution for the approval of the Shareholders. Sri S. Sambhuprasad and Sri S. Radhakrishna, Sri D. Seetharama Rao, Dr. Pasumarthi S.N. Murthi who are related to him, are concerned and interested in this resolution. No other director is concerned or interested in this resolution.

Item No.7.

Sri S. Radhakrishna's appointment as Managing Director for a period of five years expired on 31st May, 1999. The Board of Directors of the Company, subject to the approval of the Shareholders of the Company have re-appointed him as Managing Director of the Company for a further period of five years with effect from 1st June, 1999 to 31st May, 2004.

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During the tenure of office of Sri S. Radhakrishna as Managing Director of the Company, the Company's growth has been phenomenal. The Company has diversified and the exports of various products has increased substantially. The profits of the Company have also increased manifold.

Considering the above and also the rich and varied experience of Sri S. Radhakrishna, the Board recommends the re-appointment and remuneration payable to Sri S. Radhakrishna as Managing Director of the Company for a further period of five years commencing from 1st June, 1999 before the members for their approval.

Sri S. Radhakrishna is interested in this resolution. Sri S. Sambhuprasad, Sri D. Seetharama Rao and Dr. Pasumarthi S.N. Murthi are related to Sri S. Radhakrishna and therefore interested in the resolution.

This explanatory statement together with the accompanying notice is to be regarded as an Abstract of the terms of appointment of Sri S. Radhakrishna and Memorandum of Interest as required to be sent to the shareholders under Section 302 of the Companies Act, 1956. The Abstract of the terms and Memorandum as approved by the Board of Directors were circulated to the Shareholders on 11.2.1999.

Chennai
9.8.1999

By Order of the Board
For AMRUTANJAN LIMITED
S. Radhakrishna
Managing Director

Amrutanjan Limited

REPORT OF THE DIRECTORS TO THE MEMBERS

The Board of Directors of your Company have pleasure in presenting the Sixty Second Annual Report and Audited Accounts for the year ended 31st March, 1999.

01. FINANCIAL RESULTS	31.3.1999	31.3.1998
	Rs.	Rs.
Profit before Interest and Depreciation	10,28,93,558	8,31,41,542
Less: Interest	1,67,76,545	1,43,80,902
Depreciation	43,00,330	<u>39,86,187</u>
	2,10,76,875	1,83,67,089
Profit after Interest and Depreciation	8,18,16,683	6,47,74,453
Add: Transfer from Profit & Loss Account Surplus - Opening Balance	2,17,74,786	<u>39,00,333</u>
	10,35,91,469	6,86,74,786
Less: Provision for taxation	2,40,00,000	<u>1,50,00,000</u>
Profit available for Appropriation	7,95,91,469	<u>5,36,74,786</u>
Appropriations:		
Debenture Redemption Reserve	25,00,000	25,00,000
Revenue Reserve	4,00,00,000	2,50,00,000
Interim Dividend paid	16,00,000	..
Tax on Interim Dividend	1,60,000	..
Final Dividend - Proposed	48,00,000	40,00,000
Tax on Final Dividend	4,80,000	4,00,000
Balance Profit carried to Balance Sheet	3,00,51,469	<u>2,17,74,786</u>
	7,95,91,469	<u>5,36,74,786</u>

02. DIVIDEND

Considering the profits projected for 1998-99, your Directors have declared a Tax-free Interim Dividend of 10% on the Equity Share Capital of Rs.1.60 crores, at its meeting held on 22nd January, 1999. The Directors now recommend payment of a Tax-free Final Dividend of 30% for the year ended 31st March, 1999 on the Capital of Rs.1.60 crores.

03. OPERATIONS

During the year under review, the sales of the Company amounted to Rs.6007.12 lakhs as against Rs.5183.91 lakhs in the previous year registering an increase of 16%. Profit after tax amounted to Rs.578.17 lakhs as against Rs.497.74 lakhs in the previous year. Export turnover amounted to Rs.403.32 lakhs during the year 1998-99 with an increase of 58.56% over the previous year.

04. PROSPECTS

Your Directors wish to inform you the turnover for the first quarter amounted to Rs.1039 lakhs (Rs. 916 lakhs) and Profit before tax was Rs.83 lakhs (Rs. 70 lakhs) inspite of the lean season and general recessionary trends all over the country.

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Your Directors expect the prospects in the current year to be good. They hope that the Company will record a commendable performance.

Your Company is modernising its OTC business and also exports through term loan from Banks. It can be seen that the growth of the fine chemicals business has been high during the past two years. Your Directors are confident that this growth will be maintained as a result of all efforts that are being made to improve capacity and sales.

05. FIXED DEPOSITS

As at 31st March, 1999, total deposits from Public and Shareholders amounted to Rs.202.33 lakhs. The Company deposited a sum of Rs.15.96 lakhs in accordance with rule 3A of the Company's (Acceptance of Deposits) Rules, 1975.

Out of the deposits which became due for repayment during the financial year, 32 deposits amounting to Rs.2,34,000/- remain unclaimed as on 31st March, 1999. Subsequently, the Company has repaid/renewed 12 deposits amounting to Rs.1,28,000/- and for the balance 20 deposits of Rs.1,06,000/- remaining unclaimed letters have been written to these depositors before and after the date of maturity asking them for instructions.

06. SUBSIDIARY COMPANIES

Amrutanjan Finance Limited could not do much business during the financial year in view of the unfavourable market conditions and also NBFC sector was badly hit on account of stringent norms imposed by Reserve Bank of India in January, 1998, particularly repayment of deposits. Subsequently, Reserve Bank of India relaxed its norms in the last quarter of the financial year to some extent and the Company hopes to do substantial business activities in the current year and also diversify into non-fund based activities. Reserve Bank of India has granted registration to the Company.

Egattur Printing and Packaging Limited started its commercial operations only in the later part of the financial year and it has shown substantial improvement in terms of turnover and profits in the current financial year. Your Directors are confident of showing a better performance in the current financial year.

The Directors Report, Auditors Report and Audited Balance Sheet of Subsidiary Companies viz., Amrutanjan Finance Limited, Amrutanjan Drugs and Chemicals Limited & Egattur Printing and Packaging Limited are attached to the Balance Sheet of the Company.

07. CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

The particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the annexure to this report.

08. DIRECTORS

During the year Sri S. Sambhuprasad was co-opted as Additional Director of the Company by the Board on 22nd January, 1999. Sri S. Sambhuprasad holds office until the date of the forthcoming Annual General Meeting and is eligible for appointment.

Sri K.M. Mathew and Dr. Pasumarthi S.N. Murthi, retire by rotation and being eligible, offer themselves for re-appointment.

Sri S. Radhakrishna's term as Managing Director of the Company expired on 31st May, 1999. The Board of Directors of the Company, subject to the approval of the members of the Company, at the forthcoming Annual General Meeting, have re-appointed him as Managing Director of the Company for a further period of five years with effect from 1st June, 1999 to 31st May, 2004. The remunerations and perquisites payable to him are within the limits specified in Schedule XIII of the Companies Act, 1956.

09. PERSONNEL

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is given in the annexure forming part of this report.

10. AUDITORS

The Auditors, M/s. P.S. Subramania Iyer & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and offer themselves for re-appointment. They have confirmed that they are eligible under Section 224(1B) of the Companies Act, 1956, for re-appointment.

11. YEAR 2000 COMPLIANCE

Your Directors are glad to report that the areas where Y2K problems will be faced by the Company are very limited. However, every effort has been taken by the Company for full Y2K compliance which is expected to be achieved by October, 1999. The expenditure to ensure Y2K compliance is not expected to be significant.

12. ACKNOWLEDGEMENT

Your Directors place on record their thanks to State Bank of India, The Dhanalakshmi Bank Limited, Indian Overseas Bank, The Federal Bank Limited and the concerned Departments of State and Central Government, Employees and Shareholders for their valuable assistance, support and co-operation to the Company.

Chennai
9.8.1999

S.V. Subramaniam
Dr. Pasumarthi S.N. Murthi
D. Seetharama Rao
R. Vijayaraghavan
Directors

S. Radhakrishna
Managing Director

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ANNEXURE TO THE REPORT OF THE DIRECTORS TO THE MEMBERS

INFORMATION IN ACCORDANCE WITH THE COMPANIES
(DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988
FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

CONSERVATION OF ENERGY:

The operations of the Company are not energy intensive. However, your Company is constantly monitoring energy use and taking necessary energy conservation measures.

(A) POWER AND FUEL CONSUMPTION

	Year ended 31.03.1999 (Current Year)		Year ended 31.03.1998 (Previous Year)	
	OTC	FINE CHEMICALS	OTC	FINE CHEMICALS
1. Electricity :				
a) Purchased :				
Units	3,92,518	4,13,058	3,46,497	1,93,789
Total Amount	Rs. 17,66,412	12,84,012	14,46,614	6,27,878
Rate/Unit	Rs. 4.50	3.11	4.18	3.24
b) Own Generation:				
(i) Through Diesel Generator:				
Units	25,005	97,965	23,560	43,707
Cost/Unit	Rs. 3.45	10.20	3.56	8.00
(ii) Through Steam Generator:				
Units	20,655	-	17,850	-
Cost/Unit	Rs. 4.35	-	4.53	-
2. Coal:				
Qty.(Tonnes)	-	-	-	-
Total Cost	-	-	-	-
Average Cost	-	-	-	-
3. Furnace Oil:				
Qty. (K.Ltrs)	-	-	-	-
Total Amount	-	-	-	-
Average Rate	-	-	-	-
4. Others/Internal Generation:				
Qty.	-	-	-	-
Total Cost Rate/Unit	-	-	-	-

(B) CONSUMPTION PER UNIT OF PRODUCTION:

Products (with details) Unit	Standards (if any)	Year ended 31.03.1999 Rs.	Year ended 31.03.1998 Rs.
Electricity :			
Amrutanjan Pain Balm	(9 Gms)	0.85	0.73
Amrutanjan Maha Strong Pain Balm	(9 Gms)	0.65	0.66
Fine Chemicals	(One Ton)	45,376	51,753
Furnace Oil, Coal and Others :		-	-

ANNEXURE TO THE REPORT OF THE DIRECTORS TO THE MEMBERS

FORM B

(FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION)

RESEARCH & DEVELOPMENT

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

- a. Development of process know-how for the manufacture of various drug intermediates and other fine chemicals involving multi step organic syntheses.
- b. Isolation of pure active ingredients from plant materials.
- c. Development of process know-how for the manufacture of speciality chemicals which are required by different customers.
- d. Custom Synthesis of low volume - high value chemicals.

2. BENEFITS OF R&D

The R&D Department has developed so far technical know-how for nearly thirty chemicals which are required by users in Europe and USA. The processes are continuously being scaled upto plant level manufacture.

The R&D Department is also actively engaged in improving the current technologies being followed in the plant by finding out additional parameters/changes which would result in the increase of yield for every batch without compromising the quality of the end product.

In addition the R&D Department is committed to developing new OTC Health Care Products. "Coldsnap" Gel and "Mridul" Cough Syrup have already been introduced in the market and there are plans to introduce more Health Care products such as a Pain Cream, Muscle Relaxant Cream, Herbal Massage Oils, Chyavanprash Health Cookies, an Ayurvedic Digestive Syrup etc.

Siddha medicines in capsule form for treating Diabetes, Menstrual Disorders and Tension are also in the pipeline. Introduction of these new product lines is sure to bring in additional turnover and profits to the Company.

3. PLANNING FOR THE FUTURE

- a. Actively assist the Company in diversification plans by developing newer technologies for many Fine Chemicals, Bulk Drugs, Drug Intermediates and Speciality Chemicals.
- b. Continuously offer technical assistance in the commercialisation activities of different products marketed by the Company.
- c. Engage in Custom Synthesis of Speciality Chemicals required by various clients.
- d. Identify, isolate and purify therapeutically useful compounds from plant sources.
- e. Develop new Ayurvedic and Allopathic Formulations for the OTC Health Care Division of the Company.

4. EXPENDITURE ON R&D

Rs. in lakhs

Capital	120.31
Recurring	68.32
Total	<u>188.63</u>

Total R&D expenditure as a percentage of total turnover 3.14 %

5. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

R&D Department helps in the absorption of the technologies which are developed in-house and those that are out-sourced. The Department plays a major role in the adaptation of the foreign technologies to suit our requirements. The innovative work done in some new special formulations is bound to bring good revenue for the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Rs. in lakhs

Total foreign exchange earnings	383.86
Total foreign exchange outgo	189.01

**INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE
COMPANIES (PARTICULARS OF EMPLOYEES) RULES AND FORMING PART OF THE
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 1999.**

Sl. No.	Name, Age and Nature of Employment	Designation/ Nature of Duties	Gross Remuneration (in Rs.)	Qualification	Experience (in years)	Date of Commencement of Employment	Particulars of last employment
1.	Sri S. Radhakrishna. (66) Contractual	Managing Director (Management of whole affairs of the Company)	13,40,158	M.A. (Chem)	39	01.06.1989	Managing Director M/s. Nageswara Rao Estates Pvt. Ltd.
2.	Sri P. Easwaradas (48) Non-Contractual	Executive Vice-President (OTC)	6,07,264	B. Com.	27	01.03.1996	Vice President (Marketing) G.M. Pens (Int.) Pvt. Ltd., Chennai.

- Note: a. Remuneration received includes salary, commission, taxable perquisites and company's contribution to Provident Fund and Superannuation Fund and does not include gratuity paid or provided.
- b. Nature of employment and terms and conditions of services in the case of Sri S. Radhakrishna are governed by Schedule XIII of the Companies Act.
- c. Sri S. Radhakrishna, Managing Director is related to Dr. Pasumarthi S.N. Murthi, Sri D. Seetharama Rao and Sri S. Sambhuprasad, Directors of the Company.

AMRUTANJAN LIMITED

TEN YEAR RECORD

(Rupees in Lakhs)

PARTICULARS	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Sales	6,007.12	5,183.92	3,851.36	3,198.07	3,040.46	3,006.53	2,954.39	2,391.13	1,868.46	1,648.43
Employees' Salaries, Amenities etc.	580.83	453.17	358.24	363.45	329.26	261.31	235.56	201.52	182.07	173.91
Profit Before Tax	818.17	647.74	67.31	7.55	79.33	127.58	137.44	129.69	89.24	55.98
Provision for Taxation	240.00	150.00	5.00	-	10.00	31.00	54.00	67.00	46.00	28.00
Retained Fund	578.17	497.74	62.31	7.55	69.33	96.58	83.44	62.69	43.24	27.98
Dividend	64.00	40.00	32.00	32.00	32.00	32.00	28.80	21.60	18.00	14.40
Fixed Assets & Investments	1,209.41	747.32	615.86	521.19	430.23	331.18	227.63	171.62	140.53	129.61
Net Current Assets	1,248.16	927.11	561.89	678.99	823.85	577.34	465.18	358.45	310.92	341.85
Total Assets	2,457.57	1,674.43	1,177.75	1,200.18	1,254.08	908.52	692.81	530.07	451.45	471.46
Represented by:										
Share Capital	160.00	160.00	160.00	160.00	160.00	160.00	160.00	120.00	120.00	120.00
Reserves	1,250.51	742.75	289.00	261.89	286.34	249.20	184.62	174.76	132.24	107.39
Shareholders Interest (Net Worth)	1,410.51	902.75	449.00	421.89	446.34	409.20	344.62	294.76	252.24	227.39
Loans	1,047.06	771.68	728.75	778.29	807.74	499.32	348.19	235.31	199.21	244.07
Total	2,457.57	1,674.43	1,177.75	1,200.18	1,254.08	908.52	692.81	530.07	451.45	471.46

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AUDITORS' REPORT

To the Members of Amrutanjan Limited,

We have audited the attached Balance Sheet of M/s. Amrutanjan Limited, Chennai, as at 31st March, 1999 and also the annexed Profit and Loss Account for the year ended on that date and report as under:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - a. We have 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 accounts as required by law have been kept by the Company so far as appears from our examination of the books of the Company.
 - c. The Balance Sheet and Profit and Loss Account referred to in the report are in agreement with the books of accounts of the Company.
 - d. In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and a fair view:
 - (i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 1999 and
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

109/2, St. Mary's Road,
(1st Floor),
Chennai 600 018.
9.8.1999.

For **P.S. SUBRAMANIA IYER & CO.**
Chartered Accountants
N. Srinivasan
Partner

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

01. The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets. We are also informed that the Company has formulated a programme of physical verification of all fixed assets within a period of two years which in our opinion is reasonable. The Company has carried out physical verification of a portion of fixed assets and no material discrepancies were noticed on such verification.
02. There was no revaluation of the Fixed Assets during the year.
03. Physical verification has been conducted by the management at reasonable periods in respect of finished goods, stores, spare parts and raw materials. In our opinion, the frequency of verification is reasonable.
04. According to the information and explanations given to us, in our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
05. Physical verification has been conducted by the Management at reasonable periods in respect of finished goods, stores, spare parts and raw materials and no material discrepancies have been noticed on such verification as compared to book records.
06. In our opinion, on the basis of our examination of stock records, the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.

Amrutanjan Limited

07. The company has not taken any loan secured or unsecured from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
08. The Company has granted loans to its subsidiaries and others. The terms and conditions of such loans are not prima facie prejudicial to the interest of the Company. Interest has been charged on certain specific loans.
09. In respect of loans and advances in the nature of loans given by the Company to the employees and others, they are repaying the principal amounts wherever applicable as stipulated and are also regular in the payment of interest, wherever applicable except in the case referred to in Note 5 where there is no stipulation for repayment of interest.
10. In our opinion and according to the information and explanations given, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of goods, stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions for purchase of goods and materials/services and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the period to Rs.50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services, where such market prices are available with the Companies or the prices at which transactions for similar goods or services have been made with other parties.
12. As explained to us, unserviceable or damaged stores, raw materials and finished goods were determined by the Management and adequate provisions for loss have been made in the accounts.
13. The Company has accepted Fixed Deposits from the Public and it has complied with the provisions of Sec.58-A of the Companies Act, 1956 and the Rules framed thereunder wherever applicable.
14. The Company is, in our opinion, maintaining reasonable records for the sale and disposal of the realisable scrap. We are informed that no realisable by-products are generated by the Company's operations.
15. In our opinion, the Company has an adequate internal audit system commensurate with its size and the nature of its business.
16. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
17. The Company is regular in depositing Employees' State Insurance and Provident Fund dues with the appropriate authorities.
18. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 1999 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to Revenue Account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a Sick Industrial Company within the meaning of Clause (O) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In the case of trading activities, damaged goods determined by the Company is not significant and provisions for the loss have been made in the accounts subject to para 12 of the above report in this connection.

109/2, St. Mary's Road,
(1st Floor),
Chennai 600 018.
9.8.1999.

For **P.S. SUBRAMANIA IYER & CO.**
Chartered Accountants
N. Srinivasan
Partner

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BALANCE SHEET AS AT 31ST MARCH, 1999

	Schedule No.	31st March, 1999 Rs.	31st March, 1999 Rs.	31st March, 1998 Rs.
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	1,60,00,000		1,60,00,000
Reserves and Surplus	2	<u>12,50,51,469</u>		<u>7,42,74,786</u>
			14,10,51,469	9,02,74,786
Loan Funds				
Secured Loans	3	8,44,73,246		6,43,93,818
Unsecured Loans	4	<u>2,02,33,000</u>		<u>1,27,74,000</u>
			10,47,06,246	7,71,67,818
Total		<u>24,57,57,715</u>		<u>16,74,42,604</u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	5	11,61,42,925		9,30,89,261
Less: Depreciation		<u>3,80,66,103</u>		<u>3,44,23,549</u>
Net Block		7,80,76,822		5,86,65,712
Capital Work-in-Progress		<u>1,88,11,376</u>	9,68,88,198	-
				5,86,65,712
Investments				
	6		2,40,53,047	1,60,66,047
Current Assets, Loans and Advances				
Inventories	7	3,67,92,792		3,50,13,031
Sundry Debtors	8	7,10,16,684		7,19,16,656
Cash & Bank Balances	9	3,20,39,933		1,91,36,220
Loans & Advances	10	<u>3,10,51,259</u>		<u>2,51,45,224</u>
		<u>17,09,00,668</u>		<u>15,12,11,131</u>
Less: Current Liabilities and Provisions				
Current Liabilities	11	4,53,37,610		5,33,71,613
Provisions	12	<u>84,85,767</u>		<u>1,07,30,508</u>
		<u>5,38,23,377</u>		<u>6,41,02,121</u>
Net Current Assets			11,70,77,291	8,71,09,010
Deferred Revenue Expenditure (Note 7)			<u>77,39,179</u>	<u>56,01,835</u>
Total		<u>24,57,57,715</u>		<u>16,74,42,604</u>
Notes on Accounts	18			

Schedules referred to and the accompanying notes form an integral part of the Balance Sheet

	As per our Report of even date For P.S.Subramania Iyer & Co. Chartered Accountants	S.Radhakrishna Managing Director	S.V.Subramaniam Dr. Pasumarthi S.N. Murthi D.Seetharama Rao
Chennai 9.8.1999	N.Srinivasan Partner	S.Muralidharan Secretary	R. Vijayaraghavan Directors

Amrutanjan Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

		Schedule No.	31st March, 1999 Rs.	31st March, 1999 Rs.	31st March, 1998 Rs.
INCOME					
Sales			60,07,11,870		51,83,91,630
Other Income		13	<u>62,66,840</u>		<u>24,22,155</u>
			60,69,78,710		52,08,13,785
EXPENDITURE					
Cost of Materials Consumed		14	22,11,02,684		19,94,45,761
Employees' Remuneration and Benefits		15	5,80,83,376		4,53,17,003
Interest		16	1,67,76,545		1,43,80,902
Other Expenses		17	22,43,54,271		19,18,71,310
Depreciation			<u>43,00,330</u>		<u>39,86,187</u>
			52,46,17,206		45,50,01,163
Profit for the year			8,23,61,504		6,58,12,622
Prior Year Adjustments (net)			5,65,889		(7,70,422)
Profit before Tax			8,29,27,393		6,50,42,200
Provision for Taxation			(2,40,00,000)		(1,50,00,000)
Provision for Investments			-		(1,86,615)
Short Provision of I.T. of earlier years			(11,10,710)		(81,132)
Profit after Tax			5,78,16,683		4,97,74,453
Surplus from previous year			2,17,74,786		<u>39,00,333</u>
Profits for Appropriation			7,95,91,469		5,36,74,786
APPROPRIATION					
Debenture Redemption Reserve			25,00,000		25,00,000
General Reserve			4,00,00,000		2,50,00,000
Interim Dividend - Paid			16,00,000		—
Tax on Interim Dividend			1,60,000		—
Final Dividend - Proposed			48,00,000		40,00,000
Tax on Proposed Final Dividend			4,80,000		4,00,000
			4,95,40,000		<u>3,19,00,000</u>
Balance Profit carried to Balance Sheet			3,00,51,469		<u>2,17,74,786</u>
			7,95,91,469		5,36,74,786
Notes on Accounts		18			

Schedules referred to and the accompanying notes form an integral part of the Profit and Loss Account

	As per our Report of even date For P.S.Subramania Iyer & Co. Chartered Accountants	S.Radhakrishna Managing Director	S.V.Subramaniam Dr. Pasumarthi S.N. Murthi D.Seetharama Rao
Chennai 9.8.1999	N.Srinivasan Partner	S.Muralidharan Secretary	R. Vijayaraghavan Directors

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SCHEDULES TO BALANCE SHEET

	31st March, 1999 Rs.	31st March, 1998 Rs.	
SCHEDULE-1			
SHARE CAPITAL			
Authorised			
50,00,000 Equity Shares of Rs.10/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>	
Issued, Subscribed & Paid-up			
16,00,000 Equity Shares of Rs.10/- each fully paid-up	<u>1,60,00,000</u>	<u>1,60,00,000</u>	
Of the above Shares:			
25,000 Equity Shares were issued as fully paid-up to the vendors and 15,45,000 Equity Shares were allotted as fully paid-up Bonus Shares by capitalisation of Reserves			
SCHEDULE-2			
RESERVES AND SURPLUS			
	As at 31-03-1998 Rs.	Additions during the year Rs.	As at 31-03-1999 Rs.
Revenue Reserve	5,00,00,000	4,00,00,000	<u>9,00,00,000</u>
Debenture Redemption Reserve	25,00,000	25,00,000	<u>50,00,000</u>
Profit & Loss Account Surplus	<u>2,17,74,786</u>	<u>82,76,683</u>	<u>3,00,51,469</u>
	<u>7,42,74,786</u>	<u>5,07,76,683</u>	<u>12,50,51,469</u>
SCHEDULE-3			
SECURED LOANS			
From Banks:			
Cash Credit		<u>4,03,14,555</u>	2,99,69,750
(Secured by hypothecation of Raw & Packing Materials, Finished Goods and Book Debts of the Company, Personal guarantee of Managing Director and by way of equitable mortgage by deposit of title deeds of specific immovable properties and a charge on specific machinery)			
Term Loan from Bank		<u>1,83,64,909</u>	—
(Secured by charge on machinery purchased under the above loan and equitable mortgage by deposit of title deeds of specific immovable properties)			
Term Loan from Financial Institution		<u>50,52,394</u>	93,89,904
(Secured by charge on machinery purchased under the above loan)			
17 % Secured Redeemable Non-Convertible Debentures		<u>1,50,00,000</u>	1,50,00,000
(Secured by deposit of title deeds of specific immovable property and redeemable at par in four equal instalments from Sept.'2000 to Dec.'2000)			
Hire Purchase Loans		<u>57,41,388</u>	1,00,34,164
(Secured by hypothecation of assets under H.P.Agreement)			
		<u>8,44,73,246</u> *	<u>6,43,93,818</u> *
(*) Includes Rs.112.06 lakhs (Rs. 91.84 lakhs) due for repayment within one year			
SCHEDULE-4			
UNSECURED LOANS			
Fixed Deposits	<u>2,02,33,000</u>		<u>1,27,74,000</u>
	<u>2,02,33,000</u> *		<u>1,27,74,000</u> *
(*) Includes Rs.12,50,000 (Rs.8,40,000) held by Directors			

Amrutanjan Limited

SCHEDULE - 5 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 31-03-98 Rs.	Addition Rs.	Deletion Rs.	As on 31-03-99 Rs.	As on 31-03-98 Rs.	Addition Rs.	Deletion Rs.	As on 31-03-99 Rs.	As on 31-03-99 Rs.	As on 31-03-98 Rs.
Goodwill	25,000	-	-	25,000	-	-	-	-	25,000	25,000
Land	57,93,596	-	-	57,93,596	-	-	-	-	57,93,596	57,93,596
Leasehold Property	70,000	-	-	70,000	46,275	1,186	-	47,461	22,539	23,725
Buildings	58,64,042	43,40,492	-	1,02,04,534	33,09,753	3,14,156	-	36,23,909	65,80,625	25,54,289
Plant & Machinery	1,89,90,548	53,16,425	6,57,777	2,36,49,196	76,38,922	8,95,777	6,57,776	78,76,923	1,57,72,273	1,13,51,626
Furniture, Fixture & Equipments	47,27,631	15,21,123	-	62,48,754	31,48,781	3,90,651	-	35,39,432	27,09,322	15,78,850
Vehicles	21,62,669	5,02,008	-	26,64,677	19,49,905	1,20,247	-	20,70,152	5,94,525	2,12,764
Research & Development Block										
Buildings	68,05,134	13,74,225	-	81,79,359	23,29,374	2,49,950	-	25,79,324	56,00,035	44,75,760
Plant & Machinery	2,16,54,725	17,43,558	-	2,33,98,283	90,38,932	8,84,815	-	99,23,747	1,34,74,536	1,26,15,793
Pilot Plant	2,42,45,563	77,65,610	-	3,20,11,173	47,00,609	12,46,009	-	59,46,618	2,60,64,555	1,95,44,954
Lab Equipments- Furniture & Fixtures	27,50,353	11,48,000	-	38,98,353	22,60,998	1,97,539	-	24,58,537	14,39,816	4,89,355
Total	9,30,89,261	2,37,11,441	6,57,777	11,61,42,925	3,44,23,549	43,00,330	6,57,776	3,80,66,103	7,80,76,822	5,86,65,712
As per last Balance Sheet	7,59,74,262	1,73,33,766	2,18,767	9,30,89,261	3,06,45,191	39,86,187	2,07,829	3,44,23,549	5,86,65,712	4,53,29,071
Capital Work-in-Progress including Capital Advances of Rs. 22,15,772/-									1,88,11,376	—

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SCHEDULES TO BALANCE SHEET

	Face Value Rs.	31st March, 1999 Rs.	31st March, 1998 Rs.
SCHEDULE-6			
INVESTMENTS (AT COST)			
Non-trade Investments (Quoted):			
21,450 Equity Shares in Saha Keil Ltd. of Rs.10/- each fully paid (Net of Provision for diminution Rs. 1,86,615)	2,14,500	6,435	6,435
100 6 % Cumulative Preference Shares in Metal Box Limited of Rs.100/- each fully paid	10,000	11,684	11,684
Unquoted:			
500 13 % Bonds of State Bank of India of Rs.1,000/- each fully paid.	5,00,000	5,00,000	5,00,000
500 16.75% Bonds of The Dhanalakshmi Bank Ltd. of Rs.1000/- each fully paid.	5,00,000	5,00,000	5,00,000
National Savings Certificates (Deposited with the Collector of Central Excise, Chennai)	5,500	5,500	5,500
National Savings Certificates	1,000	1,000	2,000
5 Equity Shares in Capexil (Agencies) Ltd. of Rs.1000/- each fully paid.	5,000	5,000	5,000
Investments in Subsidiaries:			
14,04,407 Equity Shares in Amrutanjan Finance Limited of Rs.10/- each fully paid	1,40,44,070	1,50,11,428	1,50,11,428
2,400 Equity Shares in Amrutanjan Drugs & Chemicals Limited of Rs.10/- each fully paid (400 fully paid-up equity shares are held in the name of Nominees)	24,000	24,000	24,000
7,98,800 Equity Shares in Egattur Printing & Packaging Ltd. of Rs.10/- each fully paid (Subscribed during the year)	79,88,000	79,88,000	
		<u>2,40,53,047</u>	<u>1,60,66,047</u>
Quoted Investments - Cost		2,04,734	2,04,734
- Market Value		18,119	18,119
Unquoted Investments - Cost		2,40,34,928	1,60,47,928
SCHEDULE-7			
INVENTORIES			
Stock on hand (as per Inventories taken, valued as per accounting policy and certified by the Area Managers and Managing Director)			
Raw Materials		1,01,66,315	1,20,16,628
Packing Materials		36,45,249	35,79,663
Process Stock		66,08,858	65,90,261
Finished Stock		<u>1,63,72,370</u>	<u>1,28,26,479</u>
		<u>3,67,92,792</u>	<u>3,50,13,031</u>

Amrutanjan Limited

SCHEDULES TO BALANCE SHEET

	31st March, 1999 Rs.	31st March, 1998 Rs.
SCHEDULE-8		
SUNDRY DEBTORS (Unsecured)		
Over six months :		
Considered good	24,68,533	60,28,774
Considered doubtful	29,66,367	21,66,342
	54,34,900	81,95,116
Less: Provision for doubtful debts	29,66,367	21,66,342
	24,68,533	60,28,774
Others, considered good	6,85,48,151	6,58,87,882
	<u>7,10,16,684</u>	<u>7,19,16,656</u>
SCHEDULE-9		
CASH AND BANK BALANCES		
Cash in hand	1,93,770	1,38,365
Cheques in hand and in transit	46,49,009	—
Balance with Scheduled Banks:		
In Current Accounts (including Rs.3,63,532/- (Rs.1,96,842/-) in Unclaimed Dividend A/c.)	2,21,51,620	1,50,99,562
In Deposit Accounts [including Rs.24,91,534/- (Rs. 36,48,293/-) lodged with Bank as security for Guarantee/H.P.Assets as security for H.P.Agreement]	47,66,534	36,19,293
In Deposit Account with HDFC	2,79,000	2,79,000
	<u>3,20,39,933</u>	<u>1,91,36,220</u>
SCHEDULE-10		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in Cash or in kind for value to be received	1,49,27,097	1,35,34,168
Advance to Subsidiary Companies (Partly Secured)	1,46,84,384	99,96,103
Deposits	14,39,778	16,14,953
	<u>3,10,51,259</u>	<u>2,51,45,224</u>
SCHEDULE-11		
CURRENT LIABILITIES		
Creditors for Purchases (Note 9)	1,52,30,839	2,46,62,981
Creditors for Expenses (including Rs. 8,07,492/- (Rs.5,62,845/-) due to Managing Director)	2,07,86,606	2,27,32,141
Creditors for Capital Goods	20,35,427	—
Unclaimed Dividends	3,63,532	1,96,842
Other Liabilities	62,52,428	53,08,180
Interest accrued but not due	6,68,778	4,71,469
	<u>4,53,37,610</u>	<u>5,33,71,613</u>
SCHEDULE-12		
PROVISIONS		
Provision for Taxation (Net of Advance payments, TDS, etc.)	28,63,302	63,30,508
Provision for Employee Retirement Benefits	3,42,465	—
Proposed Dividend	48,00,000	40,00,000
Tax on Dividend	4,80,000	4,00,000
	<u>84,85,767</u>	<u>1,07,30,508</u>

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SCHEDULES TO PROFIT & LOSS ACCOUNT

	31st March, 1999 Rs.	31st March, 1998 Rs.
SCHEDULE-13		
OTHER INCOME		
Interest (TDS Rs.5,18,822/-)	28,45,659	5,44,446
Profit on Sale of Assets	13,67,297	4,24,506
Sundry balances written back (Net)	6,86,901	-
Miscellaneous Receipts (TDS Rs.54,000/-)	<u>13,66,983</u>	<u>14,53,203</u>
	62,66,840	24,22,155
SCHEDULE-14		
COST OF MATERIALS CONSUMED		
Opening Stock :		
Raw Materials	1,20,16,628	75,16,200
Packing Materials	<u>35,79,663</u>	<u>43,94,693</u>
	1,55,96,291	1,19,10,893
Add: Purchases :		
Raw Materials	11,57,48,662	10,62,64,313
Packing Materials	<u>8,29,15,179</u>	<u>7,86,35,805</u>
	19,86,63,841	18,49,00,118
	21,42,60,132	19,68,11,011
Less: Closing Stock :		
Raw Materials	1,01,66,315	1,20,16,628
Packing Materials	<u>36,45,249</u>	<u>35,79,663</u>
	1,38,11,564	1,55,96,291
Consumption of Raw & Packing Materials	20,04,48,568	18,12,14,720
Add : Processing Charges	35,99,566	28,86,950
Add : Products Purchased	2,06,19,038	2,21,37,924
Stock Adjustments	<u>(35,64,488)</u>	<u>(67,93,833)</u>
	22,11,02,684	19,94,45,761
INCREASE / (DECREASE) IN STOCK		
Opening Stock		
Finished Goods	1,28,26,479	1,16,40,665
Process Stock	<u>65,90,261</u>	<u>9,82,242</u>
	1,94,16,740	1,26,22,907
Closing Stock		
Finished Goods	1,63,72,370	1,28,26,479
Process Stock	<u>66,08,858</u>	<u>65,90,261</u>
	2,29,81,228	1,94,16,740
	(35,64,488)	(67,93,833)

Amrutanjan Limited

SCHEDULES TO PROFIT & LOSS ACCOUNT

	31st March, 1999 Rs.	31st March, 1998 Rs.
SCHEDULE-15		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	4,33,10,016	3,47,38,482
Managing Director's Remuneration	13,62,558	12,16,241
Contribution to Employees Provident, Gratuity and Other Funds	92,91,347	63,91,955
Welfare Expenditure	41,19,455	29,70,325
	<u>5,80,83,376</u>	<u>4,53,17,003</u>
SCHEDULE-16		
INTEREST		
Interest on Fixed Loans	80,74,503	79,79,629
Interest on Other Loans	87,02,042	64,01,273
	<u>1,67,76,545</u>	<u>1,43,80,902</u>
SCHEDULE-17		
OTHER EXPENSES		
Power & Fuel	43,16,461	23,70,031
Repairs & Maintenance :		
Building	4,32,071	2,75,754
Machinery	14,16,871	4,72,910
Others	17,79,821	15,71,134
Freight and Transport Charges	95,51,344	72,94,048
Advertisement	5,21,75,669	4,36,40,564
Selling Expenses	2,26,90,864	1,91,99,780
Rates and Taxes:		
Sales Tax	4,26,04,350	3,87,47,286
Excise Duty	3,81,34,475	3,28,38,038
Others	25,89,616	20,54,073
Insurance	19,39,802	19,04,193
Travelling Expenses	1,19,38,451	1,17,33,642
Research & Development Expenses (Note 12)	68,31,542	62,99,874
Auditor's Remuneration :		
For Audit	1,00,000	75,000
For Tax Audit	31,500	30,000
For Tax Representation	35,000	30,000
For Certification	46,500	13,000
Directors Sitting Fees	46,500	39,000
Rent	7,66,484	5,61,480
Legal Expenses	2,94,086	4,53,072
Lease Rentals	21,69,936	18,60,351
Provision for doubtful debts	29,66,367	21,66,342
Miscellaneous Expenses	2,14,96,561	1,82,41,738
	<u>22,43,54,271</u>	<u>19,18,71,310</u>

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NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1999

SCHEDULE - 18

1. ACCOUNTING POLICIES

- a. Accrual system of accounting is followed to record incomes and expenditure, excepting in the areas herein specifically mentioned.
- b. All Fixed Assets are valued at cost less depreciation. Depreciation is provided on written down value method except on Plant & Machinery acquired after April 1, 1992, which is provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956. Additions made during the year are depreciated on pro-rata from the date of addition. Freehold Lands and Goodwill are not depreciated.
- c. Raw Materials and Packing Materials are valued at weighted average cost. Finished Stock and Process Stocks are valued at lower of cost or net realisable value.
- d. Investments in Subsidiary Companies are long term investments and are carried at cost. Other investments are carried at lower of cost or realisable value. Provision for diminution in value is made wherever necessary in accordance with the mandatory Accounting Standard.
- e. Research & Development costs not resulting in any tangible property / equipment are charged as an expense in the year in which they are incurred.
- f. Insurance on Company's properties, immovable and movable is on reinstatement value basis.
- g. Insurance claims and scrap sales proceeds are accounted on cash basis.
- h. Foreign Exchange transactions are accounted at the exchange rates prevailing at the time of transactions or at contracted rates. Gains/ losses, if any, arising therefrom are recognised in the Profit & Loss A/c.
- i. Retirement benefits in the form of Provident Fund, Gratuity and Superannuation Schemes is accounted and charged to the Profit & Loss account. Provision for Leave Encashment is determined and provided on the basis of an actuarial valuation.

2. CONTINGENT LIABILITIES

- a. Bonds executed in favour of Collector of Central Excise, Chennai - Rs. 25,000/- (Rs. 25,000/-)
- b. Guarantees issued by Banks on behalf of the Company, outstanding at the year end amounted to Rs. 29,99,208/- (Rs.17,62,408/-)
- c. Guarantees given to Banks on behalf of Amrutnjan Finance Limited - Rs. 2,15,00,000/- (Rs. 2,72,00,000/-) and guarantees given to Financial Institution / Bank on behalf of Egattur Printing and Packaging Limited Rs. 1,31,00,000/- (Nil)
- d. Appeals filed in respect of disputed demands:

	1998-99	1997-98
Income – Tax	Rs. 34,86,116	16,26,014
Urban Land Tax	Rs. 5,07,826	4,38,098
Excise Duty	Rs. 8,68,503	8,68,503
3. a. Estimated amount of capital expenditure commitments Rs. 40,00,000/- (Rs. 30,00,000/-)
- b. Lease Rentals payable in future is Rs. 32,87,799/- (Rs. 44,57,373/-)
4. Claims against the Company not acknowledged as debts are Rs. 10,48,350/- (Rs. 10,48,350/-)
5. Loans and Advances include Rs. 8,30,593/- (Rs. 8,30,593/-) due from a Private Limited Company, which represents only interest and the management is confident of the Settlement of the amount due.
6. Miscellaneous Expenses include guarantee commission of Rs. 3,66,000/- (Rs. 2,90,000/-) to the Managing Director in respect of Personal Guarantee given to Banks.

7. Deferred Revenue expenditure to the extent not written off comprises balance of advertisement expenses incurred as part of major campaigns for promotion of new products, advertisement film production cost and consultancy fees for market development, including Rs. 66.56 lakhs (Rs.36.19 lakhs) deferred out of expenses incurred during the year. Such expenditure is, in the opinion of the management, expected to derive benefits in the foreseeable future and is being deferred for a period of 3 years and accordingly Rs. 45.19 lakhs (Rs.43.46 lakhs) has been charged to revenue account.
8. The amount of excise and customs duties payable on finished goods, imported raw materials as at March 31, 1999 estimated at Rs.11,26,873/- shall be accounted for on the clearance of goods from the factory / bonded warehouses. This has no effect on the profits for the year.
9. Creditors for purchases in Schedule 11 includes (i) Rs. 34,85,066/- due to Small Scale Industrial Undertakings (ii) Rs.1,17,45,773/- due to other creditors. The disclosure is based on the information available with the Company regarding the status of suppliers under the Industries (Development and Regulation) Act, 1951.
- Names of Small Scale Industrial Undertakings to whom an amount of Rs. 1.00 lakh or more was payable and outstanding for more than 30 days within the agreed terms are as under:

- a. Yodeva Plastics Private Limited
- b. Mysore Polyset Private Limited
- c. Pramukh Packaging Private Limited
- d. Vinai Enterprises

10. MANAGING DIRECTOR'S REMUNERATION

	31-03-1999	31-03-1998
	Rs.	Rs.
Salary	3,32,000	3,08,000
Contribution to Gratuity Fund	22,400	1,49,500
Contribution to Superannuation Fund	84,240	82,620
Other Perquisites	1,42,426	1,13,276
Commission (as per computation below @ 1%)	<u>7,81,492</u>	<u>5,62,845</u>
	<u>13,62,558</u>	<u>12,16,241</u>
Computation of commission payable to Managing Director under Section 349 of the Companies Act, 1956 :		
Profit for the year before tax as per Profit & Loss A/c.	Rs.	Rs.
Add: Depreciation as per Profit & Loss A/c.	43,00,330	8,29,27,393
Profit on sale of assets as per section 349 of the Companies Act, 1956	6,57,776	
Directors Sitting Fees	46,500	
Remuneration to Managing Director	<u>13,62,558</u>	
		<u>63,67,164</u>
		8,92,94,557
Less : Depreciation u/s 350 of the Companies Act, 1956	76,40,689	
Profit on sale of assets as per Profit & Loss A/c.	13,67,297	
Deferred Revenue Expenditure (Net)	<u>21,37,344</u>	
		<u>1,11,45,330</u>
Profit available for payment of commission		<u>7,81,49,227</u>

11. Retainer Fee paid to Technical Advisor Rs. 60,000/- (Rs. 60,000/-).
12. Research and Development Expenses include Salaries and Bonus of Rs. 26,44,112/- (Rs.14,21,180/-).
13. The Government of Tamilnadu has notified acquisition proceedings against the land purchased and registered at Sholinganallur in favour of the company during last year. The Company has applied for exemption / legal proceedings against the above and the matter is pending disposal with the said authorities.

14. Production, Purchases, Turnover & Stock

Class of Goods	Unit	Opening Stock				Closing Stock				Turnover (net of sales returns)				Production / Purchases	
		As at 01.04.1998		As at 01.04.1997		As at 31.03.1999		As at 31.03.1998		1998-99		1997-98		1998-99	1997-98
		Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Value Rs.	Qty.	Qty.
AMRUTANJAN PAIN BALM	(Tons)	12.410	80,81,994	4.300	40,60,411	13.064	75,89,678	12.410	80,81,994	511.475	49,76,59,750	482.850	45,22,54,650	512.129	490.960
INHALER & OTHERS	(Tons)	1.868	21,61,593	1.920	11,23,937	3.999	32,00,934	1.868	21,61,593	13.201	2,12,70,588	34.082	1,51,80,293	15.332	34.030
AGENCY PRODUCTS	(Tons)	19.120	15,11,270	2.166	2,85,019	15.130	12,73,095	19.120	15,11,270	227.221	2,82,36,452	225.226	2,89,29,486	223.231	242.180
FINE CHEMICALS	(Tons)	1.055	10,71,622	1.950	61,71,298	6.236	43,08,663	1.055	10,71,622	50.331	5,35,45,080	12.132	2,20,27,201	55.512	11.229
			1,28,26,479		1,16,40,665		1,63,72,370		1,28,26,479		60,07,11,870		51,83,91,630		

	1998 - 99 Rs.	1997 - 98 Rs.		
15. Products Purchased:	2,06,19,038	2,21,37,924		
16. Details of Raw Materials Consumed:				
Particulars	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Karpoor Powder (Tons)	36.572	42,74,246	33.423	41,18,086
Pudina Ka Phool (Tons)	49.746	2,49,62,874	49.569	3,32,70,221
Nilgiri Ka Tel (Tons)	51.423	1,07,38,737	47.378	1,14,22,179
Solvents (Litres in '000s)	365.820	45,02,518	140.874	21,69,133
Chemicals (Tons)	277.738	3,61,51,320	131.636	1,73,72,223
Others		<u>3,69,69,280</u>		<u>3,34,12,043</u>
		<u>11,75,98,975</u>		<u>10,17,63,885</u>
17. Earnings in Foreign Exchange:				
Export Sales (F.O.B. Value)		3,83,86,217		2,40,44,159
18. Value of imports on C.I.F. basis:				
a. Raw Materials		1,71,72,473		74,29,046
b. Capital Goods		6,92,212		—
19. Expenditure in Foreign Currency:				
a. Travelling Expenses		8,36,774		8,99,555
b. Others		1,99,729		—
20. Raw Materials Consumed:				
	Percentage	Value (Rs.)	Percentage	Value (Rs.)
a. Imported	15.79	1,85,64,190	4.00	40,74,344
b. Indigenous	84.21	9,90,34,785	96.00	9,76,89,541
		<u>11,75,98,975</u>		<u>10,17,63,885</u>

21. The Company's exposure to Y2K problems are very limited. However, every effort has been taken by the Company for full Y2K compliance which is expected to be achieved by October, 1999. The expenditure to ensure Y2K compliance is not expected to be significant.

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22. Installed & Licensed Capacity:

A. CHENNAI

Product Name :

- | | | |
|----|---|------------------|
| 1. | Amrutanjan Pain Balm (Ayurvedic),
Hero Super Balm and Dragon Liquid Balm | 403 Metric Tons. |
| 2. | Amrutanjan Inhaler (Ayurvedic) | 20 Lakhs Units. |
| 3. | Amrutanjan Cold Rub (Ayurvedic) : | |
| | - 5 gms Tins | 50 Lakhs Nos. |
| | - 20 gms Bottles | 30 Lakhs Nos. |
| 4. | a) Vincristine Bulk Drug | 3.5 Kgs. |
| | b) Vinblastine Bulk Drug | 0.5 Kgs. |
| | Drug Formulations : | |
| | c) Vincristine Vials (1 mg) | 2 Lakhs Nos.* |
| | d) Vinblastine Vials (10 mg) | 20 Lakhs Nos.** |

* In terms of consumption of bulk drug equivalent to 0.2 Kg. (own)

** In terms of consumption of bulk drug equivalent to 0.2 Kg. (own)

- | | | |
|----|------------------------------|------------------|
| 5. | Dermal Ointment 16 gms. | 1,80,000 Nos. |
| 6. | Cetomix Cough Mixture 60 ml. | 20,000 Nos. |
| 7. | Jiffy Tablets | 1,28,00,000 Nos. |

B. HYDERABAD

- | | | |
|----|------------------------------------|------------------------------|
| 1. | Amrutanjan Pain Balm (Ayurvedic) | 2.4 Crore Units (240 Tons) |
| 2. | Amrutanjan Strong Balm (Ayurvedic) | 40 Lakhs Units |

C. FINE CHEMICALS

91 Tons

23. Previous year's figures are shown in brackets and have been regrouped wherever necessary.

Schedules referred to and the accompanying notes form an integral part of the Balance Sheet

	As per our Report of even date For P.S.Subramania Iyer & Co. Chartered Accountants	S.Radhakrishna Managing Director	S.V.Subramaniam Dr. Pasumarthi S.N. Murthi D.Seetharama Rao
Chennai 9.8.1999	N.Srinivasan Partner	S.Muralidharan Secretary	R. Vijayaraghavan Directors

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO SCHEDULE VI OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No.

0	0	0	1	7
---	---	---	---	---

 State Code

1	8
---	---

Balance Sheet Date Date Month Year

3	1	-	0	3	-	1	9	9	9
---	---	---	---	---	---	---	---	---	---

II. Capital Raised During the year (Amount in Rs. Thousands)

Public Issue	Rights Issue								
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>N</td><td>I</td><td>L</td></tr></table>		N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>N</td><td>I</td><td>L</td></tr></table>		N	I	L
	N	I	L						
	N	I	L						
Bonus Issue	Private Placement								
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>N</td><td>I</td><td>L</td></tr></table>		N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>N</td><td>I</td><td>L</td></tr></table>		N	I	L
	N	I	L						
	N	I	L						

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

	Total Liabilities		Total Assets													
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>9</td><td>9</td><td>5</td><td>8</td><td>1</td></tr></table>	2	9	9	5	8	1		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>9</td><td>9</td><td>5</td><td>8</td><td>1</td></tr></table>	2	9	9	5	8	1	
2	9	9	5	8	1											
2	9	9	5	8	1											
Sources of Funds:	Paid-up Capital		Reserves & Surplus													
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>1</td><td>6</td><td>0</td><td>0</td><td>0</td></tr></table>		1	6	0	0	0		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>1</td><td>2</td><td>5</td><td>0</td><td>5</td><td>1</td></tr></table>		1	2	5	0	5	1
	1	6	0	0	0											
	1	2	5	0	5	1										
	Secured Loans		Unsecured Loans													
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>8</td><td>4</td><td>4</td><td>7</td><td>3</td></tr></table>		8	4	4	7	3		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>2</td><td>0</td><td>2</td><td>3</td><td>3</td></tr></table>		2	0	2	3	3	
	8	4	4	7	3											
	2	0	2	3	3											
Application of Funds:	Net Fixed Assets		Investments													
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>9</td><td>6</td><td>8</td><td>8</td><td>8</td></tr></table>		9	6	8	8	8		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>2</td><td>4</td><td>0</td><td>5</td><td>3</td></tr></table>		2	4	0	5	3	
	9	6	8	8	8											
	2	4	0	5	3											
	Net Current Assets		Misc. Expenditure													
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>1</td><td>1</td><td>7</td><td>0</td><td>7</td><td>7</td></tr></table>		1	1	7	0	7	7		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td>7</td><td>7</td><td>3</td><td>9</td></tr></table>			7	7	3	9
	1	1	7	0	7	7										
		7	7	3	9											
	Accumulated Losses															
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>N</td><td>I</td><td>L</td></tr></table>		N	I	L											
	N	I	L													

IV. Performance of Company (Amount in Rs. Thousands)

	Total Turnover/Income		Total Expenditure												
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>6</td><td>0</td><td>6</td><td>9</td><td>7</td><td>9</td></tr></table>	6	0	6	9	7	9		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>5</td><td>2</td><td>4</td><td>0</td><td>5</td><td>2</td></tr></table>	5	2	4	0	5	2
6	0	6	9	7	9										
5	2	4	0	5	2										
+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax														
<input checked="" type="checkbox"/>	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>8</td><td>2</td><td>9</td><td>2</td><td>7</td></tr></table>		8	2	9	2	7	<input checked="" type="checkbox"/>	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>5</td><td>7</td><td>8</td><td>1</td><td>7</td></tr></table>		5	7	8	1	7
	8	2	9	2	7										
	5	7	8	1	7										
	Earnings per share (Rs.)		Dividend (%)												
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>3</td><td>6</td><td>.</td><td>1</td><td>4</td></tr></table>		3	6	.	1	4		<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>4</td><td>0</td></tr></table>					4	0
	3	6	.	1	4										
				4	0										

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code (ITC Code)

3	0	0	4	9	0
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Product Description

A	.	Y	U	R	V	E	D	I	C	.	M	E	D	I	C	I	N	E
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

As per our Report of even date For P.S.Subramania Iyer & Co. Chartered Accountants Chennai 9.8.1999	S.Radhakrishna Managing Director S.Muralidharan Secretary	S.V.Subramaniam Dr. Pasumarthi S.N. Murthi D.Seetharama Rao R. Vijayaraghavan Directors
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CASH FLOW STATEMENT FOR THE YEAR 1998-99

A. CASH FLOW FROM OPERATING ACTIVITIES:	31.03.1999	31.03.1998
	Rs.	Rs.
Net Profit before tax/interest and extraordinary items	10,12,45,623	8,35,11,470
Adjustments for:		
- Depreciation	43,00,330	39,86,187
- Foreign Exchange	-	-
- Provision for Employee Retirement Benefits	3,42,465	-
- Interest/Dividend/Others	(28,45,659)	(5,44,446)
- Operating Profit before Working Capital Changes	10,30,42,759	8,69,53,211
Adjustments for:		
- Trade & other receivables	(3,17,782)	65,73,348
- Inventories	(17,79,761)	(1,04,79,231)
- Trade Payables	(80,34,003)	(2,52,06,123)
Cash generated from operations	9,29,11,213	5,78,41,205
Interest paid	(1,67,76,545)	(1,43,80,902)
Direct tax paid	(2,91,37,916)	(66,92,840)
Cash flow before extraordinary items	4,69,96,752	3,67,67,463
Extraordinary items/Deferred Revenue Expenses	(50,46,326)	(37,86,603)
Net Cash from operating activities	4,19,50,426	3,29,80,860
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets including Capital Work-in-Progress	(4,25,22,817)	(1,73,33,766)
Sale of Fixed Assets	13,67,298	4,35,444
Acquisitions of Companies	-	-
Purchase of Investments	(79,88,000)	-
Sale of Investments	1,000	4,000
Interest received	28,45,659	5,44,446
Dividend received	-	-
Net Loans to Other Companies	(46,88,281)	(94,23,743)
Project related expenses	-	-
Net Cash used in Investing Activities	(5,09,85,141)	(2,57,73,619)

C. CASH FLOW FROM FINANCING ACTIVITIES :

Net Increase/(Decrease) in Bank Borrowings	1,03,44,805	(1,10,38,237)
Proceeds from long term /short term borrowings	2,58,23,909	3,03,77,164
Repayment of Finance Lease Liabilities	(86,30,286)	(1,50,46,022)
Dividend paid (including Interim Dividend)	(56,00,000)	(32,00,000)
Net Cash used in financing activities	2,19,38,428	10,92,905
Net Increase/(Decrease) in cash & cash equivalents	1,29,03,713	83,00,146
Cash and cash equivalents as at opening	1,91,36,220	1,08,36,074
Cash and cash equivalents as at closing	3,20,39,933	1,91,36,220

	As per our Report of even date For P.S.Subramania Iyer & Co. Chartered Accountants	S.Radhakrishna Managing Director	S.V.Subramaniam Dr. Pasumarthi S.N. Murthi D.Seetharama Rao
Chennai 9.8.1999	N.Srinivasan Partner	S.Muralidharan Secretary	R. Vijayaraghavan Directors

Auditor's Certificate

We have verified the attached cash flow statement of Amrutanjan Limited derived from the audited financial statements for the years ended March 31, 1999 and March 31, 1998 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreement with stock exchange.

109/2, St. Mary's Road,
(1st Floor),
Chennai 600 018.
9.8.1999.

For **P.S. SUBRAMANIA IYER & CO.**
Chartered Accountants
N. Srinivasan
Partner

62nd Annual Report

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

Name of the Subsidiary:		AMRUTANJAN FINANCE LIMITED	
a)	Extent of Holding Company's Interest (Holds 14,04,407 Equity Shares of Rs.10/- each)		57.26%
b)	Net aggregate amount of losses not dealt in the accounts of the Holding Company		
	(i) for the financial year	Rs.	(1,04,52,301)
	(ii) for the previous financial years since the date of Holding and Subsidiary relationship	Rs.	1,22,55,336
c)	Net aggregate amount of profits of the subsidiary dealt in the accounts of the Holding Company		
	(i) for the financial year		—
	(ii) for the previous financial years since the date of Holding and Subsidiary relationship (both the Company and the subsidiary follow the same accounting year)		—
Chennai 9.8.1999	S.Muralidharan Secretary	S.Radhakrishna Managing Director	S.V.Subramaniam Dr. Pasumarthi S.N. Murthi D.Seetharama Rao R.Vijayaraghavan Directors

Name of the Subsidiary:		AMRUTANJAN DRUGS AND CHEMICALS LIMITED	
a)	Extent of Holding Company's Interest (Holds 2,400 Equity Shares of Rs.10/- each)		99.83%
b)	Net aggregate amount of profits/(losses) not dealt in the accounts of the Holding Company		
	(i) for the financial year	Rs.	15,130
	(ii) for the previous financial years since the date of Holding and Subsidiary relationship	Rs.	22,96,711
c)	Net aggregate amount of profits of the subsidiary dealt in the accounts of the Holding Company		
	(i) for the financial year		—
	(ii) for the previous financial years since the date of Holding and Subsidiary relationship (both the Company and the subsidiary follow the same accounting year)		—
Chennai 9.8.1999	S.Muralidharan Secretary	S.Radhakrishna Managing Director	S.V.Subramaniam Dr. Pasumarthi S.N. Murthi D.Seetharama Rao R.Vijayaraghavan Directors

Amrutanjan Limited

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

Name of the Subsidiary: **EGATTUR PRINTING AND PACKAGING LIMITED**

- a) Extent of Holding Company's Interest
(Holds 7,98,800 Equity Shares of Rs.10/- each) 99.995%
- b) Net aggregate amount of profits not dealt
in the accounts of the Holding Company
- (i) for the financial year Rs. (54,19,255)
- (ii) for the previous financial years since the
date of Holding and Subsidiary relationship Nil
- c) Net aggregate amount of profits of the
subsidiary dealt in the accounts of the
Holding Company
- (i) for the financial year —
- (ii) for the previous financial years since the
date of Holding and Subsidiary relationship —
(both the Company and the subsidiary follow the same accounting year)

Chennai **S.Muralidharan**
9.8.1999 Secretary

S.Radhakrishna
Managing Director

S.V.Subramaniam
Dr. Pasumarthi S.N. Murthi
D.Seetharama Rao
R.Vijayaraghavan
Directors

11th Annual Report

DIRECTOR'S REPORT

Your Directors present their Eleventh Annual Report and Audited Accounts for the year ended March 31, 1999.

FINANCIAL HIGHLIGHTS

	1998-99	1997-98
	(Rs. in Lakhs)	(Rs. in Lakhs)
1. Gross Income	402.89	544.90
2. Profit before Depreciation	106.34	189.00
3. Depreciation	210.86	188.77
4. Profit Before Tax	(104.52)	0.23
5. Provision for Tax	-	14.50
6. Profit after Tax	(104.52)	(14.27)

PERFORMANCE HIGHLIGHTS

1. Gross Disbursement		
-Hire Purchase	60.97	189.48
-Lease	60.28	151.19
-Bill Discounting	32.21	138.17
-Car Booking	0.50	6.72
-Loans	38.12	107.00
2. Deposits	560.33	925.00

REVIEW OF PERFORMANCE DURING THE YEAR

The RBI regulations introduced on January 2, 1998 had a major impact on the operations of your company. As per the guidelines fresh deposits could not be accepted, only renewals/repayments were allowed. Consequent to this your company was forced to deploy the collection money to repay deposits. This resulted in a drastic reduction in Lease/HP disbursements as the company could not access other sources of funds. Deposit repayments during the year amounted to Rs.3.65 crore. But you will be glad to note that the company managed to keep up its commitments to depositors despite the adverse conditions prevailing in the market.

You will be happy to know that the RBI announced the implementation of Vasudev Committee guidelines which were based on the suggestions / representations made by the various Associations representing the NBFC Industry. The guidelines delinked deposits from rating by stipulating that NBFCs with minimum investment grade rating or above can accept deposits upto 4 times NOF.(Net Owned Funds)

Even though the recommendations of the Vasudev Committee have softened the impact of the earlier guidelines NPA (Non-Performing Assets) provisioning norms have been made more stringent resulting in your company having to make higher provisions and reversal of income recognised in respect of NPA accounts.

Your company obtained BBB-(so) from DCR India Ltd for its fixed deposit programme and is therefore eligible to accept deposit upto 4 times its NOF. The Company started accepting fresh deposits w.e.f. 02/01/1999 and the response so far has been satisfactory. The company has also obtained Certificate of Registration from the Reserve Bank of India.

The recessionary trend in the market continues and it has affected many industries. A large number of your company's customers with excellent credentials have been unable to pay their dues on time as their operations have been severely affected. This has not only resulted in strained cash flows but also higher provisioning resulting in a loss. However, we are confident of recovering most of the overdue amounts in the current financial year. Your directors regret their inability to recommend any dividend.

FUTURE PROSPECTS

Business activities have resumed although the volume of business transacted is nowhere near the levels achieved a few years ago. As on date deposits outstanding is Rs.5.46 crore. Your company continues to face difficulties in collecting its dues

as the effect of revival in economy is yet to improve the cashflows of many customers. It is however hoped that before the end of the current financial year there would be a marked improvement in collections as the overall economy is better compared to a year ago.

Branches in Madurai, Coimbatore and Trichy continue to concentrate mostly on two wheeler financing. Our representatives in Hyderabad and Vijayawada have also started two wheeler financing.

In order to bring down the dependence on fund based activities it was decided to set up an Infotech Division which became operational with Software training in August 1998. Activities have started picking up with officials of a number of companies/individuals getting trained by the division. It is hoped that software development work will also commence shortly.

A Transport Division has been set up primarily to cater to Amrutanjan Ltd's requirements for transporting its employees and their finished goods and is presently restricted to their operations in Chennai and Egattur. It may be expanded to other locations like Hyderabad in the near future.

A Project Services Division has been set up to co-ordinate activities relating to a) construction work b) procuring license/approvals c) implementing schemes d) arranging outside transport when required e) providing contract workers/drivers. Even these services are presently restricted to M/s.Amrutanjan Ltd's operations in Chennai and Egattur.

It is hoped that the Company will be able to revive its fortune by running a very tight low cost operation with emphasis on improving collections and with additional income generated by all the aforementioned activities.

DIRECTORS

Sri.S.Radhakrishna and Sri.D.Seetharama Rao retire by rotation at the Annual General Meeting and being eligible offer themselves for re-election.

PARTICULARS OF EMPLOYEES AS PER SECTION 217 (2A) AND DETAILS AS PER SECTION 217(1)(e)

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended is not provided as no employee was in receipt of remuneration in excess of Rs.50,000/- per month. Provisions of Section 217(1)(e) of the Companies Act, 1956, calling for details regarding energy conservation, technology absorption, foreign exchange earnings and outgo etc., do not apply to this Company.

PUBLIC DEPOSITS

The company held matured deposits of Rs. 17,77,549/- (No.of depositors 153) as of March 31, 1999 of which Rs. 9,56,673 /- (No.of depositors 69) has since been renewed/paid.

NOTE ON GRATUITY

As regards the remarks made by the Auditors' for non provision of Gratuity, in respect of eligible employees the liabilities will be met as and when they arise. With respect to the remarks on non provision of depreciation in Note 1(iii)(d) in Schedule N, the company is of the opinion that income is not realisable and hence not accrued ; consequently the provision of depreciation on such assets is not considered necessary.

ACKNOWLEDGMENT

The Directors wish to place on record their appreciation for the support received from Bankers, Shareholders and Deposit Holders. The Directors also wish to thank the employees of the Company and M/s.Amrutanjan Limited for their continued assistance and co-operation

S.V. SUBRAMANIAM
S.RADHAKRISHNA
D.SEETHARAMA RAO
DR. PASUMARTHI S.N. MURTHI
DIRECTORS

PLACE : CHENNAI
DATE : 09.08.99

AUDITOR'S REPORT

To the members of Amrutanjan Finance Limited

We have audited the attached Balance Sheet of the Company as at 31st March 1999 and the annexed Profit and Loss Account for the year ended on that date and report that:

1. As required by the Manufacturing and Other Companies (Auditors Report) Order 1975, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to on paragraph 1 above:
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of accounts.
 - iv) The Balance Sheet and Profit and Loss Account dealt with by this Report comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
 - v) In our opinion and to the best of our information and according to the explanations given to us the said accounts together with the schedules attached thereto, subject to Note No 1 (vi) of Schedule N regarding non provision of gratuity liability, and Note No. 4 regarding non provision of depreciation of Rs.4137726/- on Non Performing Assets on the grounds of non accrual of income and the consequent impact on the profits of the year give the information required by the Companies Act, 1956 in the manner so required and the Balance Sheet gives a true and fair view of the state of the Company's affairs as at 31st March 1999 while the Profit and Loss Account gives a true and fair view of the Loss for the year ended on that date.

**For SHANKER GIRI & PRABHAKAR
P.PRABHAKAR RAO**

**Place : CHENNAI
Date : 09/8/99**

**Partner
CHARTERED ACCOUNTANTS**

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE REPORT OF EVEN DATE

- (1) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed asset of the Company other than those let on lease, have been physically verified by the management during the year and no discrepancies between the book records and the physical inventory have been noticed on such verification. In respect of fixed assets on lease, confirmation from the lessees about the existence of such assets are being obtained.
- (2) None of the Fixed Assets have been revalued during the Year.
- (3) The Company has not taken any loans, secured or unsecured from Companies, firms or other parties referred to under Section 301 and 370 (I-B) of the Companies Act, 1956.
- (4) The Company has given advances to a Company under the same management. The rate of interest and other terms and conditions of such loans are not prejudicial to the interest of the Company. The Company has not granted any other loans or advances in the nature of loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 and or to the companies under the same management as defined under sub-section(I-B) of section 370 of the Companies Act, 1956.

- (5) The parties to whom loans or advances in the nature of loans have been given by the Company are generally repaying the principal amounts as stipulated and are also regular in payment of interest where applicable, in most cases. In those cases where principal amounts and/or interest are not being paid as stipulated, reasonable steps are being taken by the Company for recovery of the principal and interest. In respect of monies due under Hire Purchase transactions entered into by the Company in the ordinary course of business, the instalments are being generally received regularly in accordance with the stipulated terms except in a few cases. According to the information and explanations given to us, reasonable steps have been taken by the company for recovery of the overdue instalments.
- (6) In our opinion and according to the information and explanations given to us, there are adequate Internal Control procedures commensurate with size of the Company and the nature of its business with regards to purchase of assets, materials and sale of goods, materials and services.
- (7) There are no transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50000/- or more in respect of each party.
- (8) The Company has complied with the Directives issued by Reserve Bank Of India in respect of Deposits accepted by the Company.
- (9) During the year the Company did not have an Internal Audit System. However, the internal control procedures were commensurate with the size of the Company and the nature of its business.
- (10) The Company has regularly deposited, during the year Provident Fund dues with the appropriate authorities. According to the information and explanations given to us the provisions of the Employees State Insurance Act are not applicable to the company.
- (11) There are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty outstanding for a period of more than six months from the date they became payable.
- (12) In our opinion and according to the information and explanations given to us, personal expenses have not been charged to revenue account.
- (13) The provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable as the company is a finance company.
- (14) In respect of loans granted on the basis of security by way of pledge of shares, where adequate documents are not available or where the market value of the securities pledged is not fully adequate to cover the outstanding amount of the loan and interest the company has taken reasonable steps to regularise.
- (15) In respect of Investments traded by the Company, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments are held by the Company in its own name.
- (16) The other provisions of the Manufacturing and Other Companies (Auditor's Report) Order, 1988, are not applicable to the Company, being a Hire Purchase and Leasing Company.

**For SHANKER GIRI & PRABHAKAR
P.PRABHAKAR RAO**

**Place : Chennai
Date : 09.08.99**

**Partner
CHARTERED ACCOUNTANTS.**

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BALANCE SHEET AS AT 31ST MARCH 1999

Schedule	As at 31st March 1999 Rs.	As at 31st March 1998 Rs.
SOURCES OF FUNDS		
SHAREHOLDER'S FUNDS		
Share Capital	A 2,45,27,980	2,45,27,980
Reserves & Surplus	B 37,49,498	54,82,672
	<u>2,82,77,478</u>	<u>3,00,10,652</u>
LOANS FUNDS		
Secured loan	C 3,72,69,107	2,75,75,322
Unsecured loan	D 5,60,33,491	9,25,00,761
	<u>12,15,80,076</u>	<u>15,00,86,735</u>
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	E 6,23,28,960	8,69,28,189
Less: Depreciation	2,73,28,766	3,07,44,984
Net Block	<u>3,50,00,194</u>	<u>5,61,83,205</u>
INVESTMENTS - AT COST		
	F 1,18,60,452	1,47,86,922
CURRENT ASSETS, LOANS AND ADVANCES		
Stock on hire	3,86,34,330	5,50,42,666
Debtors	G 1,25,18,296	96,95,111
Cash and Bank Balances	H 10,99,321	29,97,310
Loans and Advances	I 3,88,27,656	3,99,94,216
Interest Accrued	61,01,992	58,10,667
	<u>9,71,81,595</u>	<u>11,35,39,970</u>
LESS: CURRENT LIABILITIES AND PROVISIONS		
	J 3,12,14,789	3,44,92,565
	<u>6,59,66,806</u>	<u>7,90,47,405</u>
MISCELLANEOUS EXPENDITURE (To the extent not written off)		
Preliminary and Share issue expenses	33,498	69,203
PROFIT AND LOSS ACCOUNT	87,19,126	-
	<u>12,15,80,076</u>	<u>15,00,86,735</u>

NOTES ON ACCOUNTS N

This is the Balance Sheet referred to in our Report of even date for SHANKER GIRI & PRABHAKAR P.PRABHAKAR RAO
Partner
CHARTERED ACCOUNTANTS

V.SRINIVASAN
GENERAL MANAGER

Place :Chennai
Date : 09.08.99

S.V. SUBRAMANIAM
S.RADHAKRISHNA
D.SEETHARAMA RAO
Dr.PASUMARTHI S.N. MURTHI
DIRECTORS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1999

Schedule	For the year ended 31/03/1999 Rs.	For the year ended 31/03/1998 Rs.
INCOME		
Income from Hire Purchase	71,51,354	1,48,65,072
Income from Lease	2,56,75,146	2,99,12,369
Bill discounting charges	4,55,900	17,64,854
Other Income	K 70,06,969	79,47,675
	<u>4,02,89,369</u>	<u>5,44,89,970</u>
EXPENDITURE		
Administration Expenses	L 62,93,569	81,88,247
Financing charges	M 1,83,76,507	2,46,61,693
Bad Debts & Non Performing assets	49,49,629	27,26,477
Depreciation	2,10,86,260	1,88,55,177
Preliminary expenses written off	35,705	35,705
	<u>5,07,41,670</u>	<u>5,44,67,299</u>
(Loss) /Profit before Taxation	(1,04,52,301)	22,671
Provision for Tax	-	14,50,000
NET(LOSS)/PROFIT FOR THE YEAR	<u>(1,04,52,301)</u>	<u>(14,27,329)</u>
Add:Balance as at the beginning of the year	(12,66,825)	1,60,503
Less : Transfer from General Reserve	30,00,000	-
BALANCE CARRIED TO BALANCE SHEET	<u>(87,19,126)</u>	<u>(12,66,826)</u>

NOTES ON ACCOUNTS N

This is the Profit & Loss Account referred to in our Report of even date for SHANKER GIRI & PRABHAKAR P.PRABHAKAR RAO
Partner
CHARTERED ACCOUNTANTS

V.SRINIVASAN
GENERAL MANAGER

Place :Chennai
Date : 09.08.99

S.V. SUBRAMANIAM
S.RADHAKRISHNA
D.SEETHARAMA RAO
Dr.PASUMARTHI S.N. MURTHI
DIRECTORS

Amrutanjan Finance Limited

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE 'A'	31st March 1999	31st March 1998	Special Reserve Fund		
SHARE CAPITAL	Rs.	Rs.	As per last Balance Sheet	6,83,500	6,83,500
Authorised					
50,00,000 Equity shares of Rs.10/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>	Share Premium Account	<u>30,65,998</u>	<u>30,65,998</u>
				<u>37,49,498</u>	<u>54,82,672</u>
Issued, Subscribed and Paid up					
24,52,798 Equity Shares of Rs.10 each (Of the above, 14,04,407 Equity Shares are held by the Holding Company, Amrutanjan Limited)	<u>2,45,27,980</u>	<u>2,45,27,980</u>			
			SCHEDULE 'C'		
			SECURED LOAN - Note 3		
			From Banks	2,02,66,490	1,63,87,061
			From Holding Company	1,39,00,000	75,00,000
			From Others	<u>31,02,617</u>	<u>36,88,261</u>
				<u>3,72,69,107</u>	<u>2,75,75,322</u>
			SCHEDULE 'D'		
SCHEDULE 'B'			UNSECURED LOANS		
RESERVES AND SURPLUS			Fixed Deposits	<u>5,60,33,491</u>	<u>9,25,00,761</u>
General Reserve					
As per last Balance Sheet	30,00,000	30,00,000			
Less : Transfer to Profit and Loss Account	30,00,000	30,00,000			
Deficit /Surplus in Profit and Loss Account	-	(12,66,826)			
	-	<u>17,33,174</u>			

SCHEDULE 'E' FIXED ASSETS

ASSET DESCRIPTION	COST			DEPRECIATION			NET BLOCK	
	AS ON 1.4.98	ADDITIONS (DELETIONS)	AS ON 31.3.99	AS ON 1.4.98	ADDITIONS (DELETIONS)	AS ON 31.3.99	AS ON 31.3.99	AS ON 31.3.98
Land	4,70,000	-	4,70,000	-	-	-	4,70,000	4,70,000
Buildings	19,89,900	-	19,89,900	2,13,053	88,841	301,894	16,88,006	17,76,847
Plant and Machinery	3,85,79,558	14,37,032 (1,72,19,039)	2,27,97,551*	1,40,29,724	90,76,888 (1,24,09,690)	1,06,96,922	1,21,00,629	2,45,49,834
Automobiles	2,35,67,147	49,81,492 (88,91,875)	1,96,56,764	77,30,138	67,37,614 (62,90,280)	81,77,472	1,14,79,292	1,58,37,009
Computers	1,27,29,574	15,35,330 (41,91,379)	1,00,73,525	49,29,447	34,89,711 (34,97,711)	49,21,447	51,52,078	78,00,127
Office Equipments	22,69,737	3,13,390 (9,16,236)	16,66,891	8,39,822	5,75,589 (6,46,201)	7,69,210	8,97,681	14,29,915
Furniture & Fixtures	60,36,273	4,01,760 (20,49,704)	43,88,329	30,02,800	11,17,617 (16,58,596)	24,61,821	19,26,508	30,33,473
Capital Work in progress	12,86,000	-	12,86,000				12,86,000	12,86,000
	<u>8,69,28,189</u>	<u>86,69,004</u> <u>(3,32,68,233)</u>	<u>6,23,28,960</u>	<u>3,07,44,984</u>	<u>2,10,86,260</u> <u>(2,45,02,478)</u>	<u>2,73,28,766</u>	<u>3,50,00,194</u>	<u>5,61,83,205</u>

* All assets except assets costing Rs.85,45,135 (Rs.77,16,570) with a book value of Rs.60,29,301 (Rs.53,28,289) have been given on lease.
* Includes Rs.48,00,000 being the value of assets bought on Hire Purchase Basis.

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SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE 'F' INVESTMENTS AT COST

1. IN EQUITY SHARES -Non Trade - Quoted

	FACE VALUE	As at 31/03/99		As at 31/03/98	
		Nos	Cost Rs.	Nos	Cost Rs.
Apple Midas-Mutual Funds Limited	10	5,000	50,000	5,000	50,000
Arun Pipes Limited	10	1,600	41,115	1,600	41,115
Bank of Madura Limited	10	100	83,000	100	83,000
Calcom Vision Limited	10	2,000	1,17,100	2,000	1,17,100
Gujarat Industrial Power Limited	10	500	46,900	500	46,900
Ind Bank Merchant Banking Limited	10	500	24,875	500	24,875
Indiana Dairy Specialists Limited	10	500	28,275	500	28,275
Kareem Spun Silk Limited	10	700	17,395	700	17,395
Karnataka Bank Limited	10	400	48,000	400	48,000
Kotak Mahindra Finance Limited	10	300	1,81,190	300	1,81,190
Marg Securities Limited	10	1,750	43,750	1,750	43,750
Natco Laboratories Limited	10	500	61,100	500	61,100
Periakaramalai Tea & Produce Co Ltd	10	300	50,750	300	50,750
PAL Peugeot Limited	10	1,800	18,000	1,800	18,000
Polyplex Corporation Limited	10	500	62,225	500	62,225
Royal Enfield Limited	10	500	51,000	500	51,000
Recons Limited	10	400	40,000	400	40,000
SPIC Fine Chemicals Limited	10	1,200	61,500	1,200	61,500
SI Sugars Limited	10	200	58,300	200	58,300
Square D Software Limited	10	0	0	1,000	90,250
Samrat Ashoka Exports Limited	10	300	18,000	300	18,000
Twenty First Century Management Services Limited	10	2,000	1,20,000	2,000	1,20,000
Uma Maheshwari Limited	10	600	12,000	600	12,000
Veera Treatwood Limited	10	2,000	84,200	2,000	84,200
			13,18,675		14,08,925
			10,59,568		10,59,568
			2,59,107		3,49,357

Amrutanjan Finance Limited

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE 'F' (Contd.)

	FACE VALUE	As at 31/03/99		As at 31/03/98	
		Nos	Cost Rs.	Nos	Cost Rs.
2 IN GOVERNMENT SECURITIES					
13.25% Government of India Loan 2000	8,80,000	-	8,71,200	-	8,71,200
11.75% Government of India Loan 2001	51,000	-	51,800	-	51,800
12.50% Government of India Loan 2004	3,00,000	-	2,83,800	-	2,83,800
14.00% Government of India Loan 2005 *	0	-	0	-	12,26,220
14.00% Government of India Loan 2006	1,50,000	-	1,52,985	-	1,52,985
12.5% Government of India Loan 2007	4,00,000	-	3,66,560	-	3,66,560
Kisan Vikas Patras *	68,75,000	-	68,75,000	-	84,85,000
Indira Vikas Patras	26,00,000	-	26,00,000	-	26,00,000
			<u>1,12,01,345</u>		<u>1,40,37,565</u>
3. OTHER INVESTMENTS					
Orissa Power Generation Corporation Ltd, Bonds		-	4,00,000	-	4,00,000
			<u>4,00,000</u>		<u>4,00,000</u>
TOTAL			<u>1,18,60,452</u>		<u>1,47,86,922</u>

Notes: * Sale during the year

	As at 31st March 1999 Rs.	As at 31st March 1998 Rs.			
SCHEDULE 'G'			SCHEDULE 'J'		
SUNDRY DEBTORS			CURRENT LIABILITIES AND PROVISIONS		
Unsecured - Considered Good			Advances recoverable in cash		
Debts outstanding for a period			or kind or for value to be received		
exceeding six months			Advance tax / tax deducted at source		
Other debts			Deposits		
	82,21,798	38,08,386		99,85,786	15,28,430
	42,96,498	58,86,725		44,61,030	41,25,687
	<u>1,25,18,296</u>	<u>96,95,111</u>		1,45,600	1,60,600
SCHEDULE 'H'				<u>3,88,27,656</u>	<u>3,99,94,216</u>
CASH AND BANK BALANCES			PROVISION		
Cash/Cheques on hand			Provision for Taxation		
Balance with Scheduled Banks			Provision for Non Performing assets		
-In Current accounts					
-In Deposit accounts					
-In Unpaid Dividend Accounts					
	2,463	2,26,481		32,29,300	32,29,300
	9,41,131	26,00,925		81,47,272	32,67,487
	46,114	46,114		<u>3,12,14,789</u>	<u>3,44,92,565</u>
	1,09,613	1,23,790			
	<u>10,99,321</u>	<u>29,97,310</u>			
SCHEDULE 'I'					
LOANS AND ADVANCES					
Secured loans Considered Good					
Unsecured and Considered Good					
Loans					
Bills Purchased and discounted					
	1,01,65,780	1,43,30,107			
	1,35,14,689	1,68,59,048			
	5,54,771	29,90,344			

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	FOR THE YEAR ENDED 31st March 1999	FOR THE YEAR ENDED 31 March 1998
	Rs.	Rs.
SCHEDULE 'K'		
OTHER INCOME		
Income from Forex Operations	43,609	14,46,933
Dividend received	13,345	95,266
Profit on sale of investments	5,08,371	0.00
Interest received on :		
Loans & Deposits	24,60,243	35,60,403
Investments	21,72,376	21,66,892
Miscellaneous Income	18,09,025	6,78,181
	<u>70,06,969</u>	<u>79,47,675</u>
SCHEDULE 'L'		
ADMINISTRATIVE EXPENSES		
Salaries and Wages	19,87,572	18,99,805
Contribution to Provident Fund	1,12,289	1,02,431
Rent	85,833	84,000
Rates and Taxes	82,431	33,148
Electricity	45,138	78,374
Printing & Stationery	1,23,032	2,13,150
Postage, Telephone & Telegrams	3,50,106	3,85,467
Travelling and Conveyance	2,17,448	3,67,444
Brokerage & commission	10,35,344	24,99,926
Advertisement	70,773	98,276
Audit Fee		
For Audit	45,000	
For Other Services	6,500	
	51,500	64,000
Directors' Sitting fees	7,500	9,000
Van Expenses	7,43,941	16,397
Provision for diminution in value of Investments		10,59,568
Miscellaneous expenses	13,80,662	12,77,261
	<u>62,93,569</u>	<u>81,88,247</u>
SCHEDULE 'M'		
FINANCING CHARGES		
Interest on: Fixed Loans	1,39,35,962	2,03,82,375
Others	38,42,649	35,13,847
Bank Charges	5,97,896	7,65,471
	<u>1,83,76,507</u>	<u>2,46,61,693</u>

SCHEDULE 'N'

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i) INCOME :

- Income arising from Hire Purchase Agreements, Lease Agreements and Loan Agreements are accounted on accrual basis as per the terms of the agreement executed with the respective parties from time to time.
- In respect of Hire Purchase agreements executed by the Company, Finance Charges income is appropriated over the period of the contract on the basis of outstanding principal amount.
- The Company has followed the prudential norms for income recognition and for provisioning for bad and doubtful debts as prescribed by the Reserve Bank of India as applicable to Non Banking Finance Companies.
- Bills discounting charges relating to the year ended 31.3.99 is reckoned as income and unearned portion thereof is deferred to subsequent accounting periods.

ii) EXPENSES

All expenses are accounted on accrual basis .

iii) FIXED ASSETS AND DEPRECIATION

- All fixed assets are carried at historical cost less accumulated depreciation
 - In respect of assets other than those leased out, depreciation has been provided pro rata from the date of addition at the rates prescribed under Schedule XIV of the Companies Act, 1956 on Written Down Value basis.
 - In respect of Leased Assets , the Company has adopted the method of depreciating the cost of the asset over the primary lease period in line with the method outlined in the Exposure Draft published by the Institute of Chartered Accountants of India. Under this method the interest rate implicit in the lease transaction, is calculated and is applied on the Outstanding Investment on Lease, to calculate the finance earnings for the period. The difference between the lease rentals and finance earnings is charged as Depreciation.
 - The Company has not provided for depreciation on non performing leased assets to the extent of Rs.41,37,726/- (1997/98 - Rs.36,35,616/-) on the basis that there has been no capital recovery on such assets where income has not been recognised by the Company.
- iv) **INVESTMENTS** are Long term investments. Provision for diminution in value has been recognised where such diminution is considered permanent. Income from Investments is accounted on accrual basis.
- v) **Stock sold on Hire Purchase basis** are shown at full Hire Purchase Agreement values less instalments appropriated up to 31st March 1999.
- vi) **Contributions towards Provident Fund** is made to the appropriate authorities and is charged to Profit and Loss Account as they become due . No provision is made towards gratuity liability and the same would be charged to Profit and Loss account as they are paid. Such gratuity liability not provided in the accounts as at 31/3/99 aggregates Rs.231497/-

2. Contingent liability in respect of :

Disputed Income Tax liability - Rs.29,27,460/- (1997/98 - Rs. Nil)
 Disputed Sales Tax liability - Rs. 60,369/- (1997/98 - Rs. 60,369)

3. SECURED LOANS

- i) Credit facilities from bank are secured by Hypothecation of specified stock on hire items and assets let on lease, covered by specified hire purchase/lease agreements and assignment of relevant book debts and guaranteed by the Holding company.
- ii) Secured loans from others represents Hire Purchase Finance availed by the Company and are secured by hypothecation of specified assets .
- iii) Loan from the Holding Company is partly secured by hypothecation of buildings .

- 4. Fixed Deposits include deposits from Directors Rs. 68,000/- (1997/98 - Rs.12,500/-)
- 5. Previous year's figures have been reclassified wherever necessary to conform to the classification adopted in these accounts.

SIGNATURES TO SCHEDULES 'A' TO 'N'

for **SHANKER GIRI & PRABHAKAR**
P.PRABHAKAR RAO
 Partner
CHARTERED ACCOUNTANTS

V.SRINIVASAN
GENERAL MANAGER

S.V. SUBRAMANIAM
S.RADHAKRISHNA
D.SEETHARAMA RAO
Dr.PASUMARTHI.S.N. MURTHI
DIRECTORS

Place :Chennai
 Date : 09.08.99

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO SCHEDULE VI OF THE COMPANIES ACT, 1956.

I. Registration Details:

Registration No. **15406** State Code **18**

Balance Sheet Date

31 03 99
 Date Month Year

II. Capital Raised During the Period (Amount in Rs.Thousands)

Public Issue Rights Issue

NIL NIL

Bonus Issue Private Placement

NIL NIL

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities	Total Assets
121580	121580

Sources Of Funds:

Paid-up Capital	Reserves & Surplus
24528	3749
Secured Loans	Unsecured Loans
37269	56033

Application of Funds:

Net Fixed Assets	Investments
35000	11860
Net Current Assets	Misc-Expenditure
65967	33
Accumulated Losses	
8719	

IV. Performance of Company (Amount in Rs.Thousands)

Turnover	Total Expenditure
40289	50741
Profit Before Tax	Loss After Tax
NIL	-10452
Earning per share	Dividend rate %
NIL	NIL

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. **N/A**

Product Description

Hire Purchase
Lease Financing

for **SHANKER GIRI & PRABHAKAR**
P.PRABHAKAR RAO
 Partner
CHARTERED ACCOUNTANTS

V.SRINIVASAN
GENERAL MANAGER

S.V. SUBRAMANIAM
S.RADHAKRISHNA
D.SEETHARAMA RAO
Dr.PASUMARTHI S.N. MURTHI
DIRECTORS

Place :Chennai
 Date : 09.08.99

10th Annual Report

DIRECTORS' REPORT

To the members

Your Directors have pleasure in presenting their Tenth Annual Report together with the statement of account for the year ended 31st March, 1999.

FINANCIAL RESULTS	Rs.
Surplus - Opening Balance	21,86,721.45
Add : Profit for the year	15,130.04
Surplus carried forward	22,01,851.49

PROSPECTS

The Company is working out modalities for implementing the available know-how on commercial scale. However, the Company has already started trading activities in Pudina Ka Phool.

DEPOSITS

The Company has not accepted any Fixed Deposits.

DIRECTORS

Sri S. Radhakrishna and Sri S.M.S. Abuthahir Ali, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

There are no employees drawing more than the limits prescribed under Section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY

Provision of Section 217(1)(e) of the Companies Act, 1956 does not apply to the Company.

AUDITORS

M/s. P.S.Subramania Iyer & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

The declaration under Section 224(1B) of the Companies Act, 1956 has been received from them. You are requested to appoint Auditors and fix their remuneration to hold office till the conclusion of the next Annual General Meeting.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the assistance and co-operation received from the employees of Amrutanjan Limited during the year.

Chennai
9.8.1999

S.Radhakrishna
S.M.S.Abuthahir Ali
S.Muralidharan
Dr.S.Vydeeswaran
Directors

REPORT OF THE AUDITORS TO SHAREHOLDERS

To the Members of Amrutanjan Drugs and Chemicals Limited,

We have audited the attached Balance Sheet of M/s. Amrutanjan Drugs and Chemicals Limited, Chennai, as at 31st March, 1999 and also the annexed Profit and Loss Account for the year ended on that date and report as under:

- As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to in paragraph 1 above:
 - We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of the Company.
 - The Balance Sheet and Profit and Loss Account referred to in the report are in agreement with the books of accounts of the Company.
 - In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and a fair view :
 - in the case of the Balance Sheet, of the state of the affairs of the Company as on 31st March, 1999 and
 - in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

109/2, St. Mary's Road,
(1st Floor),
Chennai - 600 018.
9.8.1999.

For **P.S.Subramania Iyer & Co.**
Chartered Accountants
N.Srinivasan
Partner

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

- The Fixed Assets has not been revalued during the year.
- The Company has taken interest free loans from Holding Company and the terms and conditions are not prejudicial to the interest of the Company.
- There is no stock held by the Company as on 31st March, 1999.
- The Company has not given any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 or to the Companies under the same management as defined in section (1-B) of Section 370 of the Companies Act, 1956.
- The Company has not given any loans to any person.
- In our opinion and according to the information and explanations given, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of goods and for the sale of goods.
- In our opinion and according to the information and explanations given to us, the transactions for the purchase of goods and materials/services and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the period to Rs.50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services, where such market prices are available with the Companies or the prices at which transactions for similar goods or services have been made with other parties.
- The Company has no unserviceable or damaged trading or finished goods or raw materials.
- The Company has not accepted deposits from any person.
- There is no scrap for the Company.
- The system of internal audit does not apply to the Company.
- The provisions of Provident Fund Act, ESI are not applicable to the Company.
- There are no undisputed amounts payable in respect of Income-Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty outstanding for a period more than six months from the date they became payable.
- In our opinion and according to the information and explanations given to us no personal expenses have been charged to revenue.
- The Company is not a Sick Industrial Company.
- In the case of trading activities, there were no damaged goods in the case of goods purchased by the Company.

109/2, St. Mary's Road,
(1st Floor),
Chennai - 600 018.
9.8.1999.

For **P.S.Subramania Iyer & Co.**
Chartered Accountants
N.Srinivasan
Partner

Amrutanjan Drugs & Chemicals Limited

BALANCE SHEET AS AT 31ST MARCH, 1999

LIABILITIES	As at 31.03.1999 Rs.	As at 31.03.1998 Rs.
SHARE CAPITAL		
Authorised		
5,00,000 Equity Shares of Rs.10/- each	<u>50,00,000.00</u>	<u>50,00,000.00</u>
Issued		
2404 Equity Shares of Rs.10/- each	24,040.00	24,040.00
(Out of the above 2400 Equity Shares are held by the Holding Company, Amrutanjan Limited. 400 fully paid-up Equity Shares are held in the name of nominees)		
RESERVES & SURPLUS		
Surplus in Profit and Loss Account	22,01,851.49	21,86,721.45
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors	2,97,690.00	2,97,490.00
Provision for Taxation	18,000.00	10,000.00
Total	<u>25,41,581.49</u>	<u>25,18,251.45</u>
ASSETS		
FIXED ASSETS		
Technical Know-how	25,00,000.00	25,00,000.00
CURRENT ASSETS		
Cash in hand	-	-
Balance with Scheduled Bank	26,453.49	1,688.49
LOANS AND ADVANCES		
Income-tax paid	10,628.00	10,628.00
Deposits	4,500.00	4,500.00
Preliminary Expenses	-	1,434.96
Total	<u>25,41,581.49</u>	<u>25,18,251.45</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,1999

INCOME	31.3.1999 Rs.	31.3.1998 Rs.
Sales	28,44,000.00	-
Total	<u>28,44,000.00</u>	<u>-</u>
EXPENDITURE		
Purchases	28,14,375.00	-
Administrative Expenses		
Miscellaneous Expenses	540.00	440.00
Preliminary Expenses Written off	1,434.96	1,434.96
Bank Charges	20.00	40.00
Auditor's Remuneration for Audit	2,000.00	2,000.00
Consultation Fees	2,500.00	-
Total	<u>28,20,869.96</u>	<u>3,914.96</u>
Profit / (Loss) for the year	23,130.04	(3,914.96)
Less :Provision for taxation.	8,000.00	-
Less: Short provision of tax relating to earlier year	-	1,09,990.00
Add : Surplus of Previous Year	21,86,721.45	23,00,626.41
Balance Profit carried to Balance Sheet	<u>22,01,851.49</u>	<u>21,86,721.45</u>

NOTES ON ACCOUNTS

1. Particulars on Finished Goods NIL
2. Raw Materials consumed NIL
3. Installed and Licenced Capacity NIL
4. Sundry Creditors include Rs.2,95,190/- due to Holding Company.
5. Pudina Ka Phool :

Opening Stock (M.T)	Nil	
Purchases (M.T)	5,925	Rs. 4,75,000
Sales (M.T)	5,925	Rs. 4,80,000
Closing Stock (M.T)	Nil	

<p style="text-align: center;">As per our Report of even date For P.S.Subramania Iyer & Co., Chartered Accountants Chennai N.Srinivasan 9.8.1999 Partner</p>	<p style="text-align: center;">S.Radhakrishna S.M.S.Abuthahir Ali S.Muralidharan Dr.S.Vydeeswaran Directors</p>
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<p style="text-align: center;">As per our Report of even date For P.S.Subramania Iyer & Co., Chartered Accountants Chennai N.Srinivasan 9.8.1999 Partner</p>	<p style="text-align: center;">S.Radhakrishna S.M.S.Abuthahir Ali S.Muralidharan Dr.S.Vydeeswaran Directors</p>
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10th Annual Report

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO SCHEDULE VI OF THE COMPANIES ACT, 1956

I. Registration Details:

Registration No. State Code

Balance Sheet Date
Date Month Year

II. Capital Raised During the Year (Amount in Rs.Thousands)

Public Issue	Rights Issue
<input type="text" value="NIL"/>	<input type="text" value="NIL"/>
Bonus Issue	Private Placement
<input type="text" value="NIL"/>	<input type="text" value="NIL"/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
<input type="text" value="2542"/>	<input type="text" value="2542"/>

Sources Of Funds:

Paid-up Capital	Reserves & Surplus
<input type="text" value="24"/>	<input type="text" value="2202"/>

Secured Loans	Unsecured Loans
<input type="text" value="NIL"/>	<input type="text" value="NIL"/>

Application of Funds:

Net Fixed Assets	Investments
<input type="text" value="2500"/>	<input type="text" value="NIL"/>
Net Current Assets	Misc. Expenditure
<input type="text" value="(274)"/>	<input type="text" value="NIL"/>
Accumulated Losses	
<input type="text" value="NIL"/>	

IV. Performance of Company (Amount in Rs.Thousands)

Turnover	Total Expenditure
<input type="text" value="2844"/>	<input type="text" value="2821"/>
+ -	Profit/Loss Before Tax
<input type="text" value="√"/>	<input type="text" value="23"/>
+ -	Profit/Loss After Tax
<input type="text" value="√"/>	<input type="text" value="15"/>
Earnings per share (Rs.)	Dividend (%)
<input type="text" value="N.A"/>	<input type="text" value="NIL"/>

V. Generic Names of Three Principal Product/ Services of Company (as per monetary terms)

Item Code No.(ITC Code)

Product Description

As per our Report of even date
For P.S.Subramania Iyer & Co.,
Chartered Accountants
Chennai N.Srinivasan
9.8.1999 Partner

S.Radhakrishna
S.M.S.Abuthahir Ali
S.Muralidharan
Dr.S.Vydeeswaran
Directors

Egattur Printing & Packaging Limited

DIRECTORS' REPORT

To the Members:

Your Directors have pleasure in presenting their Third Annual Report and audited accounts for the year ended 31st March, 1999.

OPERATIONS:

During the year under review, the Directors would like to state that your Company commenced commercial production only from 29th August, 1998 onwards. Sales amounted to Rs.66.15 lakhs for a period of seven months. However, the peak production started only from October, 1998 onwards. Hence, your Company could not show better results in view of stabilisation required for the project.

SIPCOT and The Dhanalakshmi Bank Limited disbursed working capital limits during the year.

PROSPECTS:

Your Directors are glad to inform you that in the four months of the current financial year, Sales reached to extent of Rs.67.60 lakhs compared to Rs.66.15 lakhs of last year and shown improvement in margin.

Further, Cost Control measures were introduced during the current year which will improve the profitability. Your Directors are confident of showing good performance in the current financial year. This would definitely benefit the Holding Company, Amrutanjan Limited in terms of cost reduction and return on the project in the long run.

Your Directors are glad to inform you that your company has got substantial orders in the current year from reputed FMCG Companies. This will help the Company to achieve substantial turnover and profits.

DEPOSITS:

The Company has not accepted any Fixed Deposits.

DIRECTORS:

During the year, Sri P.Easwaradas was co-opted as an additional Director of the Company on 23.9.1998. He holds office only up to the date of the ensuing Annual General Meeting and is eligible for appointment at the forthcoming Annual General Meeting.

Sri J.V.Seshaiah and Dr.H.B.N. Shetty retire by rotation and being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES:

No employee who was in receipt of remuneration covered under Section 217 (2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY:

The operations of the Company are not energy intensive and however, not applicable to the Company

TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/OUTGO AND DISCLOSURE WITH RESPECT TO ABSORPTION :

There are no technology absorption, foreign exchange earnings/outgo and research and development involved in the technology absorption.

AUDITORS:

The retiring auditors, M/s. C.R. Swaminathan Associates, Chartered Accountants, Chennai have indicated their availability for reappointment as auditors of the Company.

Egattur
4.8.1999

S.RADHAKRISHNA
J.V.SESHAIAH
S. MURALIDHARAN
Dr. H.B.N. SHETTY
P. EASWARADAS
Directors

AUDITORS' REPORT

To the Members of Egattur Printing and Packaging Limited,

We have examined the accounts for the year ended 31.03.1999, Balance Sheet as at that date and Profit and Loss Account for the period ended that date, of M/s. Egattur Printing and Packaging Limited, Egattur Village, and report as under:

- 1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of section 227 (4A) of the Companies Act 1956, we enclose in the annexure hereto, a statement on the matters specified in paragraphs (4) and (5) of the said Order.
- 2) Further to our comments in the annexure referred to in paragraph (1) above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of the books.
 - (c) The Company's Balance Sheet and Profit and Loss Account are in agreement with the books of accounts.
 - (d) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Sec.211 of the Companies Act, 1956.
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, subject to our comments contained in the annexure enclosed hereto, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view:-
 - (i) in the case of the Balance Sheet, of the state of the Company's affairs as at 31st March 1999 and
 - (ii) in the case of the Profit and Loss Account, of the Loss for the period ended on that date.

'Ram Nivas',
47, Mandaveli Lane,
Mylapore, Chennai - 4.
4.8.1999.

For **C.R. SWAMINATHAN ASSOCIATES**
Chartered Accountants
(C.R.SWAMINATHAN)
Proprietor

ANNEXURE TO THE AUDITORS' REPORT

1. The Company is maintaining proper records to show full particulars including quantitative details and situation of its Fixed Assets. According to the information available to us, the Fixed Assets have been physically verified by the Management and no serious discrepancies were noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. The Company's business being that of Printers / Packagers, it does not hold any stock of finished goods. According to the information available to us, the stock of stores, spares and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. According to the information and explanations given to us, in our opinion, the procedures of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

3rd Annual Report

-
5. According to the information available to us, no material discrepancies were noticed on verification between the physical stocks and the book records.
 6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles. This being the first financial year of commercial operations, the Company did not hold any stock during the preceding financial year and the requirement to report on the deviation in the basis of valuation, if any is not attracted.
 7. The Company has availed advances in current account from its Holding Company. According to the information available to us, the advances do not carry any interest and are not on terms, as to repayment, that are prima facie prejudicial to the interests of the Company.
 8. The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties listed in the register maintained under Section 301 of Companies Act, 1956.
 9. According to the information available to us and the records examined by us, the Company has not granted loans or advances in the nature of loans to any party except to its employees, free of interest and which are regularly recovered from the salary paid to them.
 10. In our opinion and according to the information and explanations given to us there is an adequate internal control procedure commensurate with size of the Company and the nature of its business with regard to purchase of stores, raw materials, plant and machinery, equipment and other assets and with regard to the sale of goods.
 11. In our opinion and according to the information and explanations given to us, the transactions for purchase of goods and materials/services and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the period to Rs.50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services, where such market prices are available with the Companies or the prices at which transactions for similar goods or services have been made with other parties.
 12. According to the records produced to us, the Company did not have any unserviceable or damaged stores or raw materials.
 13. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
 14. As explained to us, the Company does not have any realisable by-product or scrap.
 15. As explained to us, for the financial year under report, the Company is not attracted to the requirement of having an Internal audit system.
 16. According to the information available to us, maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
 17. As explained to us, there is no Provident Fund or Employees State Insurance Scheme covering the employees of the Company.
 18. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31st March, 1999 for a period of more than six months from the date they became payable.
 19. According to information and explanations given to us, no personal expenses have been charged to revenue account.
 20. The Company is not a Sick Industrial Company within the meaning of clause (0) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
In the case of Service activity
(i) As explained to us, the Company has a reasonable system of recording receipts, issues and consumption of material and stores and allocating material and stores to relative jobs, commensurate with its size and nature of its business.

'Ram Nivas',
47, Mandaveli Lane,
Mylapore, Chennai - 4.
4.8.1999.

For C.R. SWAMINATHAN ASSOCIATES
Chartered Accountants
(C.R.SWAMINATHAN)
Proprietor

Egattur Printing & Packaging Limited

BALANCE SHEET AS AT 31ST MARCH, 1999

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.3.1999

	Schedule No.	As at 31.3.1999 Rs.	As at 31.3.1998 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	I	79,88,330	330
Loan Funds			
Secured	II	1,44,48,633	-
Unsecured	III	-	22,40,213
Total		2,24,36,963	22,40,543
APPLICATION OF FUNDS			
Fixed Assets :			
IV			
Gross Block		1,92,67,739	-
Less : Depreciation		10,37,851	-
Net Block		1,82,29,888	-
Current Assets, Loans and Advances			
Inventories	V	18,37,064	-
Sundry Debtors	VI	11,38,061	-
Cash and Bank Balances	VII	14,702	330
Loans and Advances	VIII	1,49,341	20,33,000
		31,39,168	20,33,330
Less: Current Liabilities and Provisions			
Current Liabilities	IX	43,95,938	5,000
Provisions		-	-
Net Current Assets		(12,56,770)	20,28,330
Miscellaneous Expenditure	X	44,590	2,12,213
Profit and Loss Account	XI	54,19,255	-
Total		2,24,36,963	22,40,543
Notes on Accounts	XII		

	31.3.1999 Rs.
EARNINGS	
Sales (less Returns)	66,14,754
Miscellaneous Receipts	9,364
Closing Work-in-Progress	2,00,596
Total	68,24,714
EXPENDITURE	
Raw Materials Consumed	41,68,185
Consumables	10,23,152
Freight Inwards	93,079
Packing Materials Consumed	1,04,261
Salaries and Wages	18,12,731
Staff Welfare	1,86,872
Labour Charges	9,25,528
Power and Fuel	2,15,495
Communication Expenses	79,594
Conveyance and Travel	3,65,643
Rent, Rates and Taxes	2,25,970
Interest and Bank Charges	9,95,648
Advertisement and Business Promotion	52,394
Freight Outwards	2,65,617
Printing and Stationery	1,02,134
Books and Subscription	4,486
Machinery Maintenance	87,633
Repairs and Maintenance	1,98,735
Office Maintenance	1,02,330
Audit Fees	13,650
Discount on Sales	82,026
Legal and Professional Charges	25,716
Miscellaneous Expenses	75,239
Depreciation	10,37,851
Total	1,22,43,969
Net Loss carried over to Balance Sheet	(54,19,255)

Vide our Report of even date
For **C.R. SWAMINATHAN ASSOCIATES**
Chartered Accountants
(C.R.SWAMINATHAN)
Proprietor

S. RADHAKRISHNA
J.V. SESHIAIAH
S.MURALIDHARAN
Dr. H.B.N. SHETTY
P.EASWARADAS
Directors

Egattur.
4.8.1999

Vide our Report of even date
For **C.R. SWAMINATHAN ASSOCIATES**
Chartered Accountants
(C.R.SWAMINATHAN)
Proprietor

S. RADHAKRISHNA
J.V. SESHIAIAH
S.MURALIDHARAN
Dr. H.B.N. SHETTY
P.EASWARADAS
Directors

Egattur.
4.8.1999

3rd Annual Report

SCHEDULES TO BALANCE SHEET

	31.3.1999 Rs.	31.3.1998 Rs.		31.3.1999 Rs.	31.3.1998 Rs.
SCHEDULE - I			SCHEDULE - II		
Share Capital			Secured Loans		
Authorised			Term Loan from Financial Institution, secured by a first charge on the Plant and Machinery of the Company and guaranteed by Holding Company and a Director of the Company		
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000	1,00,00,000			
Subscribed			Open Cash Credit facility from Scheduled Bank, secured by the hypothecation of stock in trade and guaranteed by Holding Company and a Director of the Company		
8,03,533 Equity Shares of Rs.10/- each fully paid-up	80,35,330	-		95,40,000	-
Issued			Hire Purchase Assistance from Finance Company, secured by the assets financed		
8,03,500 Equity Shares of Rs.10/- each fully paid-up (Out of the above 7,98,800 Equity Shares are held by Amrutnjan Limited, Holding Company)	80,35,000	-		32,80,019	-
Less: Forfeited Shares Account	-	-	Less: Finance Charges not accrued		
4700 Equity Shares of Rs.10/- each	47,000	-		16,28,614	-
	79,88,000	-	SCHEDULE - III		
Share Application Money	330	330	Unsecured Loans		
	79,88,330	330	From Others		
				-	22,40,213
					22,40,213

SCHEDULE - IV Fixed Assets

Assets	Gross Block Cost (Rs.)	Pre-operative Expenses (Rs.)	Total (Rs.)	Rate	Depreciation (Rs.)	Net Block (WDV) (Rs.)
PLANT AND MACHINERY						
A) PRINTING / PACKAGING MACHINERY						
PRINTING OFFSET MACHINE	88,92,968	8,58,389	97,51,357	4.75	3,47,392	94,03,965
CUTTING MACHINE	3,12,005	30,116	3,42,121	4.75	10,834	3,31,287
CARTON FOLDING MACHINE	14,76,747	1,42,542	16,19,289	4.75	57,687	15,61,602
EXPOSING SYSTEM	82,055	7,920	89,975	4.75	2,849	87,126
FILM PROCESSOR	3,33,333	32,174	3,65,507	4.75	11,574	3,53,933
IMAGE SETTER/SCANNER	15,40,200	1,48,667	16,88,867	4.75	60,166	16,28,701
LAMINATION MACHINE	1,02,525	9,896	1,12,421	4.75	4,450	1,07,971
NOVAJET PRO 50	7,80,000	75,289	8,55,289	4.75	30,470	8,24,819
PLATE MAKER	1,53,846	14,849	1,68,695	4.75	6,010	1,62,685
PUNCHING MACHINE	4,62,034	23,014	4,85,048	4.75	12,861	4,72,187
VARNISHING MACHINE	2,53,380	24,457	2,77,837	4.75	8,798	2,69,039
B) COMPUTERS AND ACCESSORIES						
ACCUPRINT SERVER	2,52,500	-	2,52,500	16.21	10,233	2,42,267
COMPUTER SYSTEM	10,11,750	92,856	11,04,606	16.21	1,07,057	9,97,549
LASER PRINTER	1,35,200	13,050	1,48,250	16.21	14,018	1,34,232
UPS	1,49,299	14,411	1,63,710	16.21	17,692	1,46,018
STABILIZER	68,688	6,630	75,318	16.21	10,174	65,144
C) FACTORY EQUIPMENTS FAN						
GENERATOR	2,98,000	28,764	3,26,764	4.75	9,054	3,17,710
WEIGHING MACHINE	55,975	5,402	61,377	4.75	1,701	59,676
AIR CONDITIONER	3,24,926	31,363	3,56,289	4.75	10,879	3,45,410
BOREWELL	29,927	2,888	32,815	4.75	1,039	31,776
EPABX SYSTEM	40,676	3,733	44,409	4.75	1,149	43,260
MANUAL PALLET TRUCK	17,940	1,740	19,680	4.75	779	18,901
D) ELECTRICAL INSTALLATION						
FURNITURE AND FIXTURES	2,60,375	-	2,60,375	6.33	9,497	2,50,878
TEMPORARY PARTITIONS	5,04,017	-	5,04,017	100	2,85,609	2,18,409
TOTAL	1,76,92,051	15,75,688	1,92,67,739	-	10,37,851	1,82,29,888

NOTES:

1. Depreciation at SLM rates as per Schedule XIV of the Companies Act, 1956.
2. Depreciation calculated for the number of whole months in the financial year.
3. Pre-operative Expenditure capitalised over the Fixed Assets existing as at 29.8.1998 being the date of commencement of commercial production.

Egattur Printing & Packaging Limited

SCHEDULES TO BALANCE SHEET

	31.3.1999	31.3.1998
	Rs.	Rs.
SCHEDULE - V		
Inventories Closing Stock (as certified by the Management):		
-Work-in-Progress (valued at Direct Cost of Materials/Labour)	2,00,596	-
-Raw Materials (at cost, valued on FIFO basis)	15,38,779	-
-Consumables (at cost, valued on FIFO basis)	90,950	-
-Packing Materials (at cost, valued on FIFO basis)	6,739	-
	<u>18,37,064</u>	<u>-</u>
SCHEDULE - VI		
Sundry Debtors (unsecured, good) - for a period exceeding six months	6,72,965	-
- other debts	4,65,096	-
	<u>11,38,061</u>	<u>-</u>
SCHEDULE - VII		
Cash and Bank Balances		
Cash on Hand	3,010	330
Balance with Scheduled Bank	11,692	-
	<u>14,702</u>	<u>330</u>
SCHEDULE - VIII		
Loans and Advances		
Sales Tax Deposit	12,000	-
Proteck Machinery Ltd.	60,000	-
Advance for Expenses	5,000	-
Excise Duty on Inputs	343	-
PLA	53,668	-
Prepaid Expenses	8,130	-
Staff Advance	200	-
Travel Advance	10,000	-
Advance for Capital Goods	-	20,33,000
	<u>1,49,341</u>	<u>20,33,000</u>
SCHEDULE - IX		
Current Liabilities		
Sundry Creditors - Supplies/Services	40,07,670	5,000
Outstanding Liabilities	3,80,343	-
Advance from Debtors	7,926	-
	<u>43,95,938</u>	<u>5,000</u>
SCHEDULE - X		
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Preliminary Expenditure	44,590	44,590
Pre-operative Expenses	-	1,67,623
	<u>44,590</u>	<u>2,12,213</u>
SCHEDULE - XI		
Profit and Loss Account Balance transferred from Profit and Loss Account for the year	(54,19,255)	

SCHEDULE - XII

Notes annexed to and forming part of Balance Sheet as at 31st March, 1999 and Profit and Loss Account for the year ended on that date.

Significant Accounting Policies:

- a. Income / Expenditure: Income and Expenditure are accounted according to accrual basis of accounting.
- b. Fixed Assets / Depreciation:
 - i. Fixed Assets are stated at historical cost less accumulated depreciation.
 - ii. Depreciation on Fixed Assets is charged under Straight Line Method adopting the rates prescribed by Schedule XIV to the Companies Act, 1956. In reckoning the depreciation in respect of assets acquired during the financial year, depreciation is calculated for the number of whole calendar months

c. Stock Valuation

- i. Closing Stock of Raw Materials has been valued at cost to the Company following the First In First Out Method (FIFO).
- ii. Closing Stock of Work-in-Progress has been valued at cost of direct materials and estimated share of labour and other factory overheads.
- iii. Closing Stock of Packing Materials has been valued at cost to the Company following the First In First Out Method (FIFO).

d. Balance Sheet

- i. There is no liability to Income Tax for the financial year in view of loss.
- ii. The Company has been regular in filing Sales Tax Returns with appropriate authority and in payment of sales tax dues thereunder. For the assessment year 1998-99 the Company has filed its return and the assessment is pending.
- iii. The Company has been regular in filing the Returns under the Central Excise Act and in payment of duty thereunder.
- iv. The several balances included in the Balance Sheet are pending confirmation from the parties concerned. However, in the opinion of the Board of Directors the Current Assets, Loans and Advances have not been stated in excess of their realisable value.

e. Profit and Loss Account

Audit Fees debited to Profit and Loss Account represent the following:

Statutory Audit Fees	Rs.	10,500.00
Tax Audit Fees	Rs.	3,150.00
Total	Rs.	<u>13,650.00</u>

- f. Quantitative and other information required to be given under Part II 3(i), 2(b) of Schedule VI to the Companies Act, 1956, to the extent applicable to the Company are given hereunder. (The information and figures contained hereinafter have been certified by the Management.)

i. Closing Stock of Work-in-Progress:

Particulars	Closing Stock	
	Units	Value (Rs)
Cartons	-	1,48,498
Printing Job	-	52,099

Note: The Company did not have any Opening Stock of Work-in-Progress.

ii. Raw Materials Consumed:

Particulars	Consumption		
	Units	Quantity	Value (Rs.)
Boards	Sheet	15,42,771	32,73,498
Papers	Ream	315.5	3,33,111

iii. Turnover:

Particulars	Units	Quantity	Value (Rs.)
Cartons	Nos.	1,46,67,143	40,65,582
Labels & Others			19,04,642
Job Work	-	-	6,44,530

g. Miscellaneous:

The figures of the previous year are not comparable with those of the current year, since the former relate to the period prior to commencement of commercial production.

- h. The figures of the previous year have been regrouped / reclassified / rearranged to suit current year's classification, wherever necessary.

Vide our Report of even date For C.R. SWAMINATHAN ASSOCIATES Chartered Accountants Egattur. 4.8.1999 (C.R.SWAMINATHAN) Proprietor	S. RADHAKRISHNA J.V. SESHIAH S.MURALIDHARAN Dr. H.B.N. SHETTY P.EASWARADAS Directors
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3rd Annual Report

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO SCHEDULE VI OF THE COMPANIES ACT, 1956

I. Registration Details:

Registration No. State Code
 Balance Sheet Date
 Date Month Year

II. Capital Raised During the Period (Amount in Rs.Thousands)

Public Issue	<input type="text" value="NIL"/>	Rights Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placement	<input type="text" value="7988"/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text" value="22436"/>	Total Assets	<input type="text" value="22436"/>
Sources Of Funds:			
Paid-up Capital	<input type="text" value="7988"/>	Reserves & Surplus	<input type="text" value="NIL"/>
Secured Loans	<input type="text" value="14448"/>	Unsecured Loans	<input type="text" value="NIL"/>
Application of Funds:			
Net Fixed Asset	<input type="text" value="18229"/>	Investments	<input type="text" value="NIL"/>
Net Current Assets	<input type="text" value="(1256)"/>	Misc. Expenditure	<input type="text" value="44"/>
Accumulated Losses	<input type="text" value="(5419)"/>		

IV. Performances of Company (Amount in Rs.Thousands)

Turnover	<input type="text" value="6825"/>	Total Expenditure	<input type="text" value="12244"/>
Profit Before Tax	<input type="text" value="(5419)"/>	Profit After Tax	<input type="text" value="(5419)"/>
Earnings per share	<input type="text" value="NIL"/>	Dividend	<input type="text" value="NIL"/>

V. Generic Names of Three Principal Products/Services of Company

(as per monetary terms)

Item Code No.
(ITC Code)

Product Description

Egattur.
4.8.1999

Vide our Report of even date
For **C.R. SWAMINATHAN**
ASSOCIATES
Chartered Accountants
(**C.R.SWAMINATHAN**)
Proprietor

S. RADHAKRISHNA
J.V. SESHIAH
S.MURALIDHARAN
Dr. H.B.N. SHETTY
PEASWARADAS
Directors