

AMRUTANJAN LIMITED



AMRUTANJAN

**65th Annual Report
2001-2002**

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
No. 103 (Old No. 57/2)
P.S. Sivasamy Salai
Mylapore, Chennai 600 004

BANKERS

State Bank of India
The Dhanalakshmi Bank Limited
Indian Overseas Bank

REGISTERED OFFICE

No. 103 (Old No. 42-45), Luz Church Road
Mylapore, Chennai 600 004
Phones : 044-4994164/4994146/4994465/4994366
Fax : 044-4994585
E-Mail : amrutan@md2.vsnl.net.in
Web Site : <http://www.amrutanjan.com>

FACTORIES AT

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

BRANCHES AT

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

SHAREHOLDERS' INFORMATION

Annual General Meeting:

Date : Thursday, the 26th September, 2002
Venue : Sathguru Gnanananda Hall
(Narada Gana Sabha)
No.314 (Old No.254), T.T.K. Road,
Chennai 600 018.
Time : 3.15 p.m.

Financial Calendar:

Financial year : 1st April to 31st March.
For the year ended 31st March, 2002, results were announced on:
9th Aug. 2001 : First Quarter
31st Oct. 2001 : Second Quarter
31st Jan. 2002 : Third Quarter
30th Apr. 2002 : Fourth Quarter

Book Closure:

The dates of book closure are from 13th September, 2002 to 23rd September, 2002 (Both days inclusive)

Dividend Date:

An interim dividend 12% (Rs.1.20 per share) on the enhanced capital of Rs.3.20 crores was declared on 31st January, 2002 and paid on 25th February, 2002. The final dividend, if approved will be paid from 30th September, 2002 onwards.

TDS on Dividend:

As per the provisions of the Finance Act, 2002, dividend payments exceeding Rs.2,500/- will be subject to tax deduction at source. Shareholders whose total income is not liable to be taxed may give a declaration in Form No.15G, if they desire to get dividends without tax deduction at source. The declaration duly signed (in duplicate) by the concerned shareholder and giving the necessary details may be sent to the Company's Secretarial Department at No.103 (Old No.42-45), Luz Church Road, Mylapore, Chennai 600 004 on or before 12th September, 2002.

Listing of Shares:

The Company's shares are listed on the Madras Stock Exchange and has been permitted for trading under "Permitted Securities Category" (B1 Group) on the Stock Exchange, Mumbai w.e.f. 29th July, 2002.

The International Securities Identification Number (ISIN) of Amrutanjan Limited on both the NSDL and the CDSL is INE098F01015

Listing fee for 2002-2003 has been paid to the Madras Stock Exchange in which the Company's Equity shares are listed.

Stock Price Data:

The high and low share prices of Amrutanjan Limited as quoted on the Madras stock Exchange for the year ended 31st March, 2002

High Rs. 179.85 (20.08.2001) (Before Bonus Issue)
Low Rs. 74.00 (21.01.2002) (After Bonus Issue)

Share Transfers System:

The share transfer is being done in house at :

The Secretarial Department,

Amrutanjan Limited,
No.103 (42-45), Luz Church Road,
Mylapore, Chennai 600 004.
Tel: 044-4994164/4994465/4994366
Fax: 044-4994585
Email: amrutan@md2.vsnl.net.in

Dematerialisation of Shares :

The shares of the company is traded in the compulsory demat mode for all investors, therefore the shares sent for transfers in physical form are first registered within a period of 30 days (if in order and complete in all respects) and a demat option letter is sent to the shareholder for exercising the option to receive the shares in demat form within 30 days. The demat option letter has to be presented by the shareholder to his/her Depository Participant (DP) within the said period from the date of the option letter. Thereafter, the shares are credited to investors account in the usual demat process. In case the option letter is not presented within the said period the company shall proceed to issue the share certificate and the option letter becomes invalid.

Registrar for Depository Services:

Cameo Corporate Services Limited,
'Subramanian Building',
No.1, Club House Road,
Chennai 600 002.
Tel: 044-8460390 (5 lines)
Fax: 044-8460129
Email: cameosys@satyam.net.in

Change of Address:

Members holding equity shares in physical form are requested to notify the change of address/dividend mandate, if any to the Secretarial Department at the address mentioned above and members holding equity shares in dematerialised form are requested to notify the change of address/dividend mandate, if any to their respective depository participant (DP)

Amrutanjan Limited

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

NOTICE

NOTICE is hereby given that the Sixty Fifth Annual General Meeting of the members of Amrutanjan Limited will be held at Sathguru Gnanananda Hall (Narada Gana Sabha), No.314 (Old No.254), T.T.K.Road, Chennai 600 018, on Thursday, the 26th September, 2002 at 3.15 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002 and the Profit and Loss Account for the year ended 31st March, 2002, Reports of the Directors and Auditors thereon.
2. To declare and record dividend on shares.
3. 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.
4. To appoint a Director in the place of Sri S. Sambhuprasad, 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.
M/s P.S. Subramania Iyer & Co. the retiring Auditors are eligible for re-appointment.

Special Business:

6. To consider and if thought fit, to pass with or without modifications, the following resolution as SPECIAL RESOLUTION:

RESOLVED THAT the Articles of Association of the company be altered pursuant to provision of section 31 and other applicable provisions, if any, of the Companies Act, 1956, the following clause be inserted as clause 55B after the existing clause 55A of the Company's Articles of Association.

Securities in Depository System:

"55B (1) For the purpose of this Article:

"Beneficial Owner" means a person or persons whose name is recorded as such with a Depository.

"Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992.

"SEBI" means the Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992.

"SECURITY" or "SECURITIES" means such security or securities as defined in the Securities Contracts (Regulation) Act, 1956 or such Security or Securities as may be specified by SEBI.

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities, rematerialise its securities and/or to offer securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996.
- (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate to such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
- (4) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- (5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

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- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
- (6) Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means electronic mode or by delivery of floppies or discs.
- (7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- (8) Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- (10) The Register and Index of beneficial owners by a depository under the Depository Act, 1996, shall be deemed to be the Registrar and Index of Members and Securityholders for the purposes of these Articles."

Chennai.
24.08.2002

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 (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special business set out under Item 6 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 13th September, 2002 to Monday, 23rd September, 2002 (both days inclusive).
4. The Final Dividend, as recommended by the Board of Directors, if approved by the shareholders at the Annual General Meeting shall be paid to those members whose names appear on the Register of Members of the Company on Monday, 23rd September, 2002. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on 12th September, 2002 as per details furnished by the depositories for this purpose.
5. As per the provisions of the Finance Act, 2002, dividend payments exceeding Rs.2,500/- will be subject to tax deduction at source. Shareholders whose total income is not liable to be taxed may give a declaration in Form No.15G, if they desire to get dividends without tax deduction at source. The declaration duly signed (in duplicate) by the concerned shareholder and giving the necessary details may be sent to the Company's Secretarial Department on or before 12th September, 2002.
6. Equity shares of the Company have been placed under Compulsory Demat Trading with effect from 31st January, 2002. Members who have not dematerialised their physical holding in the Company are advised to avail the facility of dematerialisation of equity shares of the Company.
7. As per the regulations of National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) the Company is obliged to print the Bank details on the dividend warrants as

Amrutanjan Limited

furnished by these depositories to the Company and the Company cannot entertain any request for deletion/change of bank details already printed on the dividend warrants as per information received from the concerned Depositories. In this regard members are advised to contact their Depository Participant (DP) and furnish the particulars of any changes desired by them.

8. Pursuant to the provisions of Section 205A of the Companies Act, 1956 the amount of dividend which remains unclaimed for a period of 7 years from the date of declaration would be transferred to the "Investor Education and Protection Fund" and the shareholders would not be able to make any claims as to the amount of dividend so transferred to the fund. As such, shareholders who have not yet encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividends declared by the Company during the years 1996 onwards. In respect of unclaimed dividends for periods prior to 1996, already transferred by the Company to the General Revenue Account of the Central Government, shareholders may claim the same by submitting their claims for dividend to the Registrar of Companies (Tamil Nadu), No.26, Haddows Road, Chennai 600 006 by quoting the Company's Registration No.18-000017.

9. Particulars of Directors who are proposed to be re-appointed

Name	:	Dr. Pasumarthi S.N. Murthi
Age	:	68 years
Qualification	:	B.Sc., M.B.B.S, F.R.C.S (Edin. U.K.) FIMSA
Experience	:	Vast experience in medical field

Name	:	S. Sambhuprasad
Age	:	28 years
Qualification	:	B. Tech., (USA) M.B.A. (USA)
Experience	:	Five years experience in Production Engineering and Business Development in USA

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

ITEM NO.6

The Depositories Act, 1996, provides investors the facility of dealing in securities in electronic mode. The Company's equity shares have been admitted in the depository system at National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Recently, the Companies Act, 1956 has been amended, recognising the beneficial holders of shares in dematerialised form with the Depository as members of the company and vesting them all rights and powers as shareholders of the company. In order to bring the provisions of the Articles of Association in consonance with the latest provisions of the Companies Act, 1956 and the Depositories Act, 1996, it is proposed to suitably amend the Articles as set out in the Resolution.

In terms of Section 31 of the Companies Act, 1956, the special resolution for amending/altering the provisions of the Articles is placed before the shareholders for approval.

The Directors are concerned or interested in this resolution only to limited extent of their shareholding in the Company.

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendment is available for inspection at the Registered Office of the Company between 10.00.a.m. and 12.00 noon in any working day of the Company upto the date of Annual General Meeting.

Chennai.
24.08.2002

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

REPORT OF THE DIRECTORS TO THE MEMBERS

The Board of Directors of your Company have pleasure in presenting the Sixty Fifth Annual Report and Audited Accounts for the year ended 31st March, 2002.

01. FINANCIAL RESULTS

	Year ended 31.3.2002 Rs.	Year ended 31.3.2001 Rs.
Profit before Net Interest and Depreciation	8,99,13,389	10,37,25,356
Less: Interest (Net)	80,64,230	71,58,399
Depreciation	<u>1,74,61,146</u>	<u>1,17,92,393</u>
Profit after Interest and Depreciation	<u>2,55,25,376</u> 6,43,88,013	<u>1,89,50,792</u> 8,47,74,564
Prior year adjustments (Net)	<u>(6,31,864)</u>	<u>(2,13,043)</u>
Provision for taxation - Current Tax	6,37,56,149 (1,95,00,000)	8,45,61,521 (2,20,00,000)
- Deferred Tax	(22,13,066)	-
Short Provision of I.T. of earlier years	<u>(2,49,475)</u>	<u>(10,38,360)</u>
	<u>4,17,93,608</u>	<u>6,15,23,161</u>
Add: Transfer from Debenture Redemption Reserve Account	-	75,00,000
Add: Transfer from Profit & Loss Account Surplus Opening Balance	3,39,29,019	3,25,00,258
Profit available for Appropriation	<u>7,57,22,627</u>	<u>10,15,23,419</u>
Appropriations:		
Provisions for Contingencies	1,00,00,000	-
General Reserve	2,50,00,000	5,75,00,000
Interim Dividend paid	38,40,000	32,00,000
Tax on Interim Dividend	3,91,680	7,23,200
Final Dividend - Proposed (subject to deduction of tax)	57,60,000	56,00,000
Tax on Proposed Final Dividend	-	5,71,200
Balance Profit carried to Balance Sheet	<u>3,07,30,947</u>	<u>3,39,29,019</u>
	<u>7,57,22,627</u>	<u>10,15,23,419</u>

02. BONUS SHARES ALLOTMENT AND DIVIDEND

Your Company has allotted 16,00,000 equity bonus shares of Rs.10/- each on 12.12.2001 after obtaining the necessary approval. Consequently, the paid-up share capital of the Company has increased from Rs.1.60 crores to Rs.3.20 crores.

Considering the profits projected for 2001-2002, your Directors have declared and paid a Tax-free Interim Dividend of 12% on the enhanced Equity Share Capital of Rs.3.20 crores amounting to Rs.38.40 lakhs (Rs.32.00 lakhs) during the year. The Directors now recommend payment of a Final Dividend of 18% for the year ended 31st March, 2002 amounting to Rs. 57.60lakhs (Rs.56.00 lakhs) subject to deduction of tax at source.

03. REVIEW OF OPERATIONS

During the year under review, the sales of the Company amounted to Rs.7068.63 lakhs including exports and processing as against Rs. 6541.96 lakhs in the previous year registering an increase of 8%.

Profits before net Interest and depreciation amounted to Rs.899.13 lakhs as against Rs.1037.25 lakhs in the previous year. The decrease was mainly due to increase of consumption of materials in chemicals for the purpose of development of technology products meant for exports and increase of employee cost due to wage settlement.

There was marginal increase of net interest cost amounting to Rs. 80.64 lakhs (Rs.71.58 lakhs) but was contained effectively by reduction of interest rates and replacement of low cost funding and higher earnings out of deposits.

Addition to the extent of Rs.287.36 lakhs were made to the fixed assets during the year. As stipulated, the company has adjusted deferred tax liability to the extent of Rs.349.47 lakhs out of reserves and Rs.22.13 lakhs from profits inspite of non-outflow of funds.

04. PROSPECTS

Your Directors have continuously focused efforts to strengthen your company in terms of improving the turnover and profits and taken significant initiatives during the past two years.

a. Development of New Products:

The objective of your company has been to increase the depth and width of the market by increasing the product range and making the products affordable and available using information technology to bring about effectiveness in logistics and distribution.

In this direction, your company has developed new products under herbal category for cold, cough and diabetes by in-house R&D. These products have shown good response from the market. This will enable your company to improve the turnover and profits in the current year. Your directors are glad to inform you that your company has achieved a turnover of Rs.1871 lakhs (Rs.1632 lakhs) in the first four months of the current year.

In order to improve the overall performance, your company has identified several new products in the fine chemicals segment which will have long term business prospects. This is important particularly in the present scenario where all the pharma companies in the world are focusing India as a manufacturing base, and your company has taken the opportunity of developing this segment to increase the turnover and profits in the coming years.

Your company has been very successful in the development of intermediates for cardio-vascular drug, a broncho-dilator, mucolytic agent and an expectorant and other drug intermediates and also scaling up the production for these products at the plant level and has been able to satisfy the customers with high quality and timely supplies. Your Directors are glad to inform that your company has achieved Rs.570 lakhs as on date which is already 80% of last year's turnover.

Looking into business prospects, your company is confident that, it will be able to increase the turnover substantially and also the above mentioned compounds will contribute significantly to the profitability in the coming years.

Your company has geared up to make the plants under GMP standards which would enable your company to increase the high value products and customers in the pharma field.

b. Cost Management and Asset Productivity:

Your company is continuously focussing on managing the cost effectively. Further, your company has taken steps to increase the asset productivity in view of an increased asset base in the past two years.

c. Financial Condition and Liquidity:

Your Company is meeting its working capital requirements through competitive rates of interest in order to reduce overall cost of debt and diversify its liquidity mix.

Your directors wish to state that net loans amounted to Rs.411 lakhs (Rs.457 lakhs) and total debt equity ratio is conservative of 0.44 :1 inspite of the reduction of reserves due to provision made for deferred tax liability.

d. Thrust on Exports:

Your Directors are confident of achieving substantial exports in the current year directly and through tie-ups made with various foreign buyers. Accordingly, your company has achieved export turnover of Rs.158.99 lakhs as on date as compared to Rs. 70.41 lakhs achieved in the corresponding period of last year.

05. FIXED DEPOSITS

As at 31st March, 2002, total deposits from Public and Shareholders amounted to Rs.46.28 lakhs. The Company deposited a sum of Rs. 10 lakhs in accordance with rule 3A of the Company's (Acceptance of Deposits) Rules, 1975. Your company has not accepted any fresh or renewed deposits since September, 2000.

During the financial year, 13 deposits amounting to Rs.1,15,000/- remain unclaimed as on 31st March, 2002. Subsequently, the company has repaid one deposit amounting to Rs.15,000/- and for the balance letters have been written to these depositors before and after the date of maturity asking them for instructions. The company has deposited a sum of Rs.10,789/- being the Unclaimed Deposits / Interest to Investors Education and Protection Fund.

06. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your directors confirm as under:

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on a going concern basis.

07. DIRECTORS

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

Amrutanjan Limited

08. DEMATERIALISATION OF SHARES

The trading in equity shares of your company became mandatory in dematerialised form with effect from 2.1.2002. To facilitate trading in demat form the company has entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and has appointed M/s. Cameo Corporate Services Limited, Chennai as Registrar for Depository Services. As of date (approx.) 20% of equity shares of the company are in dematerialised form.

09. SUBSIDIARY COMPANIES

Amrutanjan Finance Limited could not do much business during the financial year under review, in view of the decision taken to repay the deposits. Deposits were reduced from Rs.445 lakhs to Rs.234 lakhs at the end of the financial year and further reduced to Rs.135 lakhs as on date in the current financial year.

However, the company has completed its project of setting up of an IT enabled service center and started earning revenue which will help the company to make profits as business tie-ups are completed in the areas of tele-marketing, business processing etc. In view of the restructuring of the operations that has taken place, this company will be in a position to transform into a profitable company in the coming years. The company is expected to achieve a business of Rs.400 lakhs and correspondingly achieve the profits in the current financial year.

Amrutanjan Drugs and Chemicals Limited has worked out ways and means of bringing project in the current financial year.

Egattur Printing and Packaging Ltd., has improved its turnover in the financial year under review from Rs. 248 lakhs to Rs.291 lakhs registering an increase of 17 %. However, it has incurred losses in view of the development of various jobs undertaken and effectively reduced the major costs which improved the operating profit in the current financial year. The company has expected to achieve a turnover of Rs. 425 lakhs and correspondingly the profits in the current financial year in view of substantial reduction of major costs and increased turnover.

Your company is having long term involvement in these companies and has taken steps effectively to improve the performance of these companies.

Swas Health Products Limited became a subsidiary of the company during the year. This company has achieved a turnover of Rs.85.59 lakhs in the last financial year and expected to achieve substantial turnover and profits 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 and Swas Health Products Limited are attached to the Balance Sheet of the company.

10. 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.

11. PERSONNEL

No employee is in receipt of remuneration exceeding Rs.2.00 lakhs per month or Rs.24.00 lakhs per annum and therefore information under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is not furnished.

During the year the management of the Company entered into a wage settlement agreement with the labour union of the Company.

12. 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.

13. CORPORATE GOVERNANCE

Securities and Exchange Board of India (SEBI) have, through amendments to Listing Agreement, introduced a time-bound code for implementation of Corporate Governance. Accordingly your company is already under the process of implementation of Corporate Governance in the current financial year.

14. ACKNOWLEDGEMENT

Your Directors place on record their thanks to State Bank of India, The Dhanalakshmi Bank Limited, Indian Overseas Bank, IDBI Bank Ltd., ICICI Bank Ltd., BNP Paribas, Bank of Scotia, Lakshmi Vilas Bank, South Indian Bank and the concerned Departments of State and Central Government, Employees and Shareholders for their valuable assistance, support and co-operation to the company.

Chennai
24.8.2002

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

S. Radhakrishna
Managing Director

Amrutanjan Limited

ANNEXURE FORMING PART OF THE REPORT OF THE DIRECTORS TO THE MEMBERS

INFORMATION IN ACCORDANCE WITH THE COMPANIES

(DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

CONSERVATION OF ENERGY:

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

(A) POWER AND FUEL CONSUMPTION;

	Year ended 31.03.2002 (Current Year)		Year ended 31.03.2001 (Previous Year)	
	OTC	FINE CHEMICALS	OTC	FINE CHEMICALS
1. Electricity :				
a) Purchased :				
Units	4,91,626	9,52,144	4,60,867	5,80,752
Total Amount	Rs. 24,42,990	41,24,237	22,56,379	27,70,189
Rate/Unit	Rs. 4.97	4.33	4.90	4.77
b) Own Generation:				
(i) Through Diesel Generator:				
Units	27,846	2,36,435	22,235	1,55,244
Units per litre of Diesel	3.81	3.90	3.43	3.32
Cost/Unit	Rs. 5.28	7.87	5.06	5.25
(ii) Through Steam Generator:				
Units	16,218	-	16,320	-
Cost/Unit	Rs. 7.23	-	6.70	-
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 31.03.2002 Rs.	Year ended 31.03.2001 Rs.
Electricity :			
Amrutanjan Pain Balm	(9 Gms)	1.35	1.23
Amrutanjan Maha Strong Pain Balm	(9 Gms)	1.05	0.92
Fine Chemicals	(One Ton)	1,34,581	1,09,011
Furnace Oil, Coal and Others :	-	-	-

FORM B

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

I. RESEARCH & DEVELOPMENT

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

Chemical Research

- a. Development of innovative technology for the production of drug intermediates and bulk drugs..
- b. Development of process for new products to increase the products portfolio and hence, customer base.
- c. Technological evaluation and absorption of outsourced new technologies / process

Herbal Research

- a. Research and Development to bring in new herbal drug formulations in different dosage forms.
- b. Animal studies for therapeutically specific products in association with University Research department on pharmacology and toxicology.
- c. Clinical evaluation of such products.
- d. Development of OTC herbal health care pain relief products and food supplements.

Bio-technology Research

Research at the bio-technology primarily focuses on cloning and expressing human recombinant therapeutic proteins of high commercial value and in animals vaccine towards ticks will be targeted.

2. BENEFITS OF R&D

Chemical Research

- a. By adopting the new methods available from current literature, it has been possible to reduce the number of stages in multi-step synthesis to minimise the cost of production.
- b. Development of standards and specifications for intermediates during reaction process.
- a. Technical support to Fine Chemicals Research mainly in the area of:
 - (i) Process modification.
 - (ii) Cost reduction.
 - (iii) Suitability study for raw materials / intermediate stage products.
 - (iv) Trouble shooting the production problems encountered in the plant.

R&D, also extends technical support to Marketing department and Management.

Herbal Research

- a. Modifying product technology for reducing cost, keeping quality constant.
- b. Introduction of new range of products to achieve higher turnover and thereby reduce over dependence on single product category.
- c. Export promotion.

Bio-technology Research

The outcome of research will benefit the company in developing products and process/technology and thereby overcoming patent restriction, which comes into effect from 2005.

3. PLANNING FOR THE FUTURE

Chemical Research

- a. Introduction of NCEs for new drug research.
- b. Contract Research for Multi-national Pharmaceutical Companies.
- c. Import Substitution.

Amrutanjan Limited

Herbal Research

- a. Establishing a state of art OTC Herbal Research Centre.
- b. Development of in-house analytical protocols for new products and their validation.
- c. Diversifying into allopathic segment of pharmaceuticals.
- d. Developing methods and obtaining reference standards and market compounds for use in analysis

Bio-technology Research

It is proposed to initiate a center for bio-informatics. This area of bio-technology will help the Company in identifying new genes and their proteins sequences which is aimed to attract more international bio-pharma companies for collaboration since the R&D will adhere to international standards.

4. EXPENDITURE ON R&D	Rs. in lakhs
Capital	10.73
Recurring	102.41
Total	<u>113.14</u>

Total R&D expenditure as a percentage of total turnover 1.60%

5. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Chemical Research

Apart from the process and product development, a substantial portion of R&D effort has been utilised in adaptation of outsourced technology, process improvement, product improvement, quality improvement, cost reduction and incremental innovation in already existing technologies

Herbal Research

- a. The technology developed through in-house R&D are scaled up effectively to large scale manufacture.
- b. New Innovative products in the OTC Health care area are expected to bring in higher sales turnover.
- c. Products on specific therapeutic categories are introduced after a thorough pharmacological, toxicological and clinical evaluations. This is bound to usher in successful products into the market bringing good revenue and growth for the organisation.

Bio-technology Research

The in-house research will help the company in developing new technologies and these will ultimately benefit in bringing revenue to the company.

II. FOREIGN EXCHANGE EARNINGS AND OUTGO	Rs. in lakhs
Total foreign exchange earnings	286.79
Total foreign exchange outgo	69.89

AMRUTANJAN LIMITED

TEN YEAR RECORD

(Rupees in Lakhs)

PARTICULARS	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Sales	7,068.64	6,541.96	6,389.15	6,007.12	5,183.92	3,851.36	3,198.07	3,040.46	3,006.53	2,954.39
Employee's Salaries Amenities etc.,	799.39	700.54	648.32	584.49	453.17	358.24	363.45	329.26	261.31	235.56
Profit Before Tax	637.56	845.61	910.83	829.28	648.55	67.31	7.55	79.14	127.58	132.66
Provision for Taxation										
-Current tax	197.49	230.38	277.02	251.11	150.81	5.00		9.81	31.00	49.22
-Deferred Tax	22.13	-	-	-	-	-	-	-	-	-
Profit After Tax	417.94	615.23	633.81	578.17	497.74	62.31	7.55	69.33	96.58	83.44
Dividend	96.00	88.00	72.00	64.00	40.00	32.00	32.00	32.00	32.00	28.80
Fixed Assets & Investments	2,359.76	2,141.35	1,763.57	1,209.41	747.32	615.86	521.19	430.23	331.18	227.63
Net Current Assets	1,380.73	1,115.18	1,073.30	1,248.16	927.11	561.89	678.99	823.85	577.34	465.18
Total Assets	3,740.49	3,256.53	2,836.87	2,457.57	1,674.43	1,177.75	1,200.18	1,254.08	908.52	692.81
Represented by:										
Share Capital	320.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00
Reserves	2,022.83	2,314.29	1,800.00	1,250.51	742.75	289.00	261.89	286.34	249.20	184.62
Net Worth	2,342.83	2,474.29	1,960.00	1,410.51	902.75	449.00	421.89	446.34	409.20	344.62
Loans	1,026.05	782.24	876.87	1,047.06	771.68	728.75	778.29	807.74	499.32	348.19
Deferred Tax Liability	371.61	-	-	-	-	-	-	-	-	-
Total	3,740.49	3,256.53	2,836.87	2,457.57	1,674.43	1,177.75	1,200.18	1,254.08	908.52	692.81
Earnings per share (Rs.)	13.06	38.45	39.61	36.14	31.11	3.89	0.47	4.33	6.04	5.22
Book value per share (Rs.)	73.21	154.64	122.50	88.16	56.42	28.06	26.37	27.90	25.58	21.54

Amrutanjan Limited

AUDITORS' REPORT

To the Members of Amrutanjan Limited,

1. We have audited the attached Balance Sheet of M/s. Amrutanjan Limited, as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit:
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the 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 such books;
 - c. The Balance Sheet and Profit and Loss Account dealt by this report are in agreement with the books of accounts;
 - d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards specified by the ICAI, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the Directors, as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2002 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with Note no.5 regarding investment in subsidiary companies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and a fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2002 and
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

No.103 (Old No.57/2),
P.S. Sivasamy Salai,
Mylapore, Chennai 600 004.
24.8.2002.

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

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

01. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. As explained to us, the Company has a system of physical verification, which is designed to cover all assets over a period of two years and in accordance therewith, physical verification of certain fixed assets of the Company was carried out during the year. In our opinion, the frequency of physical verification is reasonable. The discrepancies found on such verification were not material.
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 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.
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 as stipulated and where such payments are not received, reasonable steps have been taken by the Company for recovery.
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 year 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 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, 2002 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. As explained to us, in respect of the trading activities of the company, damaged goods have been determined and provision for loss has been made where necessary.

No.103 (Old No.57/2),
P.S. Sivasamy Salai,
Mylapore, Chennai 600 004.
24.8.2002

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

Amrutanjan Limited

BALANCE SHEET AS AT 31ST MARCH, 2002

	Schedule No.	31st March, 2002 Rs.	31st March, 2001 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	3,20,00,000	1,60,00,000
Reserves and Surplus	2	20,22,83,453	23,14,29,019
		23,42,83,453	24,74,29,019
Loan Funds			
Secured Loans	3	5,85,17,488	6,95,87,574
Unsecured Loans	4	4,40,88,000	86,36,000
		10,26,05,488	7,82,23,574
Deferred Tax Liability (net)		3,71,60,560	
Total		37,40,49,501	32,56,52,593
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	25,97,58,023	23,10,51,417
Less: Depreciation		7,21,67,406	5,47,16,762
Net Block		18,75,90,617	17,63,34,655
Capital Work-in-Progress		47,48,640	34,05,491
		19,23,39,257	17,97,40,146
Investments			
	6	4,36,36,728	3,43,94,928
Current Assets, Loans and Advances			
Inventories	7	5,03,00,297	4,49,78,880
Sundry Debtors	8	6,11,49,645	6,30,12,990
Cash & Bank Balances	9	6,31,22,913	3,34,74,632
Interest Accrued		24,16,038	2,51,339
Loans & Advances	10	2,98,67,099	1,34,47,727
		20,68,55,992	15,51,65,568
Less: Current Liabilities and Provisions			
Current Liabilities	11	5,92,75,582	4,12,48,185
Provisions	12	1,73,72,317	94,62,993
		7,66,47,899	5,07,11,178
Net Current Assets		13,02,08,093	10,44,54,390
Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Deferred Revenue Expenditure (Note 6)		78,65,423	70,63,129
Total		37,40,49,501	32,56,52,593
Notes on Accounts	19		

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

Chennai 24.8.2002	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
	N. Srinivasan Partner	S. Muralidharan Secretary	D. Seetharama Rao R. Vijayaraghavan Directors

65th Annual Report

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2002

	Schedule No.	31st March, 2002 Rs.	31st March, 2001 Rs.
INCOME			
Sales	13	70,68,63,845	65,41,96,276
Other Income	14	<u>62,85,429</u>	<u>73,12,789</u>
		71,31,49,274	66,15,09,065
EXPENDITURE			
Cost of Materials Consumed	15	25,47,76,404	20,85,54,617
Employees' Remuneration and Benefits	16	7,99,39,128	7,00,54,418
Excise Duty		7,97,20,329	7,72,62,372
Interest	17	1,12,38,021	86,92,260
Other Expenses	18	20,56,26,233	20,03,78,441
Depreciation		<u>1,74,61,146</u>	<u>1,17,92,393</u>
		64,87,61,261	57,67,34,501
Profit for the year		6,43,88,013	8,47,74,564
Prior Year Adjustments (net)		(6,31,864)	(2,13,043)
Profit before Tax		6,37,56,149	8,45,61,521
Provision for Taxation			
- Current Tax		(1,95,00,000)	(2,20,00,000)
- Deferred Tax		(22,13,066)	-
Short Provision of I.T. of earlier years		(2,49,475)	(10,38,360)
Profit after Tax		4,17,93,608	6,15,23,161
Transfer from Debenture Redemption Reserve		-	75,00,000
Surplus from previous year brought forward		3,39,29,019	3,25,00,258
		<u>7,57,22,627</u>	<u>10,15,23,419</u>
Profits for Appropriation			
APPROPRIATION			
Provision for Contingencies		1,00,00,000	-
General Reserve		2,50,00,000	5,75,00,000
Interim Dividend - Paid		38,40,000	32,00,000
Tax on Interim Dividend		3,91,680	7,23,200
Final Dividend - Proposed (subject to deduction of tax)		57,60,000	56,00,000
Tax on Proposed Final Dividend		-	5,71,200
		<u>4,49,91,680</u>	<u>6,75,94,400</u>
Balance Profit carried to Balance Sheet		3,07,30,947	3,39,29,019
		<u>7,57,22,627</u>	<u>10,15,23,419</u>
Basic and Diluted Earnings per Share (Rs)		13.06	19.23
(Face Value Rs. 10)			
Notes on Accounts	19		

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 24.8.2002	N. Srinivasan Partner	S. Muralidharan Secretary	R. Vijayaraghavan Directors

Amrutanjan Limited

SCHEDULES TO BALANCE SHEET

	31st March, 2002 Rs.	31st March, 2001 Rs.		
SCHEDULE-1				
SHARE CAPITAL				
Authorised				
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000	5,00,00,000		
Issued, Subscribed and Paid-up				
32,00,000 (16,00,000) Equity Shares of Rs.10/- each fully paid-up	3,20,00,000	1,60,00,000		
Of the above Shares:				
25,000 Equity Shares were issued as fully paid-up to the vendors without payment being received in cash and 31,45,000 Equity Shares were allotted as fully paid-up Bonus Shares by capitalisation of Reserves				
SCHEDULE-2				
RESERVES AND SURPLUS				
	As at 31-3-2001 Rs.	Additions during the year Rs.	(Deductions)* Rs.	As at 31-3-2002 Rs.
General Reserve	19,75,00,000	2,50,00,000	(5,09,47,494)	17,15,52,506
Profit & Loss Account Surplus	3,39,29,019	-	(31,98,072)	3,07,30,947
	<u>23,14,29,019</u>	<u>2,50,00,000</u>	<u>5,41,45,566</u>	<u>20,22,83,453</u>
* Deductions include net deferred tax liability upto 31.03.2001 amounting to Rs. 3,49,47,494 and capitalisation of reserves of Rs. 1,60,00,000 for issue of bonus shares				
SCHEDULE-3				
SECURED LOANS				
Term Loan from Bank (Secured by charge on machinery purchased under the above loan and personal guarantee of Managing Director)	2,70,00,000			3,70,02,805
Term Loan from Financial Institution (Secured by charge on machinery purchased under the above loan)		-		15,06,513
Cash Credit from Banks (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)	3,15,17,488			3,10,78,256
	<u>5,85,17,488*</u>			<u>6,95,87,574*</u>
* Includes Rs. 80 lakhs (Rs. 155.07 lakhs) due for repayment within one year				
SCHEDULE - 4				
UNSECURED LOANS				
Fixed Deposits (Includes Rs. 15,54,000/- (Rs. 15,54,000/-) held by Directors)	46,28,000			86,36,000
Short Term Loan From Banks (includes foreign currency loan of Rs. 2,44,60,000/-) (Guaranteed by Managing Director for Rs. 1,50,00,000/-)	3,94,60,000			-
	<u>4,40,88,000</u>			<u>86,36,000</u>

Amrutanjan Limited

SCHEDULE - 5 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 31-03-2001 Rs.	Addition Rs.	Deletion Rs.	As on 31-03-2002 Rs.	As on 31-03-2001 Rs.	Addition Rs.	Deletion Rs.	As on 31-03-2002 Rs.	As on 31-03-2002 Rs.	As on 31-03-2001 Rs.
OTC BLOCK										
Goodwill	25,000	-	-	25,000	-	-	-	-	25,000	25,000
Land	57,93,596	-	-	57,93,596	-	-	-	-	57,93,596	57,93,596
Leasehold Land*	40,24,500	1,37,343	-	41,61,843	-	-	-	-	41,61,843	40,24,500
Buildings	2,04,58,422	60,85,744	-	2,65,44,166	46,98,450	10,17,601	-	57,16,051	2,08,28,115	1,57,59,972
Leasehold Property	5,20,000	-	-	5,20,000	64,638	22,768	-	87,406	4,32,594	4,55,362
Plant & Machinery	2,64,22,258	26,16,896	-	2,90,39,154	80,86,450	11,24,702	-	92,11,152	1,98,28,002	1,83,35,808
Computers	63,14,315	8,21,150	-	71,35,465	41,74,887	10,65,245	-	52,40,132	18,95,333	21,39,428
Furniture, Fixture & Equipments	82,71,124	12,90,999	-	95,62,123	42,66,188	6,42,514	-	49,08,702	46,53,421	40,04,936
Vehicles	52,47,832	19,37,150	29,947	71,55,035	27,74,365	8,97,081	10,502	36,60,944	34,94,091	24,73,467
Fine Chemicals Block										
Buildings	1,57,43,450	26,44,125	-	1,83,87,575	15,42,329	16,17,345	-	31,59,674	1,52,27,901	1,42,01,121
Plant & Machinery	5,06,90,753	1,11,39,261	-	6,18,30,014	9,40,662	51,79,155	-	61,19,817	5,57,10,197	4,97,50,091
Computers	-	1,96,650	-	1,96,650	-	47,944	-	47,944	1,48,706	-
Furniture, Fixture & Equipments	15,10,546	7,94,340	-	23,04,886	1,17,711	2,49,110	-	3,66,821	19,38,065	13,92,835
Research & Development Block										
Buildings	1,18,00,172	2,88,818	-	1,20,88,990	33,15,810	4,33,865	-	37,49,675	83,39,315	84,84,362
Plant & Machinery	3,19,60,008	2,48,921	-	3,22,08,929	1,05,03,770	13,07,888	-	1,18,11,658	2,03,97,271	2,14,56,238
Pilot Plant	3,70,91,823	4,82,624	-	3,75,74,447	1,10,48,187	34,69,766	-	1,45,17,953	2,30,56,494	2,60,43,636
Computers	5,12,120	-	-	5,12,120	2,55,835	1,02,514	-	3,58,349	1,53,771	2,56,285
Lab Equipments-Furniture & Fixtures	46,65,498	52,532	-	47,18,030	29,27,480	2,83,648	-	32,11,128	15,06,902	17,38,018
Total	23,10,51,417	2,87,36,553	29,947	25,97,58,023	5,47,16,762	1,74,61,146	10,502	7,21,67,406	18,75,90,617	17,63,34,655
As per last Balance Sheet	16,46,32,379	6,76,76,339	12,57,301	23,10,51,417	4,35,56,748	1,17,92,393	6,32,379	5,47,16,762	17,63,34,655	12,10,75,631
Capital Work-in-Progress (includes Capital Advances of Rs. 4,59,351/-) * registered lease deed yet to be received.									47,48,640	34,05,491

Amrutanjan Limited

SCHEDULES TO BALANCE SHEET

	Face Value Rs.	31st March, 2002 Rs.	31st March, 2001 Rs.
SCHEDULE-6			
INVESTMENTS (AT COST)			
LONG TERM INVESTMENTS			
Non-trade Investments (Unquoted):			
National Savings Certificates (Deposited with the Collector of Central Excise, Chennai)	5,500	5,500	5,500
500 13 % Bonds of State Bank of India of Rs.1,000/- each fully paid (redeemed during the year)	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
5 Equity Shares in Capexil (Agencies) Ltd. of Rs.1000/- each fully paid.	5,000	5,000	5,000
Non-trade Investments (Quoted):			
21,450 Equity Shares in Saha Keil Ltd. of Rs.10/- each fully paid	2,14,500	2,14,500	2,14,500
36,100 Equity Shares in Indian Overseas Bank of Rs.10/- each fully paid	3,61,000	3,61,000	3,61,000
100 6 % Cumulative Preference Shares in Metal Box Limited of Rs.100/- each fully paid	10,000	11,684	11,684
Investments in Subsidiaries (Unquoted) :			
29,04,407 Equity Shares in Amrutanjan Finance Limited of Rs.10/- each fully paid (5,00,000 equity shares subscribed during the year)	2,90,44,070	3,00,11,428	2,50,11,428
52,400 Equity Shares in Amrutanjan Drugs & Chemicals Limited of Rs.10/- each fully paid, out of which 300 fully paid-up equity shares are held in the name of nominees (50,000 equity shares subscribed during the year)	5,24,000	5,24,000	24,000
9,98,800 Equity Shares in Egattur Printing and Packaging Limited of Rs.10/- each fully paid, out of which 33 fully paid-up shares are held in the name of nominees. (2,00,000 equity shares subscribed during the year)	99,88,000	99,88,000	79,88,000
2,24,180 Equity Shares in Swas Health Products Limited of Rs. 10/- each fully paid (subscribed during the year)	22,41,800	22,41,800	-
		4,38,62,912	3,46,21,112
Less : Provision for Investments		2,26,184	2,26,184
		4,36,36,728	3,43,94,928
Quoted Investments - Cost		5,87,184	5,87,184
- Market Value		3,23,095	2,77,970
Unquoted Investments - Cost		4,32,75,728	3,40,33,928
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		2,41,02,379	2,10,12,508
Packing Materials		50,95,429	67,70,762
Process Stock		71,62,821	29,64,943
Finished Stock		1,39,39,668	1,42,30,667
		5,03,00,297	4,49,78,880

SCHEDULES TO BALANCE SHEET

	31st March, 2002 Rs.	31st March, 2001 Rs.
SCHEDULE-8		
SUNDRY DEBTORS (Unsecured, considered good)		
Over six months	30,29,487	35,93,987
Others	<u>5,81,20,158</u>	<u>5,94,19,003</u>
	6,11,49,645	6,30,12,990
SCHEDULE-9		
CASH AND BANK BALANCES		
Cash in hand	2,52,113	2,66,576
Cheques in hand and in transit	62,60,550	82,03,067
Balance with Scheduled Banks:		
In Current Accounts (including Rs. 16,18,402/- (Rs. 9,03,345/-) in Unclaimed Dividend Account)	56,18,028	41,11,192
In Export Earners Foreign Currency Account	1,07,80,908	18,92,071
In Deposit Accounts [including Rs. 12,11,314/- (Rs. 16,71,726/-) lodged with bank as security for Guarantees issued and Rs. 3,65,00,000/- under lien for loans availed by a subsidiary company]	4,02,11,314	1,89,71,726
In Deposit Account with HDFC	-	30,000
	<u>6,31,22,913</u>	<u>3,34,74,632</u>
SCHEDULE-10		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in Cash or in kind for value to be received	1,69,72,139	1,04,20,251
Advance to Subsidiary Company	37,14,367	-
Deposits	28,79,888	30,27,476
Advance Tax (net off provisions and TDS)	63,00,705	-
	<u>2,98,67,099</u>	<u>1,34,47,727</u>
SCHEDULE-11		
CURRENT LIABILITIES		
Acceptances	87,69,985	-
Creditors for Purchases		
- SSI units	20,06,174	51,690
- Others (includes Rs. 5,26,719/- due to subsidiary company)	1,65,25,496	80,80,067
Creditors for Expenses (includes Rs. 10,00,334/- (Rs.12,42,718/-) due to Managing Director)	1,98,12,722	1,95,50,997
Creditors for Capital Goods	8,15,502	35,91,438
Unclaimed Dividend	16,18,402	9,03,345
Other Liabilities	89,50,379	82,58,662
Interest accrued but not due	7,76,922	8,11,986
	<u>5,92,75,582</u>	<u>4,12,48,185</u>
SCHEDULE-12		
PROVISIONS		
Provision for Taxation (net of Advance payments, TDS)	-	23,29,285
Proposed Dividend	57,60,000	56,00,000
Tax on Dividend	-	5,71,200
Provision for Employee Retirement Benefits	16,12,317	9,62,508
Provision for Contingencies	1,00,00,000	-
	<u>1,73,72,317</u>	<u>94,62,993</u>

Amrutanjan Limited

SCHEDULES TO PROFIT & LOSS ACCOUNT

	31st March, 2002 Rs.	31st March, 2001 Rs.
SCHEDULE-13		
SALES		
OTC products	63,64,05,747	59,70,63,625
Chemicals(includes processing charges Rs. 10,72,072/-)	<u>7,04,58,098</u>	<u>5,71,32,651</u>
	<u>70,68,63,845</u>	<u>65,41,96,276</u>
SCHEDULE-14		
OTHER INCOME		
Income from Investments [TDS Rs. 26,775 (Rs.32,892/-)]	1,15,625	1,48,579
Dividend receipts	15,627	-
Interest - Bank Deposits [TDS Rs. 6,23,202/- (Rs.3,49,181/-)]	31,73,791	15,33,861
Interest - Others [TDS Rs. 30,565/- (Rs. 65,949/-)]	5,05,379	4,29,728
Insurance Claims	1,44,668	25,70,796
Rent receipts [TDS Rs. 1,60,711/- (Rs.79,560/-)]	9,21,800	6,03,500
Scrap sales	7,90,751	9,14,124
Profit on sale of fixed assets	72,555	14,430
Sundry balances written back (net)	4,10,042	4,95,585
Excess provision written back	45,771	-
Bad debts recovered	-	99,132
Exchange Difference (net)	-	32,273
Miscellaneous Receipts	<u>89,420</u>	<u>4,70,781</u>
	<u>62,85,429</u>	<u>73,12,789</u>
SCHEDULE-15		
COST OF MATERIALS CONSUMED		
Opening Stock		
Raw Materials	2,10,12,508	1,53,14,096
Packing Materials	<u>67,70,762</u>	<u>42,87,085</u>
	2,77,83,270	1,96,01,181
Add : Purchases		
Raw Materials	15,05,21,145	10,73,35,861
Packing Materials	<u>9,23,75,255</u>	<u>9,00,48,684</u>
	<u>24,28,96,400</u>	<u>19,73,84,545</u>
	27,06,79,670	21,69,85,726
Less : Closing Stock		
Raw Materials	2,41,02,379	2,10,12,508
Packing Materials	<u>50,95,429</u>	<u>67,70,762</u>
	<u>2,91,97,808</u>	<u>2,77,83,270</u>
Consumption of Raw & Packing Materials	24,14,81,862	18,92,02,456
Add : Processing Charges	33,28,592	36,81,695
Add : Products Purchased	1,38,72,829	1,23,59,735
Stock Adjustments	<u>(39,06,879)</u>	<u>33,10,731</u>
	<u>25,47,76,404</u>	<u>20,85,54,617</u>
(INCREASE) / DECREASE IN STOCK		
Opening Stock		
Finished Goods	1,42,30,667	1,59,70,846
Process Stock	<u>29,64,943</u>	<u>45,35,495</u>
	1,71,95,610	2,05,06,341
Closing Stock		
Finished Goods	1,39,39,668	1,42,30,667
Process Stock	<u>71,62,821</u>	<u>29,64,943</u>
	<u>2,11,02,489</u>	<u>1,71,95,610</u>
	<u>(39,06,879)</u>	<u>33,10,731</u>

SCHEDULES TO PROFIT & LOSS ACCOUNT

	31st March, 2002 Rs.	31st March, 2001 Rs.
SCHEDULE-16		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	6,21,61,202	5,32,56,380
Managing Director's Remuneration & Commission	22,58,219	25,95,151
Contribution to Employees Provident, Gratuity and Other Funds	1,13,79,344	1,07,43,713
Welfare Expenditure	41,40,363	34,59,174
	<u>7,99,39,128</u>	<u>7,00,54,418</u>
SCHEDULE-17		
INTEREST		
Fixed Loans	51,71,167	72,26,659
Others	60,66,854	14,65,601
	<u>1,12,38,021</u>	<u>86,92,260</u>
SCHEDULE-18		
OTHER EXPENSES		
Power & Fuel	1,12,62,812	74,66,529
Repairs & Maintenance :		
Building	15,98,215	11,04,200
Machinery	33,28,022	28,71,575
Others	26,06,172	19,10,348
Freight and Transport Charges	1,12,68,023	1,06,32,445
Advertisement	5,12,34,560	5,05,19,839
Selling Expenses	2,12,48,308	2,72,94,104
Commission on sales	5,92,112	3,77,754
Bad Debts written off (net)	-	5,91,646
Sales Tax	4,85,30,059	4,42,28,358
Rates and Taxes	18,42,940	19,96,841
Insurance	27,33,033	25,46,691
Travelling Expenses	1,26,67,745	1,33,47,797
Conveyance	10,70,097	14,39,559
Retainer & Consultancy	21,63,657	15,48,542
Security Charges	33,97,284	31,04,951
Rent	12,84,966	11,67,257
Printing & Stationery	19,87,682	18,86,676
Postage & Telegrams	16,00,170	13,09,673
Communication Expenses	39,19,751	37,56,306
Legal Expenses	4,75,500	4,16,566
Research & Development Expenses	1,02,41,065	1,05,28,311
Bank Charges	30,89,669	31,47,256
Donations	5,58,602	7,00,200
Auditor's Remuneration :		
Audit Fees	2,00,000	1,50,000
Tax Audit	35,000	35,000
Tax Representation	40,000	40,000
Certification	-	37,000
Others - Service Tax	11,750	11,250
Directors Sitting Fees	84,000	76,000
Loss on fixed assets sold / discarded	-	1,51,208
Exchange Difference (net)	99,383	-
Miscellaneous Expenses	64,55,656	59,84,559
	<u>20,56,26,233</u>	<u>20,03,78,441</u>

Amrutanjan Limited

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2002

SCHEDULE - 19

1. ACCOUNTING POLICIES

- a Accrual system of accounting is followed to record incomes and expenditure, excepting in the areas herein specifically mentioned.
- b Fixed Assets are stated at cost (net of CENVAT wherever applicable) less accumulated depreciation. Cost comprises of direct costs and in the case of Plant & Machinery interest on loan taken for the acquisition of assets upto the date of commissioning of the assets. 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 pro-rata from the date of addition. Freehold / Leasehold 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. Capital expenditure is shown as additions to Fixed Assets.
- 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 Super Annuation 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.
- j Current Tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

2. CONTINGENT LIABILITIES

- a Bonds executed in favour of Collector of Central Excise, Chennai- Rs.6,00,000/- (Rs.6,00,000/-)
- b Guarantees/Letter of Credit issued on behalf of the Company by Banks -Rs. 85,89,733/- (Rs.61,94,893/-)
- c Guarantees and securities given and outstanding to banks on behalf of Amrutanjan Finance Limited is Rs.7,79,73,099/- (Rs. 3,40,27,460/-), Egattur Printing and Packaging Limited Rs. 1,96,97,697/- (3,00,00,000), Swas Health Products Ltd Rs.14,00,000/- (Nil).
- d Bills discounted by the Company Rs.1,40,23,703/- (Rs.22,43,397/-)
- e Appeals filed in respect of disputed demands:

	2001 - 2002	2000 - 2001
Income - Tax	Rs. 16,26,014	16,26,014
Urban Land Tax	Rs. 3,23,641	2,83,778

3 Estimated amount of capital expenditure commitments Rs.70,00,000/- (Rs. 37,70,000/-)

4 Claims against the Company not acknowledged as debts are Rs.10,48,350/- (Rs. 10,48,350/-)

5 Investment in Subsidiary Companies:

In view of the long term involvement of the Company in the subsidiary companies i.e., Amrutanjan Finance Limited and Egattur Printing & Packaging Limited, the reduction in the book value of investments due to losses incurred by the said companies, is of temporary nature only. Steps of restructuring the business activities have already been taken resulting in improvement of operations of the said companies. However, as a matter of prudence, an amount of Rs. 100 lacs has been provided under Provision for Contingencies.

6 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.65.78 lakhs(Rs.42.37 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; accordingly Rs.57.76 lakhs (Rs.48.11 lakhs) has been charged to revenue account.

7 List of Small Scale Industrial units for whom outstanding is more than 30 days :

M/s. Arun Plast Pvt Ltd.	M/s. Cryogenics (India) Ltd.	M/s. Yodeva Plastics Pvt Ltd.
M/s. Mysore Polyset Pvt Ltd.	M/s. Pramukh Packaging Pvt Ltd.	M/s. Rolex Lanolin Products Ltd.
M/s. Surya Polymers	M/s. Alutop	M/s. AG-GROW Products Ltd.
M/s. Uma Ayurved Bhavan Pvt Ltd.	M/s. Uma Packaging	M/s. Sri Saravana Chemicals
M/s. Ambemath Chemical Industries	M/s. Blow Packaging	M/s. Sidharth Pack Aids
M/s. Ambemath Organics Pvt Ltd.	M/s. Gillanders	M/s. Modi Chemical Industries
M/s. Sreenivas Industries	M/s. Shiv Chem Industries	

8 Retainer Fee paid to Technical Advisor Rs. 60,000/- (Rs. 60,000/-)

	2001 - 2002	2000 - 2001
	Rs.	Rs.
9 Products Purchased	1,38,72,829	1,23,59,735

10. **MANAGING DIRECTOR'S REMUNERATION**

	31-03-2002	31-03-2001
	Rs.	Rs.
Salary	4,04,000	3,80,000
Contribution to Gratuity Fund	16,320	15,360
Contribution to Superannuation Fund	1,08,540	1,02,060
Other Perquisites	2,06,574	3,07,772
Commission as per computation below	9,70,222	12,36,073
	<u>17,05,656</u>	<u>20,41,265</u>
Guarantee Commission	5,52,563	5,53,886
Computation of commission payable to Managing Director under Section 349 of the Companies Act, 1956 :	Rs.	Rs.
Profit for the year before tax as per Profit & Loss A/c		6,37,56,149
Add: Depreciation as per Profit & Loss A/c	1,74,61,146	
Profit on sale of fixed assets as per Section 349 of Companies Act, 1956	10,502	
Directors Sitting Fees	84,000	
Remuneration to Managing Director	<u>17,05,656</u>	
		<u>1,92,61,304</u>
		8,30,17,453
Less : Depreciation as per Section 350 of Companies Act, 1956	1,74,61,146	
Profit on sale of fixed assets as per Profit & Loss A/c	72,555	
Deferred Revenue Expenditure (net)	<u>8,02,294</u>	
		<u>1,83,35,995</u>
Profit available for payment of commission		6,46,81,458
Commission @ 1.5%		<u>9,70,222</u>

Amrutanjan Limited

11 Research & Development expenses include :

	2001-2002 Rs.	2000-2001 Rs.
Materials & Consumables	9,86,782	16,46,212
Salaries, Bonus etc.,	56,42,730	46,81,379
Power & Fuel	17,03,330	15,56,256
Other Expenses	19,08,223	26,44,464
	<u>1,02,41,065</u>	<u>1,05,28,311</u>

12. Details of Raw Materials Consumed:

Particulars	Quantity	2001-2002	2000-2001	
		Value (Rs.)	Quantity	Value (Rs.)
Karpoor Powder (Tons)	37.351	41,42,337	37.619	33,22,023
Pudina Ka Phool (Tons)	51.583	2,39,34,306	48.027	2,43,51,521
Nilgiri Ka Tel (Tons)	50.664	1,51,95,098	52.420	1,19,26,412
Winter Green Tel (Tons)	36.740	39,62,968	36.472	40,00,608
Chaha Ka Tel (Tons)	17.338	76,63,204	18.043	75,54,330
Solvents (Tons)	162.215	51,97,263	357.330	52,33,874
Chemicals (Tons)	1168.259	6,05,68,772	248.292	2,06,11,900
Others		2,67,67,326		2,46,36,781
		<u>14,74,31,274</u>		<u>10,16,37,449</u>

13 Raw Materials Consumed :

	2001-2002 (%)	Value (Rs.)	2000-2001 (%)	Value (Rs.)
Imported	4.34	64,04,818	6.38	64,82,245
Indigenous	95.66	14,10,26,456	93.62	9,51,55,204
		<u>14,74,31,274</u>		<u>10,16,37,449</u>

14 Earnings in Foreign Exchange :

	2001 - 2002 Rs.	2000 - 2001 Rs.
Export Sales (F.O.B. Value)	<u>2,86,79,480</u>	<u>3,15,09,379</u>

15 Value of Imports on C.I.F. basis :

Raw Materials	62,07,432	62,64,031
Capital Goods	-	8,91,588

16 Expenditure in Foreign Currency :

Travelling Expenses	4,46,669	5,49,689
Others	3,35,054	11,58,996

17. Production, Purchases, Turnover & Stock

Class of Goods	Unit	Opening Stock				Closing Stock				Turnover (includes free issues & net of sales returns)				Production / Purchases	
		As at 1.4.2001		As at 1.4.2000		As at 31.3.2002		As at 31.3.2001		2001-2002		2000-2001		2001-2002	2000-2001
		Qty.	Value(Rs.)	Qty.	Value (Rs.)	Qty.	Value(Rs.)	Qty.	Value(Rs.)	Qty.	Value(Rs.)	Qty.	Value (Rs.)	Qty.	Qty.
AMRUTANJAN PAIN BALM	(Tons)	18.884	99,72,204	19.466	88,23,684	7.463	40,29,492	18.884	99,72,204	511.101	57,66,45,647	501.033	55,70,83,179	499.680	500.451
INHALER & OTHERS	(Tons)	5.854	30,57,606	10.507	33,55,949	6.345	28,82,287	5.854	30,57,606	63.230	3,41,47,579	29.177	1,95,31,655	63.721	24.524
AGENCY PRODUCTS	(Tons)	10.635	8,71,634	36.558	32,23,698	9.748	7,63,832	10.635	8,71,634	178.308	2,56,12,522	157.693	2,04,48,791	177.421	131.770
CHEMICALS	(Tons)	0.977	3,29,223	0.992	5,67,515	6.551	62,64,057	0.977	3,29,223	25.071	7,04,58,097	25.844	5,71,32,651	30.645	25.829
			1,42,30,667		1,59,70,846		1,39,39,668		1,42,30,667		70,68,63,845		65,41,96,276		

Amrutanjan Limited

18 Deferred Tax:

Consequent to Accounting Standard 22 "Accounting on Taxes on Income" issued by the ICAI becoming mandatory with effect from 1st April, 2001, the Company has provided for deferred tax during the year.

Accordingly the deferred tax charge for the year of Rs. 22,13,066/- has been recognised in the Profit and Loss Account and the cumulative net deferred tax liability upto 31st March, 2001 of Rs. 3,49,47,494/- has been deducted from the General Reserve.

The components of deferred tax liability / asset as at 31st March, 2002 are as under :

Deferred Tax Liabilities :		(Rs.)
Depreciation		3,45,93,141
Deferred Revenue expenditure		<u>28,90,543</u>
		3,74,83,684
Deferred Tax Asset :		
Expenses / Provisions allowable		<u>3,23,124</u>
Net Deferred Tax Liability		3,71,60,560

19 Earnings per Share :

Particulars	2001-2002	2000-2001
(a) Numerator - Net Profit as per Profit & Loss Account (in Rs.)	4,17,93,608	6,15,23,161
(b) Denominator - Weighted average number of Equity Shares outstanding	32,00,000	32,00,000
(c) Earnings per Share (Basic and Diluted) (in Rs.)	13.06	19.23
(d) Nominal value of Shares (in Rs.)	10.00	10.00

The Company has issued Bonus Shares in the ratio of 1:1 during the year. Since the bonus issue is an issue without consideration, the issue is treated as if it had occurred prior to the beginning of 2000-2001. Hence, the weighted average number of Equity Shares outstanding for both 2000-2001 and 2001-2002 is taken as 32,00,000 shares

20 Segment Information for the year ended March 31, 2002 :

Primary Business Segments		OTC Products	Chemicals	Net Total
(a) Segment Revenue :				
External Sales	63,64,05,747	7,04,58,098	-	70,68,63,845
Inter Segment Sales	-	-	-	-
Total Revenue	63,64,05,747	7,04,58,098	-	70,68,63,845
(b) Result	12,74,67,180	(2,98,80,368)	-	9,75,86,812
Less : Unallocable expenditure net of unallocable income				(2,57,71,200)
Operating Profit				<u>7,18,15,612</u>
Less : Interest expenses				(1,12,38,021)
Add : Interest income				38,10,422
Less : Prior Year Adjustments (net)				<u>(6,31,864)</u>
Profit before Tax				63,756,149
Provision for taxation :				
- Current Tax				1,95,00,000
- Deferred Tax				22,13,066
- Short Provision of I.T of earlier years				<u>2,49,475</u>
Profit after Tax				4,17,93,608
(c) Segment Assets	13,29,72,990	13,58,72,991	-	26,88,45,981
Unallocated Assets	-	-	-	<u>18,18,51,419</u>
Total Assets				45,06,97,400
(d) Segment Liabilities	3,25,74,385	2,25,03,538	-	5,50,77,923
Unallocated Liabilities	-	-	-	<u>16,13,36,024</u>
Total Liabilities				21,64,13,947
(e) Capital expenditure	72,79,466	1,47,74,377	-	2,20,53,843
Unallocated expenditure				66,82,710
(f) Depreciation	36,36,531	71,44,635	-	1,07,81,166
Unallocated Depreciation				66,79,980
(g) Significant non-cash items	57,76,216	-	-	57,76,216

The Company has disclosed Business segment as the primary segment and is organised into two main business segments namely OTC Products and Chemicals.

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

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. Other unallocable expenditure includes revenues and expenses which are not directly identifiable to the individual segments as well as expenses which relate to the Company as a whole.

21 Related Party Disclosures :

1. List of Related Parties :

(a) Parties where control exists - Subsidiaries :

Amrutanjan Finance Limited
Egattur Printing and Packaging Limited
Amrutanjan Drugs and Chemicals Limited
Swas Healthcare Products Limited

(b) Key Management Personnel :

Sri. S.Radhakrishna, Managing Director

(c) Relatives of Key Management Personnel :

Mrs. Kamakshamma S	-	Mother
Mrs. Rajeswari S	-	Wife
Miss Ramayamma S	-	Sister
Mrs.Nageswaramma P	-	Sister
Mrs.Leelabhramara D	-	Sister
Mr. Sambuprasad S	-	Son

2. Transactions with related parties mentioned in (a) above :

Nature of Transaction	Amount (Rs.)
Purchase of goods	2,66,17,073
Sale of goods	1,77,449
Rendering of services	12,73,541
Interest received	4,78,303
Receiving of services	9,87,604
Loans / Advances granted	2,35,00,007
Subscription to Equity Shares	97,41,800
Guarantees given	2,14,00,000
Guarantees discharged	(1,00,00,000)
Deposits under Lien	3,65,00,000
Provision for contingencies	1,00,00,000
Outstanding as on 31.03.2002 :	
Trade Receivable	37,14,367
Trade Payable	5,26,720
Guarantees	6,39,21,377
Deposit under lien	3,51,49,419
Investments	4,27,65,228

3. Transactions with related party mentioned in (b) above :

Remuneration	17,05,656
Guarantee Commission	5,52,563
Dividend paid	5,56,016
Amount payable as on 31.03.2002	10,00,334

4. Transactions with related parties mentioned in (c) above :

Dividend Paid	29,22,948
Sitting Fees Paid	2,000

Amrutanjan Limited

22. Installed & Licensed Capacity:

A. CHENNAI

Product Name :

Amrutanjan Pain Balm (Ayurvedic),
Hero Super Balm and Dragon Liquid Balm 403 Metric Tons.

Amrutanjan Inhaler (Ayurvedic) 20 Lakhs Units.

Amrutanjan Cold Rub (Ayurvedic) :

- 5 gms Tins 50 Lakhs Nos.

- 20 gms Bottles 30 Lakhs Nos.

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)

Dermal Ointment 16 gms. 1,80,000 Nos.

Cetomix Cough Mixture 60 ml. 20,000 Nos.

Jiffy Tablets 1,28,00,000 Nos.

B. HYDERABAD

Amrutanjan Pain Balm (Ayurvedic) 2.4 Crore Units (240 Tons)

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 to comply with current year's classification.

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

	As per our Report of even date	S.Radhakrishna	S.V.Subramaniam
	For P.S.Subramania Iyer & Co.	Managing Director	Dr. Pasumarthi S.N. Murthi
	Chartered Accountants		D.Seetharama Rao
Chennai	N.Srinivasan	S.Muralidharan	R. Vijayaraghavan
24.8.2002	Partner	Secretary	Directors

65th 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=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>

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

	Total Liabilities	Total Assets
	<input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="7"/>	<input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="7"/>
Sources of Funds:	Paid-up Capital	Reserves & Surplus
	<input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="3"/>
Secured Loans	Unsecured Loans	Deferred Tax Liability
<input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="7"/>	<input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="8"/>	<input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="1"/>
Application of Funds:	Net Fixed Assets	Investments
	<input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="9"/>	<input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="7"/>
	Net Current Assets	Misc. Expenditure
	<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="8"/>	<input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="5"/>
	Accumulated Losses	
	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	

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

	Total Turnover/Income	Total Expenditure
	<input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="9"/>	<input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="9"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="3"/>
+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax	
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="6"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="4"/>	
	Earnings per share (Rs.)	Dividend (%)
	<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="6"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="0"/>

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

Item Code (ITC Code)

Product Description

Chennai 24.8.2002 As per our Report of even date For P.S.Subramania Iyer & Co. Chartered Accountants N. Srinivasan Partner	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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Amrutanjan Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2002

A. CASH FLOW FROM OPERATING ACTIVITIES:	31.3.2002 Rs.	31.3.2001 Rs.
Net Profit before tax and extraordinary items	6,37,56,149	8,45,61,521
Adjustments for:		
- Depreciation	1,74,61,146	1,17,92,393
- Exchange difference	3,93,506	11,567
- Provision for Employee Retirement Benefits	6,49,809	4,21,690
- Income from Investments	(1,31,252)	(1,48,579)
- Interest received	(36,79,170)	(19,63,589)
- Rent receipts	(9,21,800)	(6,03,500)
- Profit on sale of fixed assets	(72,555)	(14,430)
- Interest paid	1,12,38,021	86,92,260
- Loss on fixed assets sold/discarded	-	1,51,208
- Deferred revenue expenditure (Net)	(8,02,294)	5,73,506
Operating Profit before Working Capital Changes	8,78,91,560	10,34,74,047
Adjustments for:		
- Trade & other receivables	(82,55,322)	(3,711,608)
- Inventories	(53,21,417)	(4,871,358)
- Trade Payables	2,01,23,340	1,828,436
Cash generated from operations	9,44,38,161	96,719,517
Direct Taxes Paid	(2,83,79,465)	(2,22,88,013)
Cash Flow before extraordinary items	6,60,58,696	7,44,31,504
Extraordinary items	-	-
Net Cash from operating activities	6,60,58,696	74,431,504
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets including Capital Work-in-Progress	(3,28,55,638)	(4,98,35,397)
Sale of Fixed Assets	92,000	4,88,144
Investment in Equity of Subsidiaries	(97,41,800)	-
Purchase of Investments	-	(3,61,000)
Proceeds from maturity of Investments	5,00,000	1,000
Interest received on Loans / Investments	16,30,096	21,02,294
Dividend received	15,627	-
Rent received	9,21,800	6,03,500
Net Cash(used in) / generated from Investing Activities	(3,94,37,915)	(4,70,01,459)

C. CASH FLOW FROM FINANCING ACTIVITIES :

Net Increase / (Decrease) in Bank Borrowings	4,39,232	1,53,59,324
Proceeds from long term / short term borrowings	8,49,00,000	1,54,21,458
Repayment of long term / other borrowings	(6,15,17,318)	(4,02,44,511)
Dividend paid (including Interim Dividend & Dividend Tax)	(96,87,823)	(88,03,200)
Interest paid	(1,12,73,085)	(86,92,260)
Net Cash(used in)/generated from financing activities	28,61,006	(2,69,59,189)
Net Increase in cash & cash equivalents	<u>2,94,81,787</u>	<u>4,70,856</u>
Cash and cash equivalents opening balance	3,34,86,199	3,30,15,343
Cash and cash equivalents closing balance	6,29,67,986	3,34,86,199

Notes to the Cash Flow Statement

- 1 Cash and Cash equivalents include :

Cash and Bank balances	6,31,22,913	3,34,74,632
Effect of exchange rate changes	(1,54,927)	11,567
Total Cash and Cash equivalents	6,29,67,986	3,34,86,199
- 2 Cash and Cash equivalents at the end of the period include deposits with banks of Rs. 3,65,00,000 under lien.
- 3 Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

Chennai
24.08.2002

S. Muralidharan
Secretary

S. Radhakrishna
Managing Director

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

Auditor's Certificate

We have examined the attached Cash Flow Statement of Amrutanjan Limited for the year ended March 31, 2002. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with stock exchange and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our report of 24th August, 2002 to the members of the Company.

No. 103, (Old No. 57/2)
P.S. Sivasamy Salai, Mylapore
Chennai 600 004
24.08.2002

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

Amrutanjan Limited

34

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956

Name of the Subsidiary Companies	Extent of Holding Company's interest in the Subsidiary at the end of Financial year of the subsidiary			Net aggregate amount of profits/(losses) of the subsidiary so far as it concerns the members of the Holding Company and is not dealt in the accounts of the holding company		Net aggregate amount of profits/(losses) of the subsidiary so far as it concerns the members of the holding company and is dealt with in accounts of holding company	
	Subsidiary's Financial year ended on	No. of Shares held	% of total paid-up capital	For the Financial year of the Subsidiary (Rs.)	For the previous Financial years since it became the Holding Company's Subsidiary (Rs.)	For the Financial year of the Subsidiary (Rs.)	For the previous Financial years since it became the Holding Company's Subsidiary (Rs.)
AMRUTANJAN FINANCE LIMITED	31.03.2002	29,04,407 Equity shares of Rs.10/- each	73.48	(1,17,36,643)	(2,03,37,991)	-	-
AMRUTANJAN DRUGS AND CHEMICALS LIMITED	31.03.2002	52,400 Equity shares of Rs.10/- each	99.992	5,610	21,90,313	-	-
EGATTUR PRINTING AND PACKAGING LIMITED	31.03.2002	9,98,800 Equity shares of Rs.10/- each	100.00	(1,06,85,624)	(1,52,80,404)	-	-
SWAS HEALTH PRODUCTS LIMITED	31.03.2002	2,24,180 Equity shares of Rs.10/- each	99.97	(5,39,918)	-	-	-

Chennai
24.8.2002

S. Muralidharan
Secretary

S. Radhakrishna
Managing Director

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

REPORT OF THE DIRECTOR'S TO THE MEMBERS

Your Directors present their Fourteenth Annual Report and Audited Accounts for the year ended March 31, 2002

FINANCIAL RESULTS

	2001-2002 (Rs. in Lakhs)	2000-2001 (Rs. in Lakhs)
1. Gross Income	117.63	178.60
2. Profit before Depreciation & Provision	(72.20)	9.53
3. Depreciation & Provision	(87.52)	(155.58)
4. Profit/(Loss) before Tax	(159.72)	(146.05)
5. Provision for Tax	-	-
6. Profit/(Loss) after Tax	(159.72)	(146.05)
7. Public Deposits	233.52	445.41

Your Directors regret their inability to recommend any dividend.

REVIEW OF PERFORMANCE DURING THE YEAR

a. NBFC ACTIVITY

The company could not do much of HP/Lease business as Bankers have not considered any additional limit. A major portion of the collections was utilized for repayment of Public Deposits. This has affected the profitability to certain extent.

PUBLIC DEPOSIT

The company is not accepting Public Deposits from 10/08/2001 and repaying the same as and when they mature. The Public Deposit figure as on date is Rs.135 lacs as against Rs.445.41 lacs as at 31/03/2001. The company has repaid Rs.310 lacs of deposits from 31/03/2001. The company is also taking steps to escrow the Public Deposits outstanding so as to become a Non-Public Deposit taking Company ("B" Category). As at 31st March 2002 the company held 84 matured deposits amounting to Rs. 10,76,447 out of which 26 deposits amounting to Rs. 3,97,105 has since been repaid. For remaining unclaimed deposits letters have been written for instructions.

b. INTERNATIONAL CALL CENTRE :

The International Call Centre set up at the NSIC Software Technology Park, Ekkaduthangal, Guindy, Chennai became operational in the third week of February, 2002. The project suffered time overrun for about 4 months on account of the terrorist attack in USA on September 11, 2001. The bursting of the dotcom bubble, the global economic slowdown and the September 11 attack on the USA had an impact on the IT industry World-wide and India too was affected by these uncertainties. Supply and installation of one of the critical equipments for our Call Centre at the USA end got delayed. There were some initial teething problems like poor line quality, compatibility of equipments at USA and Indian end etc. After overcoming all these things company took up some outbound tele-marketing campaign wherein the inflow of income is not consistent as the remuneration is linked to the actual sales confirmed. In view of the reasons adduced company could not earn the income to the estimated level in the first year of operation.

FUTURE PROSPECTS

Steps are being taken to get fixed revenue generation modules with both inbound and outbound calling programmes. The company has also strengthened the technical side by appointing an expert as consultant. To improve the quality of customer relation officers, Continuous Training methodology is adopted. Already steps are taken for getting ISO certification for our Call Centre to attract good international clients. This will enable the Company to go in for COPC certification at a later stage. In order to have value additions, Back Office work will also be taken up during the day time. Company is also having plans to expand the capacity to 100 seats shortly. With these measures company is hopeful of earning substantial revenue from Call Centre operations. Your Company is also looking into domestic Call Centre which have huge potential business in view of concept of building relationship with customers by all types of industry particularly FMCG Companies. Your Company is expected to achieve a total business of Rs.400 lakhs and correspondingly achieve the profits of around Rs.75 lakhs in current financial year.

CALL CENTRE TRAINING ACADEMY

Getting trained manpower for this industry is difficult. So the Company has entered into an MOU with "Anna University" for setting up a Call Centre Training Academy, which will be located at the University Premises. The Certification will be done by the University. This will enable the Company to train the required manpower for the Call Centre industry and also earn additional income. Company's estimated income for the current year ending 31.03.2003 from NBFC activity, Call Centre and Training Academy will be about Rs. 475 lakhs and Net Profit will be about Rs.75 lakhs

DIRECTORS

Sri S Muralidharan and Sri S V Subramaniam 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 the limits prescribed under the Rules.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

Your company has no activities relating to Conservation of Energy or Technology Absorption during the year 2001-2002. Expenditure in foreign currency is Rs.17.66 lakhs.

With respect to Auditor's remark of non provision of depreciation in Note 13 in Schedule "N", the company is of the opinion that income is not realizable and hence not accrued; consequently the provision of depreciation on such Assets is not considered necessary.

With respect to Clause 5(ii) in Schedule "N" regarding NOF position, the Company stopped accepting deposits from 10/08-01 and the deposit position as on date is Rs.135 lacs. The company has also proposed to escrow public deposits shortly.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of provisions of Section 217 (2AA) of the Companies Act, 1956, your directors confirms as under:

- that in the preparation of the annual accounts, the applicable accounting standard had been followed;
- that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s.Shanker Giri & Prabhakar, Chartered Accountants, Chennai retire at the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation for the support received from its 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
S.MURALIDHARAN
DIRECTORS**

PLACE : CHENNAI
DATE : 24.08.2002

Amrutanjan Finance Limited

REPORT OF THE AUDITORS' TO THE MEMBERS OF AMRUTANJAN FINANCE LTD.

1. We have audited the attached Balance Sheet of AMRUTANJAN FINANCE LIMITED as at 31st March 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (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 account.
 - (iv) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this Report comply with the accounting standards referred to in sub-section (3-C) of Section 211 of the Companies Act, 1956.
 - (v) On the basis of the written representations received from the directors as on 31st March 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) 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. 13 regarding non provision of depreciation aggregating Rs. 2688188/- till 31st March 2002 on Non Performing Assets on the grounds of non accrual of income and the consequent impact on the cumulative Loss carried over, give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2002 and
 - b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.

"Guhalaya" Flat B-7
No. 262 (Old 179),
Royapettah High Road
Mylapore, Chennai - 600 004
Date : 24/08/2002

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

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF AMRUTANJAN FINANCE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2002

- (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 Loan taken from a Company under the same management as defined under section 370 (1-B) of the Companies Act, 1956 has been repaid during the year. The terms and conditions of such loan are not prejudicial to the interest of the Company. The Company has not taken any other loans,

secured or unsecured from Companies, firms or other parties referred to under Section 301 and 370 (1-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(1-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 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 installments are being generally received regularly in accordance with the stipulated terms except in some cases. According to the information and explanations given to us, reasonable steps have been taken by the company for recovery of the overdue installments.
- (6) In our opinion and according to the information and explanations given to us, there are adequate Internal control procedures commensurate with the size of the Company and the nature of its business with regard to 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) Consequent to the erosion of net worth of the company, the entire fixed deposits accepted and held by the company are in excess of the limits specified by the Non Banking Financial Companies (Reserve Bank) Directions, 1998. The Company has stopped acceptance and renewal of fixed deposits from 10th August 2001. The Company has complied with the Directives issued by Reserve Bank Of India and the provisions of Section 58A of the Companies Act, 1956 relating to filing of specified Returns and maintenance of Liquid assets.
- (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 generally been regular in depositing 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. However, Interest tax liability amounting to Rs.165000/- remains unpaid.
- (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.

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

PLACE : CHENNAI
DATE : 24.08.2002

BALANCE SHEET AS AT 31ST MARCH, 2002

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2001

		As at		As at		Schedule	
		31.3.2002	31.3.2001	31.3.2002	31.3.2001		
		Rs.	Rs.	Rs.	Rs. Rs.		
SOURCES OF FUNDS							
SHAREHOLDERS' FUNDS							
Share Capital	A	3,95,27,980	3,45,27,980	Income from Hire Purchase		18,61,539	57,86,071
Reserves & Surplus	B	37,49,498	37,49,498	Income from Lease		36,79,933	87,42,922
		<u>4,32,77,478</u>	<u>3,82,77,478</u>	Bill discounting charges		4,068	16,674
				Income from Call Centre		34,55,807	-
				Other Income	K	<u>27,61,276</u>	<u>33,13,992</u>
						<u>1,17,62,623</u>	<u>1,78,59,659</u>
LOAN FUNDS							
Secured loan	C	4,41,18,501	2,88,02,174	EXPENDITURE			
Unsecured loan	D	5,85,00,983	5,87,90,642	Administration and other Expenses	L	75,53,487	53,20,269
		<u>14,58,96,962</u>	<u>12,58,70,294</u>	Financing charges	M	1,14,30,119	1,15,86,233
				Bad Debts & Non Performing assets (Net)		49,58,006	60,43,776
				Depreciation		<u>37,93,580</u>	<u>95,14,456</u>
						<u>2,77,35,192</u>	<u>3,24,64,734</u>
APPLICATION OF FUNDS							
FIXED ASSETS							
Gross Block	E	5,35,46,295	2,25,26,945	NET LOSS FOR THE YEAR			
Less: Depreciation		<u>73,45,003</u>	<u>1,09,56,365</u>			(1,59,72,569)	(1,46,05,075)
Net Block		<u>4,62,01,292</u>	<u>1,15,70,580</u>	Add: Balance as at the beginning of the year		(3,99,06,517)	(2,53,01,442)
Capital Work in Progress (Note 6)		-	1,81,17,022	BALANCE CARRIED TO BALANCE SHEET			
		<u>4,62,01,292</u>	<u>2,96,87,602</u>			<u>(5,58,79,086)</u>	<u>(3,99,06,517)</u>
INVESTMENTS - AT COST	F	55,70,607	64,25,752	NOTES ON ACCOUNTS			
CURRENT ASSETS, LOANS AND ADVANCES							
Stock on hire		2,48,83,848	4,60,46,955	N			
Debtors	G	1,70,23,564	1,03,35,608				
Cash and Bank Balances	H	33,19,727	1,13,57,991				
Loans and Advances	I	2,59,64,535	2,40,23,626				
Interest Accrued		<u>22,18,967</u>	<u>15,98,550</u>				
		<u>7,34,10,641</u>	<u>9,33,62,730</u>				
LESS: CURRENT LIABILITIES AND PROVISIONS							
	J	<u>3,51,84,664</u>	<u>4,35,12,307</u>				
NET CURRENT ASSETS		<u>3,82,45,977</u>	<u>4,98,50,423</u>				
PROFIT AND LOSS ACCOUNT							
		<u>5,58,79,086</u>	<u>3,99,06,517</u>				
NOTES ON ACCOUNTS	N	<u>14,58,96,962</u>	<u>12,58,70,294</u>				

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

S.GOPALAN
GENERAL MANAGER

Place : Chennai
Date : 24.08.2002

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

S.GOPALAN
GENERAL MANAGER

Place : Chennai
Date : 24.08.2002

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

Amrutanjan Finance Limited

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE 'A'	31st March 2002	31st March 2001	SCHEDULE 'C'		
SHARE CAPITAL	Rs.	Rs.	SECURED LOAN - Note 3		
Authorised			From Banks		
50,00,000 Equity shares of			- Cash Credit Loan	2,38,79,442	1,69,32,914
Rs.10/- each	5,00,00,000	5,00,00,000	- Non Convertible Debentures	-	1,00,00,000
Subscribed and Paid up			- Term Loans & Hire Purchase		
39,52,798 (2000/2001-34,52,798)			Refinance	2,02,39,059	18,69,260
Equity Shares of Rs. 10 each	3,95,27,980	3,45,27,980		4,41,18,501	2,88,02,174
Of the above ,					
2904407 Equity Shares are			SCHEDULE 'D'		
held by the Holding Company,			UNSECURED LOANS - Note No. 4		
Amrutanjan Limited			Fixed Deposits	2,33,51,564	4,45,40,642
10,00,000 equity shares are			From Bank		
allotted for consideration other than cash)			Non Convertible Debentures	2,00,00,000	-
			Other Loans & Hire Purchase		
			Refinance	1,51,49,419	1,42,50,000
				5,85,00,983	5,87,90,642
SCHEDULE 'B'					
RESERVES AND SURPLUS					
Special Reserve Fund					
As per last Balance Sheet	6,83,500	6,83,500			
Share Premium Account	30,65,998	30,65,998			
	37,49,498	37,49,498			

SCHEDULE 'E'

FIXED ASSETS

ASSET DESCRIPTION	C O S T			D E P R E C I A T I O N			N E T B L O C K	
	AS ON 1.4.2001	ADDITIONS (DELETIONS)	AS ON 31.3.2002	AS ON 1.4.2001	ADDITIONS (DELETIONS)	AS ON 31.3.2002	AS ON 31.3.2002	AS ON 31.3.2001
Land	30,06,446	-	30,06,446	-	-	-	30,06,446	30,06,446
Buildings	84,500	-	84,500	22,644	3,093	25,737	58,763	61,856
Plant and Machinery	51,44,310	(16,67,343)	34,76,967	24,95,910	1,12,243 (14,87,077)	1,121,076	23,55,891	26,48,400
Automobiles	70,13,669	1,52,727 (49,52,996)	22,13,400	39,54,101	14,87,589 (41,29,429)	13,12,261	9,01,139	30,59,568
Computers	26,07,015	3,50,12,713 (14,78,175)	3,61,41,553	21,51,619	13,55,191 (14,78,175)	20,28,635	3,41,12,918	4,55,396
Office Equipments	16,76,298	9,31,582 (3,21,000)	22,86,880	8,92,600	4,01,998 (3,10,261)	9,84,337	13,02,543	7,83,698
Furniture & Fixtures	29,94,707	33,41,842	63,36,549	14,39,491	4,33,466	18,72,957	44,63,592	15,55,216
Rs.	2,25,26,945	3,94,38,864 (84,19,514)	5,35,46,295	1,09,56,365	37,93,580 (74,04,942)	73,45,003	4,62,01,292	1,15,70,580
As at 31/3/2001	3,60,07,044	48,59,357 (1,83,39,456)	2,25,26,945	1,74,14,719	95,14,456 (1,59,72,810)	1,09,56,365	1,15,70,580	1,85,92,325

Assets costing Rs.48,57,312/- (Rs.1,30,99,103) with a book value of Rs.26,19,456/- (Rs.54,68,903/-) have been given on lease

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE 'F'
INVESTMENTS AT COST

Quoted - Non Trade

1. IN EQUITY SHARES

	FACE VALUE	As at 31.3.2002		As at 31.3.2001	
		Nos	Cost Rs.	Nos	Cost Rs.
Arun Pipes Limited	10	1,600	41,115	1,600	41,115
ICICI Bank Limited	10	200	83,000	200	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	120	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
Eicher Limited	10	333	51,000	333	51,000
Recons Limited	10	400	40,000	400	40,000
South India Corporation (Agencies) Ltd	10	100	58,300	100	58,300
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
			<u>12,07,175</u>		<u>12,07,175</u>
LESS: Provision for diminution in value			<u>10,59,568</u>		<u>10,59,568</u>
	A		<u>1,47,607</u>		<u>1,47,607</u>

Amrutanjan Finance Limited

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE 'F' (Contd.)

	FACE VALUE	As at 31.3.2002		As at 31.3.2001	
		Nos	Cost Rs.	Nos	Cost Rs.
2 IN GOVERNMENT SECURITIES					
11.75% Government of India Loan 2001 @		-			51,800
12.50% Government of India Loan 2004 @		-			2,83,800
14.00% Government of India Loan 2006 @		-			1,52,985
12.5% Government of India Loan 2007 @		-			3,66,560
Indira Vikas Patras	26,00,000		26,00,000		26,00,000
	B		26,00,000		34,55,145
3. OTHER INVESTMENTS					
Orissa Power Generation Corporation Ltd, Bonds	24,800	-	2,48,000		2,48,000
PSEB Bonds	25,00,000		25,75,000		25,75,000
	C		28,23,000		28,23,000
TOTAL	A+B+C		55,70,607		64,25,752
Market value of quoted investments					Rs. 1,74,971

Notes: @ represents matured and realised / sold during the year

	31st March 2002 Rs.	31st March 2001 Rs.			
SCHEDULE 'G'			SCHEDULE 'J'		
SUNDRY DEBTORS			CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES			PROVISION		
UDebts outstanding for a period exceeding six months	1,06,93,317	92,65,850	Advances recoverable in cash or kind or for value to be received	1,29,14,372	74,82,034
Other debts	63,30,247	10,69,758	Advance tax / tax deducted at source	48,03,002	46,72,482
	1,70,23,564	1,03,35,608	Deposits	1,63,843	1,57,900
SCHEDULE 'H'				2,59,64,535	2,40,23,626
CASH AND BANK BALANCES			CURRENT LIABILITIES		
Cash/Cheques on hand	1,750	1,750	Sundry Creditors	34,31,279	1,26,51,639
Balance with Scheduled Banks			Lease rent received in Advance	3,64,090	5,33,624
-In Current accounts	14,94,139	18,22,481	Interest accrued but not due	17,03,690	24,33,470
-In Deposit accounts	17,81,865	94,91,473	Unmatured Finance/Interest charges	42,12,571	72,56,866
-In Unpaid Dividend Accounts	41,973	42,287	Unearned Interest & Discount charges	17,949	85,831
	33,19,727	1,13,57,991	Unclaimed Dividends	35,604	35,704
SCHEDULE 'I'				97,65,183	2,29,97,134
LOANS AND ADVANCES			PROVISION		
Secured loans Considered Good	45,13,029	76,05,900	Provision for Taxation	32,29,300	32,29,300
Unsecured and Considered Good			Provision for Non Performing assets	2,21,70,181	1,72,85,873
Loans	34,95,289	40,30,208			
Bills Purchased and discounted	75,000	75,102			

	31st March 2002	31 March 2001
	Rs.	Rs.
SCHEDULE 'K'		
OTHER INCOME		
Dividend received	5,769	6,908
Profit on sale of investments	1,52,855	8,800
Profit on sale of Assets	-	1,69,828
Interest received on :		
Loans & Deposits	4,23,537	14,75,675
(Tax deducted at source Rs. 106179/- (2000/2001 - Rs. 70552/-)		
Investments	12,67,458	13,19,297
Miscellaneous Income		
(Tax deducted at source Rs. 24,341/-)	9,11,657	3,33,484
	<u>27,61,276</u>	<u>33,13,992</u>
SCHEDULE 'L'		
ADMINISTRATIVE EXPENSES		
Salaries and Wages	34,67,703	23,41,838
Contribution to Provident Fund	2,57,921	1,27,777
Contribution to Gratuity Fund	92,205	35,902
Rent	4,41,977	1,45,875
Rates and Taxes	9,923	21,694
Electricity	1,75,930	1,27,300
Printing & Stationery	75,143	1,23,957
Postage, Telephone & Telegrams	10,22,534	3,17,507
Travelling and Conveyance	1,60,910	2,05,144
Brokerage & Commission	1,65,102	5,16,781
Advertisement	26,223	40,317
Audit Fee		
For Audit 55,000		
For Taxation 10,000		
For Other Services 23,250		
	88,250	78,250
Directors' Sitting fees	8,000	7,500
Loss on sale of assets	21,051	-
Miscellaneous expenses	15,40,615	12,30,427
	<u>75,53,487</u>	<u>53,20,269</u>
SCHEDULE 'M'		
FINANCING CHARGES		
Interest on: Fixed Loans	80,57,067	85,08,667
Others	29,48,133	27,97,122
Bank Charges	4,24,919	2,80,444
	<u>1,14,30,119</u>	<u>1,15,86,233</u>

SCHEDULE 'N'

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i) INCOME :

- a) 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.
- b) 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.
- c) 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.
- d) Bills discounting charges relating to the year ended 31.3.2002 is reckoned as income and unearned portion thereof is deferred to subsequent accounting periods.
- e) Income from Call Centre business and other services are recognized on accrual basis.

ii) EXPENSES

All expenses are accounted on accrual basis.

iii) FIXED ASSETS AND DEPRECIATION

- a) All fixed assets are carried at historical cost less accumulated depreciation.
- b) 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.

c) In respect of assets relating to Call Centre, depreciation has been provided pro rata from the date of commencement of commercial operations at the rates prescribed under Schedule XIV of the Companies Act, 1956 on Straight Line basis for Computers/Data Processing Machines and on Written Down Value basis for other assets.

d) In respect of assets other than those leased out, and those relating to Call Centre, 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.

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 2001

vi) Contributions towards Provident Fund is made to the appropriate authorities and is charged to Profit and Loss Account as they become due. The company contributes to a Gratuity Scheme with the Life Insurance Corporation of India. The Premiums paid to LIC in this regard is charged to Profit and Loss Account.

2. Contingent liability not provided for:

Disputed Income Tax liability (2000/2001-Rs.58,11,905) - Rs.58,11,905/-

Disputed Sales Tax liability (2000/2001-Rs. 60,369) - Rs. 60,369/-

Letter of Credit outstanding (2000/2001-Rs.75,05,117) - Rs. NIL

Export Obligation - in the event of the

Company unable to fulfill the specified export the company would be required to pay to the Government the amount of customs duty amounting to Rs.61,19,449/- which was saved on the import of Capital goods relating to Call Centre project together with liquidated damages.

3. SECURED LOANS

i) Cash Credit Loans 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) Non convertible Debentures represents one privately placed non-convertible debenture of the face value of Rs.1,00,00,000/- issued to Bank of Madura Ltd on 7th June 2000 carrying interest of 15% has been redeemed during the year. The Debenture is secured by an exclusive charge on Current Assets created out of the Debenture Subscription amount and guaranteed by the Holding Company.

iii) Hire Purchase refinance from Bank is secured by hypothecation of specified stock on hire items and related book debts.

iv) Term loans from banks are secured by hypothecation of specified Call Centre Assets and immovable properties, and guaranteed by the Holding Company

4. UNSECURED LOANS

i) Particulars of Non Convertible Debentures issued to Banks.

Date of Terms of Redemption	No.of	Face Value
Allotment	Debentures	
6th June 2001	1,00,000	1,00,00,000
At par at the end of 17 months & 29 days		
13th August 2001	1,00,000	1,00,00,000
At par at the end of 5 year		

Note : The above credit facilities are against Holding Company's Term Deposits with the respective banks.

ii) From Bank - Represents credit facilities from a bank against Holding Company's Term Deposit of Rs.150 lakhs with the bank.

5. FIXED DEPOSITS

i) Include deposits from Directors Rs.4,50,440/- (2000/2001-Rs.2,20,000)

ii) Consequent to the company's net worth becoming negative, the fixed deposits accepted by the Company and outstanding as at 31/3/2002 are in excess of the limits specified by the Directives issued by the Reserve bank of India for Non-Banking Finance Companies.

Amrutanjan Finance Limited

6. Incidental expenditure directly related to the project as detailed below incurred till the date of commencement of commercial operations amounting to Rs.1,07,82,809/- has been capitalized during the year.

Salaries and Wages Rs.1978842, Rent & Electricity charges Rs.1735764, Communication expenses Rs. 3253369, Interest and Other finance charges Rs. 2769922, Rates & Taxes Rs. 24650, Printing & Stationery Rs.19102, Travelling & Conveyance Rs.23313, Other Miscellaneous Expenses Rs. 977847.

7. Related party disclosures

a) List of Related Parties

- Amrutanjan Limited	-	Holding Company
- Egattur Printing & Packaging Ltd Company	-	Fellow Subsidiary
- Amrutanjan Drugs & Chemicals Ltd Company	-	Fellow Subsidiary
- Swass Health Products Ltd Company	-	Fellow Subsidiary

b) Transactions during the year

	Holding Company	Fellow Subsidiary Company
Equity Share Capital subscription received	5000000	-
Short Term Loans Received	11340000	-
Short Term Loans Repaid	11340000	-
Service Charges Received	987604	-
Purchase of goods	177449	-
Rent paid	127800	-
Interest paid	135797	-
Rebates given	-	693423
Staff Welfare Expenses	115757	-
Guarantees taken	20000000	-
Guarantees discharged	10000000	-
Bank Deposits	36500000	-

(As Security)

Outstanding as on 31.3.2002

Guarantees and security	77973099	-
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c) LOANS AND ADVANCES includes due from a company under the same management :

Egattur Printing and Publishing Ltd -Rs.Nil (2000-2001 - Rs.6,93,423/-) (Maximum amount due at time during the year - Rs.6,93,423/-).

8. DEFERRED TAX ASSET

a) In accordance with Accounting Standard 22 (Accounting of Taxes on Income) issued by the Institute of Chartered Accountants of India, Deferred Tax Asset attributed to timing difference relating to Depreciation and Provision for Non Performing Asset & Investments has been determined at Rs.9545810/- as on 1/4/2001 and at Rs.7290831/- as on 31/3/2002. The difference between the balance as on 1/4/2001 and 31/3/2002 amounting to Rs.2254979/- represents Deferred Tax Liability for the year. As a prudent measure, the net Deferred Tax Asset of Rs.7290831/- as at 31/3/2002 has not been considered in these accounts.

9. DISCLOSURE AS PER ACCOUNTING STANDARD - 19 (AS-19)

Amounts receivables under Hire purchase agreements as at 31st March 2002 are as follows.

Receivables	Gross	Unmatured Finance Charges	Net
Upto one year	15450908	3013122	12437786
Between one and five years	9432940	1199449	8233491
After five years	Nil	Nil	Nil

The accumulated provision for uncollectible instalments as at 31/03/2002 is Rs.7788272/-

10. In the opinion of the Board of Directors, all Current Assets, Loans and Advances will have value on realisation in the ordinary course of business atleast equal to the amounts at which they are stated in the accounts.
11. Balances shown under Sundry Debtors & Loans and advances are subject to confirmation by the respective parties.
12. Bank Account relating to Interest Warrant account is under reconciliation.
13. The company has not provided for depreciation on non performing leased assets to the extent of Rs. Nil (2000/2001-Rs.2,42,806/-) during the year and

aggregating Rs.26,88,188/- (2000/2001-Rs.26,88,188) upto 31/3/2002 on the basis that there has been no capital recovery on such assets where income has not been recognised by the Company.

14. Service tax levy on Lease and Hire Purchase transactions is kept in abeyance in view of the stay granted by the Madras High Court. Pending disposal of the case the company has not recovered and remitted service tax.

15. Value of imports by the Company during the year calculated on CIF basis:
Capital Goods. - Rs. Nil
(2000/2001- Rs.1,49,43,325/-)

16. Expenditure in Foreign currency :
Telecommunication charges - Rs. 17,66,452/-
(2000/2001 - Nil)

17. Administration expenses are shown at net of recoveries if any.

18. Previous year's figures have been reclassified wherever necessary to conform to the classification adopted in these accounts.

SIGNATURES TO SCHEDULES 'A' TO 'N'

S.V.SUBRAMANIAM	
S.RADHAKRISHNA	
D.SEETHARAMA RAO	For SHANKER GIRI & PRABHAKAR
Dr. PASUMARTHI S.N.MURTHI	P.PRABHAKAR RAO
S.MURALIDHARAN	Partner
GENERAL MANAGER	CHARTERED ACCOUNTANTS
DIRECTORS	

Place : Chennai

Date : 24.08.2002

14th 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

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

Turnover	Total Expenditure
<input type="text" value="11763"/>	<input type="text" value="27735"/>
Loss Before Tax	Loss After Tax
<input type="text" value="-15972"/>	<input type="text" value="-15972"/>
Earnings per share	Dividend rate %
<input type="text" value="-4.32"/>	<input type="text" value="NIL"/>

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="5000"/>

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

 Item Code No.

Product Description

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities	Total Assets
<input type="text" value="145897"/>	<input type="text" value="145897"/>

Sources of Funds:

Paid-up Capital	Reserves & Surplus
<input type="text" value="39528"/>	<input type="text" value="3749"/>
Secured Loans	Unsecured Loans
<input type="text" value="44119"/>	<input type="text" value="58501"/>

Application of Funds:

Net Fixed Assets	Investments
<input type="text" value="46201"/>	<input type="text" value="5571"/>
Net Current Assets	Misc-Expenditure
<input type="text" value="38246"/>	<input type="text" value="NIL"/>
Accumulated Losses	
<input type="text" value="55879"/>	

S.GOPALAN
GENERAL MANAGER

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

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

Place : Chennai
Date : 24.08.2002

Amrutanjan Drugs and Chemicals Limited

DIRECTORS' REPORT

To the members

Your Directors have pleasure in presenting their Thirteenth Annual Report together with the Statement of Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS	Rs.
Surplus - Opening Balance	21,94,043.49
Profit before tax for the year	9,610.00
Less: Provision for current tax	(4,000.00)
Profit after tax for the year	5,610
Surplus carried forward to Balance Sheet	21,99,653.49

PROSPECTS

Your Company is working out modalities for implementing the available know-how on commercial scale and also other projects for which necessary arrangements are being made in the current financial year.

DEPOSITS

The Company has not accepted any Fixed Deposits.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956 your directors confirms as under:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts on a going concern basis.

DIRECTORS

During the year, Sri S.M.S. Abuthahir Ali resigned from the Board of Directors of the Company. Your Directors wish to place on record their appreciation of the contribution made by them to the Company during his tenure of office as Director.

Sri S. Muralidharan, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

The Board co-opted Sri K.N. Srikanta as an Additional Director of the Company at its meeting held on 31.7.2002. He holds office up to the date of this Annual General Meeting and is eligible for appointment at the forthcoming Annual General Meeting.

PARTICULARS OF EMPLOYEES

There are no employees drawing more than the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

CONSERVATION OF ENERGY

There is no information as required under Section 217(1)(e) of the Companies Act, 1956 read with Rules thereunder as the Company has not undertaken any manufacturing activity.

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.

On behalf of the Board
S. Muralidharan
Dr. S. Vydeswaran
K.N. Srikanta
Director

Chennai.
23.8.2002.

AUDITORS' REPORT

To the Members of Amrutanjan Drugs and Chemicals Limited.

- We have audited the attached Balance Sheet of M/s. Amrutanjan Drugs and Chemicals Limited, as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.
- We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
- As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
- Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - 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 such books;
 - The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
 - In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards specified by the ICAI, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - On the basis of the written representations received from the Directors, as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2002 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 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, give the information required by the Companies Act, 1956 in the manner so required and give a true and a fair view in conformity with the accounting principles generally accepted in India:
 - in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2002 and
 - in the case of the Profit and Loss Account, of the profit for the year ended on that date.

No.103 (Old No.57/2),
P.S. Sivasamy Salai,
Mylapre, Chennai 600 004.
23.8.2002

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

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- The Company has maintained proper records to show full particulars of its Fixed Assets.
- There was no revaluation of the Fixed Assets during the year.
- There is no stock held by the Company as on 31st March, 2002.
- The Company has not taken any loans secured or unsecured from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- The Company has not given any loans secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- The Company has not given any loans to any person.
- The Company has not accepted deposits from any person.
- The system of Internal Audit does not apply to the Company.
- The provisions of Provident Fund Act, ESI Act are not applicable to the Company.
- There are no undisputed amount 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 within the meaning of Clause (o) of sub-section (1) of Section 3 of Sick Industrial Companies (Special Provisions) Act, 1985.
- The other clauses of the order are not applicable to the Company.

No.103 (Old No.57/2),
P.S. Sivasamy Salai,
Mylapre, Chennai 600 004.
23.8.2002

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

13th Annual Report

BALANCE SHEET AS AT 31ST MARCH, 2002

SOURCES OF FUNDS	As at 31.3.2002 Rs.	As at 31.3.2001 Rs.
SHAREHOLDERS' FUNDS		
Share Capital		
Authorised		
5,00,000 Equity Shares of Rs.10/- each	50,00,000.00	50,00,000.00
Issued, Subscribed and Paid-up:		
52,404 (2,404) Equity Shares of Rs.10/- each (Out of the above 52100 Equity Shares are held by the Holding Company, Amrutanjan Limited and 300 fully paid-up Equity Shares are held in the names of its nominees)	5,24,040.00	24,040.00
RESERVES & SURPLUS		
Surplus in Profit & Loss Account	21,99,653.49	21,94,043.49
LOAN FUNDS		
Unsecured loans - Others		3,00,000.00
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
SSundry Creditors		
SSi		
Others	1,000.00	500.00
Provisions:		
Provision for Taxation	9,000.00	5,000.00
Total	27,33,693.49	25,23,583.49
APPLICATION OF FUNDS		
FIXED ASSETS		
Technical Know-how	25,00,000.00	25,00,000.00
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets:		
Cash in hand		
Balance with Scheduled Bank	31,243.49	8,455.49
Fixed Deposit with Bank	1,75,000.00	
Interest accrued	12,322.00	
Loans and Advances:		
Income-tax paid	10,628.00	10,628.00
Deposits	4,500.00	4,500.00
Total	27,33,693.49	25,23,583.49

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2002

INCOME	31.3.2002 Rs.	31.3.2001 Rs.
Interest on Fixed Deposit	12,322.00	..
Total	12,322.00	..
EXPENDITURE		
Miscellaneous Expenses	1,700.00	2,300.00
Auditor's Remuneration for Audit	500.00	500.00
Bank Charges	512.00	122.00
Total	2,712.00	2,922.00
Profit/(Loss) before tax for the year	9,610.00	(2,992.00)
Provision for tax	(4,000.00)	..
Profit/(Loss) after tax for the year	5,610.00	..
Add Surplus of Previous Years	21,94,043.49	21,96,965.49
Balance Profit carried to Balance Sheet	21,99,653.49	21,94,043.49

NOTES ON ACCOUNTS

- Significant Accounting Policies:**
 - Accrual System of accounting is followed to record Incomes and Expenditure
 - Fixed Assets are valued at cost
- Previous year's figures are regrouped wherever necessary
- Expenditure and Earnings in foreign currency NIL
- Particulars on Production, Stock and Turnover NIL
- Raw Materials consumed NIL
- Installed and Licenced Capacity NIL

As per our Report of even date
For **P.S. SUBRAMANIA IYER & CO.,**
Chartered Accountants
Chennai. **N. Srinivasan**
23.8.2002 Partner

S. Muralidharan
Dr. S. Vydeeswaran
K.N. Srikanta
Directors

As per our Report of even date
For **P.S. SUBRAMANIA IYER & CO.,**
Chartered Accountants
Chennai. **N. Srinivasan**
23.8.2002 Partner

S. Muralidharan
Dr. S. Vydeeswaran
K.N. Srikanta
Directors

Amrutanjan Drugs and Chemicals Limited

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

I. Registration Details:

Registration No. 017020

State Code 18

Balance Sheet Date 31 03 2002
Date Month Year

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

Public Issue

NIL

Bonus Issue

NIL

Rights Issue

NIL

Private Placement

50

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

Total Liabilities

2734

Total Assets

2734

Sources Of Funds:

Paid-up Capital

524

Reserves & Surplus

2200

Secured Loans

NIL

Unsecured Loans

NIL

Application of Funds:

Net Fixed Asset

2500

Investments

NIL

Net Current Assets

2724

Misc. Expenditure

NIL

Accumulated Losses

N.A

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

Turnover

NIL

Total Expenditure

2.7

Profit Before Tax

9.6

Profit After Tax

5.6

Earnings per share

0.11

Dividend ate %

NIL

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

(as per monetary terms)

Item Code No.

(ITC Code)

29

Product Description

DRUGS & CHEMICALS

As per our Report of even date

For P.S. SUBRAMANIA IYER & CO.,

Chartered Accountants

N. Srinivasan

Partner

S. Muralidharan

Dr. S. Vydeeswaran

K.N. Srikanta

Directors

Chennai.
23.8.2002

Egattur Printing and Packaging Limited

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Sixth Annual Report and the audited accounts for the year ended 31st March, 2002.

OPERATIONS

During the year under review, the turnover of the Company amounted to Rs.291 lakhs as against Rs.248 lakhs in the previous year registering an increase of 17%. However, it has incurred losses in view of the development of various jobs undertaken and effectively reduced the major costs which improved the operating profit in the current financial year.

PROSPECTS

Egattur Printing and Packaging Limited has improved its performance in the last financial year even though it has incurred losses. The company is expected to achieve a turnover of Rs. 425 lakhs and correspondingly the profits in the current financial year in view of substantial reduction of major costs and increased turnover.

Your Directors are glad to inform you that the turnover for the first four months ended 31.7.2002 is to Rs.86.52 lakhs as compared to Rs.88.72 lakhs during the corresponding period of last year.

DEPOSITS

The Company has not accepted any Fixed Deposits.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your directors confirm as under:

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on a going concern basis.

DIRECTORS

During the year Sri P. Dattatrai and Sri K. Sivasankaramurthy were co-opted as Additional Directors of the Company on 13.11.2001. They hold office only up to the date of the ensuing Annual General Meeting and are eligible for appointment at the forthcoming Annual General Meeting.

Sri S. Radhakrishna and Dr. H.B.N. Shetty retire by rotation 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 read with Companies (Particulars of Employees) Rules, 1975 as amended.

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

Your Company is not covered in relation to Conservation of Energy of Technology Absorption.

COMPLIANCE CERTIFICATE

A Certificate issued by a Secretary in Whole-time Practice in terms of the provisions of Sec.383A of the Companies Act, 1956 to the effect that the Company has complied with the applicable provisions of the said Act is attached to the report.

AUDITORS

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

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 thank the Central Government, Tamil Nadu Government, The Financial Institutions and Company's Bankers for their assistance and co-operation. The Directors also express their appreciation to the employees for their valuable services.

J.V. Sessaiah
S. Muralidharan
P. Easwaradas
Dr. H.B.N. Shetty
P. Dattatrai
K. Sivasankaramurthy
Directors

Egattur
23.8.2002

Egattur Printing and Packaging Limited

COMPLIANCE CERTIFICATE

Regn. No. of the Company : 18-033808.

Nominal Capital : Rs.1,00,00,000/-

The Members
M/s.Egattur Printing & Packaging Limited,
R.S.12, 1/D, Old Mahabalipuram Road,
Egattur Village, Padur Post 603 103.

We have examined the registers, records, books and papers of M/s.Egattur Printing & Packaging Ltd., (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2002. In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the period:-

1. The Company has kept and maintained all registers, as stated in Annexure A to this Certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.

2. The Company has filed the forms and returns as stated in Annexure B to this certificate, with the Registrar of Companies within the time prescribed under the Act and the Rules made thereunder.

3. The Company, being a public limited company, has the minimum prescribed paid-up capital.

4. The Board of Directors of the Company met seven times respectively on 4th April, 2001, 27th June, 2001, 9th August, 2001, 17th October, 2001, 13th November, 2001, 31st January, 2002 and 1st March, 2002. In respect of such meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

5. The Company was not required to close the Register of its Members during the financial year.

6. The Annual General meeting of the Company for the financial year ended on 31st March, 2001 was held on 19th September, 2001 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose.

7. No Extra-ordinary General meeting was held during the financial year.

8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in Section 295 of the Act.

9. The Company has not entered into contracts falling within the purview of Section 297 of the Act.

10. The Company is maintaining the register under Section 301 of the Act, however there were no contracts to be entered therein during the financial year.

11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.

12. The Board of Directors has duly approved the issuance of renewed/consolidated share certificates. However, the Company has not issued any duplicate share certificates during the financial year.

13.(i) The Company has delivered the share certificates on transfer of shares in accordance with the provision of the Act, however there was no allotment/transmission of securities during the financial year.

(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.

(iii) The Company was not required to post warrants to any Member of the Company as no dividend was declared during the financial year.

(iv) The Company has duly complied with the requirements of Section 217 of the Act in respect of last year.

14. The Board of Directors of the Company is duly constituted and there was appointment of two additional/alternate/casual Directors during the financial year.

15. The Company has not appointed any Managing Director/ Wholetime Directors/Manager during the year.

16. The Company has not appointed any sole selling agents during the financial year.

17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.

18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.

19. The Company has issued 2,00,000 Equity Shares of Rs.10/- each on 17th October, 2001 and has not issued any debentures or other securities during the financial year.

20. The Company has not bought back any shares during the financial year.

21. There was no redemption of preference shares or debentures during the financial year.

22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.

24. The amount borrowed by the Company from Bank during the financial year ended 31st March, 2002, is within the borrowing limits of the Company and necessary resolutions as per Sec.293(1)(d) of the Act have been passed in duly convened **Annual General meeting**.

25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.

29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.

30. The Company has not altered its Articles of Association during the year under scrutiny.

31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.

32. The Company has not received any money as security from its employees during the financial year.

33. The Company has deposited both employees' and employer's contribution to Provident Fund with the prescribed authority pursuant to Section 418 of the Act.

Chennai.
23.8.2002.

R. Balasubramaniam
C.P.No. 1340.

AUDITORS' REPORT

To the Members of Egattur Printing and Packaging Limited,

We have audited the attached Balance Sheet of M/s. Egattur Printing and Packaging Limited as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Central Government of India 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.

Further to our comments in the Annexure referred to above, we report that:

1. 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;
2. 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;
3. The Company's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
4. In our opinion, 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;
5. On the basis of the written representations received from the Directors as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2002 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002; and
 - (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.

'Ram Nivas',
New No.18 (Old No.47), Mandavel Lane,
Mylapore, Chennai - 4.
23.8.2002

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

ANNEXURE TO THE AUDITORS' REPORT

01. 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.
02. None of the Fixed Assets have been revalued during the year.
03. The Company's business being that of Printers / Packagers, it does not hold any stock of finished goods, but the same, are regularly despatched to the customers. As explained to us, the closing stock of finished goods represents undespached materials pending completion of production of the ordered quantity. 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.

04. 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 nature of its business.
05. According to the information available to us, no material discrepancies were noticed on verification between the physical stocks and the book records.
06. 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 and is on the same basis as in the earlier years.
07. As explained to us, the Company has availed the advances from its holding company, against the orders placed by the latter, carrying interest. In our opinion, the terms and conditions of such deposits of such advances are not prima facie prejudicial to the interests of the Company.
08. According to the information and explanations given to us, the Company has not granted any loan to any Company, firm or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
09. According to the information available to us and the records examined by us, the loans or advances in the nature of loans given by the Company, are being recovered in accordance with the stipulations, including interest, wherever applicable.
10. In our opinion and according to the information and explanations given to us there is an adequate internal control procedures commensurate with the 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. As explained to us, the Company's arrangement with M/s. Amrutanjan Limited, its Holding Company, for sale of cartons and supply of printed materials, aggregating to more than Rs.50,000/- are made at prices that are reasonable having regard to prevailing market prices for such goods / services, 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. The Company has an internal audit system commensurate with its size and nature of its business.
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. According to the information and explanations available to us, the Company has been regular in depositing Provident Fund dues with the appropriate authority. We were further informed that the provisions of Employees State Insurance Act are not attracted to 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, 2002 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. As explained to us, the Company has been provisionally assessed as a Small Scale Industrial Undertaking and hence our comments under this clause was not considered necessary.

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',
New No.18 (Old No.47), Mandavel Lane,
Mylapore, Chennai - 4.
23.8.2002

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

Egattur Printing and Packaging Limited

BALANCE SHEET AS AT 31ST MARCH, 2002

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2002

	Schedule No.	As at 31.3.2002 Rs.	As at 31.3.2001 Rs.		31.3.2002 Rs.	31.3.2001 Rs.
SOURCES OF FUNDS				INCOME		
Shareholders' Funds				Sales (less Returns)	2,91,43,042	2,47,97,151
Capital	I	99,88,330	79,88,330	Miscellaneous Receipts	51,000	56,242
Loan Funds				Increase/(Decrease) in Closing Stock of Finished Goods	(95,707)	(3,323)
Secured	II	2,75,35,736	2,61,09,541	Profit on Sale of Assets	7,300	-
Unsecured	III	1,65,900	5,00,000	Total	2,91,05,635	2,48,50,070
Total		3,76,89,966	3,45,97,871	EXPENDITURE		
APPLICATION OF FUNDS				Raw Materials Consumed	2,02,54,134	1,47,45,009
Fixed Assets :				Freight Inwards	5,76,819	5,46,598
Gross Block	IV	3,06,53,053	3,02,06,000	Packing Materials Consumed	4,64,097	4,48,150
Less : Depreciation		52,95,369	36,92,954	Salaries and Wages	51,17,913	38,77,277
Net Block		2,53,57,684	2,65,13,046	Staff Welfare	7,02,980	6,45,732
Current Assets, Loans and Advances				Labour Charges	11,96,383	5,35,055
Inventories	V	10,67,638	35,99,635	Power and Fuel	8,39,223	6,22,164
Sundry Debtors		44,79,833	21,82,515	Communication Expenses	1,46,536	1,22,358
Cash and Bank Balances		37,425	17,855	Conveyance and Travel	7,64,460	5,77,869
Loans and Advances		13,70,663	4,82,773	Rent, Rates and Taxes	3,79,947	4,07,950
		69,55,559	62,82,778	Interest and Bank Charges	52,44,705	36,28,247
Less: Current Liabilities and Provisions				Freight Outwards	10,03,807	4,31,124
Current Liabilities	VI	2,07,44,562	1,35,22,405	Printing and Stationery	60,351	40,683
Provisions		-	-	Machinery Maintenance	4,45,285	5,39,012
Net Current Assets		(1,37,89,003)	(72,39,627)	Repairs and Maintenance	2,59,196	1,54,753
Miscellaneous Expenditure	VII	1,55,801	44,590	Office Maintenance	1,94,269	1,22,406
Profit and Loss Account	VIII	2,59,65,484	1,52,79,862	Audit Fees	36,750	24,950
Total		3,76,89,966	3,45,97,871	Discount on Sales	2,15,839	32,114
				Legal and Professional Charges	1,79,691	1,12,450
				Miscellaneous Expenses	77,164	37,405
				Depreciation	16,31,709	13,27,963
				Total	3,97,91,258	2,89,79,269
				Net Loss carried over to Balance Sheet	(1,06,85,623)	(41,29,199)

Notes on Accounts

Vide our Report of even date
For **C.R. SWAMINATHAN**
ASSOCIATES
Chartered Accountants
Egattur (C.R.SWAMINATHAN)
23.8.2002 Proprietor

J.V. Sessaiah
S. Muralidharan
P. Easwaradas
Dr. H.B.N. Shetty
K. Sivasankaramurthy
P. Dattatraya
Directors

Vide our Report of even date
For **C.R. SWAMINATHAN**
ASSOCIATES
Chartered Accountants
Egattur (C.R.SWAMINATHAN)
23.8.2002 Proprietor

J.V. Sessaiah
S. Muralidharan
P. Easwaradas
Dr. H.B.N. Shetty
K. Sivasankaramurthy
P. Dattatraya
Directors

SCHEDULES TO BALANCE SHEET

	31.3.2002 Rs.	31.3.2001 Rs.	SCHEDULE - II	31.3.2002 Rs.	31.3.2001 Rs.
SCHEDULE - I			Secured Loans		
Share Capital			Term Loan from Scheduled Bank, secured by a first charge on the Plant and Machinery of the Company and guaranteed by Holding Company and a Director of the Company	83,48,940	1,21,50,000
Authorised			Term Loan from Scheduled Bank, secured by a first charge on the Plant and Machinery financed by a Company and guaranteed by Holding Company and a Director of the Company	60,95,000	69,00,000
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000	1,00,00,000	Add: Interest accrued and due thereon	2,53,757	-
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	1,23,97,266	70,59,541
9,98,833 Equity Shares of Rs.10/- each fully paid-up	99,88,330	80,35,330	Hire Purchase assistance from a Finance Company Secured by the Assets financed	5,40,148	-
Issued and Paid up			Less: Finance Charges not accrued not due	99,375	-
9,98,833 Equity Shares of Rs.10/- each fully paid-up (Out of the above 9,98,800 Equity Shares are held by Amrutanjan Limited, Holding Company and 33 Equity shares are held by its nominees)	99,88,330	80,35,330		4,40,773	-
Less: Forfeited Shares Account	-	47,000		2,75,35,736	2,61,09,541
4,700 Equity Shares of Rs.10/- each	-	47,000	SCHEDULE - III		
	99,88,330	79,88,330	Unsecured Loans		
			Short Term Loans -From Others	1,65,900	5,00,000

SCHEDULE - IV
Fixed Assets

ASSETS	COST			TOTAL	DEPRECIATION BLOCK			ACCUM. DEP 31.3.2002	NET BLOCK	
	1.4.2001 Rs.	ADDITIONS Rs.	DISPOSAL FOR THE YEAR		1.4.2001 ACCUM. DEP	DEPRN. FOR THE YEAR	DEPRN. DELETED		AS AT 31.3.2002	AS AT 31.3.2001
PLANT & MACHINERY										
A) PRINTING/PACKAGING MACHINERY										
PRINTING OFFSET MACHINE	1,90,38,428	-	3,03,453	1,87,34,974	14,49,820	8,85,106	(0)	23,34,926	1,64,00,048	1,75,88,808
CUTTING MACHINE	4,73,866	-	-	4,73,866	54,267	22,509	-	76,796	3,97,070	4,19,579
CARTON FOLDING MACHINE	1,61,92,99	-	-	16,19,299	2,11,519	76,916	-	2,88,435	13,30,864	14,07,770
EXPOSING SYSTEM	89,975	-	-	89,975	11,367	4,274	-	15,671	74,304	78,578
FILM PROCESSOR	3,65,507	-	-	3,65,507	46,296	17,362	-	63,660	3,01,847	3,19,209
IMAGE SETTER/SCANNER	16,88,867	-	-	16,88,867	2,20,606	80,221	-	3,00,829	13,88,038	14,68,259
LAMINATION MACHINE	1,12,421	-	-	1,12,421	15,130	5,340	-	20,470	91,951	97,291
NOVAJET PRO 50	8,55,289	-	-	8,55,289	1,11,722	40,626	-	1,52,348	7,02,941	7,43,567
PLATEMAKER	1,66,695	-	-	1,66,695	22,036	8,013	-	30,049	1,36,646	1,46,659
PUNCHING MACHINE	16,54,051	8,91,989	4,82,525	20,83,515	99,712	93,631	29,293	1,64,049	19,19,466	15,54,339
VARNISHING MACHINE	2,77,837	-	-	2,77,837	35,192	13,197	-	48,389	2,29,448	2,42,845
SPARES/TOOLS	71,500	-	-	71,500	4,849	3,396	-	8,245	63,255	66,651
STICHING MACHINE	9,270	-	-	9,270	697	440	-	1,137	8,133	8,573
MARUTI CAR M800 DX	-	2,86,543	-	2,86,443	-	12,477	-	12,477	2,74,066	-
B) COMPUTERS & ACCESSORIES										
ACCUPRINT SERVER	2,52,500	-	-	2,52,500	92,093	40,930	-	1,33,023	1,19,477	1,60,407
COMPUTER SYSTEM	11,47,142	-	-	11,47,142	4,66,864	1,85,952	-	6,52,816	4,94,296	6,80,248
LASER PRINTER	1,48,250	-	-	1,48,250	62,080	24,031	-	86,111	62,139	86,170
COMPUTER PRINTER	10,800	8,600	-	19,400	3,210	2,913	-	6,123	13,277	7,590
UPS	1,63,710	-	-	1,63,710	70,786	26,537	-	97,303	66,407	92,944
STABILIZER	75,318	-	-	75,318	34,592	12,209	-	46,801	28,517	40,728
C) FACTORY EQUIPMENTS										
FAN	1,10,218	-	-	1,10,218	11,918	5,235	-	17,153	93,065	98,300
GENERATOR	3,51,978	-	-	3,51,978	40,396	16,719	-	57,115	2,94,863	3,11,582
WEIGHING MACHINE	61,377	-	-	61,377	7,531	2,915	-	10,446	50,931	53,846
AIR CONDITIONER	3,56,289	-	-	3,56,289	44,727	16,824	-	61,551	2,94,638	3,11,562
BOREWELL	32,815	-	-	32,815	4,157	1,569	-	5,716	27,099	28,658
EPABX SYSTEM	51,129	12,000	-	63,129	5,527	2,429	-	7,956	55,173	45,802
MANUAL PALLET TRUCK	19,680	-	-	19,680	2,649	935	-	3,584	16,096	17,037
TIME PUNCHING MACHINE	26,650	-	-	26,650	442	1,266	-	1,688	24,962	26,228
WATER PURE GUARD	-	9,000	-	9,000	-	36	-	36	8,964	-
D) ELECTRICAL INSTALLATION										
FURNITURE & FIXTURES	3,37,170	4,900	-	3,42,070	45,790	21,343	-	67,133	2,74,937	2,91,380
TEMPORARY PARTITIONS	5,04,017	-	-	5,04,017	5,04,017	-	-	5,04,017	-	-
TOTAL	3,02,06,000	12,13,032	7,65,978	3,06,53,053	36,92,954	16,31,709	29,293	52,95,370	2,53,57,683	2,65,13,046
As per last Balance Sheet	2,00,16,412	1,01,89,588	-	3,02,06,000	23,64,991	13,27,963	-	36,92,954	2,85,13,046	1,76,51,421.

NOTES : 1. Depreciation at SLM rates as per Schedule XIV to Companies Act, 1956
2. Depreciation calculated for the no. of whole months in the financial Year.

Egattur Printing and Packaging Limited

SCHEDULES TO BALANCE SHEET

	31.3.2002 Rs.	31.3.2001 Rs.
SCHEDULE - V		
Current Assets Loans and Advances:		
A. Current Assets:		
Inventories:		
Closing Stock of inventory as certified by the Management :		
-Work-in-Progress (valued at Direct Cost of Materials/Labour)	1,27,623	1,39,375
-Raw Materials (at cost, valued on FIFO basis)	8,55,445	32,91,735
-Finished goods (valued at Direct Cost of materials / labour)	84,570	1,68,525
	10,67,638	35,99,635
Sundry Debtors: (unsecured, good)		
- for a period exceeding six months	7,25,844	2,08,292
- other debts	37,53,988	19,74,223
	44,79,833	21,82,515
Cash and Bank Balances:		
Cash on Hand	3,060	6,501
Balance with Scheduled Bank in Current Account	34,365	11,354
	37,425	17,855
B. Loans and Advances:		
Advances recoverable in cash or in kind or for value to be received		
- Deposits/ Advances with Govt. Bodies	5,17,661	2,37,863
- Others	8,53,002	2,44,910
	13,70,663	4,82,773
Grand Total	69,55,558	62,82,778

	31.3.2002 Rs.	31.3.2001 Rs.
SCHEDULE - VI		
Current Liabilities:		
Acceptances	1,16,51,284	-
Sundry Creditors - Supplies/Services	-	-
-SSI Undertakings	-	-
-Others	49,57,911	1,26,49,127
Outstanding Liabilities	4,75,432	6,71,856
Advance from Debtors	36,59,935	2,01,422
	2,07,44,562	1,35,22,405

	31.3.2002 Rs.	31.3.2001 Rs.
SCHEDULE - VII		
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Preliminary Expenditure	44,590	44,590
Deferred Revenue Expenditure	1,11,211	-
	1,55,801	44,590

	31.3.2002 Rs.	31.3.2001 Rs.
SCHEDULE - VIII		
Profit and Loss Account		
Balance brought forward	1,52,79,862	1,11,50,663
Add: Loss for the year	1,06,85,623	41,29,199
	2,59,65,485	1,52,79,862

SCHEDULE - IX
Notes annexed to and forming part of Balance Sheet as at 31st March, 2002 and Profit and Loss Account for the year ended on that date.

The Profit and Loss Account and Balance Sheet have been prepared in accordance with the Accounting Standards referred in sub-section (3C) of Section 211 of Companies Act, 1956, to the extent the same are applicable to the Company.

I. Significant Accounting Policies:

a. **Income / Expenditure:** Income and Expenditure are accounted according to accrual basis of accounting.

b. Fixed Assets / Depreciation:

- Fixed Assets are stated at historical cost less accumulated depreciation.
- As in earlier years, depreciation on Fixed Assets is charged under Straight Line Method adopting the rates prescribed by Schedule XIV to the Companies Act, 1956 for the number of whole calendar months the assets were held by the Company during the financial year.

c. Stock Valuation

As in earlier years

- Closing Stock of Raw Materials has been valued at cost to the Company following the First In First Out Method (FIFO).
- Closing Stock of Work-in-Progress has been valued at cost of direct materials and estimated share of labour and other factory overheads.
- Closing stock of finished goods is valued at selling price less estimated margin of profit.

II. Balance Sheet

- The Company has filed Return of Income upto the Assessment Year 2001-2002 and assessments are pending. There is no liability to income tax for the financial year in view of loss.
- The Company has been regular in filing Sales Tax Returns with appropriate authority and in payment of sales tax dues thereunder.
- The Company has been regular in filing the Returns under Central Excise Act and in payment of duty thereunder.
- 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.
- Sum of Rs.3,03,454/- representing CENVAT on capital goods, credit for which was availed by the Company, was disallowed by the Department of Central Excise on technical grounds imposing a penalty of Rs.50,000/- as well. The Company has appealed against the order and consistent with its stand that the demand is untenable, as not provided for the same in the books of account.

III. Profit and Loss Account

- Rent, Rates and Taxes includes a sum of Rs.3,60,000/- paid as rent for the premises taken on lease from the Holding Company.
- Interest and Bank Charges includes a sum of Rs.28,02,328/- towards interest on term loans from Banks.
- Audit Fees debited to Profit and Loss Account represent the following:

Statutory Audit Fees	Rs. 26,250
Tax Audit Fees	Rs. 10,500
Total	Rs. 36,750

IV. 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. Stock of Work-in-Progress:

Particulars	Opening Stock		Closing Stock	
	Units	Value (Rs)	Units	Value (Rs)
Cartons	-	1,39,375	-	39,247
Printing Job	-	-	-	88,376

II. Stock of Finished Goods:

Particulars	Opening Stock		Closing Stock	
	Units	Value (Rs)	Units	Value (Rs)
Cartons Nos.	15,500	12,510	1,21,180	54,147
Printing Job Sheets	72,000	1,56,015	12,80,000	43,108

III. Raw Materials Consumed (Indigenous)

Particulars	Consumption		
	Units	Quantity	Value (Rs.)
Boards	Sheets	50,68,144	1,41,61,443
Papers	Reams	3,550	18,78,408
News Print Paper	Kgs	42,085	14,21,865

(Note : No Consumption of Imported Raw Materials)

IV. Turnover

Particulars	Units	Quantity	Value (Rs.)
Cartons	Nos.	5,53,73,945	1,37,24,284
Labels & Others	-	-	63,33,254
Job Work	-	-	30,85,504

(a) Licensed Capacity : Not Applicable

(b) Installed Capacity :

- Packaging : The Company undertakes job orders for cartons of varied dimensions that involve differing production processes. Hence, the installed capacity could not be expressed in any standard / rational basis and accordingly could not be provided.
- Printing : (a) 17000-20000 Boards / Sheets of Optimal size per shift of 8 hours per day for 300 days a year.

(c) Actual Production :

- Packaging : 554 lakhs Cartons (of Assorted sizes)
- Printing : 17.75 lakhs Sheets (including printing cartons)

V. Related Party Disclosures:

- List of Related Parties:

- Annurathan Limited	- Holding Company
- Annurathan Finance Limited	- Fellow Subsidiary Company
- Annurathan Drugs & Chemicals Ltd.	- Fellow Subsidiary Company
- Swas Health Products Ltd.	- Fellow Subsidiary Company
- Transactions during the year:

	Holding Company	Fellow Subsidiary Company
	Rs.	Rs.
Sale of Goods	1,80,59,332	48,026
Rent Paid	3,60,000	-
Interest Paid	3,38,147	-
Payment for Services	3,69,984	-
Equity Share Capital	20,00,000	-
Advance Received	1,21,05,007	-
Outstanding as on 31.3.2002		
Trade Advance	37,14,367	-
Guarantees	1,96,97,697	-

MISCELLANEOUS:

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

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. 033808

State Code 18

Balance Sheet Date

31 03 2002

Date Month Year

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

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

2000

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

Total Liabilities

37689

Total Assets

37689

Sources Of Funds:

Paid-up Capital

9988

Reserves & Surplus

NIL

Secured Loans

27536

Unsecured Loans

165

Application of Funds:

Net Fixed Asset

25357

Investments

NIL

Net Current Assets

(13789)

Misc. Expenditure

155

Accumulated Losses

(25966)

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

Turnover

29106

Total Expenditure

39791

Profit Before Tax

(10685)

Profit After Tax

(10685)

Earnings per share

N.A

Dividend Rate %

NIL

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

(as per monetary terms)

Item Code No.

(ITC Code)

49111002

Product Description

PRINTING &

PACKAGING

Egattur
23.8.2002Vide our Report of even date
For **C.R. SWAMINATHAN**
ASSOCIATES
Chartered Accountants
(**C.R.SWAMINATHAN**)
Proprietor**J.V. Seshiah**
S. Muralidharan
P. Easwaradas
Dr. H.B.N. Shetty
K. Sivasankaramurthy
P. Dattatral
Directors

SWAS HEALTH PRODUCTS LIMITED

REPORT OF THE DIRECTOR'S TO THE MEMBERS

To the members:

Your Directors have pleasure in presenting their Twelfth Annual Report and Audited accounts for the year ended 31st March, 2002.

OPERATIONS

The Company has commenced its commercial operations during the year and has achieved a turnover of Rs.85.89 lakhs.

PROSPECTS

Your Directors are confident of achieving a substantial turnover and expect to start making operating profits in the current financial year. Your Director are glad to inform you that the turnover for the first four months ended 31.7.2002 is Rs. 61.02 lakhs.

DEPOSITS

The Company has not accepted any Fixed Deposits.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956 your directors confirms as under:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts on a going concern basis.

DIRECTORS

Sri P. Easwaradas and Sri K.S. Ananthanarayanan retire by rotation at the ensuing Annual General Meeting and being eligible they offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

The Company has no employee covered under Section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY

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.

COMPLIANCE CERTIFICATE

A Certificate issued by a Secretary in Whole-time Practice in terms of the provisions of Sec.383A of the Companies Act, 1956 to the effect that the Company has complied with the applicable provisions of the said Act is attached to the report.

AUDITORS

M/s. Shanker Giri & Prabhakar, Chartered Accountants retire at the ensuing 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 for the assistance and co-operation received from the employees of Amrutanjan Limited during the year.

**J.V. SESHIAH
S. MURALIDHARAN
P. EASWARADAS
Dr. H.B.N. SHETTY
Directors**

Chennai
23.8.2002

ANNEXURE FORMING PART OF THE REPORT OF THE DIRECTORS TO THE MEMBERS

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

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

CONSERVATION OF ENERGY:

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

(A) POWER AND FUEL CONSUMPTION:

	Year ended 31.3.2002
1. Electricity :	
a) Purchased :	
Units	33,775
Total Amount	Rs. 1,51,076
Rate/Unit	Rs. 4.47
b) Own Generation:	
(i) Through Diesel Generator:	
Units	3,486
Units per litre of Diesel	1.81
Cost/Unit	Rs. 10.35
(ii) Through Steam Generator:	
Units	N.A.
Cost/Unit	-
2. Coal:	
Qty.(Tonnes)	-
Total Cost	-
Average Cost	-
3. Furnace Oil:	Diesel for Boiler
Qty. (K.Ltrs)	26,000 Lts for 300 working days
Total Amount	Rs. 4,87,500
Average Rate	Rs. 18.75 per ltr.
4. Others/Internal Generation:	
Qty.-	-
Total Cost	-
Rate/Unit	-

(B) CONSUMPTION PER UNIT OF PRODUCTION:

	Products (with details) unit	Standards (if any)	Year ended 31.3.2002
Electricity :	0.251 units per Kg of HBC	Nil	Rs. 1,51,076/- Total Amount spent on Electricity
Furnace Oil, Coal and Others :			
Genset Diesel	0.026 units per Kg HBC	Nil	Rs. 36,113/-
Furnace Diesel	0.194 Lts per Kg HBC	Nil	Rs. 4,87,500/-
* HBC - Hot Boiled Candy			

TECHNOLOGY ABSORPTION : Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Foreign exchange outgo	Nil
b) Foreign exchange earnings	Nil

COMPLIANCE CERTIFICATE

Regn. No. of the Company : 18-018927.

Nominal Capital : Rs.55,00,000/-

The Members

M/s.Swas Health Products Ltd.,
103/1, Luz Church Road,
Mylapore, Chennai 600 004.

We have examined the registers, records, books and papers of M/s.Swas Health Products Ltd., (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2002. In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the period:-

1. The Company has kept and maintained all registers, as stated in Annexure A to this Certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure B to this certificate, with the Registrar of Companies within the time prescribed under the Act and the Rules made thereunder.
3. The Company, being a public limited company, has the minimum prescribed paid-up capital.
4. The Board of Directors of the Company met seven times respectively on 25th April, 2001, 20th June, 2001, 9th July, 2001, 16th July, 2001, 28th September, 2001, 31st October, 2001 and 31st January, 2002. In respect of such meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close the Register of its Members during the financial year.
6. The Annual General meeting of the Company for the financial year ended on 31st March, 2001 was held on 28th September, 2001 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in the Minutes book maintained for the purpose.
7. No Extra-ordinary General meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company is maintaining the register under Section 301 of the Act, however there were no contracts to be entered therein during the financial year.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Board of Directors has duly approved the issuance of renewed/consolidated share certificates. However, the Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered the share certificates on transfer of shares in accordance with the provision of the Act, however there was no allotment/transmission of securities during the financial year.
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any Member of the Company as no dividend was declared during the financial year.
(iv) The Company has duly complied with the requirements of Section 217 of the Act in respect of last year.
14. The Board of Directors of the Company is duly constituted and there was no appointment of additional /alternate/ casual Directors during the financial year.
15. The Company has not appointed any Managing Director/ Wholtime Directors/Manager during the year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
19. The Company has issued 2,24,180 Equity Shares of Rs.10/- each on 16th July, 2001 and has not issued any debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from Bank during the financial year ended 31st March, 2002, is within the borrowing limits of the Company and necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened Annual General Meeting.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with the prescribed authority pursuant to Section 418 of the Act.

Chennai.
23.08.2002.

R. Balasubramaniam
C.P.No.1340.

SWAS HEALTH PRODUCTS LIMITED

AUDITOR'S REPORT

ANNEXURE - A

Registered as maintained by the Company.

Statutory Registers.

1. Register of Members under Section 150.
2. Minutes Book of Board meetings.
3. Minutes Book of General meetings.
4. Books of Account under Section 209.
5. Register of particulars of contracts in which Directors are interested under Section 301.
6. Register of Directors under Section 303.
7. Register of Directors' Shareholding under Section 307.
8. Register of Charges and Mortgages.

ANNEXURE - B

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended 31st March, 2002.

1. Form Nos.8 and 13 under Section 125/127/135 for creation of charge filed on 14th June, 2001 with additional fee.
2. Form Nos.8 and 13 under Section 125/127/135 for creation of charge filed on 25th June, 2001, within the prescribed time.
3. Form No.2 pursuant to Section 75(1) of the Act for the allotment of Equity Shares made on 16.07.2001 filed on 16.08.2001.
4. Balance Sheet under Section 220 of the Act for the financial year ended 31st March, 2001 filed on 16.11.2001 with additional fee.
5. Annual Return under Section 159 of the Companies Act, 1956 for the AGM held on 28th September, 2001 within the prescribed time.

Chennai.
23.08.2002.

R. Balasubramaniam,
C.P.No.1340.

We have audited the attached Balance Sheet of SWAS HEALTH PRODUCTS LIMITED as at 31st March 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that: We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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.

The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.

In our opinion the Balance Sheet and Profit and Loss Account dealt with by this Report comply with the accounting standards referred to in sub-section (3-C) of Section 211 of the Companies Act, 1956.

On the basis of the written representations received from the directors as on 31st March 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 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 together with the schedules attached thereto give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India :

in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2002 and

in the case of the Profit and Loss Account, of the loss for the year ended on that date.

For **SHANKER GIRI AND PRABHAKAR**

P. PRABHAKAR RAO

Partner

Chennai.

23.8.2002.

CHARTERED ACCOUNTANTS

Annexure referred to in Paragraph 3 of the Auditors' Report to the Members of Swas Health Products Limited on the accounts for the year ended 31st March 2002.

- i. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified by the management during the year and no serious discrepancies between the book records and the physical inventory have been noticed on such verification.
- ii. None of the Fixed Assets have been revalued during the year. Physical verification has been conducted by the management at the end of the year in respect of finished goods, work in process, raw materials and Packing materials.
- iii. 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.
- iv. The discrepancies noticed on such verification between the physical stocks which have been properly dealt with in the books of account were not significant.
- v. In our opinion, the valuation of these stocks is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the earlier years.
- vi. The Company has not obtained any loans from companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956. The terms and conditions in respect of loans obtained from the holding company during the year are not prejudicial to the interests of the Company and have been repaid during the year.
- vii. 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 the Companies Act., 1956.
- viii. The Company has not granted any other Loans and advances in the nature of loans to any other parties during the year.
- ix. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of goods, components and other assets and for the sale of goods.
- x. In our opinion and according to the information and explanations given to us, the transaction 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 referred to under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs.50000/- 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 or the prices at which transactions for similar goods or services have been made with other parties.
- xi. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stocks. Adequate provision has been made in the accounts for the loss arising on the items so determined.
- xii. The Company has not accepted any deposits from the public.
- xiii. There is no sale and disposal of realisable by-products.
- xiv. As the paid up capital of the company does not exceed Rs. 25 lacs, the provision relating to reporting on Internal Audit System does not arise.
- xv. According to the information and explanations given to us, Provident Fund dues have been remitted with the appropriate authorities regularly. Employees' State Insurance dues have not been deposited with the appropriate authorities.
- xvi. According to the information and explanations given to us there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- xvii. According to the information and explanations given to us no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
- xviii. According to the information and explanation given to us the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, are not applicable to the Company.

For **SHANKER GIRI AND PRABHAKAR**
P. PRABHAKAR RAO
 Partner
 CHARTERED ACCOUNTANTS

Chennai.
 23.8.2002.

SWAS HEALTH PRODUCTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2002

PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31ST MARCH 2002

	Schedule	As at 31.3.2002 Rs.	As at 31.3.2001 Rs.	Schedule	For the year ended 31.3.2002 Rs.
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS	A	22,42,400	600		
SHARE CAPITAL					
LOANS FUNDS					
Secured Loans	B	22,45,322	-		
Unsecured Loans	C	-	37,40,860		
DEFERRED TAX LIABILITY		1,59,215	-		
		46,46,937	37,41,460		
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block		41,83,328	26,46,543		
Less Depreciation		5,69,444	-		
Net Block	D	36,13,884	26,46,543		
Expenditure during construction period pending allocation		-	10,65,318		
		36,13,884	37,11,861		
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	E	6,15,654	-		
Sundry Debtors	F	52,67,20	-		
Cash & Bank Balances	G	11,7,516	56,634		
Loans & Advances	H	1,15,127	1,45,775		
		13,57,017	2,02,409		
LESS: CURRENT					
LIABILITIES & PROVISIONS	I	11,08,487	2,73,894		
NET CURRENT ASSETS		2,66,530	(71,485)		
MISCELLANEOUS EXPENDITURE (To the extent not written off)	J	67,390	1,01,084		
PROFIT AND LOSS ACCOUNT		6,99,133	-		
		46,46,937	37,41,460		
INCOME					
Sales					85,57,936
Other Income - Scrap Sales					34,198
					85,92,134
EXPENDITURE					
Cost of Materials consumed	K				46,46,259
Employees' Remuneration & Benefits	L				7,06,686
Excise Duty					11,27,935
Administration and Other Expenses	M				17,21,851
Interest and Finance Charges	N				3,57,261
Depreciation					5,69,444
Preliminary Expenses					
Written Off					2,616
					91,32,052
NET LOSS FOR THE YEAR					(5,39,918)
Deferred Tax					1,59,215
					(6,99,133)
BALANCE CARRIED TO BALANCE SHEET					
NOTES ON ACCOUNTS ○					

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

Chennai
23.8.2002

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

On behalf of the Board
J.V. SESHIAH
S. MURALIDHARAN
P. EASWARADAS
Dr. H.B.N. SHETTY
Directors

Chennai
23.8.2002

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

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2002

	As at 31.3.2002 Rs.	As at 31.3.2001 Rs.
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised 550000 (100000) Equity		
Shares of of Rs.10 each	55,00,000	10,00,000
Issued, Subscribed and Paid-Up 224240 (FY:2000-2001 - 60)		
Equity Shares of Rs.10 each	22,42,400	600

(Of the above 2,24,180 Equity Shares are held by the holding Company Amrutnjan Limited)

	As at 31.3.2002 Rs.	As at 31.3.2001 Rs.
SCHEDULE 'B'		
SECURED LOANS		
From Bank		
- Term Loan	19,75,837	-
- Cash Credit	2,69,485	-
	22,45,322	-

	As at 31.3.2002 Rs.	As at 31.3.2001 Rs.
SCHEDULE 'C'		
UNSECURED LOANS		
Temporary Overdraft in Bank Account		
	-	1499060
Short Term Loans and Advances		
From Other than banks	-	2241800
	-	3740860

**SCHEDULE : D
FIXED ASSETS**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31ST MARCH 2002**

	As at 31.3.2002 Rs.	As at 31.3.2001 Rs.
SCHEDULE 'E'		
INVENTORIES		
Raw Materials at Cost	1,70,554	-
Packing Materials at Cost	3,97,823	-
Work in Progress at Cost	16,057	-
Finished Goods at the lower of Cost and realisable value	31,220	-
	6,15,654	-

	As at 31.3.2002 Rs.	As at 31.3.2001 Rs.
SCHEDULE 'F'		
SUNDRY DEBTORS		
(Unsecured - Considered Good)		
Debts outstanding for a period exceeding six months		
	-	-
Other Debts		
(Due by the Holding Company)	526720	-
	526720	-

	As at 31.3.2002 Rs.	As at 31.3.2001 Rs.
SCHEDULE 'G'		
CASH AND BANK BALANCES		
Cash on hand	2341	16932
Balance with Scheduled Bank		
- On Current Account	115175	39702
	117516	56634

BLOCK AS AT	GROSS BLOCK			DEPRECIATION		NET BLOCK		
	AS AT 01.04.2001 Rs.	ADDITIONS (DELETIONS) Rs.	AS AT 31.03.2002 Rs.	AS AT 01.04.2001 Rs.	ADDITIONS (DELETIONS) Rs.	AS AT 31.03.2002 Rs.	WDV AS ON 31/3/2002 Rs.	WDV AS ON 31/3/2001 Rs.
PLANT & MACHINERY	24,23,410	13,55,246	37,78,656	-	5,12,936	5,12,936	32,65,720	24,23,410
ELECTRICAL FITTINGS	1,58,056	76,766	2,34,822	-	32,151	32,151	2,02,671	1,58,056
OFFICE EQUIPMENTS	-	1,04,773	104,773	-	12,578	12,578	92,195	-
FURNITURE & FITTINGS	65,077	0	65,077	-	11,779	11,779	53,298	65,077
TOTAL	26,46,543	15,36,785	41,83,328	-	5,69,444	5,69,444	36,13,884	26,46,543
As per Last Balance sheet	1,10,300	25,36,243	26,46,543	-	-	-	26,46,543	1,10,300

SWAS HEALTH PRODUCTS LIMITED

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2002

	As at 31.3.2002 Rs.	As at 31.3.2001 Rs.
SCHEDULE 'H'		
LOANS AND ADVANCES		
(Unsecured - Considered Good)		
Advances recoverable		
in cash or kind for		
value to be received	52952	113275
Deposits	31500	32500
Balance with Excise		
Authorities	30675	-
	115127	145775

SCHEDULE 'I'

CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

Creditors	1013463	209165
Other liabilities	95024	64729
	1108487	273894

SCHEDULE 'J'

MISCELLANEOUS EXPENDITURE

(To the extent not written off)

Pre - Operative Expenses	62158	93236
Preliminary expenses	5232	7848
	67390	101084

SCHEDULE 'K'

COST OF MATERIALS CONSUMED

RAW MATERIALS CONSUMPTION

Opening stock	-	-
Add : Purchases	27,25,797	27,25,797
	27,25,797	27,25,797
Less : Closing Stock	1,70,554	1,70,554
	25,55,243	25,55,243

PACKING MATERIALS CONSUMPTION

Opening stock	-	-
Add : Purchases	25,36,116	25,36,116
	25,36,116	25,36,116
Less : Closing Stock	3,97,823	3,97,823
	2138293	2138293

INCREASE / DECREASE IN WORK IN PROCESS

Opening Stock	-	-
Closing Stock	16,057	16,057
	(16,057)	(16,057)

INCREASE / DECREASE IN FINISHED GOODS

Opening Stock	-	-
Closing Stock	31220	31220
	(31220)	(31220)
	4646259	4646259

SCHEDULE 'L'

EMPLOYEES' REMUNERATION & BENEFITS

Salaries & Wages	619335	619335
Contribution to Provident and Other Funds	42517	42517
Staff Welfare	44534	44534
	706686	706686

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2002

	As at 31.3.2002 Rs.
ADMINISTRATION AND OTHER EXPENSES	
Power & Fuel	6,19,406
Rent	3,00,000
Repairs & Maintenance - Machinery	1,69,146
Rates & Taxes	11,761
Sales Tax	3,81,133
Insurance	13,737
Printing & Stationery	16,097
Postage & Telephones	30,705
Travelling & Conveyance	28,995
Professional Charges	68,000
Audit Fee - For Audit	20,000
Miscellaneous expenses	31,793
Pre - Operative Expenses written off	3,1078
	17,21,851

SCHEDULE 'N'

INTEREST AND FINANCE CHARGES

On Fixed Loans	2,95,755
Others	61,506
	3,57,261

SCHEDULE O

NOTES ON ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES:

- A Accounting Convention:**
The financial statements are prepared under historical cost convention. Revenues are recognised and expenses are accounted on their accrual with necessary provisions for allknown liabilities and losses.
- B Fixed Assets:**
- i) Fixed assets are stated at original cost.
 - ii) Depreciation on Fixed assets added/disposed off during the year is provided on WrittenDown Value Method on pro-rata basis from the date of addition or upto the date of disposal inaccordance with Schedule XIV of the Companies Act, 1956.
- C Inventories:**
Finished Goods are valued at the lower of Cost an Netrealisable value. Cost represents allDirect Costs. Work-in-Progress. Raw materials, Stores & Spares, and Components arevalued at cost ascertained on First in First out basis.

D. **Miscellaneous Expenditure**
Pre Operative expenses represents expenses incurred prior to commencement of commercial operations other than those capitalised. Pre Operative expenses & Preliminary expenses are amortised over a period of three years

E. **Retirement Benefits:**
Provident Fund contributions are made to Regional Provident Fund commissioner and charged to revenue.

2 **SECURED LOANS**
a) Term Loans from Bank are secured by hypothecation of entire Plant & Machinery and guaranteed by the Holding Company to the extent of Rs.14,00,000/-
b) Cash Credit facility from Bank is secured by hypothecation of all stocks and book debts.

3 **DEFERRED TAX LIABILITY**
In accordance with the provisions of the Accounting Standard AS-22 - Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, Deferred Tax Liability attributed to timing differences relating to Depreciation, Preliminary and Pre Operative expenses has been determined at Rs. 159215/- and the same has been recognised in these accounts.

4 **FIXED ASSETS**
Expenditure during construction period pending allocation amounting to Rs. 1065318/- has been capitalised during the year.

5 **RELATED PARTIES**
a) List of related parties
Amrutanjan Limited Holding Company
Amrutanjan Finance Ltd Fellow Subsidiary Company
Amrutanjan Drugs and Chemicals Ltd Fellow Subsidiary Company
Egattur Printing and Packaging Ltd Fellow Subsidiary Company

b) Transactions during the year

	Holding Company	Fellow Subsidiary Companies
	Rs.	Rs.
Equity Share Capital subscription received	22,41,800	
Loans received	55,000	
Loans repaid	55,000	
Sale of Goods	85,57,741	
Purchase of Goods	-	48,026
Rent paid	3,00,000	
Interest paid	4,359	
Trade Receivables	52,6,720	
Guarantees	14,00,000	
Outstanding as on 31.3.2002		
Guarantees	14,00,000	

5 **SALES**
Sales is inclusive of Excise Duty and Sales tax.
6 **ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3, 4C & 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956."**

a) **STOCK PARTICULARS**

	Quantity Tons	Anubhutayogam Value Rs.
Licensed Capacity	216.00	
Installed Capacity	300.00	
Production	135.17	
Opening Stocks	-	
Turnover	132.45	8557936
Closing Stocks	2.72	47277

b) **RAW MATERIALS AND COMPONENTS CONSUMED DURING THE YEAR**

	Qty. (Tons)	Amount Rs.
Sugar	103.92	1529320
Liquid Glucose	46.40	722658
Other materials		303265
TOTAL		<u>2555243</u>

c) **"VALUE OF RAW MATERIALS, SPARES & COMPONENTS CONSUMED DURING THE YEAR"**

	%	Rs.
RAW MATERIALS		
Imported	-	-
Indegeneous	100	2555243

d) **EARNINGS IN FOREIGN EXCHANGE - Nil**

e) **EXPENDITURE IN FOREIGN CURRENCY - Nil**

7 Profit and Loss Account does not contain previous year's figures as the Commercial

Operations commenced only during the current year.

8 Figures of the previous year have been regrouped wherever necessary.

On behalf of the Board

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

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

Chennai
23.8.2002

SWAS HEALTH PRODUCTS LIMITED

I. Registration Details:

Registration No.

0	1	8	9	2	7
---	---	---	---	---	---

 State Code

1	8
---	---

Balance Sheet Date

3	1	-	0	3	-	2	0	0	2
---	---	---	---	---	---	---	---	---	---

II. Capital Raised During the Period (Amount in Rs.'000s)

Public Issue

N	I	L
---	---	---

 Rights Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

 Private Placement

2	2	4	2
---	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000s)

Total Liabilities

4	6	4	7
---	---	---	---

 Total Assets

4	6	4	7
---	---	---	---

Sources of Funds:
Paid-up Capital

2	2	4	2
---	---	---	---

 Reserves & Surplus

	0	
--	---	--

Secured Loans

2	2	4	6
---	---	---	---

 Unsecured Loans

	0	
--	---	--

Deferred Tax Liability

	1	5	9
--	---	---	---

Application of Funds:
Net Fixed Assets

3	6	1	4
---	---	---	---

 Investments

N	I	L
---	---	---

Net Current Assets

2	6	7
---	---	---

 Misc. Expenditure

	6	7
--	---	---

Accumulated Losses

6	9	9
---	---	---

IV. Performance of Company (Amount in Rs.'000s)

Turnover

8	5	9	2
---	---	---	---

 Total Expenditure

9	1	3	2
---	---	---	---

Loss before Tax

-	5	4	0
---	---	---	---

 Loss after Tax

-	5	4	0
---	---	---	---

Earnings per Share Rs.

N	I	L
---	---	---

 Dividend Rate %

N	I	L
---	---	---

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

Item Code No.

		9
--	--	---

(ITC Code)
Product Description

A	N	U	B	H	U	L	T	A	Y	O	G	A	M	S
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Chennai
23.8.2002

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

For SHANKER GIRI & PRABHAKAR
P. PRABHAKAR RAO
Partner
CHARTERED ACCOUNTANTS

AMRUTANJAN LIMITED

PROXY FORM

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

Regd. Folio No. * D.P. I.D.

No. of Shares * Client I.D.

I/We of in the district of being a member / members of Amrutanjan Limited, hereby appoint of in the district of or failing him of in the district of as my/our proxy to attend and vote for me/us on my/our behalf at the Sixty Fifth Annual General Meeting of the Company to be held on Thursday, the 26th September, 2002 at the Sathguru Gnanananda Hall (Narada Gana Sabha), No. 314 (Old No.254), T.T.K. Road, Alwarpet, Chennai 600 018 at 3.15 p.m. and at any adjournment thereof.

Signed this the day of 2002. Signature.....

Affix
30 Paise
Revenue
Stamp

Note: The form duly completed and signed should be deposited at the registered office of the company not later than 48 hours before the time of the meeting.

----- ✂ ----- Cut Here -----

AMRUTANJAN LIMITED

ATTENDANCE SLIP

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

(To be filled in and handed over at the entrance of the Meeting Hall)

Regd. Folio No. * D.P. I.D.

No. of Shares * Client I.D.

* Member's / Proxy's Name (IN BLOCK LETTERS)

* Member's / Proxy's Signature

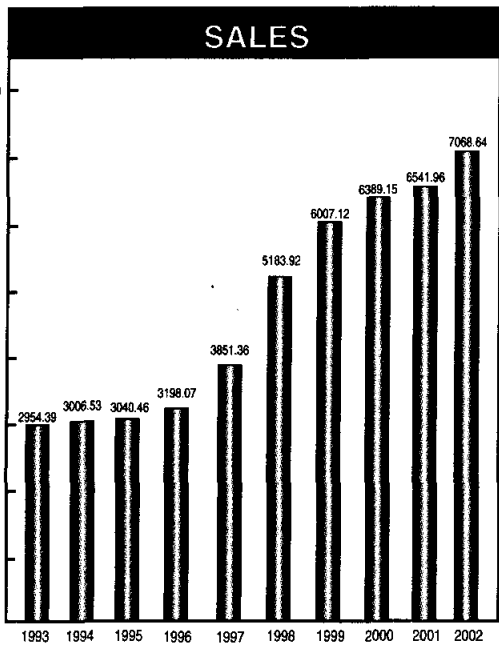
I hereby record my presence at the Sixty Fifth Annual Meeting of the Company to be held on Thursday, the 26th September, 2002 at the Sathguru Gnanananda Hall (Narada Gana Sabha), No.314 (Old No.254), T.T.K. Road, Alwarpet, Chennai 600 018 at 3.15 p.m.

(*) Applicable only in case of Investors holding shares in Electronic form.

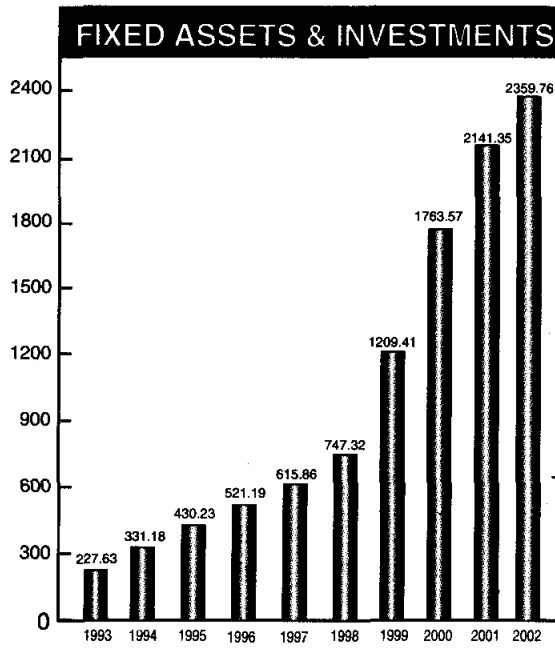
(*) Strike out whichever is not applicable

AMRUTANJAN

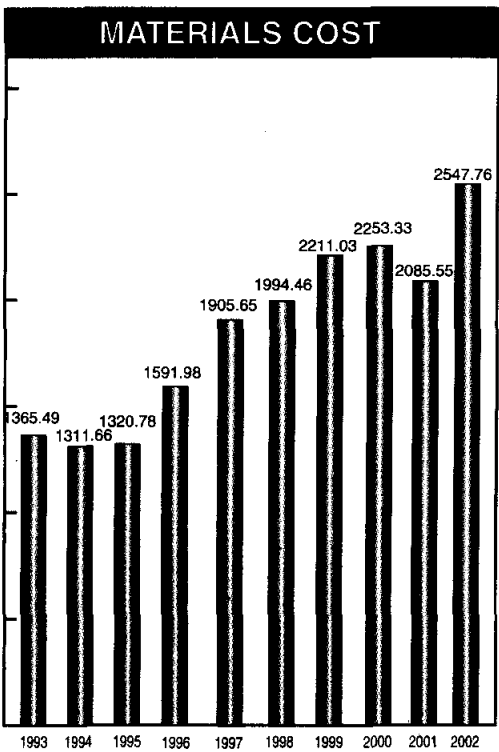
Rs. in lakhs



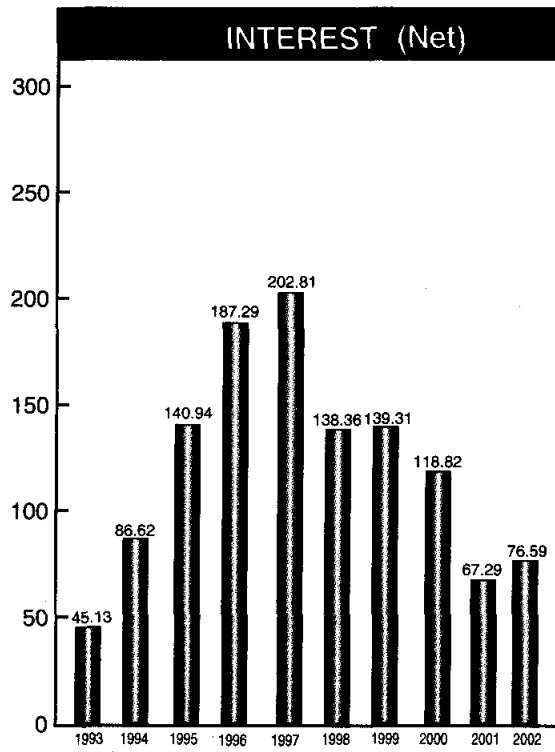
Rs. in lakhs



Rs. in lakhs



Rs. in lakhs



BOOK - POST / CERTIFICATE OF POSTING

To

If undelivered, please return to:

Amrutanjan Limited

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