



Be ready for more



BOARD OF DIRECTORS	<p>Mr. S.Sambhu Prasad, Managing Director Dr. Pasumarthi S.N. Murthi Mr. D. Seetharama Rao Mr. R. Vijayaraghavan Dr. H.B.N. Shetty Mr. N.V. Nelliappan</p>
COMPANY SECRETARY	<p>Mr. N.S.Mohan</p>
AUDITORS	<p>M/s. P.S. Subramania Iyer & Co Chartered Accountants No. 103 (Old No. 57/2) P.S. Sivasamy Salai Mylapore, Chennai 600 004</p>
BANKERS	<p>Indian Overseas Bank Punjab National Bank HDFC Bank Limited IDBI Bank Limited</p>
REGISTERED OFFICE	<p>No. 103 (Old No. 42-45), Luz Church Road Mylapore, Chennai 600 004 Phones : 044-24994164/24994146/24994465/24994366 Fax : 044-24994585 E-mail : investors@amrutanjan.com Website : www.amrutanjan.com</p>
FACTORIES AT	<p>Mylapore, Chennai Uppal, Hyderabad Alathur Village, Kancheepuram District (T.N.)</p>
BRANCHES AT	<p>Bangalore, Mumbai, Kolkata, Delhi, Hyderabad & Chennai</p>
REGISTRARS & SHARE TRANSFER AGENTS	<p>Cameo Corporate Services Ltd. "Subramaniam Building" No.1, Club House Road, Chennai 600 002 Telephone : 044-28460390 Fax : 044-28460129 E-mail : cameosys@cameoindia.com</p>

Amrutanjan Health Care Limited

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

NOTICE

NOTICE is hereby given that the Seventy First Annual General Meeting of the members of Amrutanjan Health Care Limited will be held on Thursday, the 18th day of September, 2008 at Rani Seethai Hall, No.603, Anna Salai, Chennai 600 006, at 10.30 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008, the Profit and Loss Account for the year ended 31st March, 2008, and the Reports of the Directors' and Auditors' thereon.
2. To record Interim Dividend already paid and to declare final dividend on equity shares for the year ended 31st March, 2008.
3. To appoint a Director in the place of Mr. D. Seetharama Rao, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Dr. H.B.N. Shetty, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Special Business:

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals, consents, sanctions and permissions of appropriate authorities as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors of the Company to acquire by way of subscription, purchase or otherwise the securities of any other body corporate up to a limit not exceeding Rs.100 crores (Rupees Hundred Crores only) notwithstanding that such investment together with the company's existing investment in all other bodies corporate and the company's existing loan to all other bodies corporate, shall be in excess of the limits prescribed under section 372A of the Companies Act, 1956 and the Board of Directors of the company be and is hereby authorised to determine the actual sum to be so invested and all matters arising out of or incidental to the proposed investment and to do all such acts, deeds and things as may be necessary to implement this resolution".

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

Hyderabad
30.06.2008

Dr. H.B.N. Shetty
Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business set out under item No.6 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 10th September, 2008 to 18th September, 2008 (both days inclusive).
4. The final dividend on the Equity Shares as recommended by the Board will be paid on approval of the members of the Company to the eligible equity shareholders whose names appear in the Register of Members of the Company as on 18th September, 2008 and to the eligible beneficial owners whose names appear in the list provided by the Depositories, National Securities Depository Limited and Central Depository Services (India) Limited as on the closing hours of 9th September, 2008.
5. Equity shares of the Company have been placed under Compulsory Demat mode of Trading. Members who have not yet dematerialized their physical holdings in the company are advised to avail the facility of dematerialization of equity shares of the company.
6. As per the regulations of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the company is obliged to print the Bank account details on the dividend warrants as furnished by these depositories to the company and the company cannot entertain any request for deletion/change of bank account 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.
7. Members are advised to avail the facility of Electronic Clearing Service (ECS) for receipt of dividends. The ECS facility is available at the specified locations and covers all major cities. Members are requested to contact their respective Depository Participants (DPs) for availing F facility. Members holding shares in ph form and desirous of availing ECS faci'

Amrutanjan Health Care Limited

requested to complete the ECS Mandate Form given at the end of this Annual report and forward the same to the Company's Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Limited.

8. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unclaimed for a period of 7 years from the date of declaration would be transferred to the "Investor Education and Protection Fund" (IEPF) constituted by the Central Government and the shareholders would not be able to make any claims as to the amount of dividend so transferred to the Fund. Accordingly, during the financial year 2007-08 the Company has transferred the unclaimed amount pertaining to Dividend for the financial year 1999-2000 & Interim Dividend for 2000-2001 amounting to Rs.1,72,714.50 to IEPF. Members who have not yet encashed their final dividend warrants from the financial year 2000-2001 onwards are requested to make their claims to the Company immediately.
9. Details under Clause 49 of the Listing Agreement entered into with Madras Stock Exchange Limited in respect of Directors seeking re-appointment at the Annual General Meeting are given in a separate sheet annexed hereto.
10. Members are requested to bring their copy of the Annual Report to the Meeting.

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

Item No. 6

The company will have surplus funds by sale of the land and buildings situated at Egattur, Chinglepet Taluk, Kancheepuram District.

The Company is proposing to utilise the said surplus funds together with the internal accruals by acquiring by way of subscription, purchase or otherwise the securities of any body corporate up to Rs.100 crores (Rupees Hundred Crores only). In view of this, the Board of Directors must be authorized by a special resolution of the company in General Meeting to acquire by way of subscription, purchase or otherwise the securities of any other body corporate up to Rs.100 crores (Rupees Hundred Crores only).

Since the limit prescribed under section 372A of the Companies Act, 1956 is likely to be exceeded as a result of the proposed investment, this special resolution is commended for approval of the members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Details of Directors seeking re-appointment in Annual General Meeting

Name of Director	Mr. D. Seetharama Rao	Dr. H.B.N. Shetty
Date of Birth	20.04.1932	11.04.1932
Date of Appointment	27.06.1991	31.07.2003
Qualification	B.E (Elect.)	M.A. (Chemistry), M.L., Ph.D.
Expertise in Specific Functional Area	Electrical Engineer (Retd)	I.A.S Officer (Retd)
List of Companies in which outside Directorship held	-	<ul style="list-style-type: none">▪ Data Quest Infotech and Enterprises Ltd▪ Egattur Printing and Packaging Ltd▪ Swas Health Products Ltd
Chairman/Member of the Committees of Board of Directors of other Companies	-	-
Shareholding	48240 Equity Shares of the Company	250 Equity Shares of the Company
Relationship with other Directors	Not related to any directors in the manner indicated in Schedule IA of the Companies Act, 1956.	Not related to any directors.

Hyderabad
30.06.2008

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

Dr. H.B.N. Shetty
Director

REPORT OF THE DIRECTORS' TO THE MEMBERS

Your Directors have pleasure in presenting their Seventy First Annual Report and Audited Accounts of the Company for the year ended 31st March, 2008.

1. FINANCIAL RESULTS

	Year ended 31.3.2008 Rs.	Year ended 31.3.2007 Rs.
Profit before Interest and Depreciation	12,19,08,907	16,39,83,943
Less: Interest	74,72,185	54,05,433
Depreciation	<u>1,46,63,094</u>	<u>1,52,12,579</u>
	<u>2,21,35,279</u>	<u>2,06,18,012</u>
Profit before extraordinary items	9,97,73,628	14,33,65,931
Less: Loss on Destruction of assets	-	(7,91,387)
Prior year adjustments (Net)	<u>(3,36,662)</u>	<u>2,10,441</u>
Profit for the year before tax	9,94,36,966	14,27,84,985
Provision for taxation		
- Income Tax	(1,45,00,000)	(4,80,00,000)
- Fringe Benefit Tax	(25,00,000)	(14,00,000)
- Deferred Tax	(1,94,77,090)	17,44,124
Short Provision for Income Tax of earlier years	<u>(3,49,027)</u>	<u>(24,36,103)</u>
Profit after tax before exceptional items	6,26,10,849	9,26,93,006
Provision for advances	(1,27,15,724)	(13,00,197)
Provision for diminution in value of Investments	-	<u>(3,22,53,828)</u>
Profit after tax after exceptional items	4,98,95,125	5,91,38,981
Add: Transfer from Profit & Loss Account		
- Surplus from previous year brought forward	<u>2,99,15,921</u>	<u>1,28,59,820</u>
Profit for Appropriation	<u>7,98,11,046</u>	<u>7,19,98,801</u>
Appropriations:		
General Reserve	2,00,00,000	2,00,00,000
Interim Dividend Paid	1,28,00,000	1,28,00,000
Tax on Interim Dividend	21,75,360	17,95,200
Final Dividend - Proposed	96,00,000	64,00,000
Tax on Proposed Final Dividend	16,31,520	10,87,680
Balance Profit carried to Balance Sheet	<u>3,36,04,166</u>	<u>2,99,15,921</u>
	<u>7,98,11,046</u>	<u>7,19,98,801</u>

2. DIVIDEND

Considering the profits projected for 2007-2008, your directors have declared and paid an interim dividend of 40% on the equity share capital of Rs.3.20 crores amounting to Rs.128.00 lakhs during the year. Your directors have pleasure in recommending a final dividend of 30% for the year ended 31st March, 2008 amounting to Rs.96 lakhs. The Company will bear the dividend distribution tax of Rs.16.32 lakhs.

3. REVIEW OF PERFORMANCE

During the year under review, the net sales of the company amounted to Rs.7454.91 lakhs as against Rs.7238.76 lakhs in the previous year. Profit before interest and depreciation amounted to Rs.1219.09 lakhs as against Rs.1639.84 lakhs in the previous year.

Amrutanjan Health Care Limited

4. CHANGE OF NAME OF THE COMPANY

During the year under review, your company has received approval from the Central Government viz., the Registrar of Companies, Chennai for change in the name of the company from "Amrutanjan Limited" to "Amrutanjan Health Care Limited".

5. FIXED DEPOSITS

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

6. DIRECTORS

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

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2008 and of the profit of the company for the year ended on that date;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on a 'going concern' basis.

8. CORPORATE GOVERNANCE

The company has complied with the mandatory provisions of the Corporate Governance as prescribed in the listing agreement entered into with Madras Stock Exchange Limited. Separate reports on Corporate Governance and Management Discussion and Analysis as required are attached and are forming part of this Annual Report.

9. SUBSIDIARY COMPANIES

Data Quest Infotech & Enterprises Limited

The Company has suspended its Call Centre operations. As much needs to be done to revitalize the operations of the Company, overall performance can be improved over a period of time.

Amrutanjan Drugs and Chemicals Limited

During the year under review, the Company had not undertaken any commercial operations. Various options are being considered.

Egattur Printing and Packaging Limited

There was no commercial operation during the year under review. Viable options are being considered.

Swas Health Products Limited

The company did not pursue with commercial operations during the year under review. Various other options, are being considered.

Holistic Beauty Care Limited

With main focus on Pain Management and to leverage its competency by offering services in pain management and other related areas, your Company promoted, M/s. Holistic Beauty Care Limited with an Authorised Share Capital of Rs.1.00 crore. The first Pain Relief and Wellness Spa, Osmosy's was opened during November, 2007 at Kotturpuram, Chennai. The services offered include Pain Relief for migraine and Tension headaches; Restylane injections for wrinkles; lipodissolve – non-surgical fat burning; dispensing health / cosmetic products etc.

The Statement pursuant to the provisions of Section 212 of the Companies Act, 1956, containing details of the Company's Subsidiaries is attached.

The Company made an application to the Central Government under Section 212(8) of the Companies Act, 1956, seeking exemption from attaching the accounts, etc., of its subsidiary companies with the Balance Sheet of the Company. The Company expects to receive the approval and hence the accounts of the subsidiaries are not attached. Besides, a Statement giving certain information as required under Section 212(8) of the Companies Act, 1956, is placed along with the Consolidated Accounts. **The Company will make available the Annual Report and other documents of its Subsidiary Companies to any investor of Amrutanjan Health Care Limited and its Subsidiary Companies upon receipt of request by the Company at its Registered Office. The same will also be kept for inspection by any investor at the head office of the Holding and its Subsidiary Companies.**

10. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and all its subsidiaries have been prepared.

11. 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.

12. PARTICULARS OF EMPLOYEES

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

13. 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.

14. COST AUDITORS

Mr. G. Thangaraj, Cost Accountant will be re-appointed as Cost Auditor of the Company pursuant to Section 233B of the Companies Act, 1956 to conduct audit of cost records maintained by the Company in respect of its Formulations and Bulk Drugs business for the financial year ended 31st March, 2008.

15. ACKNOWLEDGEMENT

The Board of Directors expresses its gratitude and places on record its sincere appreciation to Indian Overseas Bank, Punjab National Bank, HDFC Bank Limited, IDBI Bank Limited, Indian Bank and the concerned Departments of State and Central Governments, Employees, the Union and Shareholders for their valuable assistance, support and excellent co-operation extended to the company and looks forward to their continued patronage in the years to come.

Hyderabad
30.06.2008

S. Sambhu Prasad
Managing Director

Dr. H.B.N. Shetty
Dr. Pasumarthi S.N. Murthi
D. Seetharama Rao
R. Vijayaraghavan
Directors

Amrutanjan Health Care 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

1. Electricity:	Year ended 31.3.2008 (Current Year)		Year ended 31.3.2007 (Previous Year)	
	OTC	FINE CHEMICALS	OTC	FINE CHEMICALS
a) Purchased:				
Units	5,54,945	7,24,195	5,21,758	5,87,538
Total Amount (Rs.)	28,59,783	36,67,411	27,65,844	32,30,182
Rate/Unit (Rs.)	5.15	5.06	5.30	5.49
b) Own Generation:				
(i) Through Diesel Generator:				
Units	32,910	49,915	17,268	29,268
Units per litre of Diesel	4.20	3.71	4.30	3.35
Cost/Unit (Rs.)	8.14	8.90	8.02	10.73
(ii) Through Steam Generator:				
Units	24,100	1,11,700	23,913	90,379
Cost/Unit (Rs.)	-	33.00	-	-
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 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
Electricity:			
Amrutanjan Pain Balm	(Per Ton)	6132.50	6,154.50
Fine Chemicals	(Per Ton).	2,37,881	3,69,042
Furnace Oil, Coal and Others	-	-	-

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

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****Consumer Product Research (OTC)**

- a. Development of formulation of OTC products in different dosage forms.
- b. Conducted experiment trials, validations, scaling up and stability studies for the new products.
- c. Formulation development for OTC personal care products.
- d. Technology transfer to production.

Chemical Research

- a. Process development for known APIs, intermediates albeit through novel and innovative process routes.
- b. Fast track process development for custom chemicals.
- c. Techno-commercial feasibility study on new projects.

2. BENEFITS OF R&D**Consumer Product Research (OTC)**

- a. Cost cutting without compromising the quality of the products.
- b. Improving export business with development of customer specific OTC products.
- c. Trouble shooting of the existing products to make the products more effective with respect to the cost and quality.

Chemical Research

- a. Substitution of indigenously available raw materials for expensive imported raw materials.
- b. Enhancement of productivity and efficiency of the process
- c. Process & product development and support services to production team.

3. PLANNING FOR THE FUTURE**Consumer Product Research (OTC)**

- a. Development of products (other than pain balm) to assist introductions in domestic and export markets.
- b. Development and improvement of products in pain category in line with changing consumer trends and insights.

Chemical Research

- a. Manufacture of high value and low volume chemicals.
- b. Collaborative research for co-marketing alliance

Amrutanjan Health Care Limited

4. EXPENDITURE ON R&D	(Rs. in lakhs)
Capital	700.56
Recurring	161.59
Total	<u>862.15</u>

Total R&D expenditure as a percentage of total turnover 10.06 %

5. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Consumer Product Research (OTC)

- a. Cost effective formula has been developed for Dragon liquid balm.
- b. Muscular pain spray, an aerosol product developed and launched in the market.
- c. Development of cooling oil preparation.
- d. Development of personal care products such as herbal hand sanitizer spray and herbal anti-allergy capsules.

Chemical Research

The innovative lab technologies are studied in depth at the pilot plant level to ensure that the lab technologies are adaptable in the commercial plant.

II. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in lakhs)
Total foreign exchange earnings	265.43
Total foreign exchange outgo	415.44

**INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE
COMPANIES (PARTICULARS OF EMPLOYEES) RULES AND FORMING PART OF THE
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2008.**

Sl. No.	Name, Age and Nature of Employment	Designation/Nature of Duties	Gross Remuneration (in Rs.)	Qualification	Experience (in years)	Date of Commencement of Employment	Particulars of last employment
1	Mr. S. Sambhu Prasad * (34) (Contractual)	Managing Director (Management of whole affairs of the Company)	52.65,498	B.Tech (USA) M.B.A. (USA)	12	07.08.2005	Warren Industries Wisconsin, USA.

Notes: a. Remuneration received includes salary, house rent allowance, commission, taxable perquisites, gratuity, company's contribution to gratuity fund, superannuation and provident fund.

b. * Nature of employment and terms and conditions of services are governed by Schedule XIII of the Companies Act, 1956.

Amrutanjan Health Care Limited

REPORT ON CORPORATE GOVERNANCE

Code of Corporate Governance

The company firmly believes in and has been taking steps to implement and practice good Corporate Governance. Attainment of highest levels of transparency, professionalism and accountability, in all facets of operation, and in all interactions with stake holders, including shareholders, employees, the government and lenders has been an ultimate object of the Company and it would endeavour to improve on these aspects on an ongoing basis.

1. Board of Directors

The Board of Directors consists of 6 Directors:

Composition and category of Directors are as follows:

Category	Name of the Directors
Promoter / Executive Director	Mr. S. Sambhu Prasad – Managing Director
Promoter / Non-Executive Directors	Mr. D. Seetharama Rao Dr. Pasumarthi S.N. Murthi
Non-Executive and Independent Directors	Mr. R. Vijayaraghavan Dr. H.B.N. Shetty Mr. N.V. Nelliappan

Number and the dates on which the Board Meetings were held .

Five Board Meetings were held during the last financial year. The dates on which the meetings were held are as follows:

25th June, 2007; 20th July, 2007; 16th August, 2007, 26th October, 2007 and 31st January, 2008.

The maximum time gap between any two meetings was not more than four months.

Attendance of each Director at the Board Meetings, last Annual General Meeting & Number of other Boards or Board Committees in which he is a member or Chairperson.

Name of the Director	Attendance particulars		No. of other Directorships and Committee Memberships / Chairmanships		
	Board Meeting	Last AGM	Other Directorship excluding Private Companies	Other Committee Membership	Other Committee Chairmanship
Mr. S. Sambhu Prasad	4	Yes	1	-	-
Mr. D. Seetharama Rao	5	Yes	-	-	-
Dr Pasumarthi S.N. Murthi	5	Yes	1	-	-
Mr. R. Vijayaraghavan	2	No	10	7	3
Dr. H.B.N. Shetty	5	Yes	3	-	-
Mr. N.V. Nelliappan	5	Yes	-	-	-

Information Supplied to the Board

The Board has complete access to all information with the Company inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings and is tabled in the course of the Board meetings:

- Annual Operating Plans & Budgets and any updates thereof.
- Capital Budgets and any updates thereof .
- Quarterly results of the Company and its Operating Divisions and Business Segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of the Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any Joint Venture Collaboration agreements.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which are not in the normal course of business.
- Non-compliance of any regulatory, statutory nature of listing requirements and shareholders services such as non-payment of dividend, delay in share transfer, etc.

Committees of the Board

Amrutanjan Health Care Limited has four Board level Committees viz., Audit Committee, Remuneration Committee, Shareholders/Investors Grievance Committee and Share Transfer Committee.

All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of service for the committee members are taken by the Board of Directors.

The details on the role and composition of these committees, including the number of meetings held during the financial year and related attendance are given below:

a. Audit Committee

The Audit Committee consists of three Independent Directors viz., Mr. R. Vijayaraghavan, Mr. N.V. Nelliappan, Dr. H.B.N. Shetty and one Non-Executive Director, Mr. D. Seetharama Rao. The Constitution of the Audit Committee also meets with the requirements of Section 292A of the Companies Act, 1956.

During the year under review, the Committee met four times on 25th June, 2007; 20th July, 2007; 26th October, 2007 and 31st January, 2008. The gap between any two meetings was not more than four months. Attendance of each member at the Committee meeting was as follows:

Name of the Member	Status	No. of Meetings Attended
Mr. R. Vijayaraghavan	Independent Director	2
Mr. N.V. Nelliappan	Independent Director	4
Dr. H.B.N. Shetty	Chairman & Independent Director	4
Mr. D. Seetharama Rao	Non-Executive Director	4

Amrutanjan Health Care Limited

The functions of the Audit Committee include:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment / re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
- Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Reviewing the Management Discussion and Analysis of Financial condition and results of operations.
- Reviewing, with the managements, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payments of declared dividends) and creditors.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b. Remuneration Committee

The Remuneration Committee consists of two Independent Directors viz., Mr. R. Vijayaraghavan and Dr. H.B.N. Shetty and one Non-Executive Director, Mr. D. Seetharama Rao.

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

Since there was no proposal for enhancement in the remuneration of the Managing Director, the Committee did not meet any time during the year.

Details of remuneration paid to Managing Director for the year 2007-08: (Rs. In Lakhs)

Name	Salary, H.R.A & Perquisites	Gratuity	Super-annuation	Provident Fund	Commission	Total
Mr. S. Sambhu Prasad	40.39	2.25	4.05	3.25	2.72	52.66

Remuneration to Non-executive directors

No remuneration is paid to Non-executive directors except sitting fees for attending the meeting of the Board and Committees thereof.

The Company pays sitting fees payable to all the Non-executive directors at the rate of Rs.15,000/- for each meeting of the Board and Rs.7,500/- for committee meetings attended by them. The sitting fees paid for the year ended 31st March, 2008 to the Directors are as follows:

Name of the Director	Amount in Rupees
Mr. D. Seetharama Rao	1,72,500
Dr Pasumarthi S.N. Murthi	1,12,500
Mr. R. Vijayaraghavan	45,000
Dr. H.B.N. Shetty	1,72,500
Mr. N.V. Nelliappan	1,05,000

Shareholding of Non-Executive Directors

Name of the Director	Status	No. of Shares held
Mr. D. Seetharama Rao	Promoter / Non-Executive Director	48240
Dr Pasumarthi S.N. Murthi	Promoter / Non-Executive Director	64909
Mr. R. Vijayaraghavan	Non-Executive & Independent Director	500
Dr. H.B.N. Shetty	Non-Executive & Independent Director	250
Mr. N.V. Nelliappan	Non-Executive & Independent Director	-

c. Shareholders' / Investors' Grievance Committee

The Shareholders / Investors Grievance Committee consists of Dr. H.B.N. Shetty, Chairman and Mr. D. Seetharama Rao. The Committee met four times during the year under review on 25th June, 2007, 20th July, 2007, 26th October, 2007 and 31st January, 2008, Attendance of each member at the Committee Meeting was as follows:

Name of the Member	Status	No. of Meetings Attended
Dr. H.B.N. Shetty	Chairman & Independent Director	4
Mr. D. Seetharama Rao	Non-Executive Director	4

Amrutanjan Health Care Limited

The Committee reviews redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of declared dividends, etc., besides complaints from SEBI, stock exchanges, court and various investor forums. The committee also oversees the performance of Registrars and Share Transfer Agents and recommend measures for overall improvement in the quality of investors services.

Compliance Officer: Mr. N. S. Mohan, Company Secretary.

The total number of complaints received and resolved to the satisfaction of shareholders during the year under review was 20 nos. No request for transfer is pending as on 31st March, 2008, except those that are pending in various Courts.

d. Share Transfer Committee

The Committee consists of four members, Dr. H.B.N. Shetty, Mr. D. Seetharama Rao, Dr. Pasumarthi S.N. Murthi and Mr. S. Sambhu Prasad.

During the year, the Committee met five times viz., on 25th June, 2007; 20th July, 2007; 16th August, 2007; 26th October, 2007 and 31st January, 2008. Attendance of each member at the Committee Meeting was as follows:

Name of the Member	Status	No. of Meetings Attended
Dr. H.B.N. Shetty	Chairman & Independent Director	5
Mr. D. Seetharama Rao	Non-Executive Director	5
Mr. Pasumarthi S.N. Murthi.	Non-Executive Director	5
Mr. S. Sambhu Prasad	Managing Director	4

The Committee performs the following functions:

- Transfer / Transmission / Transposition of Shares
- Split-up/Sub-division and Consolidation of shares
- Issue of new and duplicate Share Certificates.
- Registration of Power of Attorneys, Probates, Letters of Administration or similar other documents.
- Any other allied matters incidental to these functions and herein above specifically provided.

2. General Body Meetings

a) Location and time of the last three Annual General Meetings held:

Year	Location	Date and Time
2004-05	Rani Seethai Hall, Anna Salai, Chennai - 6.	10.08.2005 at 11.00 a.m.
2005-06	Rani Seethai Hall, Anna Salai, Chennai - 6	14.07.2006 at 10.15 a.m.
2006-07	Rani Seethai Hall, Anna Salai, Chennai - 6	16.08.2007 at 03.15 p.m.

b) The following Special Resolutions were taken up in the last three AGMs, and were passed with the requisite majority.

2004 - 05

There were no Special Resolutions passed in the Annual General Meeting during 2004-05.

2005 - 06

Placing of Register of Members, Index of Members & Copies of all returns at the Office of the Registrars and Share Transfer Agents.

2006 - 07

Change of name of the Company from "Amrutanjan Limited" to "Amrutanjan Health Care Limited".

c) No special resolutions were passed through postal ballot during the last financial year.

d) Till the date of signing this report, there was no proposal to pass any special resolution to be conducted through postal ballot.

3. Disclosures

a. Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the company at large.

Details of transactions of material nature with any of the related parties as specified in Accounting Standards 18 issued by the Institute of Chartered Accountants of India have been reported in the notes to accounts.

There has been no transaction of material nature with any of the related parties which was in conflict with the interests of the Company.

b. Details of non-compliance by the company, penalties, strictures imposed on the company by the stock exchanges or SEBI, or any statutory authority on any matter related to capital markets, during the last three years.

The Company has complied with all the requirements of regulatory authorities and no penalties/ strictures were imposed on the company by Stock Exchange or any statutory authority on any matter related to capital markets during the last three years.

c. Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee. —

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

Code of Conduct:

The Company has laid down procedures to be followed by the Members of the Board and Senior Management Personnel for ethical professional conduct.

A declaration signed by the Managing Director to this effect is annexed hereto.

CEO/CFO Certification:

The CEO / CFO Certification of the Financial Statements and the Cash Flow Statement for the year are attached and form part of the Annual Report.

Remuneration Committee:

The Board has constituted a Remuneration Committee comprising of three Directors to determine and fix remuneration packages for executive directors.

Amrutanjan Health Care Limited

4. Means of Communication

Quarterly results are published in THE FINANCIAL EXPRESS [National Daily] and DINAMANI [Regional Newspaper].

5. General Shareholder Information

a. Annual General Meeting:

Date : 18th September, 2008
Time : 10.30 a.m.
Venue : Rani Seethai Hall,
603, Anna Salai, Chennai 600 006

b. Financial Year : 1st April to 31st March

For the year ending 31st March, 2009, the results will be announced for:

First quarter : Last Week of July, 2008
Second quarter : Last Week of October, 2008
Third quarter : Last Week of January, 2009
Fourth quarter : Last Week of June, 2009

c. Book Closure date : from 10.09.2008 to 18.09.2008
(both days inclusive)

d. Dividend Payment date : An Interim Dividend of 40% (Rs. 4.00 per share), on the equity share capital of Rs. 3.20 crores was declared on 31.01.2008 and paid on 12.02.2008. The final dividend, if approved, by the members of the company at the forthcoming Annual General Meeting will be paid after 18th September, 2008 but within the Statutory time limit of 30 days.

e. Listing of Equity Shares : The Company's shares are listed on Madras Stock Exchange Limited and have been traded under IndoNext Trading Platform ('S' Group) on Bombay Stock Exchange Limited. Listing fee for 2007-2008 has been paid to Madras Stock Exchange Ltd where the company's equity shares are listed.

f. Stock Code
Scrip Code : 590006

Demat ISIN Nos. in NSDL and
CDSL for Equity Shares : INE098F01015

g. Stock Market Data

Month	Bombay Stock Exchange Ltd. (BSE)	
	Month's High Price (Rs.)	Month's Low Price (Rs.)
April, 2007	328.00	277.00
May, 2007	325.00	250.10
June, 2007	363.00	276.00
July, 2007	414.90	330.00
August, 2007	414.00	301.00
September, 2007	445.00	380.00
October, 2007	493.35	342.00
November, 2007	674.00	450.00
December, 2007	650.00	520.00
January, 2008	606.60	375.00
February, 2008	434.90	311.00
March, 2008	348.00	235.00

- h. Registrars and Share Transfer Agents : Cameo Corporate Services Ltd.,
 (Share Transfer and communication
 regarding Share Certificates, Dividends
 and Change of Address) 'Subramaniam Building'
 No.1, Club House Road
 Chennai 600 002.
 Telephone No.: (044) 28460390
 Fax No.: (044) 28460129
 Email: cameosys@cameoindia.com

 i. Share Transfer System

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

 j. (i) Distribution of Shareholding as on 31st March, 2008:

No. of Shares	Shareholders		Shareholding	
	Numbers	% to Total	Numbers	% to Total
Upto 5000	7102	93.84	52,68,030	16.46
5001 - 10000	239	3.16	18,10,190	5.66
10001 - 20000	105	1.39	15,70,710	4.91
20001 - 30000	35	0.47	9,17,270	2.87
30001 - 40000	16	0.21	5,77,200	1.80
40001 - 50000	11	0.14	4,87,840	1.52
50001 - 100000	27	0.36	18,45,040	5.77
100001 and above	33	0.43	1,95,23,720	61.01
Total	7,568	100.00	3,20,00,000	100.00

Amrutanjan Health Care Limited

(ii) Shareholding pattern as on 31st March, 2008:

	Category	No. of shares held	Percentage of shareholding
A	PROMOTER'S HOLDING		
1	Promoters		
	- Indian Promoters	1242984	38.84
	- Foreign Promoters	-	-
2	Persons acting in concert	190360	5.95
	Sub-Total	1433344	44.79
B	NON-PROMOTERS HOLDING		
3	Institutional Investors		
	a. Mutual Funds and UTI	400	0.01
	b. Banks, Financial Institutions, Insurance Companies (Central/State Government Institutions / Non-Government Institutions)	67982	2.12
	c. Foreign Institutional Investors	50000	1.56
	Sub-Total	118382	3.69
4	OTHERS		
	a. Private Corporate Bodies	197967	6.19
	b. Indian Public	1434542	44.84
	c. NRIs/OCBs	13440	0.42
	d. Any Other (Trust & Clearing Member)	2325	0.07
	Sub-Total	1648274	51.52
	GRAND TOTAL	3200000	100.00

k. Dematerialisation of Shares and Liquidity

The company's shares are in compulsory DEMAT mode of Trading. As on 31st March, 2008, 14,33,704 shares (44.80% of the total number of shares) are in dematerialized form.

l. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity : Not Issued.

m. Plant Location

: OTC Division
No.103 (Old No.42-45),
Luz Church Road,
Mylapore, Chennai 600 004. (T.N)

Plot No.14,
Industrial Development Area,
Uppal, Hyderabad 500 039 (A.P)

Fine Chemicals Division
Plot No.37-39,
SIDCO Industrial Estate,
Alathur, Kancheepuram District,
Tamil Nadu. 603 110.

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- n. Investors correspondence for transfer / dematerialisation of shares, payment of dividend and other queries relating to the shares may be addressed to:
- : For shares held in physical form
Cameo Corporate Services Ltd.
'Subramaniam Building'
No.1, Club House Road
Chennai 600 002
Telephone: (044) 28460390
Fax: (044) 28460129
Email : cameosys@cameoindia.com
- For shares held in Demat form
To the respective Depository Participant
of the Beneficial Owners.

The above report was adopted by the Board of Directors at its meeting held on 30.06.2008.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Amrutanjan Health Care Limited.

We have examined the compliance of conditions of Corporate Governance by Amrutanjan Health Care Limited, for the year ended on March 31, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

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

As required by the Guidance Note issued by The Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/ pending for more than 30 days.

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

Hyderabad
30.06.2008

For **P.S Subramania Iyer & Co.**
Chartered Accountants
N. Srinivasan
Partner
Membership No.200330

Amrutanjan Health Care Limited

The Board of Directors
Amrutanjan Health Care Limited,
No.103 (Old No.42-45),
Luz Church Road,
Mylapore,
Chennai 600 004.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We hereby certify that for the financial year ended 31st March, 2008, on the basis of the review of the financial statements and the cash flow statements and to the best of our knowledge and belief,

- i. These statements do not contain any materially untrue statement or omit to state a material fact or contain statement that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- iii. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2007-08 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- iv. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.
- v. We further certify that:-
 - a) there have been no significant changes in internal control over financial reporting during the year.
 - b) There have been no significant changes in accounting policies during the year.
 - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the company's internal control system over financial reporting.

Hyderabad
30.06.2008

S. Sambhu Prasad
Managing Director

V. Swaminathan
General Manager (Finance)

DECLARATION

It is declared

- a) that the Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel in terms of Clause 49(1)(D)(i) of the Listing Agreement entered into with Madras Stock Exchange Limited where equity shares of the Company are listed.
- b) that all the Board Members and Senior Management Personnel have affirmed compliance with the said code for the period from 1st April, 2007 to 31st March, 2008.

Hyderabad
30.06.2008

S. Sambhu Prasad
Managing Director

Management Discussion and Analysis Report

I Industry Structure and Developments

OTC

The Indian FMCG industry is valued at Rs.742 billion. Part of the overall FMCG market is the Rs.29 Billion. OTC industry which is classified into categories like Rubefaciants, Digestives, Inhalers, Acne preparations, analgesic etc. The Indian FMCG industry had a growth rate of 22% while the OTC category grew at a rate of 7%. The Indian OTC market is still miniscule compared to the overall FMCG market because of strict government regulations and lack of clear guidelines as to what defines an OTC product.

But with the advent of the Indian consumer being more prosperous and the rising middle class, western style self medication is seeing an upswing. In addition petitions to the government and regulatory authorities by domestic companies and MNCs wanting to enter the Indian pharma and OTC market should help in further additions to the categories that constitute the OTC industry.

Amrutanjan Health Care Ltd (AHCL) is a leader in the Rs.8 billion. Rubefacient market that constitutes a major part of the OTC industry. Our strengths lie in our strong brand name and distribution reach across the width and breadth of the country. AHCL's distribution caters to both pharma and non pharma outlets (general stores, groceries, paan plus etc) in addition to entering into the fast growing modern trade formats.

It is estimated that there are approximately 3400 Modern Format Stores across the country that contribute to 4% of the overall FMCG sales; Looking at top tier cities alone the contribution is much higher at 9.7% with South Indian metros contributing the highest share of 16% to overall FMCG sales.

AHCL recently entered into the olive oil and organic home insecticide markets through a source and distribute format with companies in Europe and USA. Under this agreement AHCL is importing the products under its proprietary brand names of Cutis and Orange Guard to specifically target the Modern Retail Format stores.

R&D Herbal is a back bone of the company, recognized by DSIR, Delhi. The R&D team is continuously putting its efforts for the improvement of the existing products and development of new products and it is an instrumental in adding innovative products in the product list.

Fine Chemicals

With a greater percentage of the population aging rapidly in US, Europe, China etc, the consumption of pharmaceutical products would grow. The patent expiries would make a big dent on revenues of leading pharma companies. The opportunities for the PFC industry stem from the response of the global pharmaceutical industry to the tremendous challenges that it faces, especially on price of its drugs. "In Europe and US, most of the health care bills are paid by the government, which now has a sharp focus on prices. In developing countries the drugs are not affordable to patients, and there is an outcry for cheap medicines. Importantly these countries are not happy with patent extensions. At the same time, R&D productivity among "Big Pharma" is declining. The number of new drugs that make it through the arduous evaluation process has been declining in spite of a steady increase in R&D budgets.

The disease profile of the developing world increasingly resembles to those of the developed world, due to their change in the life style and greater affluence bring more attraction for generic market.

To face the challenge of commoditization of specialities, it is required to achieve excellence across all operational areas. There is a need for economies of scale to create cost leadership, which in turn, would lead to sustainable market share.

Having established a state-of-the-art R&D facility Alathur our management has taken a decision to build a pilot plant in the same place to concentrate on R&D based pharma Fine Chemicals business.

II Opportunities And Threats

OTC

The vibrant Indian economy, the growing middle class, rapid urbanization and the fact that 1 in 3 Indians is under the age of 30 offers opportunities to established companies like AHCL boasting a strong brand name and a far reaching distribution. With the increase in household disposal incomes people are looking to invest in wellness and lifestyle oriented products. AHCL's choice of introducing products like Olive oil and organic home insecticide caters to these new found developing consumer needs.

At the same time, increased competition from foreign and domestic players and sudden changes in regulatory scenarios might pose impediments to the business environment.

Amrutanjan Health Care Limited

Fine Chemicals

The global pharma market, which is currently valued at US\$650-bn is expected to reach US\$0.8-trillion by 2015. With global APIs market accounting for 7.5% - 10% of the pharma market, it has the potential to grow from around US\$48-bn now to US\$80-bn by 2015. It has been predicted that with Indian companies likely to account for 15% of balance US\$70-bn API. API global market, an additional US\$10-bn export opportunity awaits India.

Faced with increasing cost and commercialization pressures, global pharmaceutical companies are looking at how to tap India's fast growing domestic market and "faster and cheaper" value proposition in manufacturing and R&D. The hope inside India is that the country's pharma firms can replicate the success of its Business Process Outsourcing (BPO) companies are preferred international partners, both in terms of competitive costs and world-class capabilities. One key is the important transition already underway in some Indian pharmaceutical firms as they shift from developing imitative drugs to also focusing on innovation.

To accelerate this change, India's pharmaceutical industry needs to ensure that its current "faster and cheaper" value proposition is sustainable and scalable. The industry also needs to expand and create broader and more differentiated offerings, which will allow Indian companies to move up the value chain and provide the base for end-to-end off shoring and outsourcing. Making India a preferred global hub for pharmaceutical off shoring/outsourcing all also require formulating more conducive regulatory and intellectual property protection policies, encouraging greater investments via public-private partnerships to create the hard and soft infrastructure, and enhancing pharmaceutical upstream capabilities in basic sciences and related fields.

India has the highest number of US Food and Drug Administration (FDA) approved plants, and files the largest number of drug master files (DMFs) in the world.

MNCs are viewing India as an attractive outsourcing destination not only due to the country's low cost advantage but also for significant quality operations. They are shifting their manufacturing bases to India mainly due to a highly motivated and creative work force, well educated and experienced pool of scientist, excellent market knowledge, and low labour and equipment costs, leading to around 50-60% cost savings relative to the US and EU.

It is clear that an internal net working and co-ordination amongst different constituents of innovation

chain has not only become necessary but imperative in order to bring down the time and costs of new drug discovery and its introduction in the market place. This affords a great opportunity to Indian R&D. Though Indian pharma industry has several scientific-techno-economic advantages, it faces some threats.

1. Inability to cope up with the rapidly changing new drug discovery technologies and process at a global level.
2. Rapidly changing standards of quality and manufacturing at the international level.
3. Lack of strategy to bring convergence between aspirations of the small and big players.
4. Distortion in priority and public concern on health and pharma issues.
5. In July last year the cut in export tax rebates announced by Chinese government would substantiate increased cost of raw materials and basic chemicals and hence cost of production.

III Segment-wise or Product-wise Performance

OTC	2007-08	2006-07
	(Rs. in lakhs)	
Sales	6792.58	6629.27
Segment Result	1554.13	1757.19
Capital Employed	1232.26	910.23
Fine Chemicals	2007-08	2006-07
	(Rs. in lakhs)	
Sales	662.33	609.49
Segment Result	(165.12)	14.91
Capital Employed	992.88	925.30

IV Outlook

India's rapidly growing domestic market is another important consideration for global companies looking to invest in India. India's domestic pharmaceutical market is expected to be worth \$20 billion by 2015, which would be the third largest increase in market size after the United States and China. India is expected to have more than 100 million people suffering from chronic lifestyle diseases such as cardiovascular illnesses and diabetes by 2015.

Global companies like GlaxoSmithKline Plc have become leaders in the Indian market by customizing its approach, including using India-specific pricing models for some of its drugs to increase accessibility.

V Risks and Concerns

OTC

The raw materials used for the formulations are from natural sources only. The cost of raw materials is not consistent and very fluctuating. There is also a possibility of non-availability of raw materials.

Fine Chemicals

The weakening of the US\$, has created turbulence in generic market that have a significant international exposure. Companies that have a significant portion of their sales/exports in USA have particularly affected, as most of their revenue streams are in the weakening US\$. Though the prices of most of the raw materials including oil and precious and non-precious metals, are in the weakening dollars, the price advantage is not realized due to less revenue from the sales in US\$.

The Indian pharma industry continues to be affected by infra-structural deficiencies. According to industry analysts, the lack of high-quality port handling and storage facilities, along with the deficiency of a robust pipeline and rail and road infrastructure, hampers the growth of the industry. Key issues facing the industry on account of deficient infrastructure are slow growth and increased cost, primarily due to delays in distribution and delays at ports.

VI Internal Control Systems and their adequacy

Proper and adequate internal control systems are put in place by the Company. By following those systems, the Company safeguards and protects all its assets against loss from unauthorized use or disposition and further ensures that the transactions are authorized, recorded and reported correctly. The Company follows a system of internal control including suitable monitoring procedures. All the issues and observations raised/made by the internal auditors are suitably addressed to, acted upon and followed up properly.

The Company has a number of Internal control systems to monitor the performance right from the procurement of the raw-materials, processing and conforming to the standards review meetings, production review meetings and general review meetings are held. Documents are also scrutinized regularly to ensure smooth functioning of the day to day activities.

VII Discussion on Financial Performance with respect to Operational Performance.

During the year under review, the Company has recorded a total income of Rs.7494.67 lakhs as against Rs.7337.68 lakhs in the previous fiscal. The OTC Division has reported a turnover of Rs.6792.58 lakhs as against Rs.6629.27 lakhs in the previous fiscal while Fine Chemicals Division's turnover increased to Rs.662.33 lakhs from Rs.609.49 lakhs in the previous fiscal.

Amrutanjan's Abridged Profit and Loss Statement for 2007-08: (Rs. in lakhs)

	2007-08	2006-07
Sales from Operations	7454.91	7238.77
Other Income	39.76	98.91
Total Income	7494.67	7337.68
Total Expenditure	6278.95	5703.65
PBDIT	1215.72	1634.03
Depreciation	146.63	152.13
PBIT	1069.09	1481.90
Interest	74.72	54.05
PBT	994.37	1427.85
Current Tax/earlier year		
I.T. adjustments	173.49	518.36
Deferred Tax	194.77	(17.44)
PAT (before Exceptional Item)	626.11	926.93
Exceptional Item	127.15	(335.54)
PAT (after Exceptional Item)	498.96	591.39
Key Financial Ratios (%)		
PBDIT / Sales	16.31	22.57
PBIT / Sales	14.34	20.47
PBT/Total Income	13.27	19.46
PAT/Total Income (before Exceptional Item)	8.35	12.63
PAT/Total Income (after Exceptional Item)	6.66	8.06

Amrutanjan Health Care Limited

VIII Material Developments in Human Resources / Industrial Relations Front, Including Number of People Employed.

The Company believes that attracting, developing and retaining heterogeneous mix of people operating from offices spread across India is the key success of the business. Bridging this varied geographical divide is the strong employee centric culture of the Company. The work culture that takes pride in its people strength, provides professional freedom and allows individual growth. Human Resources being dynamic and articulate naturally aspires for advancement and craves for recognition. The Management believes that the development of Human Resource is key to the Organization efficiency and effectiveness. To attain this the Management has developed Performance Management System (PMS) to enable to assess and review the performance of the employees. The Management also emphasise the importance of continuous training for all employees and it has committed to give training for at least a day to each employee, in a year.

Conscious efforts are made in developing different HR policies giving thrust for effective participation of potential Human Resources at all levels. The Management is keen in developing Human Resources in enhancing the efficiency and effectiveness of the Organization.

Industrial Relations in the Company continue to be cordial and the excellent support extended by all our employees deserves a special mention in promoting a harmonious and growth oriented work environment. The Company has one Trade Union under the Trade Union's Act and recognized by the Company. The Management and the Union have strong belief in the non violent approach to and mutual understanding of problems and in solving all differences and disputes through peaceful negotiations. The Company has a total number of 360 employees as on 31st March 2008.

The Management has come out with the documents for the Organisation's Mission, Vision and Values as follows:

Mission:

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

Vision :

For the division: Pain

- To be a Specialist in Pain Management.

For the Group

- To be a family oriented Health Care Company- Multi Brand
- To launch the brand targeting the youth

Values:

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

To achieve leadership position in all our businesses.

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

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

Cautionary Statement

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

AUDITORS' REPORT**To the Members of Amrutanjan Health Care Limited.**

1. We have audited the attached Balance Sheet of Amrutanjan Health Care Limited, as at 31.03.2008, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003, as amended by the Companies (Auditors Report) (Amendment) Order, 2004 issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared, in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

- e) On the basis of written representations received from the Directors, as on 31st March 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and a fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2008;
 - ii) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Hyderabad
30-06-2008

Partner
Membership No.200330

Annexure to the Auditors' Report referred to in paragraph 3 of our report of even date to the members of Amrutanjan Health Care Limited on the financial statements for the year ended March 31,2008.

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets are being physically verified by the management as per a phased programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies have been noticed on such verification.
- c) The Company has not disposed off any substantial fixed assets during the year.

Amrutanjan Health Care Limited

- 2) a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies notified on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- 3) a) The Company has granted unsecured loan to a subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956, and the amount outstanding as on 31st March, 2008 is Rs.20,81,041.
- b) The rate of interest and other terms and conditions of the loan given by the company, are not prima-facie prejudicial to the interest of the company.
- c) There is no stipulations as to repayment of principal and for payment of interest.
- d) Not applicable.
- e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (f) and (g) are not applicable.
- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal controls.
- 5) According to the information and explanations given to us, we are of the opinion that the contracts or arrangements that need to be entered in the register required to be maintained under Section 301 of the Companies Act, 1956 have been so entered. Sub- clause (b) is not applicable.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- 8) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by Central Government for the maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
- 9) a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, investor education and protection fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues with the appropriate authorities. No undisputed amount payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty were outstanding, at the year end for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, details of dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess, which have not been deposited on account of any dispute are given below :
- | <u>Statute</u> | <u>Amount</u>
<u>Rs.</u> | <u>Period</u> | <u>Forum where dispute is</u>
<u>pending.</u> |
|----------------|-----------------------------|------------------------------|--|
| Central Excise | 8,89,155 | 2000-2001
to
2002-2003 | Commissioner of
Central Excise
(Appeals) |
- 10) The Company does not have any accumulated losses at the end of financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution/bank.

-
- 12) As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - 13) In our opinion and according to the information and explanations given to us, the nature of the activities of the company does not attract any special statute applicable to the chit fund and nidhi/mutual benefit fund/societies.
 - 14) The Company is not dealing in or trading in shares, securities, debentures and other investments.
 - 15) There are no guarantees outstanding as at the year end that are given by the company for loans taken by subsidiary company from bank.
 - 16) As informed to us, the term loans were applied for the purpose for which they were obtained.
 - 17) On the basis of an overall examination of the financial statements of the Company, in our opinion, and according to the information and explanation given to us, no funds raised on short-term basis have been used for long-term investment.
 - 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
 - 19) The Company has not issued any debentures during the year.
 - 20) The Company has not raised any money through a public issue during the year.
 - 21) According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the company has been noticed or reported during the course of our audit.

Hyderabad
30-06-2008

For **P.S.Subramania Iyer & Co.**
Chartered Accountants
N. Srinivasan
Partner
Membership No.200330

Amrutanjan Health Care Limited

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	31st March, 2008		31st March, 2007	
	No.	Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	3,20,00,000		3,20,00,000	
Reserves and Surplus	2	22,25,26,712		19,99,15,921	
			25,45,26,712		23,19,15,921
Loan Funds					
Secured Loans	3	6,46,70,588		7,68,61,016	
Unsecured Loans	4	2,00,00,000		-	
			8,46,70,588		7,68,61,016
Deferred Tax Liability (net)			4,00,18,699		2,10,96,414
Total			37,92,15,999		32,98,73,351
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	33,52,95,631		25,43,98,565	
Less: Depreciation		14,25,35,377		12,88,19,784	
Net Block		19,27,60,254		12,55,78,781	
Capital Work-in-Progress		2,58,57,304	21,86,17,558	2,70,55,201	15,26,33,982
Investments	6		42,71,692		11,21,318
Current Assets, Loans and Advances					
Inventories	7	9,40,31,360		8,86,21,474	
Sundry Debtors	8	7,59,63,066		4,96,33,166	
Cash & Bank Balances	9	2,69,19,920		7,82,83,381	
Interest Accrued		2,26,384		7,50,478	
Loans & Advances	10	5,44,39,838		4,09,73,235	
		25,15,80,568		25,82,61,734	
Less: Current Liabilities and Provisions					
Current Liabilities	11	8,07,61,169		7,24,43,618	
Provisions	12	1,44,92,650		97,00,065	
		9,52,53,819		8,21,43,683	
Net Current Assets			15,63,26,749		17,61,18,051
Total			37,92,15,999		32,98,73,351
Notes on Accounts	19				

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

		S. Sambhu Prasad	Dr. H.B.N. Shetty
		Managing Director	Dr. Pasumarthi S.N. Murthi
As per our Report of even date		N.S. Mohan	D. Seetharama Rao
For P.S.Subramania Iyer & Co.		Company Secretary	R. Vijayaraghavan
Chartered Accountants		V. Swaminathan	Directors
Hyderabad	N. Srinivasan		
30-06-2008	Partner	General Manager (Finance)	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule No.	31st March, 2008 Rs.	31st March, 2007 Rs.
INCOME			
Sales	13	74,54,91,003	72,38,76,522
Other Income	14	<u>39,76,000</u>	<u>98,91,415</u>
		74,94,67,003	73,37,67,937
EXPENDITURE			
Cost of Materials Consumed	15	29,32,83,584	26,77,22,339
Employee's Remuneration and Benefits	16	9,41,33,830	8,97,78,151
Interest	17	74,72,185	54,05,433
Other Expenses	18	24,01,40,682	21,22,83,504
Depreciation		<u>1,46,63,094</u>	<u>1,52,12,579</u>
		64,96,93,375	59,04,02,006
Profit before extraordinary items		9,97,73,628	14,33,65,931
Loss on destruction of assets		-	(7,91,387)
Prior Year Adjustments (net)		<u>(3,36,662)</u>	<u>2,10,441</u>
Profit for the year before tax		9,94,36,966	14,27,84,985
Provision for Taxation			
- Income Tax		(1,45,00,000)	(4,80,00,000)
- Fringe Benefit Tax		(25,00,000)	(14,00,000)
- Deferred Tax		(1,94,77,090)	17,44,124
Short Provision of I.T of earlier years		<u>(3,49,027)</u>	<u>(24,36,103)</u>
Profit after tax before exceptional items		6,26,10,849	9,26,93,006
Exceptional items (refer note 5)			
Provision for advances		(1,27,15,724)	(13,00,197)
Provision for diminution in value of investments		-	(3,22,53,828)
Profit after Tax after exceptional items		4,98,95,125	5,91,38,981
Surplus from previous year brought forward		2,99,15,921	1,28,59,820
Profits for Appropriation		<u>7,98,11,046</u>	<u>7,19,98,801</u>
APPROPRIATION			
General Reserve		2,00,00,000	2,00,00,000
Interim Dividend - Paid		1,28,00,000	1,28,00,000
Tax on Interim Dividend		21,75,360	17,95,200
Final Dividend - Proposed		96,00,000	64,00,000
Tax on Proposed Dividend		<u>16,31,520</u>	<u>10,87,680</u>
		4,62,06,880	4,20,82,880
Balance Profit carried to Balance Sheet		<u>3,36,04,166</u>	<u>2,99,15,921</u>
		7,98,11,046	7,19,98,801
Basic and Diluted Earnings per share			
Before exceptional items (Rs)		19.57	28.97
After exceptional items (Rs)		15.59	18.48
Notes on Accounts	19		

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

	S. Sambhu Prasad	Dr. H.B.N. Shetty
As per our Report of even date	Managing Director	Dr. Pasumarthi S.N. Murthi
For P.S.Subramania Iyer & Co.	N.S. Mohan	D. Seetharama Rao
Chartered Accountants	Company Secretary	R. Vijayaraghavan
Hyderabad	V. Swaminathan	Directors
30-06-2008	General Manager (Finance)	

Amrutanjan Health Care Limited

SCHEDULES TO BALANCE SHEET

	31st March, 2008	31st March, 2007
	Rs.	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 & Paid-up		
32,00,000 Equity Shares of Rs.10/- each fully paid-up	3,20,00,000	3,20,00,000
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	As at
	31/03/2007	31/03/2008
	Rs.	Rs.
General Reserve	17,00,00,000	18,89,22,546
Profit & Loss Account Surplus	2,99,15,921	3,36,04,166
	<u>19,99,15,921</u>	<u>22,25,26,712</u>
SCHEDULE - 3		
SECURED LOANS		
Term Loan from Bank (Secured by creation of equitable mortgage by way of deposit of title deeds of specific immovable property)	2,29,91,543	3,54,95,817
Interest accrued on Term Loans	2,25,546	3,40,437
Cash Credit from Banks (Secured by hypothecation of raw & packing materials, finished goods, book debts of the Company, personal guarantee of Managing Director, equitable mortgage by deposit of title deeds of specific immovable property)	4,14,53,499	4,10,24,762
	<u>6,46,70,588*</u>	<u>7,68,61,016</u>
* includes Rs.125.04 lacs (Rs. 125.04 lacs) due for repayment within one year		
SCHEDULE - 4		
UNSECURED LOANS		
Short Term Loan - Bank	2,00,00,000	-
	<u>2,00,00,000*</u>	<u>-</u>
* due for repayment within one year Rs. 200 lacs (Rs. Nil)		

SCHEDULES TO BALANCE SHEET

SCHEDULE - 5 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on			As on	As on			As on	As on	As on
	31-03-2007	Addition	Deletion	31-03-2008	31-03-2007	Addition	Deletion	31-03-2008	31-03-2008	31-03-2007
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
OTC Block										
Goodwill	25,000	-	-	25,000	-	-	-	25,000		25,000
Land (*)	1,55,22,938	72,98,919	-	2,28,21,857	-	-	-	2,28,21,857		1,55,22,938
Buildings	3,02,80,519	9,68,652	-	3,12,49,171	99,37,599	11,51,051	-	1,10,88,650	2,01,60,521	2,03,42,920
Leasehold Property	4,50,000	-	-	4,50,000	1,30,220	15,989	-	1,46,209	3,03,791	3,19,780
Plant & Machinery	3,57,65,429	38,45,042	-	3,96,10,471	1,57,31,717	16,48,083	-	1,73,79,800	2,22,30,671	2,00,33,712
Computers	1,23,34,082	41,02,384	-	1,64,36,466	94,07,349	21,31,875	-	1,15,39,224	48,97,242	29,26,733
Furniture, Fixture & Equipments	1,63,61,956	12,92,180	-	1,76,54,136	88,18,643	11,82,038	-	1,00,00,681	76,53,455	75,43,313
Vehicles	1,04,44,362	10,24,000	21,90,065	92,78,297	52,82,933	13,74,948	16,38,729	50,19,152	42,59,145	51,61,429
Fine Chemicals Block										
Buildings	59,11,613	-	-	59,11,613	28,17,603	3,09,401	-	31,27,004	27,84,609	30,94,010
Plant & Machinery	3,38,16,661	8,51,510	-	3,46,68,171	1,49,87,288	28,07,423	-	1,77,94,711	1,68,73,460	1,88,29,373
Computers	2,71,125	36,183	-	3,07,308	2,43,704	12,765	-	2,56,469	50,839	27,421
Furniture, Fixture & Equipments	39,69,125	2,19,857	-	41,88,982	18,03,487	3,23,380	-	21,26,867	20,62,115	21,65,638
Research & Development Block										
Buildings	1,26,12,090	2,38,38,138	-	3,64,50,228	62,04,686	5,12,508	-	67,17,194	2,97,33,034	64,07,404
Plant & Machinery	3,44,15,749	3,55,33,845	-	6,99,49,594	1,85,36,168	16,60,577	-	2,01,96,745	4,97,52,849	1,58,79,581
Pilot Plant	3,70,95,066	-	-	3,70,95,066	3,08,36,072	30,259	-	3,08,66,331	62,28,735	62,58,994
Computers	5,91,970	2,99,136	-	8,91,106	5,64,543	2,41,611	-	8,06,154	84,952	27,427
Lab Equipments-Furniture & Fixtures	52,22,108	30,86,057	-	83,08,165	42,09,000	12,61,186	-	54,70,186	28,37,979	10,13,108
Total	25,50,89,793	8,23,95,903	21,90,065	33,52,95,631	12,95,11,012	1,46,63,094	16,38,729	14,25,35,377	19,27,60,254	12,55,78,781
As per last Balance Sheet	24,28,11,577	1,81,64,195	65,77,207	25,43,98,565	11,76,35,497	1,52,12,579	40,28,292	12,88,19,784	12,55,78,781	12,51,76,080

Capital Work-in-Progress including Capital Advances of Rs.1,88,11,104 /- (Rs.1,04,75,954/-)

2,58,57,304 2,70,55,201

* Sale deed yet to be registered for SIDCO Lands - Rs.1,12,47,346/-

Amrutanjan Health Care Limited

SCHEDULES TO BALANCE SHEET

	Face Value Rs.	31st March, 2008 Rs.	31st March, 2007 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
5 Equity Shares in Capexil (Agencies) Ltd. of Rs.1,000/- each fully paid	5,000	5,000	5,000
320 Equity Shares in Madras Stock Exchange Ltd of Rs.10/- each fully paid (purchased during the year)	320	1,60,000	-
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
1,006 Equity Shares in NTPC Ltd of Rs. 10/- each fully paid	10,060	62,372	62,372
38 Equity Shares in Punjab National Bank of Rs. 10/- each fully paid	380	14,820	14,820
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 Data Quest Infotech & Enterprises Ltd of Rs.10/- each fully paid	2,90,44,070	3,00,11,428	3,00,11,428
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	5,24,000	5,24,000	5,24,000
9,98,800 Equity Shares in Egattur Printing and Packaging Limited of Rs.10/- each fully paid	99,88,000	99,88,000	99,88,000
2,24,240 Equity Shares in Swas Health Products Limited of Rs. 10/- each fully paid, out of which 60 shares are held in the name of nominees.	22,42,400	22,42,400	22,42,400
3,50,000 Equity Shares in Holistic Beauty Care Limited of Rs. 10/- each fully paid (subscribed during the year)	35,00,000	35,00,000	-
Investment in Mutual Funds (Unquoted) :			
Reliance Liquid Fund	5,00,000	-	5,09,626
		4,67,39,704	4,35,89,330
Less : Provision for Investments		4,24,68,012	4,24,68,012
		42,71,692	11,21,318
Quoted Investments - Cost		77,192	77,192
- Market Value		2,17,169	1,69,171
Unquoted Investments - Cost		41,94,500	10,44,126

SCHEDULES TO BALANCE SHEET

	31st March, 2008 Rs.	31st March, 2007 Rs.
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	2,78,45,073	3,15,17,828
Packing Materials	80,09,351	1,15,05,405
Process Stock	87,10,643	49,37,379
Finished Stock	4,94,66,293	4,06,60,862
	<u>9,40,31,360</u>	<u>8,86,21,474</u>
SCHEDULE - 8		
SUNDRY DEBTORS (Unsecured, considered good)		
Over six months	2,00,44,402	2,19,75,634
Others	5,59,18,664	2,76,57,532
	<u>7,59,63,066</u>	<u>4,96,33,166</u>
SCHEDULE - 9		
CASH AND BANK BALANCES		
Cash in hand	2,32,355	2,75,206
Cheques in hand and in transit	4,30,292	1,83,543
Balance with Scheduled Banks:		
In Current Accounts	2,06,18,794	1,53,80,206
In Unclaimed Dividend Accounts	18,87,731	16,91,894
In Export Earners Foreign Currency Account	-	1,21,49,868
In Deposit Accounts [including Rs.37,50,748/- (Rs. 32,10,863/-) under lien with banks]	37,50,748	4,86,02,664
	<u>2,69,19,920</u>	<u>7,82,83,381</u>
SCHEDULE - 10		
LOANS AND ADVANCES		
(Unsecured and considered good)		
Loan to subsidiary companies	22,35,96,962	21,91,88,634
Less : Provision made	22,15,15,921	20,88,00,197
	20,81,041	1,03,88,437
Advances recoverable in cash or in kind for value to be received	2,81,77,833	73,38,975
Deposits and Balances with excise authorities	1,78,58,062	1,86,97,917
Deposits - Others	27,77,728	28,95,792
Advance Tax / TDS (net off provisions)	35,45,174	16,52,114
	<u>5,44,39,838</u>	<u>4,09,73,235</u>

Amrutanjan Health Care Limited

SCHEDULES TO BALANCE SHEET

	31st March, 2008	31st March, 2007
	Rs.	Rs.
SCHEDULE - 11		
CURRENT LIABILITIES		
Creditors for Purchases		
- S S I units	-	2,15,00,512
- Micro Enterprises and Small Enterprises	-	-
- Others	3,95,30,129	1,08,25,065
Creditors for Expenses (includes Rs.2,72,323/- (Rs. 29,88,033/-) due to Managing Director)	2,12,01,225	2,37,42,320
Creditors for Capital Goods	15,11,522	8,55,469
Unclaimed Dividend	18,87,731	16,91,894
Other Liabilities	1,66,30,562	1,38,28,358
	<u>8,07,61,169</u>	<u>7,24,43,618</u>
SCHEDULE - 12		
PROVISIONS		
Proposed Dividend	96,00,000	64,00,000
Tax on Dividend	16,31,520	10,87,680
Provision for Employee Retirement Benefits	32,61,130	22,12,385
	<u>1,44,92,650</u>	<u>97,00,065</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	31st March, 2008		31st March, 2007	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 13				
SALES				
OTC Products	78,28,62,198		76,32,65,688	
Less : Excise Duty	10,36,04,002	67,92,58,196	10,03,38,433	66,29,27,255
Chemicals	7,37,57,500		6,36,92,537	
Less : Excise Duty	75,24,693	6,62,32,807	27,43,270	6,09,49,267
		<u>74,54,91,003</u>		<u>72,38,76,522</u>
SCHEDULE - 14				
OTHER INCOME				
Dividend receipts		21,067		13,225
Interest - Bank Deposits [TDS Rs.2,42,870/- (Rs.1,86,534/-)]		5,06,359		14,30,045
Interest - Others [TDS Rs.19,662/- (Rs. 31,280/-)]		87,286		1,57,913
Rent receipts [TDS Rs.29,555/- (Rs. 16,569/-)]		5,49,050		2,27,350
Scrap sales		11,81,950		21,73,747
Profit on sale of fixed assets		3,64,441		12,47,828
Sundry balances written back (net)		2,92,522		21,46,214
Excess provision written back		7,93,041		13,96,726
Sales Tax Refund		-		7,61,168
Bad debts recovered		-		41,000
Miscellaneous Receipts		1,80,284		2,96,199
		<u>39,76,000</u>		<u>98,91,415</u>
SCHEDULE - 15				
COST OF MATERIALS CONSUMED				
Opening Stock				
Raw Materials		3,15,17,828		1,90,14,327
Packing Materials		1,15,05,405		88,86,231
		<u>4,30,23,233</u>		<u>2,79,00,558</u>
<i>Add : Purchases</i>				
Raw Materials		17,29,43,919		15,58,23,252
Packing Materials		10,68,39,645		12,60,81,725
		<u>27,97,83,564</u>		<u>28,19,04,977</u>
		<u>32,28,06,797</u>		<u>30,98,05,535</u>
<i>Less : Closing Stock</i>				
Raw Materials		2,78,45,073		3,15,17,828
Packing Materials		80,09,351		1,15,05,405
		<u>3,58,54,424</u>		<u>4,30,23,233</u>
Consumption of Raw & Packing Materials		28,69,52,373		26,67,82,302
Products Purchased		1,89,09,906		95,39,550
(Increase)/Decrease in Finished Goods and Process Stock		(1,25,78,695)		(85,99,513)
		<u>29,32,83,584</u>		<u>26,77,22,339</u>

Amrutanjan Health Care Limited

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	31st March, 2008	31st March, 2007
	Rs.	Rs.
(INCREASE) / DECREASE IN STOCK		
Opening Stock		
Finished Goods	4,06,60,862	3,00,02,040
Process Stock	49,37,379	69,96,688
	<u>4,55,98,241</u>	<u>3,69,98,728</u>
Closing Stock		
Finished Goods	4,94,66,293	4,06,60,862
Process Stock	87,10,643	49,37,379
	<u>5,81,76,936</u>	<u>4,55,98,241</u>
	(1,25,78,695)	(85,99,513)
SCHEDULE - 16		
EMPLOYEE'S REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	7,04,15,344	6,71,77,040
Managing Director's Remuneration	52,65,498	70,37,395
Contribution to Employees Provident, Gratuity and Other Funds	1,25,64,640	1,09,50,277
Welfare Expenditure	58,88,348	46,13,439
	<u>9,41,33,830</u>	<u>8,97,78,151</u>
SCHEDULE - 17		
INTEREST		
- Fixed Loans	36,39,493	44,04,648
- Others	38,32,692	10,00,785
	<u>74,72,185</u>	<u>54,05,433</u>
SCHEDULE - 18		
OTHER EXPENSES		
Power & Fuel	1,24,44,330	1,04,86,380
Repairs & Maintenance :		
Building	23,93,865	32,57,558
Machinery	45,42,573	51,41,437
Others	28,25,736	26,97,282
Freight and Transport Charges	1,27,51,071	1,26,58,024
Advertisement	5,88,00,783	4,80,51,458
Selling Expenses	3,06,97,745	3,23,65,872
Commission on Sales	16,37,443	12,83,325
Sales Tax	3,46,45,710	3,61,62,837
Rates and Taxes	19,08,415	17,82,248
Insurance	26,05,025	28,22,989
Travelling Expenses	1,85,67,142	1,66,36,317
Conveyance	14,65,841	10,71,282
Retainer & Consultancy	77,04,959	27,34,865
Security Charges	31,68,321	27,74,116
Rent	19,95,589	15,34,007

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	31st March, 2008	31st March, 2007
	Rs.	Rs.
Printing & Stationery	21,64,647	14,14,296
Postage & Telegrams	9,98,702	10,48,346
Communication Expenses	59,67,906	45,49,688
Legal Expenses	5,80,395	7,11,977
Research & Development Expenses	1,61,59,306	1,04,45,083
Bank Charges	22,90,213	24,08,613
Donations	33,600	30,201
Auditor's Remuneration :		
Audit Fees	3,75,000	3,75,000
Tax Audit	50,000	45,000
Tax Representation	-	50,000
Other Services	1,24,095	45,000
Cost Audit Fees	1,20,000	1,50,000
Directors Sitting Fees	6,07,500	4,55,000
Lease Rent	20,48,420	5,53,680
Loss on fixed assets sold / discarded	10,327	1,11,453
Exchange difference (net)	5,35,972	5,45,234
Miscellaneous Expenses	99,20,051	78,84,936
	<u>24,01,40,682</u>	<u>21,22,83,504</u>

Amrutanjan Health Care Limited

19. NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2008

1 ACCOUNTING POLICIES

- a Accrual system of accounting is followed to record income and expenditure, excepting in the areas herein specifically mentioned.
- b Fixed Assets are stated at cost less accumulated depreciation. Cost comprises of direct costs and in the case of Plant & Machinery interest on loan taken for the acquisition of assets up to 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 to 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 Account.

i Employee Benefits :

Liability for Gratuity to employees determined on the basis of actuarial valuation as on balance sheet date is funded with the Life Insurance Corporation of India and is recognised as an expense in the year incurred. Contribution to defined contribution schemes such as provident fund, employees pension fund, superannuation fund and cost of other benefits are recognised as an expense in the year incurred.

- 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 Monies for which the company is contingently liable :

- a Bonds executed in favour of Collector of Central Excise, Chennai - Rs.8,00,000/- (Rs.8,00,000 /-)
- b Guarantees/Letter of Credit issued on behalf of the Company by Banks -Rs.1,89,25,296/- (Rs.2,34,59,467/-)
- c Contingent liability in respect of Income Tax Rs. 16,04,113/- (Rs. 16,04,113/-).
- d Appeals filed in respect of disputed demands:

	2007 - 2008	2006 - 2007
	Rs.	Rs.
Excise Duty	8,89,155	8,89,155
E S I	3,96,545	3,96,545

- 3 Claims against the Company not acknowledged as debts are Rs. 2,64,18,464/- (Rs. 2.24,64,680/)
- 4 Estimated amount of capital expenditure commitments Rs.25,00,000/- (Rs. 2,00,00,000/-)
- 5 Amount of Rs.1,27,15,724/- (net) has been provided for advances given to subsidiary companies since the said companies are not continuing the business operations.

6 Retainer Fee paid to Technical Advisor (Director)
Rs.60,000/- (Rs. 35,000/-)

7 The Company has transferred Rs.1,72,715/- of
unclaimed dividends to Investor Education and
Protection Fund during the year.

8 MANAGING DIRECTOR'S REMUNERATION

	2007-2008 Rs.	2006-2007 Rs.
Salary	27,00,000	24,00,000
House Rent Allowance	9,00,000	5,85,483
Other Perquisites (net)	4,39,175	3,00,495
Contribution to Gratuity Fund	2,25,000	1,15,384
Contribution to Super Annuation Fund	4,05,000	3,60,000
Contribution to Provident Fund	3,24,000	2,88,000
Commission as per computation below	2,72,323	29,88,033
	<u>52,65,498</u>	<u>70,37,395</u>

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 P & L a/c		9,94,36,966
Add:		
Depreciation as per P & L a/c	1,46,63,094	
Directors Sitting Fees	6,07,500	
Remuneration to Managing Director	52,65,498	2,05,36,092
		<u>11,99,73,058</u>
Less:		
Depreciation as per Section 350 of Companies Act, 1956		1,46,63,094
Profit available for payment of commission		<u>10,53,09,964</u>
Commission restricted to overall ceiling limit u/s 198 of the Companies Act, 1956.		<u>2,72,323</u>

9 Details of Raw Materials Consumed

Particulars	2007 - 2008		2006 - 2007	
	Quantity	Value(Rs.)	Quantity	Value(Rs.)
Karpoor Powder (Tons)	33.288	39,31,383	42.612	51,47,163
Pudina Ka Phool (Tons)	56.893	4,20,75,945	66.312	5,37,07,443
Nilgiri Ka Tel (Tons)	45.223	1,53,20,582	53.432	1,79,89,027
Winter Green Tel (Tons)	28.240	35,62,885	35.682	45,66,432
Chaha Ka Tel (Tons)	14.973	65,45,569	15.918	69,64,018
Chemicals (Tons)	457.937	5,33,00,724	344.825	2,88,30,678
Others		5,18,79,586		2,61,14,990
		<u>17,66,16,674</u>		<u>14,33,19,751</u>

10 Raw Materials Consumed

	2007 - 2008		2006 - 2007	
	%	Value (Rs.)	%	Value (Rs.)
Imported	12.26	2,16,59,904	11.88	1,70,20,801
Indigenous	87.74	15,49,56,770	88.12	12,62,98,950
		<u>17,66,16,674</u>		<u>14,33,19,751</u>

Amrutanjan Health Care Limited

11. Production, Purchases, Turnover & Stock

Class of Goods	Unit	Opening Stock				Closing Stock				Turnover(net of sales returns & including free samples)				Production/ Purchases	
		As at 01-04-2007		As at 01-04-2006		As at 31-03-2008		As at 31-03-2007		2007 - 2008		2006 - 2007		2007-2008	2006-2007
		Qty	Value(Rs.)	Qty	Value(Rs.)	Qty	Value(Rs.)	Qty	Value(Rs.)	Qty	Value(Rs.)	Qty	Value(Rs.)	Qty	Qty
AMRUTANJAN PAIN BALM	(Tons)	34.897	2,53,12,215	29.682	1,64,51,423	42.308	2,44,04,422	34.897	2,53,12,215	517.884	71,14,36,549	534.935	68,38,41,665	525.295	540.150
INHALER & OTHERS	(Tons)	10.209	76,88,909	8.487	34,62,383	12.282	45,41,139	10.209	76,88,909	53.786	3,53,11,247	67.164	6,34,13,524	55.859	68.886
AGENCY PRODUCTS	(Tons)	28.816	31,75,225	30.633	24,06,704	32.231	84,23,063	28.816	31,75,225	79.174	3,61,14,402	66.354	1,60,10,499	82.589	64.537
CHEMICALS	(Tons)	2.140	44,84,513	4.683	76,81,530	8.272	1,20,97,669	2.140	44,84,513	26.648	7,37,57,500	20.296	6,36,92,537	32.780	17.753
			4,06,60,862		3,00,02,040		4,94,66,293		4,06,60,862		85,66,19,698		82,69,58,225		

12 Research & Development Expenses include :

	2007-2008	2006-2007
	Rs.	Rs.
Salaries, Bonus etc.,	1,15,56,316	81,61,848
Materials & Consumables	22,70,937	7,84,438
Power & Fuel	3,77,784	3,47,292
Other Expenses	19,54,269	11,51,505
	<u>1,61,59,306</u>	<u>1,04,45,083</u>
13 Products Purchased	1,89,09,906	95,39,550
14 Earnings in Foreign Exchange		
Export Sales (F.O.B. Value)	2,65,43,020	4,95,87,573
15 Value of Imports on C.I.F. basis		
a Raw Materials	2,37,11,736	1,29,95,063
b Capital Goods	1,60,67,647	10,17,180
16 Expenditure in Foreign Currency		
a Travelling Expenses	13,85,140	10,50,565
b Others	3,79,591	2,78,799

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

Name of Company	Rate of Interest	Balance as on 31-03-2008	Maximum balance during the year
Data Quest Infotech and Enterprises Limited	-	-	24,25,840
Egattur Printing & Packaging Limited (wholly owned)	NA	-	-
Swas Health Products Limited(wholly owned)	NA	-	15,320
Holistic Beauty Care Limited	7%	20,81,041	33,17,446

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

18 Sundry Debtors include Rs. 157.99 lakhs for the recovery of which, legal action has been taken by the Company.

19 Provision for Taxation includes Rs.50,000/- (Rs. 50,000/-) towards Wealth Tax.

Amrutanjan Health Care Limited

20. Segment Information

(Rs.)

	Primary Business Segments	OTC Products		Chemicals		Net Total	
		2007-2008	2006-2007	2007-2008	2006-2007	2007-2008	2006-2007
(a)	Revenue : External Sales Inter Segment Sales	67,92,58,196	66,29,27,255 -	6,62,32,807 -	6,09,49,267	74,54,91,003 -	72,38,76,522 -
	Total Revenue	67,92,58,196	66,29,27,255	6,62,32,807	6,09,49,267	74,54,91,003	72,38,76,522
(b)	Result Less : Unallocated expenditure net of unallocated income Operating Profit Less : Interest expense Add : Interest income Less : Loss on destruction of assets Net Total Prior Year Adjustments (net) Profit before Tax Provision for taxation : - Income Tax - Fringe Benefit Tax - Deferred Tax - Short Provision of I.T of earlier years Exceptional Items : Provision for advances Provision for diminution in value of investments Profit after Tax	15,54,12,892	17,57,19,104	(1,65,11,992)	14,91,271	13,89,00,900 (3,22,48,732) 10,66,52,168 (74,72,185) 5,93,645 (3,36,662) 9,94,36,966 1,45,00,000 25,00,000 1,94,77,090 3,49,027 1,27,15,724 4,98,95,125	17,72,10,375 (3,00,26,969) 14,71,83,406 (54,05,433) 15,87,958 (7,91,387) 2,10,441 14,27,84,985 4,80,00,000 14,00,000 (17,44,124) 24,36,103 13,00,197 3,22,53,828 5,91,38,981
(c)	Segment Assets Unallocated Assets	17,56,41,446	15,09,09,447 -	12,47,26,023 -	9,98,22,433	30,03,67,469 17,41,02,349	25,07,31,880 16,12,85,154
	Total Assets	17,56,41,446	15,09,09,447	12,47,26,023	9,98,22,433	47,44,69,818	41,20,17,034
(d)	Segment Liabilities Unallocated Liabilities	5,24,15,725	5,98,86,547 -	2,54,37,810 -	72,92,276	7,78,53,535 14,20,89,571	6,71,78,823 11,29,22,290
	Total Liabilities	5,24,15,725	5,98,86,547	2,54,37,810	72,92,276	21,99,43,106	18,01,01,113
(e)	Capital expenditure Unallocated expenditure	1,12,32,258	1,29,33,755	11,07,550	33,05,999	1,23,39,808 7,00,56,095	1,62,39,754 19,24,441
(f)	Depreciation Unallocated Depreciation	75,03,984	56,03,553	34,52,968	35,18,853	1,09,56,952 37,06,142	91,22,406 60,90,173
(g)	Significant non-cash items	-	-	-	-	-	-

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

21 Disclosure of Related Parties
(I) List of related parties and relationships :

(a) Parties where control exists - Subsidiaries	:	Data Quest Infotech and Enterprises Limited Egattur Printing and Packaging Limited Amrutanjan Drugs and Chemicals Limited Swas Health Products Limited Holistic Beauty Care Limited
(b) Key Management Personnel	:	Mr. S.Sambhu Prasad, Managing Director
(c) Relatives of Key Management Personnel	:	Mrs. Rajeswari.S Mother

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

Nature of Transaction	2007-2008 (Rs.)	2006-2007 (Rs.)
Loans/Advances granted (net)	44,08,328	24,17,911
Loans/Advances Repaid	-	2,26,543
Guarantees discharged	-	(20,18,000)
Provision for Advances	1,27,15,724	13,00,197
Provision for diminution in value of investments	-	3,22,53,828
Outstanding as on 31.03.2008 :		
Loans/Advances Receivable(net of Provisions)	20,81,041	1,03,88,437
Investments(net of Provisions)	40,24,000	5,24,000

(III) Transactions with related party mentioned in (b) above :

Remuneration	52,65,498	70,37,395
Dividend paid	8,99,754	7,34,315
Amount payable as on 31.03.2008	2,72,323	29,88,033

(IV) Transactions with related parties mentioned in (c) above :

Dividend Paid	17,39,772	19,42,745
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22 The details of deferred tax asset / (liability) are as under :

	As at 2007-2008	As at 2006-2007
Deferred Tax (Liability)		
- Depreciation	<u>(4,11,27,157)</u>	<u>(2,18,41,103)</u>
	(4,11,27,157)	(2,18,41,103)
Deferred Tax Asset		
- Expenses / Provisions allowable	11,08,458	7,44,689
Net Deferred Tax Asset / (Liability)	<u>(4,00,18,699)</u>	<u>(2,10,96,414)</u>

Amrutanjan Health Care Limited

23 Earnings per share	2007-2008	2006-2007
(a) Numerator-Profit as per P & L a/c before exceptional item (in Rs.)	6,26,10,849	9,26,93,006
(b) Numerator-Profit as per P & L a/c after exceptional item (in Rs.)	4,98,95,125	5,91,38,981
(c) Denominator- Weighted average number of Equity shares outstanding	32,00,000	32,00,000
(d) Earnings per share (Basic and Diluted) before exceptional item (in Rs.)	19.57	28.97
(e) Earnings per share (Basic and Diluted) after exceptional item (in Rs.)	15.59	18.48
(f) Nominal value of shares (in Rs.)	10.00	10.00

24 The Information required under the Micro, Small and Medium Enterprises Development Act, 2006 and given in Schedule 11 regarding the amount due to such enterprises has been determined on the basis of information available with the company and relied upon by the Auditors.

25 Disclosure as per Accounting Standard 19 - Operating Leases :	Rs.
Future lease payments not later than one year	24,99,792
Future lease payments later than one year and not later than five years	43,53,594

26 Employee Benefits

- The Company has determined the liability for employee benefits as at March 31, 2008 in accordance with the revised Accounting Standard 15 - Employee Benefits issued by ICAI and adjusted Rs.10,77,454 (net of deferred tax) relating to the period up to March 31, 2007 from the opening General reserve, in terms of the said Standard.
- Defined Benefit Plans - As per Actuarial valuation on March 31, 2008

Gratuity

A) Expense recognised in the statement of Profit & Loss Account for the year ended March 31, 2008	Rs.
1 Current service cost	13,77,117
2 Interest Cost	11,76,773
3 Expected return on plan assets	(13,66,406)
4 Net actuarial (gain) / loss recognised during the year	24,61,005
5 Total Expense	36,48,489
 B) Actual return on plan assets	
1 Expected return on plan assets	13,66,406
2 Actuarial gain / (loss) on plan assets	1,69,685
3 Actual return on plan assets	15,36,091

C) Net Asset/ Liability recognised in the Balance Sheet	
1 Present value of obligation	1,76,67,643
2 Fair value of plan assets	1,74,43,772
3 Funded status [surplus/(deficit)]	(2,23,871)
4 Net Assets / (Liabilities) recognised in the Balance Sheet	(2,23,871)
D) Change in Present value of the Obligation during the year ended March 31, 2008	
1 Present value of obligation as at April 1, 2007	1,88,97,556
2 Current service cost	13,77,117
3 Interest Cost	11,76,773
4 Benefits paid	64,14,493
5 Actuarial (gain) / loss on obligation	26,30,690
6 Present value of obligation as at March 31, 2008	1,76,67,643
E) Change in Assets during the year ended March 31,2008	
1 Fair Value of plan assets as at April 1, 2007	2,05,29,815
2 Expected return on plan assets	13,66,406
3 Contributions made	17,92,359
4 Benefits paid	64,14,493
5 Actuarial gain / (loss) on plan assets	1,69,685
6 Fair Value of plan assets as at March 31,2008	1,74,43,772
F) Major categories of plan assets as a percentage of total plan - 100% Qualifying Insurance Policy	
G) Actuarial Assumptions	
1 Discount rate	8%
2 Expected rate of return on plan assets	8%
3 Salary Escalation	5%

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

Leave Salary

The defined benefit obligations which are provided for but not funded as on 31-3-2008 is Rs.14,05,000/-

This being the first year in which the company has adopted the Revised Accounting Standard 15 on Employee benefits, comparatives have not been included.

Amrutanjan Health Care Limited

27 Installed & Licensed capacity

A CHENNAI

Product Name

Amrutanjan Pain Balm (Ayurvedic)	403 Metric Tons
Hero Super Balm and Dragon Liquid Balm	20 Lakhs Units
Amrutanjan Inhaler (Ayurvedic)	
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	180000 Nos
Cetomix Cough Mixture 60 ml	20000 Nos
Jiffy Tablets	12800000 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

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

	S. Sambhu Prasad	Dr. H.B.N. Shetty
	Managing Director	Dr. Pasumarthi S.N. Murthi
	N.S. Mohan	D. Seetharama Rao
	Company Secretary	R. Vijayaraghavan
	V. Swaminathan	Directors
	General Manager (Finance)	
As per our Report of even date		
For P.S.Subramania Iyer & Co.		
Chartered Accountants		
Hyderabad	N. Srinivasan	
30-06-2008	Partner	

Balance Sheet Abstract and Company's General Business Profile
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

 Bonus Issue Private Placement
III. Position of Mobilisation and Deployment of Funds (Amount in Rs Thousands)

 Total Liabilities Total Assets
Sources of Funds

 Paid-up Capital Reserves & Surplus

 Secured Loans Unsecured Loans

 Deferred Tax Liability Current Liabilities & Provisions
Application of Funds

 Net Fixed Assets Investments

 Current Assets, Loan & Advances Misc. Expenditure

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

 Turnover Total Expenditure
 + - + -

 Profit/Loss Before Tax Profit/Loss After Tax

(Please tick appropriate box + for Profit, - for Loss)

 Earnings per Share in Rs Dividend Rate %
V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

 Item Code (ITC Code)

 Product Description

As per our Report of even date For P.S.Subramania Iyer & Co. Chartered Accountants Hyderabad 30-06-2008	N. Srinivasan Partner	S. Sambhu Prasad Managing Director N.S. Mohan Company Secretary V. Swaminathan General Manager (Finance)	Dr. H.B.N. Shetty Dr. Pasumarthi S.N. Murthi D. Seetharama Rao R. Vijayaraghavan Directors
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Amrutanjan Health Care Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	Year ended March 31,2008 Rs.	Year ended March 31,2007 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	9,97,73,628	14,33,65,931
Adjustments for:		
- Depreciation	1,46,63,094	1,52,12,579
- Exchange difference	-	5,08,796
- Interest received	(5,93,645)	(15,87,958)
- Dividend received	(21,067)	(13,225)
- Rent receipts	(5,49,050)	(2,27,350)
- Sundry balances / Excess provision written back	10,85,563	(35,42,940)
- Profit on sale of fixed assets	(3,64,441)	(12,47,828)
- Interest paid	74,72,185	54,05,433
- Loss on fixed assets sold / discarded	10,327	1,11,453
Operating Profit before Working Capital Changes	12,14,76,594	15,79,84,891
Adjustments for:		
- Trade & other receivables	(4,61,61,065)	4,15,18,907
- Inventories	(54,09,886)	(2,37,22,189)
- Trade Payables	56,55,760	53,65,851
Cash generated from operations	7,55,61,403	18,11,47,460
Direct Taxes Paid	(1,92,42,087)	(7,11,25,727)
Cash Flow before extraordinary items	5,63,19,316	11,00,21,733
Extra ordinary items	-	-
Net Cash from operating activities	5,63,19,316	11,00,21,733
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets including Capital Work-in-Progress	(8,05,41,953)	(4,32,74,254)
Sale of Fixed Assets	9,05,450	36,86,852
Purchase of Investments	(31,50,374)	(5,09,626)
Loans to subsidiary companies	(44,08,328)	(21,91,368)
Interest received on deposits	11,17,739	9,07,171
Dividend received	21,067	13,225
Rent received	4,99,275	2,27,350
Net Cash (used in) / generated from Investing Activities	(8,55,57,124)	(4,11,40,650)

C CASH FLOW FROM FINANCING ACTIVITIES

Increase / (Decrease) in Bank Borrowings	4,28,737	3,62,64,211
Repayment of long term borrowings	(1,25,04,274)	-
Increase / (Decrease) in short term loans	2,00,00,000	(1,70,10,007)
Dividend paid (including Interim Dividend & Dividend Tax)	(2,24,63,040)	(2,44,46,960)
Interest paid	(75,87,076)	(50,78,969)
Net Cash (used in)/generated from financing activities	(2,21,25,653)	(1,02,71,725)
Net Increase/(Decrease) in cash & cash equivalents	(5,13,63,461)	5,86,09,358
Cash and cash equivalents opening balance	7,82,83,381	2,01,82,819
Cash and cash equivalents closing balance	2,69,19,920	7,87,92,177
Notes to the Cash Flow Statement		
1 Cash and Cash equivalents include :		
Cash and Bank balances	2,69,19,920	7,82,83,381
Effect of exchange rate changes	-	5,08,796
Total Cash and Cash equivalents	2,69,19,920	7,87,92,177

2 Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

	S. Sambhu Prasad	Dr. H.B.N. Shetty
As per our Report of even date	Managing Director	Dr. Pasumarthi S.N. Murthi
For P.S.Subramania Iyer & Co.	N.S. Mohan	D. Seetharama Rao
Chartered Accountants	Company Secretary	R. Vijayaraghavan
Hyderabad	V. Swaminathan	Directors
30-06-2008	General Manager (Finance)	

Auditors' Certificate

We have verified the above Cash Flow Statement of Amrutanjan Health Care Limited derived from the audited financial statements for the year ended 31st March, 2008 and the year ended 31st March, 2007 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreement with Stock Exchange.

Hyderabad
30.06.2008

For **P.S Subramania Iyer & Co.**
Chartered Accountants
N. Srinivasan
Partner
Membership No.200330

Amrutanjan Health Care Limited

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

Name of the Subsidiary Companies	Extent of Holding Company's interest in the Subsidiary at the end of Financial year of the subsidiary			Net aggregate amount of 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.)
DATA QUEST INFOTECH & ENTERPRISES LIMITED	31.03.2008	29,04,407 Equity shares of Rs.10/- each	73.48	-	(35,47,957)	(1,28,14,277)	(13,05,70,787)
AMRUTANJAN DRUGS AND CHEMICALS LIMITED	31.03.2008	52,400 Equity shares of Rs.10/- each	99.99	(618)	22,15,285	-	-
EGATTUR PRINTING AND PACKAGING LIMITED	31.03.2008	9,98,833 Equity shares of Rs.10/- each	100.00	(3,01,517)	(66,65,539)	1,13,872	(5,80,81,510)
SWAS HEALTH PRODUCTS LIMITED	31.03.2008	2,24,240 Equity shares of Rs.10/- each	100.00	(5,27,568)	(16,59,775)	(15,320)	(7,18,687)
HOLISTIC BEAUTY CARE LIMITED	31.03.2008	3,50,000 Equity shaers of Rs.10/- each	83.32	(30,54,578)	-	-	-

S. Sambhu Prasad

Managing Director

N.S. Mohan

Company Secretary

V. Swaminathan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

R. Vijayaraghavan

Directors

Hyderabad

30-06-2008

Details of Subsidiary Companies pursuant to Exemption received under Section 212(8) of the Companies Act, 1956

(Rupees in lakhs)

SL. NO.	PARTICULARS	DATA QUEST INFOTECH & ENTERPRISES LIMITED	AMRUTANJAN DRUGS AND CHEMICALS LIMITED	EGATTUR PRINTING AND PACKAGING LIMITED	SWAS HEALTH PRODUCTS LIMITED	HOLISTIC BEAUTY CARE LIMITED
1.	Capital	395.28	5.24	99.88	22.42	42.01
2.	Reserves	37.49	22.15	(650.49)	–	(36.66)
3.	Total Assets	2073.10	27.40	679.67	30.09	68.20
4.	Total Liabilities	2073.10	27.40	679.67	30.09	68.20
5.	Details of Investments	3.13	–	–	–	–
6.	Turnover	–	0.04	–	–	0.49
7.	Profit before Taxation	(78.30)	*	(3.02)	(6.68)	(36.20)
8.	Provision for Taxation	–	–	–	1.25	(0.46)
9.	Profit after Taxation	(78.30)	*	(3.02)	(5.43)	(36.66)
10.	Proposed Dividend	–	–	–	–	–

*(Rs.618)

S. Sambhu Prasad

Managing Director

N.S. Mohan

Company Secretary

V. Swaminathan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

R. Vijayaraghavan

Directors

Hyderabad

30-06-2008

**CONSOLIDATED
FINANCIAL STATEMENTS**

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

We have examined the attached Consolidated Balance Sheet of Amrutanjan Health Care Limited and its subsidiaries as at 31st March, 2008, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of the management of Amrutanjan Health Care Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by the management, as well as evaluating the overall financial statements. We believe our audit provides a reasonable basis for our opinion.

The financial statements of five subsidiary companies have been considered for the purposes of consolidation. The financial statements of three subsidiary companies reflecting total assets of Rs.74,46,136/- as at 31st March 2008 and total revenue of Rs.80/- for the period ended on that date have been audited by other auditors, whose reports have been furnished to us. We have relied upon these reports for the purpose of the amounts included in respect of the above companies in the consolidated financial statements.

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

On the basis of information and explanations given to us and on the consideration of separate audit reports on individual audited financial statements of Amrutanjan Health Care Limited and its subsidiaries, we are of the opinion that the said Consolidated Financial Statements, give a true and fair view in conformity with the accounting principles generally accepted in India.

- a. In the case of Consolidated Balance Sheet, of the state of affairs of Amrutanjan Health Care Limited and its subsidiaries as at March 31, 2008;
- b. In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Amrutanjan Health Care Limited and its subsidiaries for the year then ended;
- c. In the case of the consolidated Cash Flow Statement, of the consolidated cash flow of Amrutanjan Health Care Limited and its subsidiaries for the year then ended.

Hyderabad
30.06.2008

For **P.S Subramania Iyer & Co.**
Chartered Accountants
N. Srinivasan
Partner
Membership No.200330

Amrutanjan Health Care Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	31st March, 2008		31st March, 2007	
	No.	Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	3,20,00,000		3,20,00,000	
Reserves and Surplus	2	22,84,72,708		20,21,31,036	
			26,04,72,708		23,41,31,036
Minority Interest			89,587		210
Loan Funds					
Secured Loans	3	6,46,70,588		7,68,61,016	
Unsecured Loans	4	2,00,00,000		-	
			8,46,70,588		7,68,61,016
Deferred Tax Liability (net)			4,00,44,746		2,10,96,414
Total			38,52,77,629		33,20,88,676
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	39,83,14,680		25,68,98,565	
Less: Depreciation		19,76,45,091		12,88,19,784	
Net Block		20,06,69,589		12,80,78,781	
Capital Work-in-Progress		2,58,57,304	22,65,26,893	2,70,55,201	15,51,33,982
Investments	6		4,73,876		5,97,318
Current Assets, Loans and Advances					
Inventories	7	9,40,31,360		8,86,21,474	
Sundry Debtors	8	7,88,37,114		4,96,33,166	
Cash & Bank Balances	9	2,77,73,350		7,85,19,206	
Interest Accrued		2,26,384		7,50,478	
Loans & Advances	10	5,37,48,918		4,09,77,735	
		25,46,17,126		25,85,02,059	
Less: Current Liabilities and Provisions					
Current Liabilities	11	8,16,44,936		7,24,44,618	
Provisions	12	1,47,39,920		97,00,065	
		9,63,84,856		8,21,44,683	
Net Current Assets			15,82,32,270		17,63,57,376
Miscellaneous Expenditure					
(To the extent not written off or adjusted)					
Preliminary expenditure			44,590		-
Total			38,52,77,629		33,20,88,676
Notes on Accounts	19				

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

		S. Sambhu Prasad	Dr. H.B.N. Shetty
	As per our Report of even date	Managing Director	Dr. Pasumarthi S.N. Murthi
	For P.S.Subramania Iyer & Co.	N.S. Mohan	D. Seetharama Rao
	Chartered Accountants	Company Secretary	R. Vijayaraghavan
Hyderabad	N. Srinivasan	V. Swaminathan	Directors
30-06-2008	Partner	General Manager (Finance)	

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule No.	31st March, 2008 Rs.	31st March, 2007 Rs.
INCOME			
Sales	13	74,54,91,003	72,38,76,522
Other Income	14	<u>39,95,484</u>	<u>98,91,415</u>
		74,94,86,487	73,37,67,937
EXPENDITURE			
Cost of Materials Consumed	15	29,32,83,584	26,77,22,339
Employee's Remuneration and Benefits	16	9,44,14,477	8,97,78,151
Interest	17	74,72,185	54,05,433
Other Expenses	18	24,60,37,904	21,22,88,554
Depreciation		<u>2,09,24,591</u>	<u>1,52,12,579</u>
		66,21,32,741	59,04,07,056
Profit before extraordinary items		8,73,53,746	14,33,60,881
Loss on destruction of assets		-	(7,91,387)
Prior Year Adjustments (net)		<u>(3,36,662)</u>	<u>2,10,441</u>
Profit before tax		8,70,17,084	14,27,79,935
Provision for Tax :			
- Income Tax		(1,45,00,000)	(4,80,00,000)
- Fringe Benefit Tax		(25,20,000)	(14,00,000)
- Deferred Tax		(1,93,78,063)	17,44,124
Short Provision of I.T of earlier years		<u>(3,49,027)</u>	<u>(24,39,086)</u>
Profit after tax before exceptional item		5,02,69,994	9,26,84,973
Exceptional items			
Provision for advances		-	(13,00,197)
Provision for dimunition in value of investments		-	<u>(3,22,53,828)</u>
Profit after tax after exceptional items		5,02,69,994	5,91,30,948
Surplus from previous year brought forward		<u>3,21,27,551</u>	<u>1,28,59,820</u>
Profits for Appropriation		<u>8,23,97,545</u>	<u>7,19,90,768</u>
APPROPRIATION			
Transfer to General Reserve		2,00,00,000	2,00,00,000
Interim Dividend - Paid		1,28,00,000	1,28,00,000
Tax on Interim Dividend		21,75,360	17,95,200
Final Dividend - Proposed		96,00,000	64,00,000
Tax on Proposed Dividend		16,31,520	10,87,680
Transfer of Profit/ (Loss) to Minority Interest		<u>6,11,013</u>	-
		4,68,17,893	4,20,82,880
Balance Profit carried to Balance Sheet		<u>3,55,79,652</u>	<u>2,99,07,888</u>
		8,23,97,545	7,19,90,768
Basic and Diluted Earnings per Share			
Before exceptional item (Rs)		15.71	28.96
After exceptional item (Rs)		15.71	18.48
Notes on Accounts	19		

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

	S. Sambhu Prasad	Dr. H.B.N. Shetty
As per our Report of even date	Managing Director	Dr. Pasumarthi S.N. Murthi
For P.S.Subramania Iyer & Co.	N.S. Mohan	D. Seetharama Rao
Chartered Accountants	Company Secretary	R. Vijayaraghavan
Hyderabad	V. Swaminathan	Directors
30-06-2008	General Manager (Finance)	

Amrutanjan Health Care Limited

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	31st March, 2008	31st March, 2007
	Rs.	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 & Paid-up		
32,00,000 Equity Shares of Rs.10/- each fully paid-up	3,20,00,000	3,20,00,000
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 31-03-2007	As at 31-03-2008
	Rs.	Rs.
General Reserve	17,00,00,000	18,89,22,546
Profit & Loss Account Surplus	3,21,27,551	3,95,46,677
Capital Reserve	3,485	3,485
	<u>20,21,31,036</u>	<u>22,84,72,708</u>
	Additions	Deductions
	Rs.	Rs.
	2,00,00,000	10,77,454
	34,52,101	(39,67,025)
	-	-
	<u>2,34,52,101</u>	<u>(28,89,571)</u>
SCHEDULE - 3		
SECURED LOANS		
Term Loan from Bank (Secured by creation of equitable mortgage by way of deposit of title deeds of specific land & building)	2,29,91,543	3,54,95,817
Interest accrued on Term Loans	2,25,546	3,40,437
Cash Credit from Banks (Secured by hypothecation of raw & packing materials, finished goods, book debts of the Company, personal guarantee of Managing Director, equitable mortgage by deposit of title deeds of specific immovable property)	4,14,53,499	4,10,24,762
	<u>6,46,70,588</u>	<u>7,68,61,016</u>
SCHEDULE - 4		
UNSECURED LOANS		
From Banks - Short Term Loan	2,00,00,000	-
	<u>2,00,00,000</u>	<u>-</u>

Amrutanjan Health Care Limited

SCHEDULES TO CONSOLIDATED BALANCE SHEET

SCHEDULE – 5 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As on 31.03.2007 Rs.	Additions / Adjustments Rs.	Deletion/ Eliminations Rs.	As on 31.03.2008 Rs.	As on 31.03.2007 Rs.	Addition/ Adjustments Rs.	Impairment Loss Rs.	Deletion/ Eliminations Rs.	As on 31.03.2008 Rs.	As on 31.03.2008 Rs.	As on 31.03.2007 Rs.
Goodwill	25,000	-	-	25,000	-	-	-	-	-	25,000	25,000
Technical Know-how	25,00,000	8,75,000	-	33,75,000	-	43,750	-	-	43,750	33,31,250	25,00,000
Land (*)	1,55,22,938	1,03,05,365	-	2,58,28,303	-	-	-	-	-	2,58,28,303	1,55,22,938
Leasehold Land	-	-	-	-	-	-	-	-	-	-	-
Buildings	3,02,80,527	25,56,799	-	3,28,37,326	99,37,599	13,60,856	-	-	1,12,98,455	2,15,38,871	2,03,42,928
Leasehold Property	4,50,000	-	-	4,50,000	1,30,220	15,989	-	-	1,46,209	3,03,791	3,19,780
Plant & Machinery	3,57,65,422	63,37,797	-	4,21,03,219	1,57,31,717	37,54,245	3,86,586	-	1,98,72,548	2,22,30,671	2,00,33,705
Computers	1,23,34,084	4,86,79,602	-	6,10,13,686	94,07,349	4,66,68,016	5,423	-	5,60,80,788	49,32,898	29,26,735
Furniture, Fixture & Equipments	1,63,38,329	71,21,673	-	2,34,60,002	87,95,019	63,07,948	6,60,372	-	1,57,63,339	76,96,663	75,43,310
Airconditioners	-	20,450	-	20,450	-	271	-	-	271	20,179	-
Vehicles	1,04,44,362	10,97,231	21,90,065	93,51,528	52,82,933	14,35,549	12,630	16,38,729	50,92,383	42,59,145	51,61,429
Office Equipments	-	18,10,362	-	18,10,362	-	14,74,141	2,41,975	-	17,16,116	94,246	-
Electrical Fittings	-	2,69,571	-	2,69,571	-	1,43,935	1,25,636	-	2,69,571	-	-
Fine Chemicals Block											
Buildings	59,11,613	-	-	59,11,613	28,17,603	3,09,401	-	-	31,27,004	27,84,609	30,94,010
Plant & Machinery	3,38,16,661	8,51,510	-	3,46,68,171	1,49,87,288	28,07,423	-	-	1,77,94,711	1,68,73,460	1,88,29,373
Computers	2,71,125	36,183	-	3,07,308	2,43,704	12,765	-	-	2,56,469	50,839	27,421
Furniture, Fixture & Equipments	39,69,125	2,19,857	-	41,88,982	18,03,487	3,23,380	-	-	21,26,867	20,62,115	21,65,638
Research & Development Block											
Buildings	1,19,44,485	2,45,05,743	-	3,64,50,228	55,37,082	11,80,112	-	-	67,17,194	2,97,33,034	64,07,403
Plant & Machinery	3,44,52,099	3,54,97,495	-	6,99,49,594	1,85,36,168	16,60,577	-	-	2,01,96,745	4,97,52,849	1,59,15,931
Pilot Plant	3,70,95,066	-	-	3,70,95,066	3,08,36,072	30,259	-	-	3,08,66,331	62,28,735	62,58,994
Computers	5,91,970	2,99,136	-	8,91,106	5,64,543	2,41,611	-	-	8,06,154	84,952	27,427
Lab Equipments-Furniture & Fixtures	51,85,759	31,22,406	-	83,08,165	42,09,000	12,61,186	-	-	54,70,186	28,37,979	9,76,759
Total	25,68,98,565	14,36,06,180	21,90,065	39,83,14,680	12,88,19,784	6,90,31,414	14,32,622	16,38,729	19,76,45,091	20,06,69,589	12,80,78,781
										2,58,57,304	2,70,55,201

Capital Work-in-Progress including Capital Advances of Rs.1,88,11,104 /- (Rs.1,04,75,954/-)

* Sale deed yet to be registered for SIDCO Lands - Rs.1,12,47,346/-

Amrutanjan Health Care Limited

SCHEDULES TO CONSOLIDATED BALANCE SHEET

	Face Value	31st March, 2008	31st March, 2007
	Rs.	Rs.	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
5 Equity Shares in Capexil (Agencies) Ltd. of Rs.1000/- each fully paid	5,000	5,000	5,000
320 Equity Shares. in Madras Stock Exchange Ltd of Rs.10/- each fully paid (purchased during the year)	320	1,60,000	-
9,98,800 Equity Shares in Egattur Printing and Packaging Limited of Rs.10/- each fully paid	-	-	99,88,000
29,04,407 Equity Shares in Data Quest Infotech & Enterprises Ltd of Rs.10/- each fully paid	-	-	3,00,11,428
2,24,240 Equity Shares in Swas Health Products Limited of Rs. 10/- each fully paid, out of which 60 shares are held in the name of nominees.	-	-	22,42,400
Non-Trade Investments (Quoted) :			
a) In Equity Shares (Face Value Rs. 10 each fully paid-up)			
21450 Shares in Saha Keil Ltd.	2,14,500	2,14,500	2,14,500
1006 Equity Shares in NTPC	10,060	62,372	62,372
38 Equity Shares in Punjab National Bank	380	14,820	14,820
1600 Shares in Arun Pipes Limited	16,000	41,115	-
500 Shares in Indiana Dairy Specialists Limited	5,000	28,275	-
700 Shares in Kareem Spun Silk Limited	7,000	17,395	-
1750 Shares in Marg Securities Limited	17,500	43,750	-
300 Shares in Periakaramalai Tea and Produce Co Ltd	3,000	50,750	-
1800 Shares in Pal Peugeot Limited	18,000	18,000	-
300 Shares in Samrat Ashoka Exports Limited	3,000	18,000	-
600 Shares in Uma Maheshwari Limited	6,000	12,000	-
2000 Shares in Veera Treatwood Limited	20,000	84,200	-

Amrutanjan Health Care Limited

SCHEDULES TO CONSOLIDATED BALANCE SHEET

	31st March, 2008	31st March, 2007
	Rs.	Rs.
SCHEDULE - 10		
LOANS AND ADVANCES		
Unsecured and considered good :		
Advance to wholly-owned subsidiary company	-	21,91,88,934
Less : Provision made	-	<u>20,88,00,497</u>
		1,03,88,437
Advances recoverable in cash or in kind for value to be received	2,94,37,275	73,38,975
Deposits and balances with excise authorities	1,78,58,333	1,86,97,917
Deposits - Others	29,07,335	29,00,292
Advance Tax / TDS (net off provisions)	35,45,975	16,52,114
	<u>5,37,48,918</u>	<u>4,09,77,735</u>
SCHEDULE - 11		
CURRENT LIABILITIES		
Creditors for Purchases		
- S S I units	-	2,15,00,512
- Micro Enterprises and Small Enterprises	-	-
- Others	3,95,30,129	1,08,25,065
Creditors for Expenses		
[includes Rs. 2,72,323/- (Rs.29,88,033/-) due to Managing Director]	2,17,13,693	2,37,43,320
Creditors for Capital Goods	15,11,522	8,55,469
Unclaimed Dividend	18,87,731	16,91,894
Other Liabilities	1,70,01,861	1,38,28,358
	<u>8,16,44,936</u>	<u>7,24,44,618</u>
SCHEDULE - 12		
PROVISIONS		
Proposed Dividend	96,00,000	64,00,000
Provision for Employee Retirement Benefits	32,61,130	22,12,385
Tax on Dividend	16,31,520	10,87,680
Provision for Taxation (net off Advance Tax / TDS)	2,47,270	-
	<u>1,47,39,920</u>	<u>97,00,065</u>

SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT

	31st March, 2008		31st March, 2007	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE - 13				
SALES				
OTC Products	78,28,62,198		76,32,65,688	
Less: Excise Duty	10,36,04,002	67,92,58,196	10,03,38,433	66,29,27,255
Chemicals	7,37,57,500		6,36,92,537	
Less: Excise Duty	75,24,693	6,62,32,807	27,43,270	6,09,49,267
		<u>74,54,91,003</u>		<u>72,38,76,522</u>
SCHEDULE - 14				
OTHER INCOME				
Service charges		49,000		-
Dividend receipts		21,067		13,225
Interest - Bank Deposits [TDS Rs.2,42,870/- (Rs.1,86,534/-)]		5,10,441		14,30,045
Interest - Others [TDS Rs.12,031/- (Rs. 31,280/-)]		53,608		1,57,913
Rent receipts [TDS Rs.29,555/- (Rs. 16,569/-)]		5,49,050		2,27,350
Scrap sales		11,81,950		21,73,747
Profit on sale of fixed assets		3,64,441		12,47,828
Sundry balances written back (net)		2,92,522		21,46,214
Excess provision written back		7,93,041		13,96,726
Sales Tax Refund		-		7,61,168
Bad Debts Recovered		-		41,000
Miscellaneous Receipts		1,80,364		2,96,199
		<u>39,95,484</u>		<u>98,91,415</u>
SCHEDULE - 15				
COST OF MATERIALS CONSUMED				
Opening Stock				
Raw Materials		3,15,17,828		1,90,14,327
Packing Materials		1,15,05,405		88,86,231
		<u>4,30,23,233</u>		<u>2,79,00,558</u>
Add : Purchases				
Raw Materials		17,29,43,919		15,58,23,252
Packing Materials		10,68,39,645		12,60,81,725
		<u>27,97,83,564</u>		<u>28,19,04,977</u>
		<u>32,28,06,797</u>		<u>30,98,05,535</u>
Less : Closing Stock				
Raw Materials		2,78,45,073		3,15,17,828
Packing Materials		80,09,351		1,15,05,405
		<u>3,58,54,424</u>		<u>4,30,23,233</u>
Consumption of Raw & Packing Materials		<u>28,69,52,373</u>		<u>26,67,82,302</u>
Products Purchased		1,89,09,906		95,39,550
(Increase)/Decrease in Finished Goods and Process Stock		(1,25,78,695)		(85,99,513)
		<u>29,32,83,584</u>		<u>26,77,22,339</u>
(INCREASE) / DECREASE IN STOCK				
Opening Stock				
Finished Goods		4,06,60,862		3,00,02,040
Process Stock		49,37,379		69,96,688
		<u>4,55,98,241</u>		<u>3,69,98,728</u>
Closing Stock				
Finished Goods		4,94,66,293		4,06,60,862
Process Stock		87,10,643		49,37,379
		<u>5,81,76,936</u>		<u>4,55,98,241</u>
		<u>(1,25,78,695)</u>		<u>(85,99,513)</u>

Amrutanjan Health Care Limited

SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT

SCHEDULE - 16	31st March, 2008	31st March, 2007
EMPLOYEE'S REMUNERATION AND BENEFITS	Rs.	Rs.
Salaries, Wages and Bonus	7,06,91,164	6,71,77,040
Managing Director's Remuneration and Commission	52,65,498	70,37,395
Contribution to Employees Provident, Gratuity and Other Funds	1,25,64,640	1,09,50,277
Welfare Expenditure	58,93,175	46,13,439
	<u>9,44,14,477</u>	<u>8,97,78,151</u>
SCHEDULE-17		
INTEREST		
- Fixed Loans	36,39,493	44,04,648
- Others	38,32,692	10,00,785
	<u>74,72,185</u>	<u>54,05,433</u>
SCHEDULE-18		
OTHER EXPENSES		
Power & Fuel	1,27,95,769	1,04,86,380
Repairs & Maintenance :		
Building	23,93,865	32,57,558
Machinery	45,42,573	51,41,437
Others	28,25,736	26,97,282
Freight and Transport Charges	1,27,51,071	1,26,58,024
Operating Expenses	95,600	-
Pre operative Expenses	16,99,426	-
Advertisement	5,96,87,191	4,80,51,458
Selling Expenses	3,07,37,851	3,23,65,872
Commission and Brokerage	16,37,443	12,83,325
Sales Tax	3,46,45,710	3,61,62,837
Rates and Taxes	19,10,489	17,82,248
Insurance	26,27,459	28,22,989
Travelling Expenses	1,85,67,142	1,66,36,317
Conveyance	14,70,371	10,71,282
Retainer & Consultancy	77,10,569	27,34,865
Security Charges	32,70,570	27,74,116
Rent	41,67,977	15,34,007
Printing & Stationery	21,85,590	14,14,296
Postage & Telegrams	10,10,586	10,48,346
Communication Expenses	59,77,231	45,49,688
Legal Expenses	5,80,395	7,11,977
Research & Development Expenses	1,61,59,306	1,04,45,083
Bank Charges	22,92,709	24,08,613
Donations	33,600	30,201
Auditor's Remuneration :		
Audit Fees	4,74,208	3,75,500
Tax Audit	50,000	45,000
Tax Representation	-	50,000
Other services	1,24,095	45,000
Cost Audit Fees	1,20,000	1,50,000
Directors Sitting Fees	6,07,500	4,55,000
Lease Rent	20,48,420	5,53,680
Loss on fixed assets sold / discarded	1,55,945	1,11,453
Exchange Difference (net)	5,35,972	5,45,234
Miscellaneous Expenses	99,51,792	78,89,486
Bad Debts and advances written off	1,93,743	-
	<u>24,60,37,904</u>	<u>21,22,88,554</u>

NOTES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008
SCHEDULE — 19
1 ACCOUNTING POLICIES

- a Accrual system of accounting is followed to record income and expenditure, excepting in the areas herein specifically mentioned.
- b The financial statements of subsidiaries are included in the consolidated financial statements. The consolidated financial statements are drawn up by using uniform accounting policies for like transactions and other events and are presented to the extent possible, in the same manner as the company's individual financial statements. Inter company receivables and liabilities, income and expenses are eliminated. The difference between the cost of investments in subsidiaries over the book value of the subsidiaries on the date of acquisition are recognised in the consolidated financial statements as goodwill where the difference is positive and as capital reserve where the difference is negative.
- c Fixed Assets are stated at cost 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 of Amrutanjan Health Care Limited acquired after April 1, 1992, which is provided on straight line method at the rates prescribed under schedule XIV to 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. In respect of Dataquest Infotech and Enterprises Limited, assets relating to Call Centre depreciation has been provided pro-rata from the date of addition at the rates prescribed under Schedule XIV to the Companies Act, 1956 on Straight Line basis for Computers/Data Processing machines and on Written Down Value basis for other assets. In respect of assets other than those relating to Call Centre, depreciation has been provided pro-rata from the date of addition at the rates prescribed under Schedule XIV to the Companies Act, 1956 on Written Down Value basis. In respect of Holistic Beauty Care Limited, Depreciation of fixed assets is calculated on straight line basis on the cost in accordance with the rates specified in Schedule XIV to the Companies Act, 1956. Leasehold building and the related improvements thereon are amortised over a period of three years. Technical know how is amortised over a period of five years.
- d 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. Raw Materials of Swas Health Products Limited are valued at cost following the First in First Out (FIFO) method.
- e 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.
- f 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.
- g Insurance on Company's properties , immovable and movable is on reinstatement value basis.
- h Insurance claims and scrap sales proceeds are accounted on cash basis.
- i 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.
- j Employee Benefits :
Liability for Gratuity to employees determined on the basis of actuarial valuation as on balance Sheet Date is funded with the Life Insurance Corporation of India and is recognised as an expense in the year incurred. Contribution to defined contribution schemes such as provident fund, employees pension fund, superannuation fund and cost of other benefits are recognised as an expense in the year incurred.
- k 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

Amrutanjan Health Care Limited

capable of reversal in one or more subsequent periods.

2 Monies for which the company is contingently liable :

- a Bonds executed in favour of Collector of Central Excise, Chennai - Rs.8,00,000/- (Rs.8,00,000 /-)
- b Guarantees/Letter of Credit issued on behalf of the Company by Banks -Rs.1,89,25,296/- (Rs.2,34,59,467/-)
- c Contingent liability in respect of Income Tax Rs. 16,04,113/- (Rs. 16,04,113/-).
- d **Appeals filed in respect of disputed demands:**

	2007 - 2008	2006 - 2007
	Rs.	Rs.
Excise Duty	11,80,886	11,80,886
E S I	3,96,545	3,96,545
Income Tax	23,45,554	10,71,206
Sales Tax	2,35,67,410	2,35,67,410

- e Export Obligation : In terms of the agreement for setting up of the 100% Export Oriented Software Unit, the Company had an export obligation which was to have been achieved before 31.03.2005. In the event of the Company unable to fulfill the specified export obligation, the Company was 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. The Company has been unable to achieve the specified export turnover before 31.03.2005 and has therefore applied to the Government for extension of time. The matter is pending before the relevant authority. In the mean time, the Company has remitted Rs.5,00,000/- as Customs Duty till date.

- 3 Claims against the Company not acknowledged as debts are Rs. 2,64,18,464/- (Rs. 2,24,64,680/-).
- 4 Estimated amount of capital expenditure commitments Rs.25,00,000/- (Rs. 2,00,00,000/-).
- 5 Retainer Fee paid to Technical Advisor (Director) Rs.60,000/- (Rs. 35,000/-).
- 6 The Company has transferred Rs.1,72,715/- of unclaimed dividends to Investor Education and Protection Fund during the year.

7 Research & Development Expenses include :

	2007-2008	2006-2007
	Rs.	Rs.
Salaries, Bonus, etc.,	1,15,56,316	81,61,848
Materials & Consumables	22,70,937	7,84,438
Power & Fuel	3,77,784	3,47,292
Other Expenses	19,54,269	11,51,505
	1,61,59,306	1,04,45,083

8 The following subsidiary companies are considered in the consolidated financial statements:

- a Amrutanjan Drugs and Chemicals Limited
- b Swas Health Products Limited
- c Egattur Printing and Packaging Limited
- d Data Quest Infotech and Enterprises Limited
- e Holistic Beauty Care Limited

9 Sundry Debtors include Rs. 157.99 lakhs for the recovery of which, legal action has been taken by the Company.

10 In respect of Dataquest Infotech & Enterprises Limited, the Company has temporarily suspended its Call Centre operations. However, no formal plan for discontinuance of the business has been made.

11 Provision for Taxation includes Rs.50,000/- (Rs. 50,000/-) towards Wealth Tax.

12 The details of deferred tax asset / (liability) are as under :

	As at	As at
	2007-2008	2006-2007
Deferred Tax (Liability)		
- Depreciation	(4,11,53,204)	(2,18,41,103)
	(4,11,53,204)	(2,18,41,103)
Deferred Tax Asset		
- Expenses / Provisions allowable	11,08,458	7,44,689
Net Deferred Tax Asset / (Liability)	(4,00,44,746)	(2,10,96,414)

13. Segment Information

(Rs.)

	Primary Business Segments	OTC Products		Chemicals		Others		Net Total	
		2007-2008	2006-2007	2007-2008	2006-2007	2007-2008	2006-2007	2007-2008	2006-2007
(a)	Revenue :								
	External Sales	67,92,58,196	66,29,27,255	6,62,32,807	6,09,49,267	49,080	-	74,55,40,083	72,38,76,522
	Inter Segment Sales			-	-	-	-	-	-
	Total Revenue	67,92,58,196	66,29,27,255	6,62,32,807	6,09,49,267	49,080	-	74,55,40,083	72,38,76,522
(b)	Result	15,54,12,892	17,57,19,104	(1,65,11,992)	14,91,271	(1,23,90,286)	-	12,65,10,614	17,72,10,375
	Less : Unallocated expenditure net of unallocated income							(3,22,48,732)	(3,00,26,969)
	Operating Profit							9,42,61,882	14,71,83,406
	Less : Interest expense							(74,72,185)	(54,05,433)
	Add : Interest income							5,64,049	15,87,958
	Less :								
	Loss on destruction of assets								(7,91,387)
	Prior Year Adjustments (net)							(3,36,662)	2,10,441
	Profit before Tax							8,70,17,084	14,27,84,985
	Provision for taxation :								
	- Income Tax							1,45,00,000	4,80,00,000
	- Fringe Benefit Tax							25,20,000	14,00,000
	- Deferred Tax							1,93,78,063	(17,44,124)
	- Short Provision of I.T of earlier years							3,49,027	24,36,103
	Exceptional Items :								
	Provision for advances								13,00,197
	Provision for diminution in value of investments								3,22,53,828
	Profit after Tax							5,02,69,994	5,91,38,981
(c)	Segment Assets	17,56,41,446	15,09,09,447	12,47,26,023	9,98,22,433	1,27,74,066	-	31,31,41,535	25,07,31,880
	Unallocated Assets	-	-	-	-	-	-	16,85,20,950	16,12,85,154
	Total Assets	17,56,41,446	15,09,09,447	12,47,26,023	9,98,22,433	1,27,74,066	-	48,16,62,485	41,20,17,034
(d)	Segment Liabilities	5,24,15,725	5,98,86,547	2,54,37,810	72,92,276	46,57,081	-	8,25,10,616	6,71,78,823
	Unallocated Liabilities	-	-	-	-	-	-	13,85,89,574	11,29,22,290
	Total Liabilities	5,24,15,725	5,98,86,547	2,54,37,810	72,92,276	46,57,081	-	22,11,00,190	18,01,01,113
(e)	Capital expenditure	1,12,32,258	1,29,33,755	11,07,550	33,05,999	25,75,245	-	1,49,15,053	1,62,39,754
	Unallocated expenditure							7,00,56,095	19,24,441
(f)	Depreciation	75,03,984	56,03,553	34,52,968	3,518,853	62,61,497	-	1,72,18,449	91,22,406
	Unallocated Depreciation							37,06,142	60,90,173
(g)	Significant non-cash items	-	-	-	-	-	-	-	-

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.

Amrutanjan Health Care Limited

14 Earnings per share

	2007-2008	2006-2007
(a) Numerator-Profit as per P & L a/c before exceptional item (in Rs.)	5,02,69,994	9,26,84,973
(b) Numerator-Profit as per P & L a/c after exceptional item (in Rs.)	5,02,69,994	5,91,30,948
(c) Denominator- Weighted average number of Equity shares outstanding	32,00,000	32,00,000
(d) Earnings per share (Basic and Diluted) before exceptional item (in Rs.)	15.71	28.96
(e) Earnings per share (Basic and Diluted) after exceptional item (in Rs.)	15.71	18.48
(f) Nominal value of shares (in Rs.)	10.00	10.00

15 The information required under the Micro, Small and Medium Enterprises Development Act, 2006 and given in Schedule 11 regarding the amount due to such enterprises has been determined on the basis of information available with the company and relied upon by the Auditors.

16 Disclosure as per Accounting Standard 19 - Operating Leases :

	Rs.
Future lease payments not later than one year	24,99,792
Future lease payments later than one year and not later than five years	43,53,594

17 Employee Benefits

- a) The company has determined the liability for employee benefits as at March 31, 2008 in accordance with the revised Accounting Standard 15 - Employee Benefits issued by ICAI and adjusted Rs.10,77,454 (net of deferred tax) relating to the period up to March 31, 2007 from the opening General Reserve, in terms of the said Standard.
- b) Defined Benefit Plans - As per Actuarial valuation on March 31, 2008.

Gratuity

A Expense recognised in the statement of Profit & Loss Account for the year ended March 31, 2008. Rs.

1	Current service cost	13,77,117
2	Interest Cost	11,76,773
3	Expected return on plan assets	-13,66,406
4	Net actuarial (gain) / loss recognised during the year	24,61,005
5	Total Expense	36,48,489

B Actual return on plan assets

1	Expected return on plan assets	13,66,406
2	Actuarial gain / (loss) on plan assets	1,69,685
3	Actual return on plan assets	15,36,091

C Net Asset/ Liability recognised in the Balance Sheet

1	Present value of obligation	1,76,67,643
2	Fair value of plan assets	1,74,43,772
3	Funded status [surplus/(deficit)]	-2,23,871
4	Net Assets / (Liability) recognised in the Balance Sheet	-2,23,871

D Change in Present value of the Obligation during the year ended March 31, 2008.

1	Present value of obligation as at April 1, 2007	1,88,97,556
2	Current service cost	13,77,117
3	Interest Cost	11,76,773
4	Benefits paid	64,14,493
5	Actuarial (gain) / loss on obligation	26,30,690
6	Present value of obligation as at March 31, 2008	1,76,67,643

E Change in Assets during the year ended March 31,2008.

1	Fair Value of plan assets as at April 1, 2007	2,05,29,815
2	Expected return on plan assets	13,66,406
3	Contributions made	17,92,359
4	Benefits paid	64,14,493
5	Actuarial gain / (loss) on plan assets	1,69,685
6	Fair Value of plan assets as at March 31,2008	1,74,43,772

F Major categories of plan assets as a percentage of total plan - 100% Qualifying Insurance Policy
G Actuarial Assumptions

1	Discount rate	8%
2	Expected rate of return on plan assets	8%
3	Salary Escalation	5%

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

Leave Salary

The defined benefit obligations which are provided for but not funded as on 31-3-2008 is Rs.14,05,000/-

This being the first year in which the company has adopted the Revised Accounting Standard 15 on Employee benefits, comparatives have not been included.

18 Disclosure of Related Parties
(I) List of related parties and relationships :

(a) Key Management Personnel :

Mr. S.Sambhu Prasad, Managing Director

(b) Relatives of Key Management Personnel :

Mrs. Rajeswari.S Mother

(II) Transactions with related party mentioned in (a) above :

Nature of Transaction	2007-2008 (Rs.)	2006-2007 (Rs.)
Remuneration	52,65,498	70,37,395
Dividend paid	8,99,754	7,34,315
Amount payable as on 31.03.2008	2,72,323	29,88,033

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

Dividend Paid	17,39,772	32,41,907
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19 Previous year's figures 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

	S. Sambhu Prasad	Dr. H.B.N. Shetty
As per our Report of even date	Managing Director	Dr. Pasumarthi S.N. Murthi
For P.S.Subramania Iyer & Co.	N.S. Mohan	D. Seetharama Rao
Chartered Accountants	Company Secretary	R. Vijayaraghavan
Hyderabad	V. Swaminathan	Directors
30-06-2008	General Manager (Finance)	

Amrutanjan Health Care Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	Year ended March 31, 2008 Rs.	Year ended March 31, 2007 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	8,73,53,746	14,33,60,881
- Depreciation	2,09,24,591	1,52,12,579
- Exchange difference	-	5,08,796
- Interest received	(5,64,049)	(15,87,958)
- Dividend received	(21,067)	(13,225)
- Rent receipts	(5,49,050)	(2,27,350)
- Sundry balances / Excess provision written back	10,85,563	(35,42,940)
- Profit on sale of fixed assets	(3,64,441)	(12,47,828)
- Interest paid	74,72,300	54,05,433
- Loss on fixed assets sold / discarded	1,55,945	1,11,453
Operating Profit before Working Capital Changes	11,54,93,538	15,79,79,841
Adjustments for:		
- Trade & other receivables	(4,64,61,048)	4,15,18,907
- Inventories	(54,09,886)	(2,37,22,189)
- Trade Payables	60,98,897	53,66,351
Cash generated from operations	6,97,21,501	18,11,42,910
Direct Taxes Paid	(1,92,43,397)	(7,11,34,052)
Cash Flow before extraordinary items	5,04,78,104	11,00,08,858
Extra ordinary items	-	-
Net Cash from operating activities	5,04,78,104	11,00,08,858
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets including Capital Work-in-Progress	(8,24,17,198)	(4,32,74,254)
Sale of Fixed Assets	10,19,833	36,86,852
Purchase of Investments	(31,50,374)	(5,09,626)
Loans to subsidiary companies	-	(21,91,368)
Interest received on deposits	10,88,143	9,07,171
Dividend received	21,067	13,225
Rent received	4,99,275	2,27,350
Net Cash (used in) / generated from Investing Activities	(8,29,39,254)	(4,11,40,650)

C CASH FLOW FROM FINANCING ACTIVITIES	Year ended March 31, 2008 Rs.	Year ended March 31, 2007 Rs.
Increase / (Decrease) in Bank Borrowings	4,28,737	3,62,64,211
Repayment of long term borrowings	(1,25,04,274)	-
Increase / (Decrease) in short term loans	2,00,00,000	(1,70,10,007)
Share capital raised during the year	35,00,600	-
Dividend paid (including Interim Dividend & Dividend Tax)	(2,24,63,040)	(2,44,46,960)
Interest paid	(75,87,191)	(50,78,969)
Net Cash (used in)/generated from financing activities	(1,86,25,168)	(1,02,71,725)
Net Increase/(Decrease) in cash & cash equivalents	(5,10,86,318)	5,85,96,483
Cash and cash equivalents opening balance	7,88,59,668	2,04,31,519
Cash and cash equivalents closing balance	2,77,73,350	7,90,28,002
Notes to the Cash Flow Statement		
1 Cash and Cash equivalents include :		
Cash and Bank balances	2,77,73,350	7,85,19,206
Effect of exchange rate changes	-	5,08,796
Total Cash and Cash equivalents	2,77,73,350	7,90,28,002

2 Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

As per our Report of even date For P.S.Subramania Iyer & Co. Chartered Accountants	S. Sambhu Prasad Managing Director N.S. Mohan Company Secretary V. Swaminathan General Manager (Finance)	Dr. H.B.N. Shetty Dr. Pasumarthi S.N. Murthi D. Seetharama Rao R. Vijayaraghavan Directors
Hyderabad 30-06-2008	N. Srinivasan Partner	

Auditors' Certificate

We have verified the above Cash Flow Statement of Amrutanjan Healthcare Limited derived from the audited financial statements for the year ended 31st March, 2008 and the year ended 31st March, 2007 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreement with Stock Exchange.

Hyderabad
30.06.2008

For **P.S Subramania Iyer & Co.**
Chartered Accountants
N. Srinivasan
Partner
Membership No.200330

Amrutanjan Health Care Limited

TEN YEAR RECORD

(Rupees in Lakhs)

PARTICULARS	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Gross Sales (Includes sales tax & excise duty)	8,566.20	8,269.58	8,025.64	7,591.83	7,694.08	7,774.74	7,068.64	6,541.96	6,389.15	6,007.12
Employee's Salaries & Amenities, etc,	941.34	897.98	976.59	964.15	988.29	893.02	799.39	700.54	648.32	584.49
Profit Before Tax	994.37	1,427.85	1,259.11	892.53	740.16	501.38	637.56	845.61	910.83	829.28
Provision for Taxation										
- Current tax & short provision of earlier years	173.49	518.36	514.85	335.58	315.80	194.15	197.49	230.38	277.02	251.11
- Deferred Tax	194.77	-17.44	-60.46	-46.25	-35.83	-0.66	22.13	-	-	-
Profit after Tax	626.11	926.93	804.72	603.20	460.19	307.89	417.94	615.23	633.81	578.17
Dividend	224.00	192.00	128.00	112.00	105.60	96.00	96.00	88.00	72.00	64.00
Fixed Assets & Investments	2,228.89	1,537.55	1,593.55	2,042.41	2,300.55	2,369.23	2,359.76	2,141.35	1,763.57	1,209.41
Net Current Assets	1,563.27	1,761.18	1,156.26	2,424.24	2,421.80	1,910.07	1,380.73	1,115.18	1,073.30	1,248.16
Total	3,792.16	3,298.73	2,749.81	4,466.65	4,722.35	4,279.30	3,740.49	3,256.53	2,836.87	2,457.57
Represented by:										
Share Capital	320.00	320.00	320.00	320.00	320.00	320.00	320.00	160.00	160.00	160.00
Reserves	2,225.27	1,999.16	1,628.60	2,469.83	2,368.82	2,327.76	2,022.83	2,314.29	1,800.00	1,250.51
Net Worth	2,545.27	2,319.16	1,948.60	2,789.83	2,688.82	2,647.76	2,342.83	2,474.29	1,960.00	1,410.51
Loans	846.70	768.61	572.80	1,387.95	1,698.42	1,260.60	1,026.05	782.24	876.87	1,047.06
Deferred Tax Liability	400.19	210.96	228.41	288.87	335.11	370.94	371.61	-	-	-
Total	3,792.16	3,298.73	2,749.81	4,466.65	4,722.35	4,279.30	3,740.49	3,256.53	2,836.87	2,457.57
Earnings per share (Rs.) (before exceptional items)	19.57	28.96	25.15	18.85	14.38	9.62	13.06	38.45	39.61	36.14
Book value per share (Rs.)	79.54	72.47	60.89	87.18	84.03	82.74	73.21	154.64	122.50	88.16
Dividend (%)	70	60	40	35	33	30	30	55	45	40

Amrutanjan Health Care Limited

Dear Shareholder,

SEBI has advised that all companies should use Electronic Clearing System (ECS) facility for distributing dividends or other cash benefits to the investors wherever available. In the absence of availability of ECS facility, the companies may use warrants for distributing the Dividends.

Currently, ECS facility is available at the following locations viz., **Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram**. We request all the shareholders residing in the above locations to give their bank details so that all future dividend payments can be remitted through ECS. The bank account details will be used for suffixing along with the name of the shareholder on the dividend warrants issued in future.

N.S.Mohan
Company Secretary

ECS MANDATE FORM

(For use of the shareholders holding shares in physical mode only)

To
Cameo Corporate Services Ltd.,
Unit: Amrutanjan Health Care Limited,
"Subramaniam Building"
No.1, Club House Road,
Chennai 600 002.

Place : _____

Date : _____

Dear Sirs,

Change in mode of payments to Electronic Clearing System (ECS)

I hereby give consent to have the amount of Dividend on my equity shares credited through the Electronic Clearing System (Credit Clearing) — (ECS). The particulars are:

Folio No.

--	--	--	--	--	--	--	--	--	--

Name of the First Holder _____

Bank Name _____

Branch Name _____

Account Number _____

Account Type

Savings

Current

Cash Credit

Branch Code

--	--	--	--	--	--	--	--	--	--

(9 Digits Code Number Appearing on the MICR Band of the cheque supplied by the Bank)
Please attach a Xerox copy of cheque or a blank cheque of your bank duly cancelled for
ensuring accuracy of the bank's name)

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information or any other reason, I would not hold the Company/ Registrars & the Share Transfer Agents responsible. I also undertake to advise changes, if any, in the particulars of my account to facilitate updation of records for purposes of credit of Dividend amount through ECS.

Signature of the first named / sole member

Note : 1. Please complete the form and send it to the Registrars & Share Transfer Agents at the above address, if you are holding shares in physical form.

2. In case of shares held in dematerialised form, inform/update your information directly with the Depository Participant (DP) with whom you are maintaining Demat Account and not to the Company or its Registrars & Share Transfer Agents.

Amrutanjan Health Care 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 Seventy First Annual General Meeting of the Company on Thursday, the 18th September, 2008 at Rani Seethai Hall, No.603, Anna Salai, Chennai 600 006 at 10.30 a.m.

(*) **Applicable only in case of investors holding shares in electronic form.**

(@) **Strike out whichever is not applicable.**

Amrutanjan Health Care 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 Health Care Limited, hereby
 appoint of in the district of
 as my/our proxy to attend and vote for me/us on my/our behalf at the
 Seventy First Annual General meeting of the Company on Thursday, the 18th September, 2008 at
 Rani Seethai Hall, No.603, Anna Salai, Chennai 600 006 at 10.30 a.m. and at any adjournment thereof.

Signed this day of 2008 Signature

Affix
15 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.

AMRUTANJAN

Imagine a world
without pain.

We're working on it.



BOOK-POST / CERTIFICATE OF POSTING

If undelivered, please return to:

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