

ANNUAL REPORT

2009-2010





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



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TEN YEAR HIGHLIGHTS

(Rupees in Lakhs)

PARTICULARS	2010 *	2009 *	2008	2007	2006	2005	2004	2003	2002	2001
Sales	9,374.55	9,607.61	8,566.20	8,269.58	8,025.64	7,591.83	7,694.08	7,774.74	7,068.64	6,541.96
Other Income	605.19	695.57	39.76	98.91	134.07	78.72	94.44	111.35	62.85	73.13
Total	9,979.74	10,303.18	8,605.96	8,368.49	8,159.71	7,670.55	7,788.52	7,886.09	7,131.49	6,615.09
Profit Before Tax (PBT)	1,926.48	1,868.03	994.37	1,427.85	1,259.11	892.53	740.16	501.38	637.56	845.61
Provision for Taxation:										
- Current tax & short provision of earlier years	750.37	735.71	173.49	518.36	514.85	335.58	315.80	194.15	197.49	230.38
- Deferred Tax	(39.21)	(78.57)	194.77	(17.44)	(60.46)	(46.25)	(35.83)	(0.66)	22.13	-
Profit after Tax (PAT)	1,215.32	1,210.89	626.11	926.93	804.72	603.20	460.19	307.89	417.94	615.23
Dividend	454.50	521.05	224.00	192.00	128.00	112.00	105.60	96.00	96.00	88.00
Fixed Assets & Investments	6,823.21	1,861.74	2,228.89	1,537.55	1,593.55	2,042.41	2,300.55	2,369.23	2,359.76	2,141.35
Net Current Assets	3,326.39	7,862.96	1,563.27	1,761.18	1,156.26	2,424.24	2,421.80	1,910.07	1,380.73	1,115.18
Total	10,149.60	9,724.70	3,792.16	3,298.73	2,749.81	4,466.65	4,722.35	4,279.30	3,740.49	3,256.53
Represented by:										
Share Capital	303.00	310.17	320.00	320.00	320.00	320.00	320.00	320.00	320.00	160.00
Reserves	9,438.34	9,072.28	2,225.27	1,999.16	1,628.60	2,469.83	2,368.82	2,327.76	2,022.83	2,314.29
Net Worth	9,741.34	9,382.45	2,545.27	2,319.16	1,948.60	2,789.83	2,688.82	2,647.76	2,342.83	2,474.29
Loans	125.85	20.64	846.70	768.61	572.80	1,387.95	1,698.42	1,260.60	1,026.05	782.24
Deferred Tax Liability	282.41	321.61	400.19	210.96	228.41	288.87	335.11	370.94	371.61	-
Total	10,149.60	9,724.70	3,792.16	3,298.73	2,749.81	4,466.65	4,722.35	4,279.30	3,740.49	3,256.53
Earnings per share (Rs.) (before exceptional items)	40.03	38.07	19.57	28.96	25.15	18.85	14.38	9.62	13.06	38.45
Book value per share (Rs.)	329.50	302.50	79.54	72.47	60.89	87.18	84.03	82.74	73.21	154.64
Dividend (%)	150	570	70	60	40	35	33	30	30	55

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



CORPORATE INFORMATION



Board of Directors

Mr. S. Sambhu Prasad, Managing Director
Dr. H.B.N. Shetty
Mr. D. Seetharama Rao
Dr. Pasumarthi S.N.Murthi
Mr. A. Satish Kumar

Company Secretary

Mr. N.S. Mohan

General Manager (Finance)

Mr. K. Kannan

Statutory Auditors

M/s. P.S. Subramania Iyer & Co.,
Chartered Accountants
Chennai.

Bankers

Indian Overseas Bank
Punjab National Bank
HDFC Bank Limited
IDBI Bank Limited

Registered Office

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

Factories

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

Branches

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

Registrars & Share Transfer Agents

M/s. Cameo Corporate Services Limited
"Subramaniam Building"
No.1, Club House Road, Chennai - 600 002.
Telephone : 044 - 2846 0390
Fax : 044 - 2846 0129
E-mail : cameosys@cameoindia.com



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

NOTICE

NOTICE is hereby given that the Seventy Third Annual General Meeting of the members of Amrutanjan Health Care Limited will be held on Wednesday, the 25th day of August, 2010 at Narada Gana Sabha (Sathguru Gnanananda Hall), No.314 (Old No.254), T.T.K. Road, Chennai 600 018 at 10.30 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, the Profit and Loss Account for the year ended 31st March, 2010, 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, 2010.
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 in terms of Clause 49 and other applicable provisions if any, of the Listing Agreement entered into with Madras Stock Exchange Limited, and pursuant to the provisions of Section 309(4) of the Companies Act, 1956, (Act), a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 & 350 of the Act, as commission be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director) in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors, in addition to sitting fees for attending the meeting of the Board or Committee thereof, and such payments shall be made in respect of the profits of the Company for each year of the period of five years commencing from 1st April, 2010 to 31st March, 2015."

**FOR AND ON BEHALF OF THE BOARD
FOR AMRUTANJAN HEALTH CARE LIMITED**

Chennai
14.07.2010

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 relating to item No.6 of the Notice as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 17th August, 2010 to 25th August, 2010 (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 25th August, 2010 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 close of business hours on 16th August, 2010.
5. Members are requested to note that the Company's Equity shares are under compulsory demat mode of trading. Members who have not yet dematerialized their physical holdings in the company are advised to avail the facility of dematerialization of equity shares of the company.
6. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their address, bank details, nominations, power of attorney, etc. to their depository participant only and not to the Company or its Registrars and Share Transfer Agents.
7. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. As per the Reserve Bank of India guidelines, with effective from 30th September, 2009, Electronic Clearing Service (ECS) has been moved completely on to the National Electronic Clearance System (NECS) platform, through the core banking system. Accordingly, dividend will be credited to the member's bank account through NECS, where complete core banking details are available with the Company. In the event, any branch of a bank has not migrated to core banking



system, or where the core banking account number is not furnished by the member to their Depository Participant / Company as the case may be, the Company will print the details as available in its records on the dividend warrants to be issued to the members.

8. Members are advised to avail the facility of National Electronic Clearing Service (NECS) for receipt of dividends. Members are requested to contact their respective Depository Participants (DPs) for availing NECS facility. Members holding shares in physical form and desirous of availing NECS facility are requested to complete the NECS 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.
9. 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 2009-10 the Company has transferred the unclaimed amount pertaining to Final Dividend for the financial year 2001-2002 amounting to Rs.8,30,34.40 to IEPF. Members who have not yet encashed their final dividend warrants from the financial year 2002-2003 onwards are requested to make their claims to the Company immediately.
10. Details under Clause 49 of the Listing Agreement entered into with the Madras Stock Exchange Limited in respect of Directors seeking re-appointment at the Annual General Meeting are given below.
11. Members desirous of having any information regarding Accounts are requested to address their queries to the General Manager (Finance) at the

Registered Office of the Company at least seven days before the date of the Annual General Meeting, so that the requisite information is made available at the meeting. Members are requested to bring their copy of the Annual Report to the Meeting.

12. Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.

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

Item No.6

The Non-Executive Directors are required to devote more time and attention. Further, taking into consideration the current competitive business environment and corporate governance norms which require enhanced levels of decision making thereby making the responsibilities of the Directors more onerous, it is proposed to remunerate the Director(s) of the Company who are neither in the whole time employment nor managing director with such commission up to a ceiling of 1% of the net profits of the Company for every year, as computed in the manner referred to in Sections 198, 349 & 350 of the Companies Act, 1956 for a period of 5 years commencing from 1st April, 2010 to 31st March, 2015.

The Board of Directors shall determine each year the specific amount to be paid as commission to the Non-Executive Directors which shall not exceed 1% of the net profits of the Company for that year as computed in the manner as stated above.

The Board of Directors accordingly recommends the resolution set out at Item No.6 of the accompanying Notice for the approval of the Members.

All the Non-Executive Directors of the Company are interested in this resolution to the extent of commission that may be payable to them from time to time.

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

Chennai
14.07.2010

Dr. H.B.N. Shetty
Director

Details of Directors seeking re-appointment in the 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	-	Data Quest Infotech and Enterprises Limited
Chairman/Member of the Committees of Board of Directors of other Companies	-	-
Shareholding	48090 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 in the manner indicated in Schedule IA of the Companies Act, 1956.



REPORT OF THE DIRECTORS' TO THE MEMBERS

Your Directors have pleasure in presenting their report on the financial results of the company for the Seventy Third year, along with the audited Balance Sheet as on 31st March, 2010 and the Profit and Loss Account for the year ended 31st March, 2010.

1. FINANCIAL RESULTS

Your Directors are pleased to furnish below the financial results for the year ended 31st March, 2010.

Particulars	For the Current Year ended 31st March, 2010		For the Previous Year ended 31st March, 2009	
		Rs.		Rs.
Profit before Interest and Depreciation		18,67,66,845		20,35,72,200
Less: Interest	3,44,632		15,31,802	
Depreciation	1,25,67,607		1,48,01,221	
		1,29,12,239		1,63,33,023
Profit before extraordinary items		17,38,54,606		18,72,39,177
Exceptional items		1,93,61,883		–
Prior year adjustments (Net)		(5,67,971)		(4,35,809)
Profit before tax		19,26,48,518		18,68,03,368
Provision for taxation				
- Income Tax		(7,50,00,000)		(7,00,00,000)
- Fringe Benefit Tax		–		(30,00,000)
- Deferred Tax		39,20,515		78,57,447
Short Provision for Income Tax of earlier years		(36,936)		(5,71,177)
Profit after tax before exceptional items		12,15,32,097		12,10,89,638
Extraordinary Items (Net of Tax)		(34,32,731)		80,75,05,163
Profit after tax after exceptional items		11,80,99,366		92,85,94,801
Add: Transfer from Profit & Loss Account				
- Surplus from previous year brought forward		25,14,84,812		3,36,04,166
Profit for Appropriation		36,95,84,178		96,21,98,967
Appropriations:				
General Reserve		5,00,00,000		50,00,00,000
Transfer to Contingency Reserve		1,00,00,000		–
Special One Time Interim Dividend 2008-09		–		12,80,00,000
Tax on Special One Time Interim Dividend 2008-09		–		2,17,53,600
Interim Dividend Paid		1,51,50,000		1,57,45,265
Tax on Interim Dividend		25,74,743		26,75,908
Final Dividend - Proposed		3,03,00,000		3,63,60,000
Tax on Proposed Final Dividend		51,49,485		61,79,382
Balance Profit carried to Balance Sheet		25,64,09,950		25,14,84,812
		36,95,84,178		96,21,98,967

2. DIVIDEND

Your Directors, considering the profits projected for the year 2009-10, have declared and paid an interim dividend of 50% (Rs.5/- per share) on the equity share capital of Rs.303.00 lakhs amounting to Rs.151.50 lakhs during the year. Further, your directors have pleasure in recommending a final dividend of 100% (Rs.10/- per share) for the year ended 31st March, 2010 amounting to Rs.303.00 lakhs. The Company will bear the dividend distribution tax of Rs.51.49 lakhs.



3. CHANGE IN THE NAME OF THE DIVISION

During the year under review, the name of the Fine Chemicals Division of the Company was changed to Pharmaessense Chemistry Services Division with a new vision "To be a multi-dimensional chemistry services organization, that delivers cost-effective, world-class solutions, driven strongly by Science and Technology, thus, truly enabling the Global Pharma and Health sectors." With such an envisioning as its focus and guiding light, the Company intends to achieve a brand equity that is truly reflective of the culture, tradition and strength.

4. PERFORMANCE OF YOUR COMPANY

The Total Gross Sales of the Company for the year ended 31st March, 2010 decreased by 2.43% as compared to the previous year and was at Rs.96.08 crores. The Company's OTC (Over The Counter) segment's Gross Sales stood at Rs.88.98 crores while Company's Pharmaessense Chemistry Services Division segment's sales was Rs.4.76 crores.

Profit before exceptional and extraordinary items was at Rs.17.38 crores, which is lower by 7% when compared to the previous year. The net profit after Extraordinary items was at Rs.11.80 crores.

5. BUY-BACK OF SHARES

The Board at its meeting held on 30th January, 2010 considered and approved the buy-back of equity shares of the company at a rate not exceeding Rs.550/- per equity share. In view of the fact that the price of the shares have gone up over and above the buy-back offer price, since the buy-back announcement, the Board considered updates and deliberated upon the buy-back. Considering the price movement, the Board felt that the Company could not buy-back the shares and hence the buy-back offer was withdrawn on 14th July, 2010.

6. FIXED DEPOSITS

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

7. DIRECTORS

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

8. 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, 2010 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.

9. CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of the Corporate Governance as prescribed in the listing agreement entered into with Madras Stock Exchange Limited. The report on Corporate Governance and Management Discussion and Analysis is attached to this Annual Report.

10. SUBSIDIARY COMPANIES

Data Quest Infotech & Enterprises Limited

There were no business operations during the year under review. All the issues pertaining to the International Call Centre pending with the various statutory authorities for over a period of time have been resolved and hence the administrative costs pertaining to the same will not recur. The pending issues having been sorted out, the Board now will be able to look into other options/ alternatives available before the Company which may be pursued with in the overall interest of the stakeholders and the Company.

Holistic Beauty Care Limited

During the year under review the Company was focusing on niche segment of pain management using alternative techniques, primarily into treating headache, backache, neck and shoulder and generalised Myalgia, catering to the age group of 30-75. The Company plans to concentrate on preventive care, larger format in pain management including palliative care, Acquire Diagnostics centres and venture in primary care. The types of treatment shall be pain management, prevention of diseases and Primary care.



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, on application, has received the approval from the Central Government under Section 212(8) of the Companies Act, 1956, exempting the Company from attaching the accounts, etc., of its subsidiary companies with the Balance Sheet of the Company. Hence the accounts of the subsidiaries viz., Data Quest Infotech and Enterprises Limited and Holistic Beauty Care Limited are not attached. Besides, a statement giving certain information as required under Section 212(8) of the Companies Act, 1956, is attached along with the Consolidated Accounts. **The Company will make available the Annual accounts and the related detailed information of its Subsidiary Companies viz., Data Quest Infotech and Enterprises Limited and Holistic Beauty Care Limited to any investor of Amrutanjan Health Care Limited and its Subsidiary Companies viz., Data Quest Infotech and Enterprises Limited and Holistic Beauty Care Limited 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 viz., Data Quest Infotech and Enterprises Limited and Holistic Beauty Care Limited. The Company shall furnish hard copies of the accounts of its subsidiaries viz., Data Quest Infotech and Enterprises Limited and Holistic Beauty Care Limited to any shareholder on demand.**

11. CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the company and its subsidiaries viz., Data Quest Infotech & Enterprises Limited and Holistic Beauty Care Limited have been prepared and presented in the Annual Report.

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

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

13. PARTICULARS OF EMPLOYEES

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

14. AUDITORS

The Auditors, M/s. P.S. Subramania Iyer & Co., Chartered Accountants, hold office upto the date of the ensuing Annual General Meeting and are eligible for re-appointment. As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has obtained written confirmation from M/s. P.S. Subramania Iyer & Co., that their appointment, if made, would be in conformity with the limits specified in the said section..

15. COST AUDITOR

The Company has received the approval from the Central Government for appointment of Mr. G. Thangaraj, Cost Accountant as the Cost Auditor to conduct the audit of Cost records maintained by the Company in respect of the Formulations and Bulk Drugs business for the year ended 31st March, 2010.

16. ACKNOWLEDGEMENT

The Board of Directors expresses its sincere appreciation to all the shareholders, customers and well wishers of the Company for their co-operation and support extended to the Company and looks forward to their continued patronage in the years to come.

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

Chennai
14.07.2010

S. Sambhu Prasad
Managing Director

Dr. H.B.N. Shetty
Dr. Pasumarthi S.N. Murthi
D. Seetharama Rao
A. Satish Kumar
Directors



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:

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

(A) POWER AND FUEL CONSUMPTION

	Year ended 31.3.2010		Year ended 31.3.2009	
	OTC	PHARMAESSENSE CHEMISTRY SERVICES	OTC	FINE CHEMICALS
1. Electricity:				
a) Purchased:				
Units	4,09,265	1,95,315	4,42,763	N.A.
Total Amount (Rs.)	27,96,248	9,61,777	23,91,626	N.A.
Rate/Unit (Rs.)	6.83	4.92	5.40	N.A.
b) Own Generation:				
(i) Through Diesel Generator:				
Units	2,74,871	56,833	1,51,335	N.A.
Units per litre of Diesel	3.72	3.40	3.79	N.A.
Cost/Unit (Rs.)	10.18	10.32	9.49	N.A.
(ii) Through Steam Generator:				
Units	—	—	26,907	N.A.
Cost/Unit (Rs.)	—	—	—	—

(B) CONSUMPTION PER UNIT OF PRODUCTION:

Products (with details) Unit	Standards (if any)	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
Electricity:			
OTC	(Per Ton)	8,575.00	6,433.38
Chemicals	(Per Ton).	—	—
Furnace Oil, Coal and Others	—	—	—

FORM B

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

I. RESEARCH & DEVELOPMENT**1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY****Consumer Product Research (OTC)**

- Development of formulation of OTC products in for specific pain relief with target and action oriented medicinal herbal ingredients.
- Conducted experimental trials, market feed trial and performance tests for the new products for lower back pain, Knee pain etc.
- Formulation development for sore throat treatment and for oral hygiene.
- Continuous improvement of existing product for its better stability and performance.
- Transfer of Technology to production for a new cold treatment product "Cold Rub".



Chemical Research

- New and improved cost effective processes developed for key intermediates thus increasing the contribution margins.
- New methods of syntheses for a new NCE Intermediate using natural chiral pool resource.

2. BENEFITS OF R&D

Consumer Product Research (OTC)

- Development of herbal based sore throat pain alleviation formulation.
- Study of cost-effective formulation without compromising the quality of the products.
- Introduction of new product line viz., Cold Rub.
- Trouble shooting, fine tuning and process improvement of the existing products to make it more effective with respect to the cost and quality.
- Introduction of new pain care product for lower-back pain "Back-On".

Chemical Research

- The cost effective process for key custom syntheses products.
- Development of new and value added advanced intermediates from the existing generic intermediates.

3. PLANNING FOR THE FUTURE

Consumer Product Research (OTC)

- Remain the top leader in overall pain – alleviating products' company.
- Development of OTC products (Non-pain balm category) to avoid the dependency on the pain balm category in future.
- Development and improvement of products in specific therapy areas in pain alleviation.

Chemical Research

- Providing service to MNCs in support of their NCE pipeline by way of supplying clinical and preclinical materials.
- Providing economical and environmental friendly processes as a service to MNCs and become a leader in its core areas of function in the next five years.
- Being the enabler in the attempt of MNCs R&D efforts and to add value to their products.

4. EXPENDITURE ON R&D

(Rs. in lakhs)

Capital	1.40
Recurring	77.36
Total	<u>78.76</u>

Total R&D expenditure as a percentage of total turnover 0.88 %

5. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Consumer Product Research (OTC)

- New category of pain Alleviation product ready to be launched.
- Introduced Cold Rub for cold treatment.

Chemical Research

- New cGMP facility inaugurated; several key and novel chemistries have been used in serving the custom syntheses needs of several MNCs and other overseas customers.
- The current capability includes ability to manufacture Key Regulatory intermediates and also Clinical supplies and facility is designed as per the USFDA expectations.

II. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lakhs)

Total foreign exchange earnings	380.60
Total foreign exchange outgo	<u>207.74</u>



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, 2010.

Sl. No.	Name, Age and Nature of Employment	Designation/Nature of Duties	Qualification	Experience (in years)	Gross Remuneration (in Rs.)	Date of Commencement of Employment	Particulars of last employment
1	Mr. S. Sambhu Prasad * (36) (Contractual)	Managing Director (Management of whole affairs of the Company)	B.Tech (USA) M.B.A. (USA)	14	1,13,85,044	07.08.2005	Warren Industries, Wisconsin, USA.
2.	Dr. R. Soundararajan (51)	Business Head (Pharmaceuticals Chemistry Services Division)	Ph.D	21	40,96,440	16.02.2009	Sai Advantium Pharma Ltd.
3.	Mr. Sanjay Sachdeva @ (42)	Senior Vice-President (Sales & Marketing)	MBA (Marketing)	21	44,67,563	03.08.2009	Tetra Pak India Pvt Ltd

Notes:

- Remuneration received includes salary, house rent allowance, taxable perquisites, commission, company's contribution to provident fund, gratuity and other fund.
- * Nature of employment and terms and conditions of services are governed by Schedule XIII of the Companies Act, 1956.
- @ Employed for a part of the year.



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

As at 31st March, 2010, the Board of Directors of Amrutanjan Health Care Limited consists of 5 Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with Madras Stock Exchange Limited.

Composition and category of Directors are as follows:

Name	Category
Mr. S. Sambhu Prasad – Managing Director	Promoter / Executive Director
Mr. D. Seetharama Rao	Promoter / Non-Executive Director
Dr. Pasumarthi S.N. Murthi	Promoter / Non-Executive Director
Dr. H.B.N. Shetty	Non-Executive and Independent Director
Mr. A. Satish Kumar	Non-Executive and Independent Director

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	1	No	1	-	-
Mr. D. Seetharama Rao	6	Yes	-	-	-
Dr Pasumarthi S.N. Murthi	6	Yes	1	-	-
Dr. H.B.N. Shetty	6	Yes	1	-	-
Mr. A. Satish Kumar	5	Yes	4	3	-

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2010 have been made by the Directors.

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

During the financial year 2009-10, Six Board Meetings were held as against the requirement of four meetings. The meetings were held on (i) 25th June, 2009, (ii) 26th June, 2009, (iii) 27th July, 2009, (iv) 1st October, 2009, (v) 23rd October, 2009 and (vi) 30th January, 2010. The maximum time gap between any two meetings was not more than four months.

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.
- ◆ Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- ◆ 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 two Independent Directors viz., Dr. H.B.N. Shetty and Mr. A. Satish Kumar & one Non-Executive Director, Mr. D. Seetharama Rao. The Chairperson of the Audit Committee is Dr. H.B.N. Shetty. The Constitution of the Audit Committee is in line with the provisions of Clause 49 of the Listing Agreement entered into with Madras Stock Exchange Limited read with Section 292A of the Companies Act, 1956.

During the year under review, the Committee met five times on 26th June, 2009; 27th July, 2009; 1st October 2009, 23rd October 2009 and 30th January, 2010. 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	Category	No. of Meetings Attended
Dr. H.B.N. Shetty	Chairman & Independent Director	5
Mr. D. Seetharama Rao	Non-Executive Director	5
Mr. A. Satish Kumar	Independent Director	5

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 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 Dr. H.B.N. Shetty, Dr. Pasumarthi S.N. Murthi and Mr. D. Seetharama Rao. The Chairperson of the Remuneration Committee is Dr. H.B.N. Shetty.

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.

During the year under review, the Remuneration Committee met on 23rd October, 2009 to review the remuneration package of the Managing Director.

i) Details of remuneration paid to Managing Director for the year 2009-10: (Rs. In Lakhs)

Name	Salary, H.R.A & Perquisites	Contribution to Provident Fund, Gratuity & other Fund	Commission	Total
Mr. S. Sambhu Prasad	47.55	6.16	60.14	113.85



ii) 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 meeting attended by them. The sitting fees paid for the year ended 31st March, 2010 to the Directors are as follows:

Name of the Director	Amount (in Rs.)
Mr. D. Seetharama Rao	1,95,000
Dr Pasumarthi S.N. Murthi	1,27,500
Dr. H.B.N. Shetty	1,95,000
Mr. A. Satish Kumar	1,12,500

iii) Shareholding of Non-Executive Directors:

Name of the Director	Category	No. of Shares held
Mr. D. Seetharama Rao	Promoter / Non-Executive Director	48090
Dr Pasumarthi S.N. Murthi	Promoter / Non-Executive Director	66063
Dr. H.B.N. Shetty	Non-Executive & Independent Director	250
Mr. A. Satish Kumar	Non-Executive & Independent Director	-

c. Shareholders' / Investors' Grievance Committee

The Shareholders / Investors Grievance Committee consists of Dr. H.B.N. Shetty and Mr. D. Seetharama Rao. Dr. H.B.N. Shetty is heading the Committee. The Committee met four times during the year under review on 26th June, 2009, 27th July, 2009, 23rd October, 2009 and 30th January, 2010. Attendance of each member at the Committee Meeting was as follows:

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

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 the shareholders during the year under review was 21. No request for transfer is pending as on 31st March, 2010, 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 under review, the Committee met four times viz., on 26th June, 2009; 27th July, 2009; 23rd October, 2009; and 30th January, 2010. Attendance of each member at the Committee Meeting was as follows:



Name of the Member	Category	No. of Meetings Attended
Dr. H.B.N. Shetty.	Chairman & Independent Director	4
Mr. D. Seetharama Rao	Non-Executive Director	4
Mr. Pasumarthi S.N. Murthi	Non-Executive Director	4
Mr. S. Sambhu Prasad	Managing Director	1

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

2. General Body Meetings

- a) Date, Time and Venue of the last three Annual General Meetings held and details of Special Resolutions passed in the last three Annual General Meetings:

2006-2007

Date : 16th August, 2007
 Time : 03.15 p.m.
 Venue : Rani Seethai Hall, Anna Salai, Chennai - 6
 Special Resolution : One Special Resolution was passed under Section 21 of the Companies Act, 1956 for Change of name of the Company from "Amrutanjan Limited" to "Amrutanjan Health Care Limited". The Resolution was carried unanimously.

2007-2008

Date : 18th September, 2008
 Time : 10.30 a.m.
 Venue : Rani Seethai Hall, Anna Salai, Chennai - 6
 Special Resolution : One Special Resolution under Section 372A of the Companies Act, 1956 for Inter-corporate Investments mentioned in the notice of the Annual General Meeting, was not taken up for consideration at the Annual General Meeting.

2008-2009

Date : 30th September, 2009
 Time : 02.30 p.m.
 Venue : Kamaraj Memorial Hall, Anna Salai, Chennai - 6
 Special Resolution : Nil

- b) Special resolutions passed through postal ballot during the year from 1st April, 2009 to 31st March, 2010:
 Special Resolution was passed on 22nd March, 2010 by means of postal ballot for Buy-back of the equity shares of the Company.

The notice of the postal ballot dated 30th January, 2010 as approved by the Board of Directors of the Company containing the special resolution together with the relevant explanatory statement and the postal ballot form were sent to all the members of the Company.

Mr. V. Suresh, Practising Company Secretary, was appointed as Scrutinizer for conducting the postal ballot process in a fair and transparent manner. The scrutinizer submitted his report to the Chairman on 22nd March, 2010. The results of the Postal Ballot were announced by the Chairman at the Registered Office of the Company on 22nd March, 2010, published in the newspaper and displayed on the website of the Company.

The details of voting pattern for the special resolution are given below:

Sl No.	Description	No. of valid ballots	In favour of the Resolution		Against the Resolution	
			Number of Votes cast	%	Number of Votes cast	%
1.	Buy-back of Equity Shares of the Company	556	15,54,714	99.22	12,266	0.78



13 Ballots were invalid for various reasons as certified by the Scrutinizer .

The Special Resolution was passed with the requisite majority.

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 had been followed for the Postal Ballot conducted during the year for the resolution mentioned above.

- c) Proposal to pass any special resolution to be conducted through postal ballot.

Till the date of signing this report, there is 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.

- 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 the Stock Exchanges or SEBI, or any Statutory Authority on any matter related to capital markets, during the last three years.

- c. The Company has not adopted any Whistle Blower policy. However, the Company has not denied access to any personnel to approach the Management of the Audit Committee on any issue.

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

Mandatory Requirements

- (i) Code of Conduct:

The Company has laid down procedures to be followed by the Members of the Board and Senior Management Personnel for ethical professional conduct. The members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the code. A declaration signed by the Managing Director to this effect is attached to the report.

- (ii) CEO/CFO Certification:

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

Non-Mandatory Requirements

- (i) Remuneration Committee:

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

4. Means of Communication

The quarterly, half yearly and the annual results of the Company are published in THE FINANCIAL EXPRESS [National Daily] and DINAMANI [Regional Newspaper]. The same are sent to Stock Exchanges and also displayed on the website of the Company viz., www. amrutanjan.com

5. General Shareholder Information

- a. **Annual General Meeting:**

Date	:	Wednesday, the 25th August, 2010
Time	:	10.30 a.m.
Venue	:	Narada Gana Sabha (Sathguru Gnanananda Hall), No.314 (Old No.254), T.T.K. Road, Chennai - 600 018.



- b. Financial Year** : For the financial year from 1st April, 2010 to 31st March, 2011, the results will be announced within 45 days from the end of the quarter as stipulated under the Listing Agreement with the Stock Exchange.
- c. Book Closure date** : From 17th August, 2010 to 25th August, 2010 (both days inclusive)
- d. Dividend Payment date** : An Interim Dividend of 50% (Rs.5/- per share), was declared by the Board of Directors of the Company on 30th January, 2010 and paid on 22nd February, 2010. The final dividend as recommended by the Board of Directors of the Company, if approved, by the members of the company at the forthcoming Annual General Meeting will be paid after 25th August, 2010 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 are permitted to be traded under Indonext Trading Platform ('S' Group) on the Bombay Stock Exchange Limited with effect from 7th January, 2005. The shares are also being traded in National Stock Exchange of India Limited with effect from 5th November, 2009.

Listing fee for 2009-2010 has been paid to Madras Stock Exchange Limited where the company's equity shares are listed.
- f. Stock Code/ Scrip Code & ISIN No.**
 - Name of the Exchange : Scrip Code
 - Bombay Stock Exchange Limited : 590006
 - National Stock Exchange of India Limited : AMRUTANJAN
 - ISIN for NSDL & CDSL for Dematerialized Equity Shares : INE098F01015

g. Market Price Data (face value of Rs.10/- each)

Month	Bombay Stock Exchange Ltd (BSE) (in Rupees per share)		National Stock Exchange of India Ltd (NSE) (in Rupees per share)	
	Month's High	Month's Low	Month's High	Month's Low
April, 2009	425.00	325.00	-	-
May, 2009	368.00	300.00	-	-
June, 2009	390.00	330.00	-	-
July, 2009	380.00	340.00	-	-
August, 2009	380.00	345.10	-	-
September, 2009	601.00	367.05	-	-
October, 2009	509.90	414.70	-	-
November, 2009	473.90	400.00	554.00	413.00
December, 2009	487.80	426.25	495.00	428.00
January, 2010	607.40	459.05	608.85	436.00
February, 2010	584.50	500.00	584.00	511.00
March, 2010	1,050.00	565.00	1054.00	560.00



h. Registrars and Share Transfer Agents

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

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, 2010:

Shareholding			Shareholders		Share Amount	
Rs.		Rs.	Numbers	% to Total	Rs.	% to Total
10		5000	8909	95.30	55,59,220	18.35
5001	-	10000	232	2.49	17,56,120	5.80
10001	-	20000	104	1.11	15,33,480	5.06
20001	-	30000	31	0.33	7,91,460	2.61
30001	-	40000	17	0.18	5,93,580	1.96
40001	-	50000	10	0.10	4,50,170	1.49
50001	-	100000	22	0.23	15,78,010	5.20
100001		and above	24	0.26	1,80,37,960	59.53
Total			9349	100.00	3,03,00,000	100.00

(ii) Distribution of shares by category as on 31st March, 2010:

Category	No. of shares held	Percentage (%)
Promoters Holdings	14,38,412	47.47
Indian Public & Others	13,99,538	46.19
Mutual Funds	400	0.01
Trusts	1859	0.06
Corporate Bodies	1,77,076	5.85
Banks	2,546	0.08
NRIs / OCBs	10,169	0.34
Total	30,30,000	100.00

k. Dematerialisation of Shares and Liquidity

The shares of the Company are in compulsory demat mode and are available for trading in the depository systems of both NSDL & CDSL. As on 31st March, 2010, 13,07,347 shares representing 43.15% 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 : NIL

**m. Plant Locations**OTC Divisions

No.103 (Old No.42-45),
Plot No.14, Luz Church Road,
Mylapore, Chennai - 600 004.
Tamil Nadu.

Industrial Development Area,
Uppal, Hyderabad - 500 039.
Andhra Pradesh.

Pharmaessense Chemistry Services Division

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

n. Address for correspondence

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

For shares held in physical form

Cameo Corporate Services 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 Dematerialized 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 14.07.2010.

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, 2010 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.

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

N. Srinivasan

Partner

Membership No.200330

Chennai
14.07.2010



CEO / CFO CERTIFICATION

To The Board of Directors of Amrutanjan Health Care Limited,

In compliance with Clause 49(V) of the Listing Agreement entered into with Madras Stock Exchange Limited, we hereby certify that :

- (a) We have reviewed financial statements and the Cash Flow Statements for the year ended 31st March, 2010 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements 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;.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2009-10, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have not observed any deficiencies in the design or operation of internal controls.
- (d) We have indicated to the Auditors and the Audit Committee that there are:-
 - i. no significant changes in internal control over financial reporting during the year;
 - ii. no significant changes in accounting policies during the year;.
 - iii. no instances of fraud where the involvement of management having a significant role in the company's internal control system have been observed except an instance of fraud by an employee to an extent of Rs.145.62 lakhs.

Chennai
14.07.2010

S. Sambhu Prasad
Managing Director

K. Kannan
General Manager (Finance)

CODE OF CONDUCT – 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, 2009 to 31st March, 2010.

Chennai
14.07.2010

S. Sambhu Prasad
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

I Industry Structure And Developments

OTC

India's Fast Moving Consumer Goods sector (FMCG) valued at Rs.120,000 crore is the 4th largest in the world and is one of the key components of India's GDP. The OTC industry which is classified into categories like Rubefacients, Digestives, Inhalers, Acne preparations, Analgesics, etc is valued at Rs.8,000 crore and is part of this sector. The sector has been steadily growing owing to increase in disposable income, urbanization, change in lifestyle and increased awareness.

Amrutanjan Health Care Limited is a leader in the Rs.1000 crore Rubefacient market that constitutes a major part of the OTC industry and this category is growing at 20% by value. The Company has the largest and most established distribution networks in the country and enjoys the strategic advantage and combined market strength of over 3,50,000 retailers and 1750 stockists enabling presence even in the remote parts of India.

New products and packaging

Keeping the vision of targeting the brand at the youth, AMRUTANJAN HEALTH CARE LIMITED has re-launched its COLD RUB with a new formulation targeting the Children segment with a new and attractive packaging and a new advertisement campaign to establish that positioning. MAHA INHALER and DRAGON ROLL ON LIQUID BALM have also undergone a package design makeover.

Amrutanjan Strong Pain Balm is available now in a handy pack at a convenient new price point of Rs.10/- to expand the distribution footprint and the consumer base for the brand.

AMRUTANJAN VAPOURISING GEL for Adults and NO GERMS Hand Sanitizer are two new products which have been launched keeping in mind the growth trends in these categories.

Be Ready Campaign

'Pain can happen anytime, so Be Ready with Amrutanjan' was a campaign launched to position the brand as a specialist in treating all pains and not just headaches. The campaign has been able to sustain growth and increased awareness despite heavy competitive activity during the year.

No Pain Day Campaign

The company has been celebrating its incorporation day, September 9th every year as the NO PAIN DAY for our customers in keeping with our Company's endeavour over

the last 117 years to provide them with relief from all kinds of pain. This year an innovative campaign was conducted in 6 cities for a week where a consumer activation was done through NO PAIN ZONES set up in high traffic location across these cities where trained physiotherapists provided customers with the experience of relief from common aches and pains using AMRUTANJAN HEALTH CARE LIMITED products. This was received and appreciated positively by all.

R&D Herbal

AMRUTANJAN HEALTH CARE LIMITED'S R&D department has been recognized by the DSIR, Delhi and continues to be the backbone of the Company. The tireless effort put in by the R&D team to improve existing products and develop new and innovative products is instrumental in the Company's strive for excellence.

PHARMAESSENCE CHEMISTRY SERVICES

2008-2009 saw the entire corporate world fighting for survival, the pharmaceutical industry was no different huge research and resource costs had put the development plans on hold. The mantra was to restructure and go in for Mergers and Acquisitions. The Indian pharmaceutical industry though was less affected with growth rates of exports around 25% taking it well past the USD 20 billion mark.

This growth was predominantly in the supply of generics and contract manufacturing services. The drop in the research budgets in 2009-2010 saw a decrease in outsourced developmental activities, which had an impact on countries like India whose competitive edge over China is its strong R&D and developmental capabilities.

The growing pie

The Indian Pharma industry is pegged at USD 21.83 billion dollars in 2009-2010 ranking 3rd globally in volume with a 10% share of the global pharmaceutical market. With many patented products going off-patent by 2013, the surge would continue with Indian pharma companies eyeing for the generic versions of such off-patent molecules. Hence, it is expected that the industry would grow by 15-20% in the next few years.

Amrutanjan not only has an opportunity to enable Major Pharma companies around the world, to find a viable and cost effective solutions but provide its expertise in R&D to explore development of chiral molecules which the major pharma giants would target to gain patent extensions and file new patents for existing molecules.



II Opportunities And Threats

OTC

India has a population of 1.2 billion and represents one of the largest emerging economies of the world in terms of purchasing power. The percentage of households with monthly disposable incomes of USD 200 or more is expected to rise to 60% in 2013. The majority of this growth is fuelled by lower and middle income groups progressing both economically and socially.

The growing middle class population of 300 million has an increased awareness of health and hygiene with high disposable income. This would lead to a large number of people uptrading from home-made remedies to OTC within the rural, and urban lower SEC segments, driving an increasing relevance of lower price points, marginal distribution. Also at the same time, the market for premium niche products for higher income consumer segments would increase.

Low literacy levels, and self-medication continuing to be common among Indian customers, pharmacist recommendation plays an important role in OTC purchase, leading to their continuing dominance among retail channels for OTC products. Increasing urbanisation & stressful lifestyles among Indians would drive OTC categories such as Analgesics (stress, sedantary lifestyles), CCA (pollution, AC offices), Medicated Skin Care (Pollution, Poor dietary habits).

These trends indicate this to be a right time for AMRUTANJAN HEALTH CARE LIMITED to enhance its brand portfolio and capitalize on the growth potential within this market. The re-launch and focus on COLD RUB would prove to be a very beneficial entry into a new segment with only one significant competitor. The company with its vision of focusing more on youth, is also driving specific modern product formats like Muscular Pain Spray and Dragon Roll On Liquid Balm. Body Pain is the largest and fastest growing segment within the rubeficient category, remains one big opportunity for AMRUTANJAN HEALTH CARE LIMITED to be tapped with suitable offerings in the future.

MNC's and other large domestic competitors are seeing the growth potential in these OTC segment and beginning to focus there. Backed with strong promotional efforts, established distribution, and their ability to invest in brand building is a potential threat.

PHARMAESSENCE CHEMISTRY SERVICES

An emerging trend

The CRAMS industry in India was stated to be USD 895 million in 2006 is estimated to grow at a CAGR of 32% till 2016 taking well past the USD 3 billion mark in 2012. The five major players in India have a total market share of 35-60%.

Advantage India

India has a distinct advantage in CRAMS over other countries because of the following reasons:-

- Respect for IPR
- Value addition for customer
- Strong scientific skill sets
- Competitive cost structure
- Timely execution and communication
- Ability for Rapid scale-up

These opportunities synergized with Amrutanjan's proven history of scientific excellence and diligence will serve as the basis of a sustainable growth. With new customers added to the portfolio and new areas being explored Amrutanjan can spread itself across the CRAMS industry catering not just to the Pharma industry but other specialty chemical markets as well.

III Segment-wise or Product-wise Performance

OTC	2009-10	2008-09
	(Rs. in lakhs)	
Sales	8,525.20	8,289.91
Segment Result	1,889.34	1,757.70
Capital Employed	2,447.28	1,907.46

PHARMAESSENCE CHEMISTRY SERVICES

	2009-10	2008-09
	(Rs. in lakhs)	
Sales	451.77	776.13
Segment Result	(345.59)	(128.03)
Capital Employed	1,113.82	940.71

IV Outlook

OTC

The slowdown in demand and growing competition has forced brands to reduce costs and market more aggressively. Brands have realized that strong brands are integral to the success in FMCG and that the equity of a brand is largely dependent on innovation, quality and aggressive marketing. The demand for OTC products is also increasing in both Urban (20%) and Rural (19%) markets. The Indian FMCG segment is looking to reach Rs.2,02,100 crores by 2013 and Rs.4,23,000 crores by 2018. The OTC segment is expected to grow to Rs.10,000 crores by 2013.

The Company has taken all of this into account and launched new products and re-launched and repositioned



existing products to extend the product life cycle and obtain the most out of them. This coupled with the plans to strengthen the distribution through Operation Star puts the Company in a strong position to capitalize on market growth opportunities going forward.

PHARMAESSENCE CHEMISTRY SERVICES

With the addition of new customers to the portfolio and the global pharma industry now focused on improving research outcomes and output, Amrutanjan Health Care Limited is positioning itself to take full advantage of the high Brand Equity and the high Trust Quotient enjoyed by the company among all its customers.

The positive market Intel and current developments at the customer front have infused much needed energy back into the Pharmaessence team to aim for greater heights not only in the pharmaceutical outsourcing domain but also given much needed confidence to explore newer areas within the specialty chemical market.

In addition to the existing facilities the new cGMP Multipurpose Kilo Lab would help Pharmaessence offer a complete package, starting with process development, to pre-clinical and clinical supplies and culminating finally in large scale production (currently only available for intermediates).

A Strategic tie-up with Sigma Aldrich is on the anvil of being signed off to cater to their bulk chemical business in India and discussions are in progress to explore similar ventures in the pharmaceutical intermediates market as well.

Another key area being explored is the development of technology for the preparation of High Purity grade solvents. This venture is currently undergoing studies to establish its feasibility which if found successful would guarantee a steady revenue stream for Pharmaessence.

Possible strategic alliance with a niche technology company in Canada which is into development of Chiral molecules and substrates to be used in the pharmaceutical industry.

V Risks and Concerns

OTC

The raw materials used for the formulation of the Company's products are obtained from natural sources only. The cost of raw materials is not consistent and fluctuates a lot. There is also a possibility of non availability of raw materials.

PHARMAESSENCE CHEMISTRY SERVICES

While China has the cost and price advantage over India in most of the segments within the chemical industry, India still has an advantage in the pharmaceutical development

and API manufacturing ability, thanks to the availability of a large population of highly skilled, English speaking workforce.

"In order to sustain the competitive edge, Indian companies need to take a structured effort at avoiding beating down prices in the market and focus on projecting a more quality service and scientific diligence oriented approach," Indian Pundits say.

The Indian pharmaceutical industry has certain areas of concern, which require attention if India has to maintain the competitive edge over China, these issues include:-

1. Management complexity and lack of clarity in decision making process;
2. Increasing salaries which are slowly eroding the cost advantage;
3. Concerns over stretching of delivery timelines and inability to meet stringent delivery schedules;
4. Concerns over quality of final product.

Still Indian pharmaceutical industry suffers from a short term view which needs to transcend to a long term view if India wants to contribute and add value to the Global Pharmaceutical industry. Most global players are on the look-out for stable players with clarity in thought and action and who are scientifically driven rather than commercial.

Though outsourced processes and products would continue to fuel Indian Pharmaceutical exports, the real value is in KPO and not in BPO i.e. Indian Pharmaceutical companies need to gear up their research abilities and utilise the large talent pools to create greater impact through more path breaking research. Though ANDAs and NCE development is slower and more risk prone, the rewards for blockbuster molecules are also equally high as is seen with brands such as Lipitor.

VI Internal Control Systems and their adequacy

Proper and adequate internal control systems are put in place by the Company. The Company safeguards and protects all its assets against loss from unauthorized use or disposition by following the systems 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 also 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. Production Review meetings, Sales & Marketing Review meetings and general review meetings are held regularly.



The company has conducted "Risk Audit" by leading auditors and implemented more control systems based on their suggestions.

VII Discussion on Financial Performance with respect to Operational Performance.

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

	2009-10	2008-09
	(Rs. In lakhs)	
Net Sales from Operations	8,976.97	9,066.04
Other Income	605.19	695.57
Total Income	9,582.16	9,761.61
Total Expenditure	7,720.17	7,730.25
PBDIT & Exceptional Item	1,861.99	2,031.36
Depreciation	125.68	148.01
PBIT & Exceptional Item	1,736.31	1,885.35
Interest	3.45	15.32
PBT & Exceptional Item	1,732.86	1,868.03
Exceptional Item (Income) / Expense	(193.62)	–
PBT	1,926.48	1,868.03
Current Tax/earlier year I.T. adjustments	750.37	735.71
Deferred Tax	(39.21)	(78.57)
PAT (before Extraordinary Item)	1,215.32	1,210.89
Extraordinary Item	(34.33)	(8,075.05)
PAT (after Extraordinary Item)	1,180.99	9,285.94

Key Financial Ratios (%)

PBDIT / Sales	20.74	22.41
PBIT / Sales	19.34	20.80
PBT/Total Income	20.10	19.14
PAT/Total Income (before Extraordinary Item)	12.68	12.40
PAT/Total Income (after Extraordinary Item)	12.32	95.13

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

Amrutanjan Health Care Limited is a value based company with a culture that promotes empowerment and freedom. In a challenge and competitive environment, your company believes that people are the key to success.

The Human Resources function proactively and develops innovative & business focus methods to attract, develop, motivate, and retain company's talented competitive resources – our people. Your company had total employee strength of 397 as on 31st March, 2010.

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

Talent Management

The company values both experience and fresh talent. The Company has inducted experienced talent for its existing and sunrise businesses in line with the Company's overall growth strategy. With a view to building a future talent pipeline in the Company, participation in campus placement programs commenced during the year 2009-10. Adequate importance is given on Job enrichment as a means of retention of talent.

Learning & Development and capability enhancement

The Company lays a high emphasis on learning and facilitates every employee to experiment, learn and develop new ideas. Training programs are mostly organized in-house with the help of internal/external faculty.

Behavioral programs are conducted on topics such as Supervisory Skills, 5S, Safety etc., besides focusing on helping workforce/executives to improve productivity of individual and team.

Employee Communication

The Company is guided by its stated core values which influence the company's management practices. The contemporized version of company's values and beliefs was launched as "The Five Lights" – integrity, passion, quality, expect and responsibility. In order that all employees abide by these Five Lights, communication to one and all is essential. With this objective, the awareness and understanding of these five lights were cascaded to all executives of the Company through a series of initiatives like releasing first ever in-house magazine 'Amrutanjan Times'.

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



Rewards and Recognition:

Long Service of employees is valued and recognized. Innovative Sales Incentive scheme was implemented during the year to reward and recognize the best performers.

With aggressive growth targets for the future, Human Resources practices at Amrutanjan Health Care Limited strives to deliver the business requirements of an organization that is committed to its people and responds to them with care and concern.

Relationship with Union:

Amrutanjan has excellent relationship with its affiliated Union, Amrutanjan Health Care Limited Employees' Union. It has entered into a long term wage settlement with the said Union in 2009 on mutually agreed terms.

ATTRITION RISK

What is it: key personnel leaves and takes the business along with him.

What does it mean for the Company: fatal for the Company since it is into a relationship based business.

- The Company ensures a progressive career path for all its employees.
- A large part of the employees' remuneration is performance linked.
- Extensive focus on training and development.
- Greater focus on performance and employee retention.
- Attrition rate is one of the lowest in the industry.

Cautionary Statement

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



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 31.03.2010, 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 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 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, 2010;
 - ii) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

N.SRINIVASAN
Partner

Place : Chennai
Date : 14.07.2010

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, 2010

- 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.
- 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, 2010 is Rs.80,01,838/-
- 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 stipulation 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 :

Statute	Amount Rs.	Period	Forum where dispute is pending
Central Excise	8,89,155	2000 - 2001	CESTAT



- 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) The Company has not availed any term loan during the year.
- 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) Based on our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices and according to the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year except one instance of misappropriation made by an employee of the company amounting to Rs 145.62 lakhs. The contract of service of the employee has been terminated and legal action initiated in the court of law. Provision has been made for the amount involved net of recoveries made.

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

N.SRINIVASAN
Partner

Place : Chennai
Date : 14.07.2010

Membership No : 200330



BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.	31 st March, 2010		31 st March, 2009	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	3,03,00,000		3,10,16,600	
Reserves and Surplus	2	94,38,34,116		90,72,28,298	
			97,41,34,116		93,82,44,898
Loan Funds					
Secured Loans	3	1,25,85,368		20,64,425	
Unsecured Loans		-		-	
			1,25,85,368		20,64,425
Deferred Tax Liability (net)			2,82,40,737		3,21,61,252
TOTAL			1,01,49,60,221		97,24,70,575
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	4	24,15,24,236		24,71,78,595	
Less: Depreciation		8,58,48,416		8,81,38,708	
Net Block		15,56,75,820		15,90,39,887	
Capital Work-in-Progress		6,74,97,583		2,28,62,552	
			22,31,73,403		18,19,02,439
Investments	5		45,91,47,486		42,71,692
Current Assets, Loans and Advances					
Inventories	6	7,30,94,525		5,31,12,689	
Sundry Debtors	7	10,22,77,208		12,93,67,332	
Cash & Bank Balances	8	24,03,95,551		67,51,03,645	
Interest Accrued		1,07,95,764		79,53,039	
Loans & Advances	9	8,11,18,439		5,83,85,079	
			50,76,81,487		92,39,21,784
Less: Current Liabilities and Provisions					
Current Liabilities	10	13,25,72,771		8,31,49,137	
Provisions	11	4,24,69,384		5,44,76,203	
			17,50,42,155		13,76,25,340
Net Current Assets			33,26,39,332		78,62,96,444
TOTAL			1,01,49,60,221		97,24,70,575
Notes on Accounts	19				

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

		S. Sambhu Prasad	
	As per our Report of even date	Managing Director	Dr. H.B.N. Shetty
	For P.S. Subramania Iyer & Co.,	N.S. Mohan	Dr. Pasumarthi S.N. Murthi
	Chartered Accountants	Company Secretary	D. Seetharama Rao
Place : Chennai	N. Srinivasan	K. Kannan	A. Satish Kumar
Date : 14.07.2010	Partner	General Manager (Finance)	Directors


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	31 st March, 2010 Rs.	31 st March, 2009 Rs.
INCOME			
Sales	12	93,74,55,365	96,07,60,580
Less : Excise Duty		3,97,57,885	5,41,56,231
Net Sales		89,76,97,480	90,66,04,349
Other Income	13	6,05,18,554	6,95,56,635
		95,82,16,034	97,61,60,984
EXPENDITURE			
Cost of Materials Consumed	14	31,94,12,991	36,95,45,761
Employee's Remuneration and Benefits	15	14,19,78,306	10,75,49,791
Interest	16	3,44,632	15,31,802
Other Expenses	17	31,00,57,892	29,54,93,232
Depreciation		1,25,67,607	1,48,01,221
		78,43,61,428	78,89,21,807
Profit before exceptional and extraordinary items		17,38,54,606	18,72,39,177
Exceptional Items (net)		1,93,61,883	-
Prior Year Adjustments (net)		(5,67,971)	(4,35,809)
Profit before tax		19,26,48,518	18,68,03,368
Provision for Tax			
Income Tax		(7,50,00,000)	(7,00,00,000)
Fringe Benefit Tax		-	(30,00,000)
Deferred Tax		39,20,515	78,57,447
Short Provision for Income Tax of earlier years		(36,936)	(5,71,177)
Profit after tax and before extraordinary items		12,15,32,097	12,10,89,638
Extraordinary Items (net of tax)	18	(34,32,731)	80,75,05,163
Net Profit		11,80,99,366	92,85,94,801
Surplus from previous year brought forward		25,14,84,812	3,36,04,166
Profits available for appropriation		36,95,84,178	96,21,98,967
APPROPRIATIONS			
Transfer to General Reserve		5,00,00,000	50,00,00,000
Transfer to Contingency Reserve		1,00,00,000	-
Special One Time Interim Dividend - Paid		-	12,80,00,000
Tax on Special One Time Interim Dividend		-	2,17,53,600
Interim Dividend - Paid		1,51,50,000	1,57,45,265
Tax on Interim Dividend		25,74,743	26,75,908
Final Dividend - Proposed		3,03,00,000	3,63,60,000
Tax on Proposed Dividend		51,49,485	61,79,382
		11,31,74,228	71,07,14,155
Balance Profit carried to Balance Sheet		25,64,09,950	25,14,84,812
		36,95,84,178	96,21,98,967
Basic and Diluted Earning per share			
Before extraordinary items		40.03	38.07
After extraordinary items		38.90	291.98
Notes on Accounts	19		

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

		S. Sambhu Prasad	
	As per our Report of even date	Managing Director	Dr. H.B.N. Shetty
	For P.S. Subramania Iyer & Co.,	N.S. Mohan	Dr. Pasumarthi S.N. Murthi
	Chartered Accountants	Company Secretary	D. Seetharama Rao
Place : Chennai	N. Srinivasan	K. Kannan	A. Satish Kumar
Date : 14.07.2010	Partner	General Manager (Finance)	Directors



SCHEDULES TO BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 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		
Less : 98,340 Equity Shares bought back during the year 2008-2009 & 71,660 Equity Shares bought back during the year 2009-2010 (refer note 22 of schedule 19)	(17,00,000)	(9,83,400)
	3,03,00,000	3,10,16,600

SCHEDULE - 2				
RESERVES AND SURPLUS				
	As at 31/03/2009 Rs.	Additions during the year Rs.	(Deductions) Rs.	As at 31/03/2010 Rs.
General Reserve	65,47,60,086	5,00,00,000	2,90,35,920*	67,57,24,166
Contingency Reserve	-	1,00,00,000	-	1,00,00,000
Capital Redemption Reserve	9,83,400	7,16,600*	-	17,00,000
Profit & Loss Account	25,14,84,812	6,49,25,138	6,00,00,000	25,64,09,950
	<u>90,72,28,298</u>	<u>12,56,41,738</u>	<u>8,90,35,920</u>	<u>94,38,34,116</u>

*(refer note 22 of schedule 19)

SCHEDULE - 3		
SECURED LOANS		
Cash Credit from Banks	1,25,85,368	(22,02,428)
(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)		
Over Draft facility from Bank	-	42,66,853
(Secured by Lien on Fixed deposit of Rs. Nil /- (Rs. 4,75,00,000/-)		
	1,25,85,368*	20,64,425

* includes Rs.Nil (Rs.Nil) due for repayment within one year

SCHEDULES TO BALANCE SHEET

SCHEDULE 4 - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31-03-2009 Rs.	Addition Rs.	Deletion Rs.	As on 31-03-2010 Rs.	As on 31-03-2009 Rs.	Addition Rs.	Deletion Rs.	As on 31-03-2010 Rs.	As on 31-03-2009 Rs.	
Goodwill	25,000	-	-	25,000	-	-	-	25,000	25,000	
Land *	2,37,84,592	11,04,910	-	2,48,89,502	-	-	-	2,48,89,502	2,37,84,592	
Building	3,37,30,029	26,30,611	-	3,63,60,640	1,23,86,189	14,06,260	-	2,25,68,191	2,13,43,840	
Lease Hold Property	4,50,000	-	-	4,50,000	1,61,399	14,430	-	2,74,171	2,88,601	
Plant and Machinery	4,07,07,354	9,49,897	-	4,16,57,251	1,91,42,052	17,71,770	-	2,09,13,822	2,15,65,302	
Computers	1,84,72,214	12,67,573	1,36,000	1,96,03,787	1,38,39,744	21,04,789	1,09,081	37,68,335	46,32,470	
Furniture, Fittings & Lab Equipment	1,80,79,092	8,69,053	-	1,89,48,145	1,11,41,147	10,74,213	-	67,32,785	69,37,945	
Vehicle	94,05,495	18,38,980	17,36,861	95,07,614	50,04,460	10,17,920	5,97,843	40,83,077	44,01,035	
	14,46,53,776	86,61,024	18,72,861	15,14,41,939	6,16,74,991	73,89,382	7,06,924	8,30,84,490	8,29,78,785	
Pharmaessense										
Chemistry Services										
Building	-	19,13,519	-	19,13,519	-	1,19,014	-	17,94,505	-	
Plant and Machinery	83,64,820	24,39,178	56,63,181	51,40,817	57,37,932	4,19,437	45,39,995	35,23,443	26,26,888	
Computers	-	6,99,845	-	6,99,845	-	2,05,979	-	4,93,866	-	
Furniture, Fittings & Lab Equipment	21,00,355	46,927	13,31,019	8,16,263	11,78,384	91,614	9,70,771	5,17,036	9,21,971	
	1,04,65,175	50,99,469	69,94,200	85,70,444	69,16,316	8,36,044	55,10,766	63,28,850	35,48,859	
Research & Development										
Building	2,49,39,334	-	-	2,49,39,334	14,05,400	11,76,697	-	2,23,57,237	2,35,33,934	
Plant and Machinery	5,07,29,628	1,40,400	17,85,572	4,90,84,456	76,81,441	23,39,784	10,33,715	4,00,96,946	4,30,48,187	
Pilot Plant	1,14,67,004	-	88,43,805	26,23,199	93,67,377	1,53,048	75,73,204	6,75,978	20,99,627	
Computers	3,57,171	-	-	3,57,171	1,32,490	89,872	-	1,34,809	2,24,681	
Furniture, Fittings & Lab Equipment	45,66,507	-	58,814	45,07,693	9,60,693	5,82,780	33,290	29,97,510	36,05,814	
	9,20,59,644	1,40,400	1,06,88,191	8,15,11,853	1,95,47,401	43,42,181	86,40,209	6,62,62,480	7,25,12,243	
	24,71,78,595	1,39,00,893	1,95,55,252	24,15,24,236	8,81,38,708	1,25,67,607	1,48,57,899	15,56,75,820	15,90,39,887	
Grand Total	33,52,95,631	1,53,36,557	10,34,53,593	24,71,78,595	14,25,35,377	1,48,01,221	6,91,97,890	15,90,39,887	19,27,60,254	
As per Last Balance Sheet										
								6,74,97,583	2,28,62,552	

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

* Sale Deed yet to be registered for SIDCO Lands - Rs.97,79,239 (Rs.96,89,239/-)


SCHEDULES TO BALANCE SHEET

	Face Value Rs.	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE - 5			
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) Limited of Rs.1,000/- each fully paid	5,000	5,000	5,000
60,800 Equity Shares of Re.1/- each in Madras Stock Exchange Limited	60,800	1,60,000	1,60,000
Non-Trade Investments (Quoted) :			
21,450 Equity Shares in Saha Keil Limited of Rs.10/- each fully paid	2,14,500	2,14,500	2,14,500
1,006 Equity Shares in NTPC Limited 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
2,120 (6.85%) Tax Free Bonds of Indian Infrastructure Finance Company Limited of Rs.1,00,000/- each	21,20,00,000	21,75,51,776	-
2,100 (Zero Coupon) Bonds of NABARD of Rs.20,000/- each	4,20,00,000	2,24,70,000	-
16,800 (10.24%) Debentures of L & T Finance Limited of Rs.1,000/- each	1,68,00,000	1,77,97,383	-
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 Limited. of Rs.10/- each fully paid	2,90,44,070	3,00,11,428	3,00,11,428
52,400 Equity Shares in ADCL Drugs & Chemicals Limited of Rs.10/- each fully paid, out of which 300 fully paid-up equity shares are held in the name of its 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 its nominees. (written off during the year)	22,42,400	-	22,42,400
3,50,000 Equity Shares in Holistic Beauty Care Limited of Rs.10/- each fully paid	3,50,000	35,00,000	35,00,000



SCHEDULES TO BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
Investment in Mutual Funds (Unquoted) :		
18,063.922 (previous year Nil) units of Rs.1107.1793 (previous year Nil) each of Templeton India Short Term Income Retail Plan - Monthly Dividend Reinvestment	2,01,17,257	—
1,90,112.775 (previous year Nil) units of Rs.105.7350 (previous year Nil) each of ICICI Prudential Flexible Income Plan Premium - Daily Dividend	2,01,01,574	—
8,81,842.711 (previous year Nil) units of Rs.17.0955 (previous year Nil) each of Reliance Medium Term Fund - Daily Dividend Plan	1,50,75,542	—
14,26,610.595 (previous year Nil) units of Rs.10.6032 (previous year Nil) each of HDFC High Interest Fund - Short Term Plan - Dividend Reinvest	1,51,10,794	—
14,97,901.466 (previous year Nil) units of Rs.10.0886 (previous year Nil) each of Kotak Bond (Short Bond) - Monthly Dividend	1,51,01,045	—
14,95,508.106 (previous year Nil) units of Rs.10.0798 (previous year Nil) each of Kotak Floater Long Term - Daily Dividend	1,50,74,423	—
20,52,309.258 (previous year Nil) units of Rs.12.1814 (previous year Nil) each of Reliance Regular Savings Fund - Debt Plan - Institutional Dividend	2,50,00,000	—
24,56,036.939 (previous year Nil) units of Rs.10.1790 (previous year Nil) each of Templeton India Income Opportunities Fund - Dividend Payout	2,50,00,000	—
8,99,676.117 (previous year Nil) units of Rs.10.0036 (previous year Nil) each of Reliance Monthly Interval Fund - Series II - Retail Dividend Plan	90,00,000	—
8,99,676.117 (previous year Nil) units of Rs.10.0036 (previous year Nil) each of Reliance Monthly Interval Fund - Series II - Retail Dividend Plan	9,000,000	—
8,99,676.117 (previous year Nil) units of Rs.10.0036 (previous year Nil) each of Reliance Monthly Interval Fund - Series II - Retail Dividend Plan	90,00,000	—
10,00,000.000 (previous year Nil) units of Rs.10.00 (previous year Nil) each of Canara Robeco - FMP - Growth	1,00,00,000	—
786887.310 (previous year Nil) units of Rs.12.7083 (previous year Nil) each of Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan	1,00,00,000	—
	49,98,97,098	4,67,39,704
Less : Provision for Investments	4,07,49,612	4,24,68,012
	45,91,47,486	42,71,692
Quoted Investments - Cost	25,78,96,351	77,192
- Market Value	25,34,99,378	2,17,169
Unquoted Investments - Cost	20,12,51,135	41,94,500



SCHEDULES TO BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs
SCHEDULE - 6		
INVENTORIES		
Stock on hand (as per Inventories taken, valued as per accounting policy and certified by the Area Managers and Managing Director)		
Raw Materials	1,75,22,937	1,72,57,895
Packing Materials	92,24,066	81,69,661
Process Stock	11,76,594	26,58,210
Finished Stock	4,51,70,928	2,50,26,923
	7,30,94,525	5,31,12,689
SCHEDULE - 7		
SUNDRY DEBTORS (Unsecured, considered good)		
Exceeding Six months :		
Considered good	1,38,30,695	1,72,18,158
Considered doubtful	2,67,32,146	36,94,822
Less : Provision for doubtful debts	2,67,32,146	-
Others - considered good	8,84,46,513	11,21,49,174
	10,22,77,208	12,93,67,332
SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash in hand	3,14,059	6,68,009
Cheques in hand and in transit	3,17,47,238	1,00,97,154
Balance with Scheduled Banks:		
In Current Accounts	4,67,77,462	1,35,94,639
In Unclaimed Dividend Accounts	49,77,353	40,38,896
In Deposit Accounts [including Rs.2,58,14,558/- (Rs. 6,15,81,313/-) under lien with banks	15,65,79,439	64,67,04,947
	24,03,95,551	67,51,03,645
SCHEDULE - 9		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Loan to subsidiary companies :		
Considered good	80,01,838	64,70,128
Considered doubtful	22,63,26,219	22,48,03,892
Less : Provision made	22,63,26,219	-
Advances recoverable in cash or in kind for value to be received	4,41,71,603	2,77,67,365
Deposits and Balances with excise authorities	1,50,92,497	2,07,29,016
Deposit - Housing and Urban Development Corporation Limited	1,00,00,000	-
Deposits - Others	38,52,501	34,18,570
	8,11,18,439	5,83,85,079



SCHEDULES TO BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs
SCHEDULE - 10		
CURRENT LIABILITIES		
Creditors for Purchases :		
Due to Micro Small and Medium Enterprises (refer note 24 of schedule 19)	26,25,837	-
Due to Others	4,75,46,577	3,11,14,649
Creditors for Expenses (includes Rs. 60,13,781/- (Rs.35,51,043/-) due to Managing Director)	5,57,93,658	3,86,06,023
Creditors for Capital Goods	1,00,69,582	5,31,938
Unclaimed Dividend	49,77,353	40,38,896
Other Liabilities	1,15,59,764	88,57,631
	13,25,72,771	8,31,49,137
SCHEDULE - 11		
PROVISIONS		
Provision for Taxation (net off Advance Tax / TDS)	2,11,702	79,26,156
Proposed Dividend	3,03,00,000	3,63,60,000
Tax on Dividend	51,49,485	61,79,382
Provision for Employee Retirement Benefits	68,08,197	40,10,665
	4,24,69,384	5,44,76,203



SCHEDULES TO PROFIT AND LOSS ACCOUNT

	Year Ended 31st March, 2010 Rs.	Year Ended 31st March, 2009 Rs.
SCHEDULE - 12		
SALES		
OTC Products	88,98,34,113	88,06,33,689
Less : Excise Duty	<u>3,73,13,567</u>	<u>5,16,42,468</u>
	85,25,20,546	82,89,91,221
Chemicals	4,76,21,252	8,01,26,891
Less : Excise Duty	<u>24,44,318</u>	<u>25,13,763</u>
	4,51,76,934	7,76,13,128
	<u>89,76,97,480</u>	<u>90,66,04,349</u>
SCHEDULE - 13		
OTHER INCOME		
Dividend receipts	8,54,896	13,697
Interest - Bank Deposits - TDS Rs.43,62,725 /- (Rs.1,35,77,136/-)	3,96,39,926	6,14,19,056
Interest - Others - TDS Rs. 1,04,717/- (Rs.81,157/-)	13,78,954	4,23,040
Income from Investments - TDS - nil/-	80,62,708	-
Insurance Claims	28,43,867	23,25,577
Rent receipts - TDS Rs.83,032 /- (Rs.78,264/-)	6,49,050	6,65,675
Scrap sales	12,32,787	12,71,702
Profit on sale of assets	34,76,939	1,46,167
Bad Debts Recovered	2,30,000	-
Sundry balances written back (net)	4,15,829	4,43,016
Excess provision written back	16,96,513	12,15,014
Exchange Difference (net)	-	11,00,574
Miscellaneous Receipts	37,085	5,33,117
	<u>6,05,18,554</u>	<u>6,95,56,635</u>
SCHEDULE - 14		
COST OF MATERIALS CONSUMED		
Opening Stock		
Raw Materials	1,72,57,895	2,78,45,073
Packing Materials	<u>81,69,661</u>	<u>80,09,351</u>
	2,54,27,556	3,58,54,424
Add : Purchases		
Raw Materials	16,16,10,637	16,45,58,680
Packing Materials	<u>15,82,25,399</u>	<u>13,27,83,425</u>
	31,98,36,036	29,73,42,105
	<u>34,52,63,592</u>	<u>33,31,96,529</u>
Less : Closing Stock		
Raw Materials	1,75,22,937	1,72,57,895
Packing Materials	<u>92,24,066</u>	<u>81,69,661</u>
	2,67,47,003	2,54,27,556
Consumption of Raw & Packing Materials	<u>31,85,16,589</u>	<u>30,77,68,973</u>
Add : Processing Charges	42,75,887	85,07,172
Add : Products Purchased	1,51,53,693	2,31,89,784
Stock Adjustments	<u>(1,85,33,178)</u>	<u>3,00,79,832</u>
	<u>31,94,12,991</u>	<u>36,95,45,761</u>



SCHEDULES TO PROFIT AND LOSS ACCOUNT

	Year Ended 31st March, 2010 Rs.	Year Ended 31st March, 2009 Rs.
(INCREASE) / DECREASE IN STOCK		
Opening Stock		
Finished Goods	2,50,26,923	4,94,66,293
Process Stock	26,58,210	87,10,643
	2,76,85,133	5,81,76,936
Closing Stock		
Finished Goods	4,51,70,928	2,50,26,923
Process Stock	11,76,594	26,58,210
	4,63,47,522	2,76,85,133
(INCREASE) / DECREASE IN STOCK		
Excise Duty on Increase / (Decrease) of Finished Goods	(1,86,62,389)	3,04,91,803
	1,29,211	(4,11,971)
SCHEDULE - 15		
EMPLOYEE'S REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	11,11,05,089	8,04,92,793
Managing Director's Remuneration	1,13,85,044	98,64,519
Contribution to Employees Provident, Gratuity and Other Funds	1,01,42,448	99,75,661
Welfare Expenditure	93,45,725	72,16,818
	14,19,78,306	10,75,49,791
SCHEDULE - 16		
INTEREST		
- Fixed Loans	-	9,87,592
- Others	3,44,632	5,44,210
	3,44,632	15,31,802
SCHEDULE - 17		
OTHER EXPENSES		
Power & Fuel	87,86,778	68,27,992
Repairs & Maintenance :		
Building	15,58,690	14,73,040
Machinery	29,59,486	25,94,086
Others	51,43,713	42,02,138
Freight and Transport Charges	1,69,23,928	1,57,53,138
Advertisement	7,00,46,139	8,41,35,724
Sales Promotion Expenses	6,04,79,914	4,70,54,740
Commission on Sales	12,69,790	15,54,964
Bad debts written off	-	82,82,643
Sales Tax	3,72,16,552	3,64,52,763
Rates and Taxes	27,55,941	19,15,434
Insurance	24,69,810	25,59,672
Travelling Expenses	2,58,30,741	2,26,03,279
Conveyance	20,35,046	16,88,054


SCHEDULES TO PROFIT AND LOSS ACCOUNT

	Year Ended 31st March, 2010 Rs.	Year Ended 31st March, 2009 Rs.
Retainer & Consultancy	1,27,83,612	1,10,63,388
Security Charges	23,28,904	23,43,119
Rent	15,43,899	13,69,665
Printing & Stationery	21,08,391	18,06,749
Postage & Telegrams	9,32,294	12,60,463
Communication Expenses	57,61,743	60,78,948
Legal Expenses	7,76,174	14,86,600
Research & Development Expenses	77,35,673	1,64,01,172
Bank Charges	23,05,022	26,04,539
Advances written off	–	17,35,199
Donations	19,20,562	12,09,726
Auditor's Remuneration :		
Audit Fees	5,00,000	5,00,000
Tax Audit	60,000	60,000
Other services	1,50,000	1,50,000
Out of Pocket expenses	12,350	13,467
Cost Audit Fees	1,20,000	1,20,000
Directors Sitting Fees	6,30,000	6,22,500
Lease Rent	15,28,374	20,90,505
Loss on fixed assets sold / discarded	2,95,293	–
Exchange difference (net)	15,21,683	–
EDP Expenses	24,43,563	14,72,650
Provision for doubtful debts	2,30,37,324	36,94,822
Miscellaneous Expenses	40,86,503	23,12,053
	31,00,57,892	29,54,93,232

SCHEDULE : 18
EXTRAORDINARY ITEMS

Profit realised on sale of Land & Building		–	1,07,88,49,408
Cost in relation to Buy-back of Equity Shares		(6,53,495)	(20,40,865)
Value of Assets discarded on sale of Land & Building		–	(2,42,15,409)
Investments / Advances of subsidiary company written off	29,75,310		–
Less : Provision for Investments / Advances of subsidiary company	29,75,310	–	–
Provision for Advances / Investments - subsidiary companies		(27,79,236)	(32,87,971)
		(34,32,731)	1,04,93,05,163
Income Tax on above		–	(24,18,00,000)
EXTRAORDINARY ITEMS (NET OF TAX)		(34,32,731)	80,75,05,163



19. NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

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 upto the date of commissioning of the assets. Depreciation is provided on written down value method except on Plant & Machinery acquired after April 1, 1992, which is provided on straight line method at the rates prescribed under Schedule XIV 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 A/c.
- i. Employee Benefits :
Liability for Gratuity to employees determined on the basis of actuarial valuation as on balance

sheet date is funded 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.1,18,25,000/- (Rs.1,55,00,146/-)
- c. Contingent liability in respect of Income Tax Rs.20,43,194/- (Rs.16,04,113/-). However, the said amount has been paid under protest.
- d. Appeals filed in respect of disputed demands:

	2009 - 2010	2008 - 2009
Excise Duty Rs.	8,89,155	8,89,155
E S I Rs.	3,96,545	3,96,545
Service Tax Rs.	3,95,290	85,364

3. Lease rent in respect of leasehold land has been revised by the Government of Tamil Nadu with restrospective effect from November, 2001 and the arrears on this account upto 31st March, 2010 is Rs.3,32,77,682/- Since the enhancement of the rent is exhorbitant, the Company has contested the said revision before the appropriate forum. The matter is also pending before The Madras High Court in a writ petition. Based on the legal advice, the Company is hopeful of a favourable decision and hence no provision for the said liability is considered in this year.
4. Estimated amount of capital expenditure commitments Rs.9,79,00,000/- (Rs.6,35,00,000/-)
5. Amount of Rs.22,55,236/- (Rs.32,87,971/-) has been provided for advances given to subsidiary companies since the said companies are not continuing the business operations.



6. a. The Company has transferred Rs.83,034/- (Rs.1,30,579/-) of unclaimed dividends and Rs.nil /- (Rs.48,000/-) of unclaimed matured deposits to Investor Education and Protection Fund during the year.
- b. Unclaimed Dividend amounting to Rs.0.09 lakhs (31.03.2009 Rs.0.11 lakhs) is pending on account on litigation among claimants.

Computation of Commission payable to Managing Director under Section 349 of the Companies Act, 1956

	Rs.	Rs.
Profit before extraordinary items and before tax as per Profit & Loss Account		19,26,48,518
Add:		
Depreciation as per Profit & Loss A/c	1,25,67,607	
Directors Sitting Fees	6,30,000	
Provision for Bad and doubtful debts	2,30,37,324	
Remuneration to Managing Director	1,13,85,044	
		4,76,19,975
		24,02,68,493
Less:		
Depreciation as per Section 350 of Companies Act, 1956		1,25,67,607
Profit available for payment of commission		22,77,00,886
Commission @ 3% restricted to overall ceiling limit u/s 198 of Companies Act		60,13,781

7. MANAGING DIRECTOR'S REMUNERATION

	2009-2010	2008-2009
	Rs.	Rs.
Salary	33,44,355	34,50,000
House Rent Allowance	6,17,419	11,25,000
Other Perquisites	7,93,702	6,41,111
Contribution to Employees Provident and Other Funds	6,15,787	10,97,365
Commission as per computation below	60,13,781	35,51,043
	1,13,85,044	98,64,519

8. DETAILS OF RAW MATERIALS CONSUMED

Particulars	UOM	2009-2010		2008-2009	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Karpoor Powder	Tons	36.538	94,27,587	33.730	61,35,065
Pudina Ka Phool	Tons	66.258	4,39,89,386	62.731	5,29,29,643
Nilgiri Ka Tel	Tons	46.101	1,94,81,797	43.691	1,51,64,973
Winter Green Tel	Tons	28.536	35,85,952	29.007	36,49,636
Chaha Ka Tel	Tons	15.834	73,55,278	14.806	69,34,330
Hard Paraffin (N)	Tons	96.808	82,23,534	89.870	73,55,687
Soft Paraffin	Tons	189.525	1,33,74,112	167.526	1,37,95,322
Gandhapura Tel	Tons	57.854	72,70,195	37.456	47,12,685
Chemicals	Tons	182.785	2,78,43,927	336.129	4,31,55,057
Others			2,07,93,827		2,13,13,460
Total			16,13,45,595		17,51,45,858

9. Raw Materials Consumed

	2009 - 2010		2008 - 2009	
	%	Value (Rs.)	%	Value (Rs.)
Imported	10.10	1,62,95,043	13.32	2,33,20,853
Indigenous	89.90	14,50,50,552	86.68	15,18,25,005
Total		16,13,45,595		17,51,45,858

10. Production, Purchases, Turnover & Stock

Class of Goods	Unit	Opening Stock				Closing Stock				Turnover (net of sales returns & including free samples)				Production/ Purchases	
		As at 01-04-2009		As at 01-04-2008		As at 31-03-2010		As at 31-03-2009		2009 - 2010		2008 - 2009		2009 - 10	2008 - 09
		Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Value (Rs.)	Qty	Qty
AMRUTANJAN PAIN BALM	(Tons)	14.517	90,19,463	35.465	2,11,21,275	56.313	3,12,71,677	14.517	90,19,463	562.566	82,69,93,683	566.708	81,01,87,288	604.362	545.760
INHALER & OTHERS	(Tons)	1.855	14,86,750	10.661	40,11,342	12.598	45,94,431	1.855	14,86,750	52.357	3,58,83,428	58.036	2,96,69,740	63.100	49.230
AGENCY PRODUCTS	(Tons)	39.301	1,01,31,303	40.695	1,22,36,006	22.927	67,56,921	39.301	1,01,31,303	54.089	2,69,57,002	70.021	4,07,76,661	37.715	68.627
CHEMICALS	(Tons)	3.616	43,89,407	8.272	1,20,97,669	2.084	25,47,899	3.616	43,89,407	10.948	4,76,21,252	25.636	8,01,26,891	9.416	20.980
			2,50,26,923	4,94,66,292		4,51,70,928		2,50,26,923		93,74,55,365		96,07,60,580			


11. Research & Development Expenses include :

	2009-2010	2008-2009
	Rs.	Rs.
Salaries, Bonus etc.,	60,50,259	1,13,72,105
Materials & Consumables	10,78,347	25,43,427
Power & Fuel	1,02,343	9,11,227
Other Expenses	5,04,724	15,74,413
	77,35,673	1,64,01,172

12. Products Purchased

	1,51,53,693	2,31,89,784
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13. Earnings in Foreign Exchange

Export Sales (F.O.B. Value)	3,80,59,556	5,69,30,105
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14. Value of Imports on C.I.F. basis

a. Raw & Other Materials	1,84,29,615	3,25,53,795
b. Capital Goods	-	-

15. Expenditure in Foreign Currency

a. Travelling Expenses	5,47,958	5,64,514
b. Others	39,31,417	7,74,979

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

Name of Company	Rate of Interest	Balance as on 31.03.2010	Maximum balance during the year
Data Quest Infotech and Enterprises Limited (fully provided)	-	16,83,45,816	16,83,45,816
Holistic Beauty Care Limited	7%	80,01,838	80,01,838

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

17. The company has made investments and granted advances to Holistic Beauty Care Limited aggregating to Rs.1,15,01,838/-

The business activities of the said company are in a development phase only and has incurred significant setup cost leading to losses. Though the future business plans are hopeful, as a matter of prudence, contingency reserve of Rs.100 lakhs has been created for any possible erosion in the value of investments / advances.

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



19. Segment Information

(Rupees)

	Primary Business Segments	OTC Products		PHARMAESSENSE		Net Total	
		2009 - 2010	2008 - 2009	2009 - 2010	2008 - 2009	2009 - 2010	2008 - 2009
(a)	Revenue :						
	External Sales	85,25,20,546	82,89,91,221	4,51,76,934	7,76,13,128	89,76,97,480	90,66,04,349
	Inter Segment Sales	—	—	—	—	—	—
	Total Revenue	85,25,20,546	82,89,91,221	4,51,76,934	7,76,13,128	89,76,97,480	90,66,04,349
(b)	Result	20,82,95,530	17,57,70,173	(3,45,58,686)	(1,28,02,915)	17,37,36,844	16,29,67,258
	Less : Unallocated expenditure net of unallocated income					(3,01,12,207)	(3,60,38,375)
	Operating Profit					14,36,24,637	12,69,28,883
	Interest expense					(3,44,632)	(15,31,802)
	Interest Income and Income from Investments					4,99,36,484	6,18,42,096
	Prior Year Adjustments (net)					(5,67,971)	(4,35,809)
	Profit before Tax					19,26,48,518	18,68,03,368
	Provision for taxation :						
	- Income Tax					(7,50,00,000)	(7,00,00,000)
	- Fringe Benefit Tax					—	(30,00,000)
	- Deferred Tax					39,20,515	78,57,447
	- Short Provision of Income Tax of earlier years					(36,936)	(5,71,177)
	Extraordinary Items (net of tax)					(34,32,731)	80,75,05,163
	Profit after Tax					11,80,99,366	92,85,94,801
(c)	Segment Assets	35,61,16,444	26,05,95,930	12,21,81,932	10,24,76,858	47,82,98,376	36,30,72,788
	Unallocated Assets					71,17,04,000	74,70,23,127
	Total Assets	35,61,16,444	26,05,95,930	12,21,81,932	10,24,76,858	1,19,00,02,376	1,11,00,95,915
(d)	Segment Liabilities	11,13,88,692	6,98,49,865	1,07,99,378	84,05,866	12,21,88,070	7,82,55,731
	Unallocated Liabilities					9,36,80,190	9,35,95,286
	Total Liabilities	11,13,88,692	6,98,49,865	1,07,99,378	84,05,866	21,58,68,260	17,18,51,017
(e)	Capital expenditure	75,56,114	77,15,931	50,99,469	—	1,26,55,583	77,15,931
	Unallocated expenditure					12,45,310	76,20,626
(f)	Depreciation	73,89,382	77,72,730	8,36,043	16,12,826	82,25,425	93,85,556
	Unallocated Depreciation					43,42,182	54,15,665
(g)	Significant non-cash items	—	—	—	—	—	—

The Company has disclosed business segment as the primary segment and is organised in to 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.



20. Disclosure of Related Parties

(I) List of related parties and relationships :

- (a) Parties where control exists - Subsidiaries :** Data Quest Infotech and Enterprises Limited
Holistic Beauty Care Limited
- (b) Key Management Personnel :** Mr. S. Sambhu Prasad, Managing Director
- (c) Relatives of Key Management Personnel :** Mrs. S. Rajeswari - Mother

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

Nature of Transaction	2009-2010 (Rs.)	2008-2009 (Rs.)
Loans/Advances granted (net)	38,06,055	76,77,058
Interest Received	4,97,999	3,23,333
Rent Received	40,000	-
Provision for Advances / Investments	27,79,236	32,87,971
Outstanding as on 31.03.2010 :		
Loans/Advances Receivable (net of Provisions)	80,01,838	64,70,128
Investments (net of Provisions)	35,00,000	40,24,000

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

Remuneration	1,13,85,044	98,64,519
Dividend paid	26,18,391	72,37,728
Amount payable as on 31.03.2010	60,13,781	35,51,043

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

Dividend Paid	49,29,354	1,39,18,176
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21. The details of deferred tax asset / (liability) are as under :

Deferred Tax (Liability)		
- Depreciation	(2,90,36,013)	(3,35,59,231)
Deferred Tax Asset		
- Expenses / Provisions allowable	7,95,276	13,97,979
Net Deferred Tax Asset / (Liability)	(2,82,40,737)	(3,21,61,252)

22. During the year the Company has bought back 71,660 Equity shares of Rs.10/- each at an average price of Rs.405.19 and accordingly.

- (a) An amount of Rs.7,16,600/- has been reduced from the paid-up equity share capital.
- (b) The balance of Rs.395.19 per share paid on these shares aggregating to Rs.283.19 lakhs has been adjusted to General Reserve.
- (c) As required under the provisions of the Companies Act, 1956 Rs.7,16,600/- has been transferred to Capital Redemption Reserve from General Reserve.

The buy back of equity shares was completed on 3rd April, 2009.



23. Earnings per share	2009-2010	2008-2009
	Rs.	Rs.
(a) Numerator-Profit as per Profit & Loss A/c before extraordinary item (in Rs.)	12,15,32,097	12,10,89,638
(b) Numerator-Profit as per Profit & Loss A/c after extraordinary item (in Rs.)	11,80,99,366	92,85,94,801
(c) Denominator- Weighted average number of Equity shares outstanding	30,35,972	31,80,355
(d) Earnings per share (Basic and Diluted) before extraordinary item (in Rs.)	40.03	38.07
(e) Earnings per share (Basic and Diluted) after extraordinary item (in Rs.)	38.90	291.98
(f) Nominal value of shares (in Rs.)	10.00	10.00

24. Information in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :

Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 :	31st March 2010 Rs.	31st March 2009 Rs.
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Principal - 25,21,656 Interest -1,04,181	— —
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year.	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	94,918	—
The amount of Interest accrued and remaining unpaid at the end of the accounting year.	9,263	—

The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006.

25 Disclosure as per Accounting Standard 19 - Operating Leases :	2009-2010	2008-2009
	Rs.	Rs.
Future lease payments not later than one year	8,73,480	15,96,468
Future lease payments later than one year and not later than five years	3,10,765	15,94,897

26 Employee Benefits

a) Defined Benefit Plans - As per Actuarial valuation on March 31 2010

Gratuity	2009-2010	2008-2009
	Rs.	Rs.
A. Expense recognised in the statement of Profit & Loss Account for the year ended March 31, 2010		
1. Current service cost	15,60,985	14,51,403
2. Interest Cost	11,73,315	12,57,573
3. Expected return on plan assets	13,30,843	13,95,502
4. Net actuarial (gain) / loss recognised during the year	18,17,888	(3,15,977)
5. Total Expense	32,21,345	9,97,497



	2009-2010	2008-2009
	Rs.	Rs.
B. Actual return on plan assets		
1. Expected return on plan assets	13,30,843	13,95,502
2. Actuarial gain / (loss) on plan assets	(7,04,208)	(14,35,739)
3. Actual return on plan assets	6,26,635	(40,237)
C. Net Asset/ Liability recognised in the Balance Sheet		
1. Present value of obligation	1,69,57,368	1,56,44,203
2. Fair value of plan assets	1,45,50,331	1,57,17,783
3. Funded status [surplus/(deficit)]	24,07,037	73,580
4. Net Assets / (Liability) recognised in the Balance Sheet	24,07,037	73,580
D. Change in Present value of the Obligation during the year ended March 31, 2010		
1. Present value of obligation as at April 1, 2009	1,56,44,203	1,76,67,643
2. Current service cost	15,60,985	14,51,403
3. Interest Cost	11,73,315	12,57,573
4. Benefits paid	25,34,615	29,80,700
5. Actuarial (gain) / loss on obligation	11,13,480	(17,51,716)
6. Present value of obligation as at March 31, 2010	1,69,57,368	1,56,44,203
E. Charge in Assets during the year ended March 31, 2010		
1. Fair Value of plan assets as at April 1, 2009	1,57,17,783	1,74,43,772
2. Expected return on plan assets	13,30,843	13,95,502
3. Contributions made	7,40,728	12,94,948
4. Benefits paid	25,34,615	29,80,700
5. Actuarial gain / (loss) on plan assets	(7,04,408)	(14,35,739)
6. Fair Value of plan assets as at March 31, 2010	1,45,50,331	1,57,17,783
F. Major categories of plan assets as a percentage of total plan - 100% Qualifying Insurance Policy		
G. Actuarial Assumptions		
1. Discount rate	7.50%	7.50%
2. Expected rate of return on plan assets	8.00%	8.00%
3. Salary Escalation	6.00%	6.00%

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 31.3.2010 is **Rs.27,68,901/-** (Rs.23,78,406/-)


27. Installed & Licensed capacity
A. OTC
CHENNAI

Product Name

Amrutanjan Pain Balm (Ayurvedic)

Hero Super Balm and Dragon Liquid Balm

403 Metric Tons

Amrutanjan Inhaler (Ayurvedic)

20 Lakhs Units

Amrutanjan Cold Rub (Ayurvedic)

5 gms Tins

50 Lakhs Nos

20 gms Bottles

30 Lakhs Nos

a) Vincristine Bulk Drug

3.5 Kgs

b) Vinblastine Bulk Drug

0.5 Kgs

Drug Formulations

c) Vincristine Vials (1 mg)

2 Lakhs Nos.*

d) Vinblastine Vials (10 mg)

20 Lakhs Nos.**

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

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

Dermal Ointment 16 gms

180000 Nos

Cetomix Cough Mixture 60 ml

20000 Nos

Jiffy Tablets

12800000 Nos.
HYDERABAD

Amrutanjan Pain Balm (Ayurvedic)

2.4 Crore Units (240 Tons)

Amrutanjan Strong Balm (Ayurvedic)

40 Lakhs Units
B. PHARMAESSENCE CHEMISTRY SERVICES
1 TON
28. Previous year's figures have been regrouped wherever necessary to comply with current year's classification.

		S. Sambhu Prasad	
	As per our Report of even date	Managing Director	Dr. H.B.N. Shetty
	For P.S. Subramania Iyer & Co.,	N.S. Mohan	Dr. Pasumarthi S.N. Murthi
	Chartered Accountants	Company Secretary	D. Seetharama Rao
Place : Chennai	N. Srinivasan	K. Kannan	A. Satish Kumar
Date : 14.07.2010	Partner	General Manager (Finance)	Directors



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

I. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

II. Capital Raised During the Period (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

Application of Funds

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

Accumulated Losses

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

Total Turnover / Income Total Expenditure

+ --

Profit / Loss Before Tax Profit / Loss After Tax

Earnings per share (Rs.) Dividend %

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
Place : Chennai
Date : 14.07.2010

N. Srinivasan
Partner

S. Sambhu Prasad
Managing Director
N.S. Mohan
Company Secretary
K. Kannan
General Manager (Finance)

Dr. H.B.N. Shetty
Dr. Pasumarthi S.N. Murthi
D. Seetharama Rao
A. Satish Kumar
Directors



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

	March 31, 2010 Rs.	March 31, 2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	19,26,48,518	18,68,03,368
Adjustments for:		
Depreciation	1,25,67,607	1,48,01,221
Interest received	(4,10,18,880)	(6,18,42,096)
Income from Investments	(80,62,708)	-
Amortisation of Premium on Investments	6,65,941	-
Dividend received	(8,54,896)	(13,697)
Rent receipts	(6,49,050)	(6,65,675)
Sundry balances	(4,15,829)	(16,58,030)
Excess provision written back	(16,96,513)	-
Provision for Bad and Doubtful Debts	2,30,37,324	-
Profit on sale of fixed assets	(34,76,939)	(1,46,167)
Interest paid	3,44,632	15,31,802
Loss on sale of fixed assets	2,95,293	-
Operating Profit before Working Capital Changes	17,33,84,500	13,88,10,726
Adjustments for:		
Trade & other receivables	(68,93,823)	(5,64,09,495)
Inventories	(1,99,81,836)	4,09,18,671
Trade payables	5,42,29,327	40,45,998
Cash generated from operations	20,07,38,168	1,273,65,900
Direct Taxes Paid	(8,27,51,390)	(6,18,69,368)
Net Cash from operating activities	11,79,86,778	6,54,96,532
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including Capital Work-in-Progress	(5,85,35,923)	(1,22,84,996)
Sale of fixed assets	78,79,000	4,25,000
Purchase of investments	(45,60,65,735)	-
Deposit with HUDCO	(1,00,00,000)	-
Loans to subsidiary companies	(37,86,947)	(76,77,058)
Interest received	4,62,38,863	5,41,15,441
Dividend received	5,94,718	13,697
Rent received	6,54,200	6,31,825
Cash Flow before extraordinary items	(47,30,21,824)	3,52,23,909
Extra ordinary items :		
Amount received on sale of land and building(net of tax payment)	-	84,72,10,867
Net Cash (used in) / generated from Investing Activities	(47,30,21,824)	88,24,34,776



	March 31, 2010 Rs.	March 31, 2009 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Bank Borrowings	1,05,20,943	(3,93,89,074)
Repayment of long term borrowings	-	(2,32,17,089)
Increase / (Decrease) in short term loans	-	(2,00,00,000)
Dividend paid (including interim Dividend & Dividend Tax)	(6,02,64,125)	(17,94,06,293)
Interest paid	(2,40,451)	(15,31,802)
Buyback of equity shares	(2,90,35,920)	(3,41,62,460)
Cost in relation to buyback of equity shares	(6,53,495)	(20,40,865)
Net Cash (used in) / generated from financing Activities	(7,96,73,048)	(29,97,47,583)
Net Increase / (Decrease) in cash & cash equivalents	(43,47,08,094)	64,81,83,725
Cash and cash equivalents opening balance	67,51,03,645	2,69,19,920
Cash and cash equivalents closing balance	24,03,95,551	67,51,03,645

Previous year's figures have been re-grouped wherever necessary to conform to this year's classification

Place : Chennai Date : 14.07.2010	S. Sambhu Prasad Managing Director N.S. Mohan Company Secretary K. Kannan General Manager (Finance)	Dr. H.B.N. Shetty Dr. Pasumarthi S.N. Murthi D. Seetharama Rao A. Satish Kumar Directors
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AUDITOR'S CERTIFICATE

We have verified the above Cash Flow statement of Amrutanjan Health Care Limited, derived from the audited financial statements for the year ended 31st March 2010 and the year ended 31st March, 2009 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.

Chennai
14.07.2010

As per our Report of even date
 For **P.S.Subramania Iyer & Co.**
 Firm Registration No.: 004104S
 Chartered Accountants
N. Srinivasan
 Partner



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	31.03.2010	29,04,407 Equity shares of Rs.10/- each	73.48	(18,98,059)	(14,93,51,463)	—	—
HOLISTIC BEAUTY CARE LIMITED	31.03.2010	3,50,000 Equity shares of Rs.10/- each	83.32	(25,44,846)	(69,20,077)	—	—

Chennai
14.07.2010

S. Sambhu Prasad
Managing Director

N.S. Mohan
Company Secretary

K. Kannan
General Manager (Finance)

Dr. H.B.N. Shetty
Dr. Pasumarthi S.N. Murthi
D. Seetharama Rao
A. Satish Kumar
Directors



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	HOLISTIC BEAUTY CARE LIMITED
1.	Capital	395.28	42.01
2.	Reserves	37.49	-
3.	Total Assets	212.84	123.27
4.	Total Liabilities	212.84	123.27
5.	Details of Investments	1.12	-
6.	Turnover	-	0.91
7.	Profit before Taxation	-25.83	-27.25
8.	Provision for Taxation	-	3.30
9.	Profit after Taxation	-25.83	-30.55
10.	Proposed Dividend	-	-

S. Sambhu Prasad

Managing Director

N.S. Mohan

Company Secretary

K.Kannan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

A. Satish Kumar

Directors

Place : Chennai

Date : 14-07-2010

CONSOLIDATED FINANCIAL STATEMENTS

Auditors' Report

Consolidated Balance Sheet

Consolidated Profit and Loss Account

Schedules to Consolidated Balance Sheet and
Profit & Loss Account

Consolidated Cash Flow Statement

AMRUTANJAN



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

We have examined the attached Consolidated Balance Sheet of Amrutanjan Health Care Limited and its subsidiaries as at 31st March, 2010, 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 also includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates 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 one of the subsidiary companies reflecting total assets of Rs.32,54,860/- as at 31st March, 2010 and total revenue of Rs.nil/- and resulting in a net cash outflow of Rs.56,018/- for the period ended on that date has been audited by another auditor, whose report has been furnished to us. We have relied upon the said report for the purpose of the amounts included in respect of the above company in the consolidated financial statements.

We report that the consolidated financial statements have been prepared by the management of Amrutanjan Health Care Limited 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, 2010;
- 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.

For P.S.Subramania Iyer & Co,
Firm Registration No : 004104S
Chartered Accountants,
N.Srinivasan
Partner
Membership No:200330

Place : Chennai
Date : 14.07.2010



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.	31 st March, 2010		31 st March, 2009	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	3,03,00,000		3,10,16,600	
Reserves and Surplus	2	<u>93,52,11,110</u>		<u>90,19,87,458</u>	
			96,55,11,110		93,30,04,058
Loan Funds					
Secured Loans	3	1,25,85,368		20,64,425	
Unsecured Loans		<u>12,18,739</u>		<u>12,18,739</u>	
			1,38,04,107		32,83,164
Deferred Tax Liability (net)			<u>2,83,65,168</u>		<u>3,19,55,635</u>
Total			<u>1,00,76,80,385</u>		<u>96,82,42,857</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	4	24,56,22,859		30,46,12,769	
Less: Depreciation		<u>8,62,75,673</u>		<u>14,08,45,946</u>	
Net Block		<u>15,93,47,186</u>		<u>16,37,66,823</u>	
Capital Work-in-Progress		<u>6,74,97,583</u>		<u>2,28,62,552</u>	
			22,68,44,769		18,66,29,375
Investments	5		45,56,47,486		7,71,692
Current Assets, Loans and Advances					
Inventories	6	7,30,94,525		5,31,12,689	
Sundry Debtors	7	10,22,77,208		12,93,67,332	
Cash & Bank Balances	8	24,10,34,091		67,55,41,077	
Interest Accrued		1,07,95,764		79,53,039	
Loans & Advances	9	<u>7,36,71,502</u>		<u>5,33,76,418</u>	
		<u>50,08,73,090</u>		<u>91,93,50,555</u>	
Less: Current Liabilities and Provisions					
Current Liabilities	10	13,29,68,306		8,36,80,897	
Provisions	11	<u>4,27,16,654</u>		<u>5,48,27,868</u>	
		<u>17,56,84,960</u>		<u>13,85,08,765</u>	
Net Current Assets			32,51,88,130		78,08,41,790
Total			<u>1,00,76,80,385</u>		<u>96,82,42,857</u>
Notes on Accounts	19				

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

		S. Sambhu Prasad	
	As per our Report of even date	Managing Director	Dr. H.B.N. Shetty
	For P.S. Subramania Iyer & Co.,	N.S. Mohan	Dr. Pasumarthi S.N. Murthi
	Chartered Accountants	Company Secretary	D. Seetharama Rao
Place : Chennai	N. Srinivasan	K. Kannan	A. Satish Kumar
Date : 14.07.2010	Partner	General Manager (Finance)	Directors


CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	31 st March, 2010 Rs.	31 st March, 2009 Rs.
INCOME			
Sales	12	93,74,55,365	96,07,60,580
Less : Excise Duty		<u>3,97,57,885</u>	<u>5,41,56,231</u>
Net Sales		89,76,97,480	90,66,04,349
Other Income	13	<u>6,00,71,855</u>	<u>6,93,66,557</u>
		95,77,69,335	97,59,70,906
EXPENDITURE			
Cost of Materials Consumed	14	31,94,12,991	36,95,45,761
Employee's Remuneration and Benefits	15	14,29,37,326	10,84,87,380
Interest	16	3,44,632	15,31,802
Other Expenses	17	31,36,85,966	30,17,45,702
Depreciation		<u>1,28,41,815</u>	<u>1,54,91,965</u>
		78,92,22,730	79,68,02,610
Profit before exceptional and extraordinary items		16,85,46,605	17,91,68,296
Exceptional Items		1,93,61,883	—
Prior Year Adjustments (net)		<u>(5,67,971)</u>	<u>(4,35,809)</u>
Profit before tax		18,73,40,517	17,87,32,487
Provision for Tax			
Income Tax		(7,50,00,000)	(7,00,00,000)
Fringe Benefit Tax		—	(30,17,000)
Deferred Tax		35,90,467	80,89,111
Short Provision for I.T of earlier years		<u>(36,289)</u>	<u>(6,45,597)</u>
Profit after tax and before extraordinary items		11,58,94,695	11,31,59,001
Extraordinary Items (net of tax)	18	<u>(11,77,495)</u>	<u>81,07,81,466</u>
Net Profit		11,47,17,200	92,39,40,467
Surplus from Previous year brought forward		<u>24,62,43,972</u>	<u>3,55,79,652</u>
Profits available for appropriation		36,09,61,172	95,95,20,119
APPROPRIATIONS			
Transfer to General Reserve		5,00,00,000	50,00,00,000
Transfer to Contingency Reserve		1,00,00,000	
Special One Time Interim Dividend - Paid		—	12,80,00,000
Tax on Special One Time Interim Dividend		—	2,17,53,600
Interim Dividend - Paid		1,51,50,000	1,57,45,265
Tax on Interim Dividend		25,74,743	26,75,908
Final Dividend - Proposed		3,03,00,000	3,63,60,000
Tax on Proposed Dividend		<u>51,49,485</u>	<u>61,79,382</u>
		11,31,74,228	71,07,14,155
Balance Profit carried to Balance Sheet		<u>24,77,86,944</u>	<u>24,88,05,964</u>
		36,09,61,172	95,95,20,119
Basic and Diluted Earning per share			
Before extraordinary items		38.17	35.58
After extraordinary items		37.79	290.51
Notes on Accounts	19		

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

		S. Sambhu Prasad	
	As per our Report of even date	Managing Director	Dr. H.B.N. Shetty
	For P.S. Subramania Iyer & Co.,	N.S. Mohan	Dr. Pasumarthi S.N. Murthi
	Chartered Accountants	Company Secretary	D. Seetharama Rao
Place : Chennai	N. Srinivasan	K. Kannan	A. Satish Kumar
Date : 14.07.2010	Partner	General Manager (Finance)	Directors



SCHEDULES TO CONSOLIDATED BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
50,00,000 Equity Shares of Rs.10/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed & Paid-up		
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		
Less :		
98,340 Equity Shares bought back during the year 2008-2009 & 71,660 Equity Shares bought back during the year 2009-2010	(17,00,000)	(9,83,400)
(refer note 11 of schedule 19)	<u>3,03,00,000</u>	<u>3,10,16,600</u>

SCHEDULE - 2

RESERVES AND SURPLUS

	As at 31/03/2009 Rs.	Additions during the year Rs.	Deletions Rs.	As at 31/03/2010 Rs.
General Reserve	65,47,60,086	5,00,00,000	2,90,35,920*	67,57,24,166
Contingency Reserve	—	1,00,00,000		1,00,00,000
Capital Redemption Reserve	9,83,400	7,16,600*	—	17,00,000
Profit & Loss Account	<u>24,62,43,972</u>	<u>6,15,42,972</u>	<u>6,00,00,000</u>	24,77,86,944
	<u>90,19,87,458</u>	<u>12,22,59,572</u>	<u>8,90,35,920</u>	93,52,11,110

*(refer note 11 of schedule 19)

SCHEDULE - 3

SECURED LOANS

Cash Credit from Banks	1,25,85,368	(22,02,428)
(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)		
Over Draft facility from Bank	—	42,66,853
(Secured by Lien on Fixed deposit of Rs. Nil /-(Rs.4,75,00,000/-)		
	<u>1,25,85,368*</u>	<u>20,64,425</u>

* includes Rs.Nil (Rs. Nil) due for repayment within one year

SCHEDULES TO CONSOLIDATED BALANCE SHEET

SCHEDULE 4 - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31-03-2009 Rs.	Addition Rs.	Deletion / Eliminations Rs.	As on 31-03-2010 Rs.	As on 31-03-2009 Rs.	Addition Rs.	Deletion / Eliminations Rs.	As on 31-03-2010 Rs.	As on 31-03-2010 Rs.	As on 31-03-2009 Rs.
Goodwill	25,000	-	-	25,000	-	-	-	-	25,000	25,000
Technical Know How	8,75,000	-	-	8,75,000	2,18,750	1,75,000	-	3,93,750	4,81,250	6,56,250
Land *	2,67,91,038	11,04,910	-	2,78,95,948	-	-	-	-	2,78,95,948	2,67,91,038
Building	3,53,18,184	26,30,611	15,88,155	3,63,60,640	1,30,97,212	14,89,788	7,94,551	1,37,92,449	2,25,68,191	2,22,20,972
Lease Hold Property	4,50,000	-	-	4,50,000	1,61,399	14,430	-	1,75,829	2,74,171	2,88,601
Plant And Machinery	4,07,27,804	9,49,897	-	4,16,77,701	1,91,43,294	17,72,741	-	2,09,16,035	2,07,61,666	2,15,84,510
Computers	6,29,98,294	12,67,573	4,46,25,058	1,96,40,809	5,83,36,169	21,10,790	4,45,98,139	1,58,48,820	37,91,989	46,62,125
Office Equipment	17,13,934	1,250	16,10,439	1,04,745	16,16,115	4,790	16,10,439	10,466	94,279	97,819
Furniture, Fittings & Lab Equipment	2,37,40,195	8,80,045	56,17,135	1,90,03,105	1,67,61,824	10,78,131	56,17,135	1,22,22,820	67,80,285	69,78,371
Vehicle	94,48,501	18,38,980	17,79,867	95,07,614	50,47,466	10,17,920	6,40,849	54,24,537	40,83,077	44,01,035
	20,20,87,950	86,73,266	5,52,20,654	15,55,40,562	11,43,82,229	76,63,590	5,32,61,113	6,87,84,706	8,67,55,856	8,77,05,721
Pharmaessense										
Chemistry Services										
Building	-	19,13,519	-	19,13,519	-	1,19,014	-	1,19,014	17,94,505	-
Plant And Machinery	83,64,820	24,39,178	56,63,181	51,40,817	57,37,932	4,19,437	45,39,995	16,17,374	35,23,443	26,26,888
Computers	-	6,99,845	-	6,99,845	-	2,05,979	-	2,05,979	4,93,866	-
Furniture, Fittings & Lab Equipment	21,00,355	46,927	13,31,019	8,16,263	11,78,384	91,614	9,70,771	2,99,227	5,17,036	9,21,971
	1,04,65,175	50,99,469	69,94,200	85,70,444	69,16,316	8,36,044	55,10,766	22,41,594	63,28,850	35,48,859
Research & Development										
Building	2,49,39,334	-	-	2,49,39,334	14,05,400	11,76,697	-	25,82,097	2,23,57,237	2,35,33,934
Plant And Machinery	5,07,29,628	1,40,400	17,85,572	4,90,84,456	76,81,441	23,39,784	10,33,715	89,87,510	4,00,96,946	4,30,48,187
Pilot Plant	1,14,67,004	-	88,43,805	26,23,199	93,67,377	1,53,048	75,73,204	19,47,221	6,75,978	20,99,627
Computers	3,57,171	-	-	3,57,171	1,32,490	89,872	-	2,22,362	1,34,809	2,24,681
Furniture, Fittings & Lab Equipment	45,66,507	-	58,814	45,07,693	9,60,693	5,82,780	33,290	15,10,183	29,97,510	36,05,814
	9,20,59,644	1,40,400	1,06,88,191	8,15,11,853	1,95,47,401	43,42,181	86,40,209	1,52,49,373	6,62,62,480	7,25,12,243
	30,46,12,769	1,39,13,135	7,29,03,045	24,56,22,859	14,08,45,946	1,28,41,815	6,74,12,088	8,62,75,673	15,93,47,186	16,37,66,823
Grand Total	39,83,14,680	1,53,44,902	10,90,46,813	30,46,12,769	19,76,45,091	1,54,91,965	7,22,91,110	14,08,45,946	16,37,66,823	20,06,69,589
As per Last Balance Sheet										

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

* Sale Deed yet to be registered for SIDCO Lands - Rs.97,79,239 (Rs.96,89,239/-)

6,74,97,583

2,28,62,552


SCHEDULES TO CONSOLIDATED BALANCE SHEET

SCHEDULE - 5	Face Value Rs.	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
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) Limited of Rs.1,000/- each fully paid	5,000	5,000	5,000
60,800 Equity Shares of Re.1/- each in Madras Stock Exchange Limited.	60,800	1,60,000	1,60,000
300 Equity Shares in Periakaramalai Tea & Produce Company Limited Rs.10/ each	10	50,750	50,750
Non-Trade Investments (Quoted) :			
21,450 Equity Shares in Saha Keil Limited of Rs.10/- each fully paid	2,14,500	2,14,500	2,14,500
1,006 Equity Shares in NTPC Limited 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
2,120 (6.85%) Tax Free Bonds of Indian Infrastructure Finance Company Limited of Rs.1,00,000/- each	21,20,00,000	21,75,51,776	-
2,100 (Zero Coupon) Bonds of NABARD of Rs.20,000/- each	4,20,00,000	2,24,70,000	-
16,800 (10.24%) Non-Cumulative Debentures of L & T Finance Limited of Rs.1,000/- each	1,68,00,000	1,77,97,383	-
700 Shares of Kareem Spun Silk Limited at Rs.10/- each		17,395	17,395
1,750 shares of Marg Securities Limited at Rs.10/- each		43,750	43,750
1600 Shares in Arun Pipes Limited	16,000	-	41,115
500 Shares in Indian Dairy Specialists Limited	5,000	-	28,275
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
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) :			
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 its 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 its nominees. (written off during the year)	22,42,400	-	22,42,400



SCHEDULES TO CONSOLIDATED BALANCE SHEET

	Face Value Rs.	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
Investment in Mutual Funds (Unquoted) :			
18,063.922 (previous year Nil) units of Rs.1107.1793 (previous year Nil) each of Templeton India Short Term Income Retail Plan - Monthly Dividend Reinvestment		2,01,17,257	-
1,90,112.775 (previous year Nil) units of Rs.105.7350 (previous year Nil) each of ICICI Prudential Flexible Income Plan Premium - Daily Dividend		2,01,01,574	-
8,81,842.711 (previous year Nil) units of Rs.17.0955 (previous year Nil) each of Reliance Medium Term Fund - Daily Dividend Plan		1,50,75,542	-
14,26,610.595 (previous year Nil) units of Rs.10.6032 (previous year Nil) each of HDFC High Interest Fund - Short Term Plan - Dividend Reinvest		1,51,10,794	-
14,97,901.466 (previous year Nil) units of Rs.10.0886 (previous year Nil) each of Kotak Bond (Short Bond) - Monthly Dividend		1,51,01,045	-
14,95,508.106 (previous year Nil) units of Rs.10.0798 (previous year Nil) each of Kotak Floater Long Term - Daily Dividend		1,50,74,423	-
20,52,309.258 (previous year Nil) units of Rs.12.1814 (previous year Nil) each of Reliance Regular Savings Fund - Debt Plan - Institutional Dividend		2,50,00,000	-
24,56,036.939 (previous year Nil) units of Rs.10.1790 (previous year Nil) each of Templeton India Income Opportunities Fund - Dividend Payout		2,50,00,000	-
8,99,676.117 (previous year Nil) units of Rs.10.0036 (previous year Nil) each of Reliance Monthly Interval Fund - Series II - Retail Dividend Plan		90,00,000	-
8,99,676.117 (previous year Nil) units of Rs.10.0036 (previous year Nil) each of Reliance Monthly Interval Fund - Series II - Retail Dividend Plan		90,00,000	-
8,99,676.117 (previous year Nil) units of Rs.10.0036 (previous year Nil) each of Reliance Monthly Interval Fund - Series II - Retail Dividend Plan		90,00,000	-
10,00,000.000 (previous year Nil) units of Rs.10.00 (previous year Nil) each of Canara Robeco - FMP - Growth		1,00,00,000	-
786887.310 (previous year Nil) units of rs.12.7083 (previous year Nil) each of Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan		1,00,00,000	-
		46,64,97,565	1,35,41,761
Less : Provision for Investments		1,08,50,079	1,27,70,069
		45,56,47,486	7,71,692
Quoted Investments - Cost		25,78,96,351	77,192
- Market Value		25,37,11,128	1,96,564
Unquoted Investments - Cost		19,77,51,135	6,94,500


SCHEDULES TO CONSOLIDATED BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE - 6		
INVENTORIES		
Stock on hand (as per Inventories taken, valued as per accounting policy and certified by the Area Managers and Managing Director)		
Raw Materials	1,75,22,937	1,72,57,895
Packing Materials	92,24,066	81,69,661
Process Stock	11,76,594	26,58,210
Finished Stock	4,51,70,928	2,50,26,923
	7,30,94,525	5,31,12,689
 SCHEDULE - 7		
SUNDRY DEBTORS (Unsecured, considered good)		
Exceeding Six months :		
Considered good	1,38,30,695	1,72,18,158
Considered doubtful	2,67,32,146	–
Less : Provision for doubtful debts	2,67,32,146	–
Others - considered good	8,84,46,513	11,21,49,174
	10,22,77,208	12,93,67,332
 SCHEDULE - 8		
CASH AND BANK BALANCES		
Cash in hand	3,23,100	6,87,311
Cheques in hand and in transit	3,17,47,238	1,00,97,154
Balance with Scheduled Banks:		
In Current Accounts	4,74,06,961	1,40,12,769
In Unclaimed Dividend Accounts	49,77,353	40,38,896
In Deposit Accounts [including Rs.2,58,14,558/- (Rs.6,15,81,313/-) under lien with banks	15,65,79,439	64,67,04,947
	24,10,34,091	67,55,41,077



SCHEDULES TO CONSOLIDATED BALANCE SHEET

	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
SCHEDULE - 9		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind for value to be received	4,46,06,211	2,86,42,411
Deposits and Balances with excise authorities	1,50,92,497	2,07,29,016
Deposit - Housing and Urban Development Corporation Limited	1,00,00,000	-
Deposits - Others	39,72,794	39,90,863
Advance Tax / TDS (net off provisions)	-	14,128
	7,36,71,502	5,33,76,418
SCHEDULE - 10		
CURRENT LIABILITIES		
Creditors for Purchases :		
Due to Micro Small and Medium Enterprises (refer note 15 of schedule 19)	26,25,837	-
Due to Others	4,75,46,577	3,11,14,649
Creditors for Expenses (includes Rs.60,13,781/- (Rs.35,51,043/-) due to Managing Director)	5,62,17,126	3,90,94,973
Creditors for Capital Goods	1,00,69,582	5,31,938
Unclaimed Dividend	49,77,353	40,38,896
Other Liabilities	1,15,31,831	89,00,441
	13,29,68,306	8,36,80,897
SCHEDULE - 11		
PROVISIONS		
Provision for Taxation (net off Advance Tax / TDS)	4,58,972	82,77,821
Proposed Dividend	3,03,00,000	3,63,60,000
Tax on Dividend	51,49,485	61,79,382
Provision for Employee Retirement Benefits	68,08,197	40,10,665
	4,27,16,654	5,48,27,868



SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

	Year Ended 31st March 2010 Rs.	Year Ended 31st March, 2009 Rs.
SCHEDULE - 12		
SALES		
OTC Products	88,98,34,113	880,633,689
Less : Excise Duty	<u>3,73,13,567</u>	<u>51,642,468</u>
	85,25,20,546	82,89,91,221
Chemicals	4,76,21,252	80,126,891
Less : Excise Duty	<u>24,44,318</u>	<u>2,513,763</u>
	4,51,76,934	7,76,13,128
	<u>89,76,97,480</u>	<u>90,66,04,349</u>
SCHEDULE - 13		
OTHER INCOME		
Service Charges	91,300	1,33,255
Dividend receipts	8,54,896	13,697
Interest - Bank Deposits - TDS Rs. 43,62,725 /- (Rs. 1,35,77,136/-)	3,96,39,926	6,14,19,056
Interest - Others - TDS Rs.5,117/- (Rs.19,662/-)	8,80,955	99,707
Income from Investments - TDS - nil/-	80,62,708	-
Insurance Claims	28,43,867	23,25,577
Rent receipts - TDS Rs. 83,032 /- (Rs.78,264/-)	6,09,050	6,65,675
Scrap sales	12,32,787	12,71,702
Profit on sale of assets	34,76,939	1,46,167
Bad Debts Recovered	2,30,000	-
Sundry balances written back (net)	4,15,829	4,43,016
Excess provision written back	16,96,513	12,15,014
Exchange Difference (net)	-	11,00,574
Miscellaneous Receipts	37,085	5,33,117
	<u>6,00,71,855</u>	<u>6,93,66,557</u>
SCHEDULE - 14		
COST OF MATERIALS CONSUMED		
Opening Stock		
Raw Materials	1,72,57,895	2,78,45,073
Packing Materials	81,69,661	80,09,351
TOTAL	<u>2,54,27,556</u>	<u>3,58,54,424</u>
Add : Purchases		
Raw Materials	16,16,10,637	16,45,58,680
Packing Materials	15,82,25,399	13,27,83,425
	<u>31,98,36,036</u>	<u>29,73,42,105</u>
	34,52,63,592	33,31,96,529
Less : Closing Stock		
Raw Materials	1,75,22,937	1,72,57,895
Packing Materials	92,24,066	81,69,661
	<u>2,67,47,003</u>	<u>2,54,27,556</u>



SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

	Year Ended 31st March 2010 Rs.	Year Ended 31st March 2009 Rs.
Consumption of Raw & Packing Materials	31,85,16,589	30,77,68,973
Add : Processing Charges	42,75,887	85,07,172
Add : Products Purchased	1,51,53,693	2,31,89,784
Stock Adjustments	<u>(1,85,33,178)</u>	<u>3,00,79,832</u>
	31,94,12,991	36,95,45,761
(INCREASE) / DECREASE IN STOCK		
Opening Stock		
Finished Goods	2,50,26,923	4,94,66,293
Process Stock	<u>26,58,210</u>	<u>87,10,643</u>
	2,76,85,133	5,81,76,936
Closing Stock		
Finished Goods	4,51,70,928	2,50,26,923
Process Stock	<u>11,76,594</u>	<u>26,58,210</u>
	4,63,47,522	2,76,85,133
(INCREASE) / DECREASE IN STOCK	(1,86,62,389)	3,04,91,803
Excise Duty on Increase / (Decrease) of Finished Goods	1,29,211	(4,11,971)
SCHEDULE - 15		
EMPLOYEE'S REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	11,19,79,433	8,14,03,734
Managing Director's Remuneration	1,13,85,044	98,64,519
Contribution to Employees Provident, Gratuity and Other Funds	1,02,14,119	99,75,661
Welfare Expenditure	<u>93,58,730</u>	<u>72,43,466</u>
	14,29,37,326	10,84,87,380
SCHEDULE - 16		
INTEREST		
- Fixed Loans	-	9,87,592
- Others	<u>3,44,632</u>	<u>5,44,210</u>
	3,44,632	15,31,802
SCHEDULE - 17		
OTHER EXPENSES		
Power & Fuel	90,17,658	72,31,975
Repairs & Maintenance :		
Building	22,92,207	14,73,040
Machinery	29,59,486	25,94,086
Others	51,46,800	42,21,937
Freight and Transport Charges	1,69,28,016	1,57,53,138
Advertisement	7,00,91,521	8,49,96,705
Selling Expenses	6,04,79,914	4,86,46,735
Commission on Sales	12,69,790	-
Bad debts written off	-	82,82,643
Sales Tax	3,72,16,552	3,64,52,763
Rates and Taxes	28,11,006	19,26,114


SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

	Year Ended 31st March, 2010 Rs.	Year Ended 31st March, 2009 Rs.
Insurance	24,86,143	25,77,429
Travelling Expenses	2,58,41,956	2,31,31,705
Conveyance	20,35,791	16,88,054
Retainer & Consultancy	1,28,03,612	1,13,87,110
Security Charges	23,57,582	2,517,858
Rent	29,20,521	41,52,525
Printing & Stationery	21,84,347	18,91,561
Postage & Telegrams	9,32,294	12,60,859
Communication Expenses	58,02,255	61,29,336
Legal Expenses	7,76,174	14,86,600
Research & Development Expenses	77,35,673	1,64,01,172
Bank Charges	23,05,463	26,07,788
Advances written off	-	17,35,199
Donations	19,20,562	12,09,726
Auditor's Remuneration :		
Audit Fees	5,66,180	5,86,798
Tax Audit	65,515	60,000
Tax Representation	-	28,090
Other services	1,50,000	1,50,000
Out of Pocket expenses	12,350	13,467
Cost Audit Fees	1,20,000	1,20,000
Directors Sitting Fees	6,30,000	6,22,500
Lease Rent	15,28,374	20,90,505
Loss on fixed assets sold / discarded	10,38,897	-
Exchange difference (net)	15,21,683	-
EDP Expenses	24,43,563	14,72,650
Non fulfilment of Export Obligation	-	7,41,000
Provision for doubtful debts	2,30,37,324	36,94,822
Miscellaneous Expenses	42,56,757	24,09,812
	<u>31,36,85,966</u>	<u>30,17,45,702</u>
SCHEDULE : 18 EXTRAORDINARY ITEMS		
Profit realised on sale of Land & Building	-	1,07,88,49,408
Cost in relation to Buy-back of Equity Shares	(6,53,495)	(20,40,865)
Value of Assets discarded on sale of Land & Building	-	(2,42,15,409)
Investments / Advances relating to subsidiary written off	29,75,310	-
Less : Provision made in earlier years	29,75,310	-
Provision for Advances / Investments - subsidiary companies	(5,24,000)	(11,668)
	<u>(11,77,495)</u>	<u>1,05,25,81,466</u>
Income Tax on above	-	(24,18,00,000)
EXTRAORDINARY ITEMS (NET OF TAX)	<u>(11,77,495)</u>	<u>81,07,81,466</u>



19. NOTES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

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 Limited acquired after April 1, 1992 which is provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956. Leasehold land is depreciated over the lease period. Additions made during the year are depreciated pro-rata from the date of addition. Freehold Land, Goodwill and Technical Know how are not depreciated. In respect of Holistic Beauty Care Limited, depreciation on fixed assets is calculated on straight line basis on the cost as per rates specified in Schedule XIV to The companies Act, 1956. Leasehold building and the related improvements thereon are amortised over the period of 3 years. Technical Know how is amortised over the period of 5 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.
- e. Investments are long term investments. Provision for diminution in value has been recognised where such diminution is considered

permanent. Income from long term investments is accounted on accrual basis.

- 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 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 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.1,18,25,000/- (Rs.1,55,00,146/-)
- c. Contingent liability in respect of Income Tax Rs.20,43,194/- (Rs.16,04,113/-). However, the said amount has been paid under protest.

d. Appeals filed in respect of disputed demands:

		2009-2010	2008 - 2009
Excise Duty	Rs.	8,89,155	8,89,155
E S I	Rs.	3,96,545	3,96,545
Service Tax	Rs.	3,95,290	85,364
Income Tax	Rs.	24,30,818	21,02,749
Sales Tax	Rs.	—	2,35,67,410



3. Lease rent in respect of leasehold land has been revised by the Government of Tamil Nadu with retrospective effect from November, 2001 and the arrears on this account upto 31st March, 2010 is Rs.3,32,77,682/- Since the enhancement of the rent is exhorbitant, the Company has contested the said revision before the appropriate forum. The matter is also pending before The Madras High Court in a writ petition. Based on the legal advice, the Company is hopeful of a favourable decision and hence no provision for the said liability is considered in this year.
4. Estimated amount of capital expenditure commitments Rs.9,79,00,000/- (Rs.6,35,00,000/-)
5. Amount of Rs.5,24,000/- net has been provided for Investments made in subsidiary companies since the said companies are not continuing the business operations.
6. a. The Company has transferred Rs.83,034/- (Rs.1,30,579/-) of unclaimed dividends and Rs.nil /- (Rs.48,000/-) of unclaimed matured deposits to Investor Education and Protection Fund during the year.
- b. Unclaimed Dividend amounting to Rs.0.09 lakhs (31.03.2009 Rs.0.11 lakhs) is pending on account on litigation among claimants.
7. The following subsidiary companies i.e Data Quest Infotech and Enterprises Limited and Holistic Beauty Care Limied are considered in the consolidated financial statements. The other subsidiary companies i.e Egattur Printing and Packaging Limited and ADCL Drugs and Chemicals Limited have not been considered for consolidation since the said companies have applied under Section 560 of The Companies Act,1956 for strike off register.

8. In respect of Data Quest Infotech and Enterprises Limited, the Company has wound up its Call Centre Operations and has disposed of all its assets except land and no formal plan has been made for the future.
9. Provision for Taxation includes Rs.50,000/- (Rs. 50,000/-) towards Wealth Tax.
10. The details of deferred tax asset/(liability) are as under:

	As at 2009-2010 (Rs.)	As at 2008-2009 (Rs.)
Deferred Tax (Liability)		
- Depreciation	(2,91,60,444)	(3,34,40,545)
Deferred Tax Asset		
- Expenses / Provisions allowable	7,95,276	14,84,910
Net Deferred Tax	<u> </u>	<u> </u>
Asset / (Liability)	(2,83,65,168)	(3,19,55,635)

11. During the year the Company has bought back 71,660 Equity shares of Rs.10/- each at an average price of Rs. 405.19 and accordingly.
- (a) An amount of Rs.7,16,600/- has been reduced from the paid-up equity share capital.
- (b) The balance of Rs.395.19 per share paid on these shares aggregating to Rs.283.19 lakhs has been adjusted to General Reserve.
- (c) As required under the provisions of the Companies Act, 1956 Rs.7,16,600/- has been transferred to Capital Redemption Reserve from General Reserve.
- The buy back of equity shares was completed on 3rd April, 2009.

12. Segment Information

(Rupees)

	Primary Business Segments	OTC Products		Pharmaessense		Others		Net Total		
		2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	
(a)	Revenue :									
	External Sales	85,25,20,546	82,89,91,221	4,51,76,934	7,76,13,128	91,300	1,33,255	89,77,88,780	90,67,37,604	
	Inter Segment Sales									
	Total Revenue	85,25,20,546	82,89,91,221	4,51,76,934	7,76,13,128	91,300	1,33,255	89,77,88,780	90,67,37,604	
(b)	Result	20,82,55,530	17,57,70,173	(3,45,58,686)	(1,28,02,915)	(47,70,002)	(77,47,548)	16,89,26,842	15,52,19,710	
	Less : Unallocated expenditure net of unallocated income									
	Operating Profit							(3,01,12,207)	(3,60,38,375)	
	Interest expense							13,88,14,635	11,91,81,335	
	Interest Income and Income from Investments							(3,44,632)	(15,31,802)	
	Prior Year Adjustments							4,94,38,485	6,15,18,763	
	Profit before Tax							(5,67,971)	(4,35,809)	
	Provision for taxation :									
	- Income Tax									
	- Fringe Benefit Tax									
	- Deferred Tax									
	- Short Provision of I.T of earlier years									
	Extraordinary Items (net of tax)									
	Profit after Tax							18,73,40,517	17,87,32,487	
(c)	Segment Assets							(7,50,00,000)	(7,00,00,000)	
	Unallocated Assets	35,61,16,444	26,05,95,930	12,21,81,932	10,24,76,858	48,64,807	31,25,835	48,31,63,183	36,61,98,623	
	Total Assets	35,61,16,444	26,05,95,930	12,21,81,932	10,24,76,858	48,64,807	31,25,835	1,18,33,65,345	1,10,67,51,622	
(d)	Segment Liabilities							12,41,74,045	8,01,52,278	
	Unallocated Liabilities	11,13,48,692	6,98,49,865	1,07,99,378	84,05,866	20,25,975	18,96,547	12,41,74,045	9,35,95,286	
	Total Liabilities	11,13,48,692	6,98,49,865	1,07,99,378	84,05,866	20,25,975	18,96,547	21,78,54,235	17,37,47,564	
(e)	Capital expenditure							1,26,67,825	77,24,276	
	Unallocated expenditure	75,56,114	77,15,931	50,99,469	-	12,242	8,345	1,26,67,825	76,20,626	
	Depreciation							12,45,310	76,20,626	
(f)	Unallocated Depreciation	73,89,382	77,72,730	8,36,043	16,12,826	2,74,208	6,90,744	84,99,633	1,00,76,300	
(g)	Significant non-cash items							43,42,182	54,15,665	

The Company has disclosed business segment as the primary segment and is organised in to 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.



13. Disclosure of Related Parties

(I) List of related parties and relationships :

(a) Parties where control exists-Subsidiaries:

Egattur Printing and Packaging Limited
ADCL Drugs and Chemicals Limited

(b) Key Management Personnel :

Mr. S.Sambhu Prasad, Managing Director

(c) Relatives of Key Management Personnel :

Mrs. S. Rajeswari - Mother

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

Nature of Transaction	2009-2010 (Rs.)	2008-2009 (Rs.)
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Loans/Advances granted (net)	-	11,668
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Provision for Advances /		
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Investments	5,24,000	11,668
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Outstanding as on 31.03.2010 :

Investments (net of Provisions)	-	5,24,000
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(III) Transactions with related party mentioned in (b) above:

Remuneration	1,13,85,044	98,64,519
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Dividend paid	26,18,391	72,37,728
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Amount payable as on 31.03.2010	60,13,781	35,51,043
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(IV) Transactions with related parties mentioned in (c) above:

Dividend Paid	49,29,354	1,39,18,176
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14. Earnings per share

	2009-2010 (Rs.)	2008-2009 (Rs.)
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Numerator-Profit as per Profit & Loss A/c before extraordinary item (in Rs.)	11,58,94,695	11,31,59,001
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Numerator-Profit as per Profit & Loss A/c after extraordinary item (in Rs.)	11,47,17,200	92,39,40,467
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Denominator- Weighted average number of Equity shares outstanding	30,35,972	31,80,355
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Earnings per share (Basic and Diluted) before extraordinary item (in Rs.)	38.17	35.58
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Earnings per share (Basic and Diluted) after extraordinary item (in Rs.)	37.79	290.51
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Nominal value of shares (in Rs.)	10.00	10.00
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15. Information in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :

Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 :

	31st March, 2010 Rs.	31st March, 2009 Rs.
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The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.

Principal - 25,21,656		-
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Interest - 1,04,181		-
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The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year.

	-	-
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The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.

94,918		-
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The amount of Interest accrued and remaining unpaid at the end of the accounting year.

9,263		-
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The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006.

16. Disclosure as per Accounting Standard 19 - Operating Leases :

Future lease payments not later than one year

8,73,480		-
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Future lease payments later than one year and not later than five years

3,10,765		-
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17. Employee Benefits

a) Defined Benefit Plans - As per Actuarial valuation on March 31, 2010	2009-2010	2008-2009
Gratuity	Rs.	Rs.
A Expense recognised in the statement of Profit & Loss Account for the year ended March 31 2010		
1 Current service cost	15,60,985	14,51,403
2 Interest Cost	11,73,315	12,57,573
3 Expected return on plan assets	13,30,843	13,95,502
4 Net actuarial (gain) / loss recognised during the year	18,17,888	(3,15,977)
5 Total Expense	32,21,345	9,97,497
B Actual return on plan assets		
1 Expected return on plan assets	13,30,843	13,95,502
2 Actuarial gain / (loss) on plan assets	(7,04,208)	(14,35,739)
3 Actual return on plan assets	6,26,635	(40,237)
C Net Asset/ Liability recognised in the Balance Sheet		
1 Present value of obligation	1,69,57,368	1,56,44,203
2 Fair value of plan assets	1,45,50,331	1,57,17,783
3 Funded status [surplus/(deficit)]	24,07,037	73,580
4 Net Assets / (Liability) recognised in the Balance Sheet	24,07,037	73,580
D Change in Present value of the Obligation during the year ended March 31 2010		
1 Present value of obligation as at April 1, 2009	1,56,44,203	1,76,67,643
2 Current service cost	15,60,985	14,51,403
3 Interest Cost	11,73,315	12,57,573
4 Benefits paid	25,34,615	29,80,700
5 Actuarial (gain) / loss on obligation	11,13,480	(17,51,716)
6 Present value of obligation as at March 31, 2010	1,69,57,368	1,56,44,203
E Charge in Assets during the year ended March 31,2010		
1 Fair Value of plan assets as at April 1, 2009	1,57,17,783	1,74,43,772
2 Expected return on plan assets	13,30,843	13,95,502
3 Contributions made	7,40,728	12,94,948
4 Benefits paid	25,34,615	29,80,700
5 Actuarial gain / (loss) on plan assets	(7,04,408)	(14,35,739)
6 Fair Value of plan assets as at March 31,2010	1,45,50,331	1,57,17,783
F Major categories of plan assets as a percentage of total plan - 100% Qualifying Insurance Policy		
G Actuarial Assumptions		
1. Discount rate	7.50%	8.00%
2. Expected rate of return on plan assets	8.00%	8.00%
3. Salary Escalation	6.00%	5.00%
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 31-3-2010 is Rs.27,68,901/- (Rs.23,78,406/-)

18. 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 Profit and Loss Account

	S. Sambhu Prasad	
	Managing Director	Dr. H.B.N. Shetty
As per our Report of even date	N.S. Mohan	Dr. Pasumarthi S.N. Murthi
For P.S. Subramania Iyer & Co.,	Company Secretary	D. Seetharama Rao
Chartered Accountants	K. Kannan	A. Satish Kumar
Place : Chennai	General Manager (Finance)	Directors
Date : 14.07.2010		
N. Srinivasan		
Partner		


CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2010

	March 31,2010 Rs.	March 31,2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	18,73,40,517	17,87,32,487
Adjustments for:		
Depreciation	1,28,41,815	1,54,91,965
Interest received	(4,05,20,881)	(6,15,18,763)
Income from Investments	(80,62,708)	–
Amortisation of Premium on Investments	6,65,941	–
Dividend received	(8,54,896)	(13,697)
Rent receipts	(6,09,050)	(6,65,675)
Sundry balances	(4,15,829)	(16,58,030)
Excess provision written back	(16,96,513)	
Provision for Bad and Doubtful Debts	2,30,37,324	–
Profit on sale of fixed assets	(34,76,939)	(1,46,167)
Interest paid	3,44,632	15,31,802
Loss on sale of fixed assets	10,38,897	–
Operating Profit before Working Capital Changes	16,96,32,310	13,17,53,922
Adjustments for:		
Trade & other receivables	(60,29,318)	(5,65,25,099)
Inventories	(1,99,81,836)	4,09,18,671
Trade payables	5,40,47,767	38,32,467
Cash generated from operations	19,76,68,923	11,99,79,961
Direct Taxes Paid	(8,27,67,743)	(6,19,63,788)
Net Cash from operating activities	11,49,01,180	5,80,16,173
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including Capital Work-in-Progress	(5,85,48,165)	(1,22,93,341)
Sale of fixed assets	79,29,000	4,25,000
Purchase of investments	(45,60,65,735)	–
Deposit with HUDCO	(1,00,00,000)	–
Loans to subsidiary companies	–	(11,669)
Interest received	4,57,40,864	5,37,92,108
Dividend received	5,94,718	13,697
Rent received	6,14,200	6,31,825
Cash Flow before extraordinary items	(46,97,35,118)	4,25,57,620
Extra ordinary items :		
Amount received on sale of land and building(net of tax payment)	–	84,72,10,867
Net Cash (used in) / generated from Investing Activities	(46,97,35,118)	88,97,68,487



C. CASH FLOW FROM FINANCING ACTIVITIES

	March 31, 2010 Rs.	March 31, 2009 Rs.
Increase / (Decrease) in Bank Borrowings	1,05,20,943	(3,93,89,074)
Repayment of long term borrowings	-	(2,32,17,089)
Increase / (Decrease) in short term loans	-	(2,00,00,000)
Dividend paid (including interim Dividend & Dividend Tax)	(6,02,64,125)	(17,94,06,293)
Interest paid	(2,40,451)	(15,31,802)
Buyback of equity shares	(2,90,35,920)	(3,41,62,460)
Cost in relation to buyback of equity shares	(6,53,495)	(20,40,865)
Net Cash (used in) / generated from financing Activities	(7,96,73,048)	(29,97,47,583)
Net Increase / (Decrease) in cash & cash equivalents	(43,45,06,986)	64,80,37,077
Cash and cash equivalents opening balance	67,55,41,077	2,75,04,000
Cash and cash equivalents closing balance	24,10,34,091	67,55,41,077

Previous year's figures have been re-grouped wherever necessary to conform to this year's classification

Place : Chennai Date : 14.07.2010	S. Sambhu Prasad Managing Director N.S. Mohan Company Secretary K. Kannan General Manager (Finance)	Dr. H.B.N. Shetty Dr. Pasumarthi S.N. Murthi D. Seetharama Rao A. Satish Kumar Directors
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AUDITOR'S CERTIFICATE

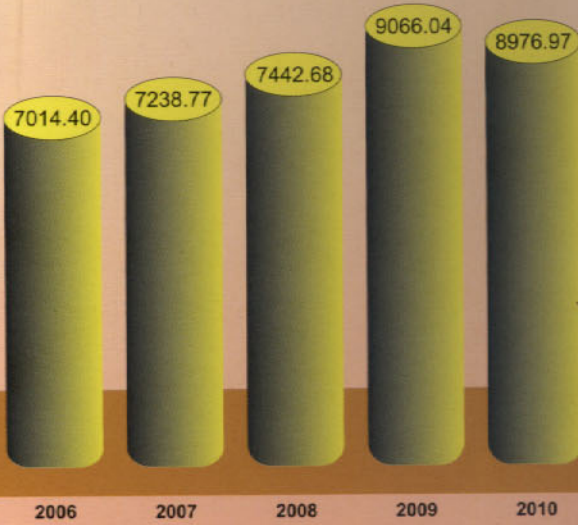
We have verified the above Cash Flow statement of Amrutanjan Health Care Limited, derived from the audited financial statements for the year ended 31st March, 2010 and the year ended 31st March 2009 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreement with Stock Exchange.

Chennai
14.07.2010

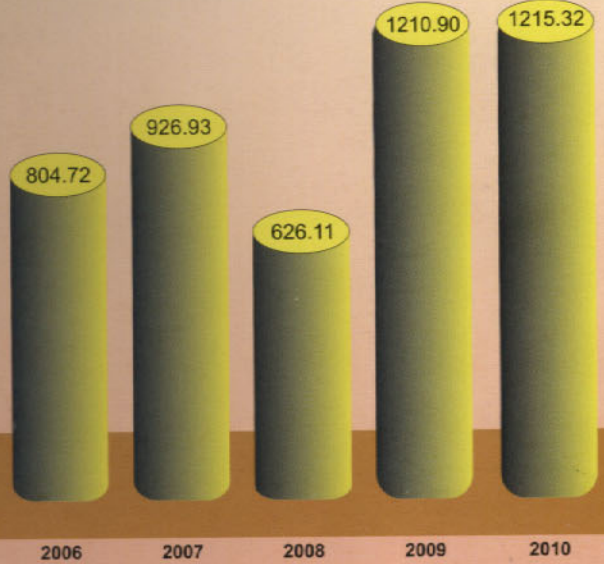
As per our Report of even date
For **P.S.Subramania Iyer & Co.**
Firm Registration No.: 004104S
Chartered Accountants
N. Srinivasan
Partner

AMRUTANJAN

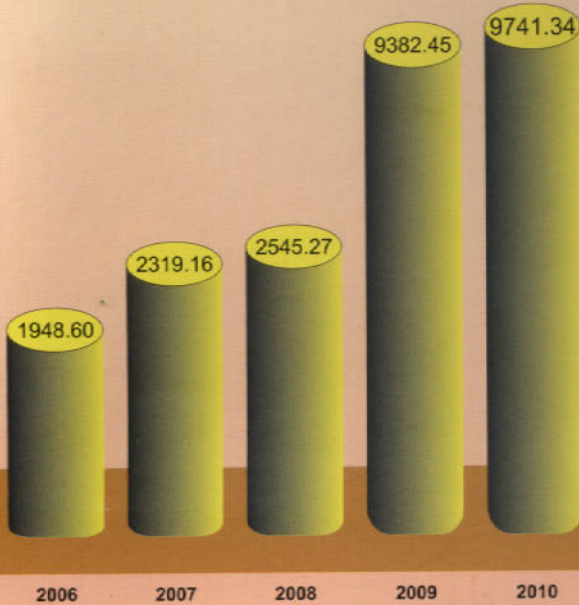
SALES (Rs. in Lakhs)



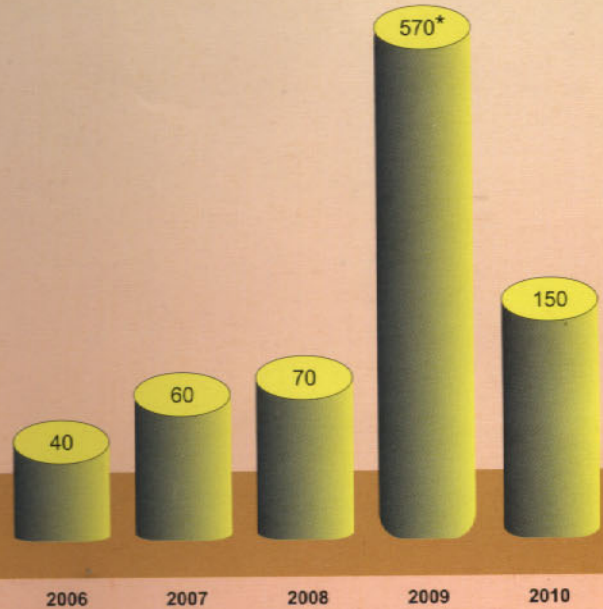
**PROFIT AFTER TAX (Rs.in Lakhs)
(before extraordinary / exceptional items)**



NET WORTH (Rs. in lakhs)



DIVIDEND (%)



* Inclusive of Special one time Interim of 400%



Amrutanjan Health Care Limited
103, (42-45), Luz Church Road, Mylapore, Chennai – 600 004.
www.amrutanjan.com.