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TEN YEAR HIGHLIGHTS

(Rupees in Lakhs)

| PARTICULARS | 2011* | 2010 * | 2009 * | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sales | 10775.39 | 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 |
| Other Income | 483.22 | 605.19 | 695.57 | 39.76 | 98.91 | 134.07 | 78.72 | 94.44 | 111.35 | 62.85 |
| Total Income | 11,258.61 | 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 |
| Profit Before Tax (PBT) | 1,608.22 | 1,926.48 | 1,868.03 | 994.37 | 1,427.85 | 1,259.11 | 892.53 | 740.16 | 501.38 | 637.56 |
| Provision for Taxation- | | | | | | | | | | |
| – Current tax & short provision of earlier years | 416.43 | 750.37 | 735.71 | 173.49 | 518.36 | 514.85 | 335.58 | 315.80 | 194.15 | 197.49 |
| – Deferred Tax | (101.97) | (39.21) | (78.57) | 194.77 | (17.44) | (60.46) | (46.25) | (35.83) | (0.66) | 22.13 |
| Profit after Tax (PAT) | 1,089.82 | 1,215.32 | 1,210.89 | 626.11 | 926.93 | 804.72 | 603.20 | 460.19 | 307.89 | 417.94 |
| Dividend# | 443.81 | 454.50 | 521.05 | 224.00 | 192.00 | 128.00 | 112.00 | 105.60 | 96.00 | 96.00 |
| Fixed Assets & Investments | 10,069.30 | 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 |
| Net Current Assets | 3270.05 | 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 |
| Total | 13,339.35 | 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 |
| Represented by: | | | | | | | | | | |
| Share Capital | 303.00 | 303.00 | 310.17 | 320.00 | 320.00 | 320.00 | 320.00 | 320.00 | 320.00 | 320.00 |
| Reserves | 9,989.29 | 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 |
| Net Worth | 10,292.29 | 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 |
| Loans | 2,662.69 | 125.85 | 20.64 | 846.70 | 768.61 | 572.80 | 1,387.95 | 1,698.42 | 1,260.60 | 1,026.05 |
| Deferred Tax Liability | 384.37 | 282.41 | 321.61 | 400.19 | 210.96 | 228.41 | 288.87 | 335.11 | 370.94 | 371.61 |
| Total | 13,339.35 | 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 |
| Earnings per share (Rs.) (before exceptional items) | 35.97 | 40.03 | 38.07 | 19.57 | 28.96 | 25.15 | 18.85 | 14.38 | 9.62 | 13.06 |
| Book value per shares (Rs.) | 339.58 | 329.50 | 302.50 | 79.54 | 72.47 | 60.89 | 87.18 | 84.03 | 82.74 | 73.21 |
| Dividend (%) | 150 | 150 | 570 | 70 | 60 | 40 | 35 | 33 | 30 | 30 |

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

on the paid up share capital after buyback

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

Mrs. Hema Pasupatheeswaran

General Manager (Finance)

Mr. K. Kannan

Statutory Auditors

P. S. Subramania Iyer & Co.,
Chartered Accountants
Chennai

Bankers

Punjab National Bank
HDFC Bank Limited

Registered Office

No.103 (Old No.42-45), Luz Church Road,
Mylapore, Chennai 600 004
Telephone: 044-24994164 / 24994146 / 24994465 / 24994366
Fax: 044-24994585
E-mail: investors@amrutanjan.com
Website: www.amrutanjan.com

Factories

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

Registrar & Share Transfer Agents

Cameo Corporate Services Limited
"Subramaniam Building"
No.1, Club House Road, Chennai 600 002.
Telephone: 044-28460390
Fax : 044-24860129
E-mail : cameosys@cameoindia.com



Our Values

Commitment towards interests of all Stakeholders-customers, employees

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.

Managing Director's Report

Dear Valued Stakeholders,

It is with great pride and pleasure that I invite all of you including employees to join us in our new journey with “Essence of Life,” which is our corporate delivery to our end-customers.

We've embarked on this new drive after careful consideration of the value we have been providing our consumers through 117 years of our existence, with the help of insightful new research with a wide range of our stakeholders today. Our vision at Amrutanjan is to bring the Essence of Life to consumers of the world through brands that have perceptible and differentiating benefits for all age groups in our different product and service categories.

Let me share with you our new identity for Amrutanjan with its products and services, and our new growth direction. Caring for people's well-being and pain management is not only an outstanding business, but a dutiful task that truly touches lives.

S. Sambhu Prasad
Managing Director

Amrutanjan Health Care Limited



Our Vision

Quantum leap



Bring the Essence of Life to consumers of the world through brands that have perceptible and differentiating benefits for all consumer age groups in different product and service categories.

for next 3 years





Our products and services

“Pure Healthy Essence”

“Pure Healthy Essence” connotes a naturally extracted essence with a deep action formula i.e. effective and without side effects.

Pure Healthy Essence means a pure, trusted natural extract derived from natural products through scientific research. Nature and science are combined to give healthy beauty.

Products in Pain Management



Amrutanjan Faster Relaxation balm has powerful ingredients which help in instant relief from headaches. It is the only balm to have 5 sku's catering to all channel segments and consumers.



Amrutanjan Aromatic balm is the pioneer in the pain category being the only successful unique aroma balm in the market. It is a soft and smooth balm. It is used for immediate relief from headaches. It is helpful in steaming and aroma therapy.



Amrutanjan Roll-on can be easily applied for quick relief from headaches. It is easy to carry and has a pleasant fragrance.



Amrutanjan Joint - Muscle spray helps in instant relief from internal sports injury, sprains and minor rheumatic pain. It provides the cooling effect required in this kind of pain.



Amrutanjan Body Pain crème is used to get relief from general body pain which include neck, back, and knee. Body pain is generally caused due to excessive physical stress, sitting in same posture for long time etc.



Amrutanjan Reusable Gel pad has dual purpose of providing Hot and Cold Therapy. It is durable, burst and puncture resistant. Hot Therapy relieves muscle pain, restores elasticity & increases blood circulation while Cold Therapy is useful in treating acute bone and muscle injuries, arthritis, rheumatoid arthritis and post surgical conditions.

Products in Congestion Management



Amrutanjan Relief for Cough & Cold Rub, Cough & Cold Rub is a complete natural remedy for cough & cold with soothing aroma which gets absorbed faster on the skin.



Amrutanjan Relief Cough & Cold Syrup is effective for dry cough, allergic cough, smoker's cough and irritation caused by pollution. It is alcohol free and doesn't cause drowsiness. It dissolves the thick mucus and contains goodness of Vasaka and Yastimadhu.



Amrutanjan Relief Cough & Cold Inhaler provides quick relief from nasal congestion when inhaled. It's the only inhaler enriched with Nilgiri oil.

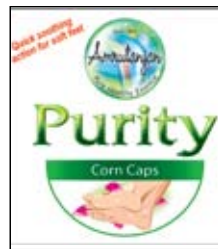


Amrutanjan Relief Cough & Cold Mint soothes throat and freshens breath. It contains refreshing mint which soothes the throat and gives cooling effect. It contains Nilgiri ka tel and citrus

Products in Purity



Amrutanjan Purity Hand Sanitizer with lemon fragrance kills 99.9% germs without using water there by promoting hand hygiene. It can be used during illness caused by microbes, before touching an infant, before eating food, after contact with soiled clothing material or pets, after sneezing & coughing, after rest room use etc.



Amrutanjan Purity Corn Caps provides quick soothing action for soft feet. It has ayurvedic medicine for corn removal in foot. It is quick acting and provides long lasting relief

Foods & Beverages



New Fruitnik juice drink is filled with goodness of natural fruits

- Apple gives you minerals & vitamins
- Grape contains a high amount of anti-oxidants
- Mango is a great source of vitamin A, B & E



Kitchen Delights Mother's food. Now just minutes away. Anywhere. Anytime.

Comfy



Comfy sanitary napkin offers triple benefits. It got superior absorption, rash free and comes with the all new leak proof technology that ensures zero leak

Cool Refresher!

New Fruitnik Juice Drink is filled with the goodness of natural fruits:

- Apple gives you minerals and vitamins.
- Grape contains a high amount of anti-oxidants.
- Mango is a great source of Vitamins A, B and E

Now isn't that the perfect way to beat the summer heat!

Fruitnik one of the oldest brands in the non-carbonated soft drink category can be looked out for a invigorating appeal to our target group



fruitnik



Our Services



Amrutanjan is foraying into service by launching Specialized Hi-tech Center for Pain Managements across the nation in a phased manner.

Specialized Hi-tech Center for Pain Management is the first of its kind in India where all different kinds of pain experienced by people will be treated for.

Notice to Shareholders

Kindly take notice that the Seventy Fourth Annual General Meeting of the members of Amrutanjan Health Care Limited will be held on Monday, the 19th day of September, 2011 at Narada Gana Sabha (Sathguru Gnanananda Hall), No.314 (Old No.254), T.T.K. Road, Chennai 600 018 at 11.00 a.m., to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011, the Profit and Loss Account for the year ended 31st March, 2011 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, 2011
3. To appoint a Director in the place of Mr. A. Satish Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix the remuneration.

BY ORDER OF THE BOARD
FOR **AMRUTANJAN HEALTH CARE LIMITED**

Chennai
08.08.2011

Hema Pasupatheeswaran
Company Secretary

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 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 PRIOR TO THE TIME FIXED FOR THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 14th September, 2011 to 19th September, 2011 (both days inclusive).
3. 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 14th September 2011 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 19th September, 2011.
4. 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.
5. 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.
6. 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 2010-11, the Company has transferred the unclaimed dividend pertaining to the Financial Year 2002-2003 amounting to Rs. 2,55,015/- to IEPF. Members who have not yet encashed their final dividend warrants from the Financial Year 2003-2004 onwards are requested to make their claims to the Company immediately.

7. Important Communication to shareholders: Green Initiative

The Ministry of Corporate Affairs, New Delhi ("MCA") has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by companies vide its Circular No.17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011 and clarified that the service of documents by a company can be made through electronic mode instead of sending the physical copy of the documents to its shareholders.

Keeping in view the underlying theme and the circulars issued by MCA, we propose to send henceforth all communication / documents including the Annual Report for the FY 2010-2011 (which includes the Notice of the AGM, Audited financial statements, director's report, auditors' report etc.,) via electronic mode.

In this connection, you are required to exercise your choice of receiving the Annual Report in any one of the modes.

We are sure you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives.

8. Pursuant to the circular issued by Ministry of Corporate affairs, Govt. of India and the Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India it has been decided to dispense with the practice of distributing gift products of the Company at the ensuing Annual General Meeting.

BY ORDER OF THE BOARD
FOR **AMRUTANJAN HEALTH CARE LIMITED**
Hema Pasupatheeswaran
Company Secretary

Chennai
08.08.2011

Details of Director seeking re-appointment in the Annual General Meeting

| | |
|--|--|
| Name of Director | Mr. A. Satishkumar |
| Date of Birth | 18/11/1952 |
| Date of Appointment | 25/06/2009 |
| Qualification | MBA (IIM) |
| Expertise in Specific Functional Area | Company start-ups, brand marketing & General Management |
| List of Companies in which outside Directorship held | <ul style="list-style-type: none"> • First Leasing Company of India Limited • Royal Software Solutions Limited |
| Chairman/Member of the Committees of Board of Directors of other Companies | <p>Member of the Audit Committee and Share Transfer Committee of First Leasing Company of India Limited</p> <p>Member of the Audit Committee of Royal Software Solutions Limited</p> |
| Shareholding | Nil |
| Relationship with other Directors | Independent Director. Not related to any of the other directors in any manner as indicated in Schedule 1A of the Companies Act 1956 |

DIRECTORS' REPORT

Your Directors have pleasure in presenting their report on the financial results of the company for the Seventy Fourth year, along with the audited Balance Sheet as on 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011.

1. Financial Results

Your Directors are pleased to furnish below the financial results for the year ended 31st March, 2011.

| Particulars | For the Current Year ended 31st March, 2011 Rs. | For the Previous Year ended 31st March, 2010 Rs. |
|---|---|--|
| Profit before Interest and Depreciation | 18,15,12,661 | 18,67,66,845 |
| Less: Interest | 30,15,993 | 3,44,632 |
| Depreciation | 1,76,74,382 | 1,25,67,607 |
| | 2,06,90,375 | 1,29,12,239 |
| Profit before extraordinary items | 16,08,22,286 | 17,38,54,606 |
| Exceptional items | – | 1,93,61,883 |
| Prior year adjustments (Net) | – | (5,67,971) |
| Profit before tax | 16,08,22,286 | 19,26,48,518 |
| Provision for taxation | | |
| – Income Tax | (4,15,00,000) | (7,50,00,000) |
| – Deferred Tax | (1,01,96,739) | 39,20,515 |
| Short Provision for Income Tax of earlier years | (1,42,658) | (36,936) |
| Profit after tax before exceptional items | 10,89,82,889 | 12,15,32,097 |
| Extraordinary Items (Net of Tax) | (21,90,580) | (34,42,731) |
| Net Profit | 10,67,92,309 | 11,80,99,366 |
| Add: | | |
| Transfer from Profit & Loss Account | | |
| – Surplus from previous year brought forward | 25,64,09,950 | 25,14,84,812 |
| Profit for Appropriation | 36,32,02,259 | 36,95,84,178 |
| Appropriations: | | |
| General Reserve | 5,00,00,000 | 50,00,00,000 |
| Transfer to Contingency Reserve | 25,00,000 | 1,00,00,000 |
| Interim Dividend Paid | 1,51,50,000 | 1,51,50,000 |
| Tax on Interim Dividend | 25,74,743 | 25,74,743 |
| Final Dividend - Proposed | 2,92,30,630 | 3,03,00,000 |
| Tax on Proposed Final Dividend | 47,41,940 | 51,49,485 |
| Balance Profit carried to Balance Sheet | 25,90,04,946 | 25,64,09,950 |
| | 36,32,02,259 | 36,95,84,178 |

DIRECTORS' REPORT

2. DIVIDEND

Your Directors, considering the profits projected for the year 2010-11, 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, 2011 amounting to Rs.292.31 lakhs. The Company will bear the dividend distribution tax of Rs.47.42 lakhs.

3. DIVISIONS

During April 2011 a new division was launched under the name & style Amrutanjan Pain Management Center also known as CARE Specialized Pain Management Center. It is Chennai's first and only comprehensive pain management center.

CARE Specialized Pain Management Center caters to treatment of various kinds of pain – right from chronic headaches, joint aches and migraines to carpal tunnel syndrome, Complex Regional Pain Syndrome and cancer related pains, just to name a few. The center houses the latest in technology, central and locally acting treatments and minimally invasive procedures from around the world, helping patients benefit from the best pain management and treatment regimes.

During May 2011, the division, Pharmaessense Chemistry Services Division, was transferred to a wholly owned Subsidiary Company viz., Amrutanjan Pharmaessense Private Limited with all its assets and liabilities, excluding land.

All these activities were done, only with the approval of the shareholders' through postal ballot resolutions, the details of which are given in the Corporate Governance Report, found elsewhere in this Report.

4. PERFORMANCE OF YOUR COMPANY

The Total Gross Sales of the Company for the year ended 31st March, 2011 has increased by 17% compared to the previous year and was at Rs.109.78 crores. Sales crossed the 100 crore mark for the 1st time in the history of the Company. The Company's Gross Sales across segments stood at Rs.107.75crores while Shiva's Soft Drink Private Limited was Rs.2.03 crores.

5. BUY-BACK OF SHARES

Your Company brought back 106937 shares of face value Rs.10/- each at Rs.900/- per share which amounts to less than 10% of the paid up share capital & free reserves for the Financial Year ended 31st March 2010, through the tender offer method. The same was approved by the Board in May 2011 and the offer was open between July 4th and July 18th. Consequent to the buyback, the promoters' holding has gone up by 1.78%.

6. FIXED DEPOSITS

Your Company has neither accepted nor renewed any deposits since September, 2000.

7. DIRECTORS

Mr.A.Satishkumar, Director retires by rotation and being eligible, offers himself to be reappointed.

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, 2011 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 are found elsewhere in this Report.

10. SUBSIDIARY COMPANIES

Data Quest Infotech & Enterprises Limited

This Company had filed an application under the Simplified Exit Scheme of the Ministry of Corporate Affairs and the same has been approved by the Registrar of Companies. However, Amrutanjan Health Care Limited has stood guarantee for future claims and liabilities.

Holistic Beauty Care Limited

There was no commercial operations during the year under review. The Board of the said Company is considering various options and the most viable option would be pursued with, in the near future.

DIRECTORS' REPORT

Siva's Soft Drink Private Limited

This Company was acquired during February 2011 by way of transfer of shares vide an agreement, approved by the Board of Directors of your Company.

As of 31st July, 2011 this Company has shown Net Sales of Rs. 901.13 lakhs and a Net Profit of Rs.80.80 lakhs. The plant is located at Aranvoyal Village, Thiruvallur District. This plant caters to manufacture and sale of fruit drinks, which come under three flavors, viz., mango, grape and apple under the brand name & trademark 'Fruitnik'.

11. Consolidated Financial Statement

The holding companies are exempt from publishing the accounts of subsidiaries subject to fulfillment of certain conditions vide Circular No.2/2011 dated 2nd February, 2011 issued by the Ministry of Corporate Affairs.

However, the financial statements of the subsidiaries viz., Holistic Beauty Care Limited and Siva's Soft Drink Private Limited, have been prepared and form part of the Consolidated Financial Statements.

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, 2011.

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 Punjab National Bank, HDFC Bank Limited, 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
08.08.2011

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

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.

| | | | Year ended 31.03.2011 Rs. | Year ended 31.03.2010 Rs. |
|---|------------------------------------|-----------------------|---------------------------------|---------------------------------|
| A) POWER AND FUEL CONSUMPTION | | | | |
| 1. Electricity: | | | | |
| a) Purchased: | | | | |
| Units | | | 4,83,335 | 4,09,265 |
| Total Amount (Rs.) | | | 38,74,841 | 27,96,248 |
| Rate/Unit (Rs.) | | | 8.02 | 6.83 |
| b) Own Generation: | | | | |
| (i) Through Diesel Generator: | | | | |
| Units | | | 2,47,637 | 2,74,871 |
| Units per litre of Diesel | | | 3.55 | 3.72 |
| Cost/Unit (Rs.) | | | 11.50 | 10.18 |
| (ii) Through Steam Generator: | | | | |
| Units | | | — | — |
| Cost/Unit (Rs.) | | | — | — |
| 2. Coal: | | | | |
| Qty. (Tonnes) | | | — | — |
| Total Cost | | | — | — |
| Average Cost | | | — | — |
| 3. Furnace Oil: | | | | |
| Qty. (K.Ltrs) | | | — | — |
| Total Amount | | | — | — |
| Average Rate | | | — | — |
| 4. Others/Internal Generation: | | | | |
| Qty. | | | — | — |
| Total Cost Rate/Unit | | | — | — |
| (B) CONSUMPTION PER UNIT OF PRODUCTION: | | | | |
| | Products (with details) Unit | Standards (if any) | Year ended 31.03.2011 Rs. | Year ended 31.03.2010 Rs. |
| Electricity: | | | | |
| Amrutanjan Pain Balm | (Per Ton) | | 8,439 | 8,575 |

Annexure Forming Part of the Report of the Directors to the Members

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

I. RESEARCH & DEVELOPMENT

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

CONSUMER PRODUCT RESEARCH (OTC)

- Development of Non rubefacient OTC products such as Anti fungal /Skin care cream as per marketing requirements.
- Development of OTC pain care and cold care products for US market.
- Continual improvement and value addition to the existing products to overcome the competitors.
- Development of cold care product in a cream dosage form
- Development of a personal care product - olive shampoo

2. BENEFITS OF R & D

CONSUMER PRODUCT RESEARCH (OTC)

- Development of innovative and novel OTC products for the business improvement
- Conducting the stability studies to ensure the shelf life for the a) products developed b) existing products improved c) packaging of the products improved
- Technology transfer for the products developed to the production dept.
- Support and solvation of any trouble shooting in the production
- Providing literature data and scientific data about the products and their key ingredients
- Exploration for the development of cost effective formulaions.

3. PLANNING FOR THE FUTURE:

CONSUMER PRODUCT RESEARCH (OTC)

- Marketing of non rubefacient products to avoid the dependency on the pain balm catogory products.
- Launch of personalcare products such as Liquid hand wash

4. EXPENDITURE ON R & D

| | (Rs. in Lakhs) |
|-----------|----------------|
| Capital | 4.35 |
| Recurring | 60.07 |
| Total | 64.42 |

Total R&D expenditure as a percentage of total turnover is 0.62 %.

5. TECHNOLOGY ABSORPTION, ADAPTION and INNOVATION

- The pain care products such as BACKON cream and NECK &SHOULDER cream are ready to launch

II. FOREIGN EXCHANGE EARNINGS AND OUTGO

| | (Rs. in Lakhs) |
|---------------------------------|----------------|
| Total foreign exchange earnings | 250.11 |
| Total foreign exchange outgo | 299.56 |

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, 2011.

| Sl. No. | Name, Age and Nature of Employment | Designation/ Duties | Gross Remuneration (in Rs.) | Qualification | Experience (in years) | Date of Commencement of Employment | Particulars of last employment |
|---------|--|--|-----------------------------|------------------------------|-----------------------|------------------------------------|------------------------------------|
| 1 | Mr. S. Sambhu Prasad* (37) (Contractual) | Managing Director (Management of whole affairs of the Company) | 88,08,807 | B.Tech (USA) M.B.A. (USA) | 15 | 07.08.2005 | Warren Industries, Wisconsin, USA. |

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.

Management Discussion and Analysis Report

I INDUSTRY STRUCTURE AND DEVELOPMENTS

1. OTC

India's Fast Moving Consumer Goods (FMCG) sector, valued at Rs. 1.40,000 crores, is the 4th largest in the world, and a key component of India's GDP. The OTC industry, classified into categories such as Rubefacients, Digestives, Inhalers, Acne preparations, Analgesics, contributes about 4% to this steadily growing sector. The growth has come from increase in disposable income, urbanization, change in lifestyle and increased awareness.

Your Company is among India's top 4 companies in the Rs. 1600 crores Rubefacient category which is growing at 20% by value. Your Company has the largest and most established distribution network in the country, and enjoys the strategic advantage and combined market strength of over 3.5 lakh retailers and 1750 stockists. The indirect distribution reach of your Company is 11.6 lakh outlets which enables the presence of Your Company products even in the remote parts of India.

BRANDING

Your Company has consistently figured on India's Top 100 Most Trusted brands as ranked by consumers. This is no small feat! In spite of this achievement, the management of Your Company

strongly feels that brands have to be truly World Class to survive the hyper competitive market that is India, and so have to fight for the consumer's mindshare on a global scale.

With a mandate to reposition your Company for its future growth direction, Shining Consulting, an international Creative Business Strategy firm was hired to work on the entire franchise of pain and congestion management. With insightful new research from meeting hundreds of consumers, retailers, orthopedics, doctors as well as employees in 18 months, Shining clearly understood that each different pain has a specific remedy, and has endorsed that your Company's equity remains strong to stretch to new areas too.

Your Company is the only one of its kind that offers an entire range of pain and congestion management products for every type of consumer including both children and adults. From R&D to branding, retail activation to advertising communication, Your Company has now been positioned as a specialist, not a generalist, in the competitive scenario.

Steps are being taken to focus on the competency of each product and application. Your Company will now have 3 sub brands: Kick Out Pain for pain management, Relief for congestion management and Purity for hygiene products



PAIN MANAGEMENT = KICK OUT PAIN

"Kick out pain" is the keyword for positioning of your Company's Pain management category products, which in common consumers' parlance shall mean as the faster complete recovery of the pain. The word "Kick Out Pain" inside a smiley connotes a joyous feeling after the pain is relieved. Our research has found that headache, body pain and muscle injury & joint area sprains are all different kinds of pain and so need solutions with some format relevant to the category and usage convenience. The benefit of "Kick out pain" aptly suits all these kinds of pain.

CONGESTION MANAGEMENT = RELIEF

"Relief" has been created as a sub-brand of your Company for cough and cold category products that decongest blocked noses and soothe the throat. Consumers suffering from cough and cold expect the benefit of "Relief" as remedy. So to highlight the benefit instead of the problem, this congestion management category is named as Relief. In all blind tests done with consumers, the performance of your Company's Relief cold rub was better than the monopoly player in the market; Your Company score was 8.5 whereas the leading competitor brand scored 7 on a 10-point scale.

As adults go in more for tablets for cold and cough relief, the cold rub category has become child centric. However, both adults and children can be relieved from Relief cold rub. So working with consumer and doctor insights and your Company's trusted R&D, we have come up with a solution of how to both the targeted age groups, that are poles apart because creating this difference will make a huge dent in the market. By playing with the usage quantity of the product, we can be very specific to consumers: use a small quantity for children, and normal quantity for adults. In the branding architecture we have very strongly taken care to make one category for children and the other for adult. In advertising communication the child communication has been emphasized as Wuhoo! Relief and adult as Aaah! Relief.

As your Company enters new and multiple product categories, we have also created a compelling new brand identity that expresses our personality and leadership position in the market. Our brand identity is the face and personality we present to the global community.

AMRUTANJAN MEGA BRAND

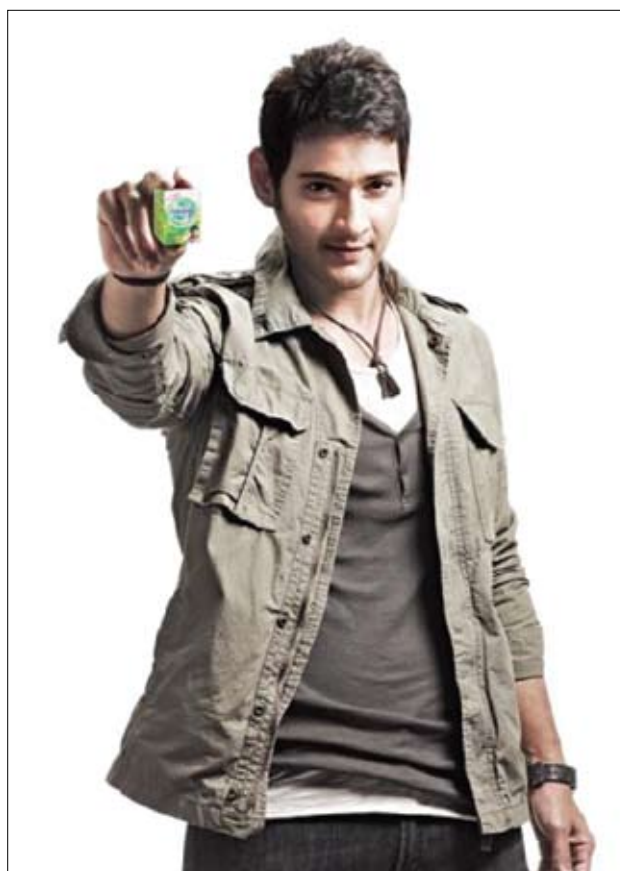
The new identity of your Company brings in naturalness, science and trust that are associated with the brand. Your Company's dynastic roots since 1893 make it known and trusted, but in today's rapidly changing digital era, the brand is slowly losing equity with the younger generation. They perceive it as being mono-directional on the lines of Ayurveda only. Your Company's new identity with the positioning of Pure Healthy Essence makes the brand more dynamic, global, scientific, retaining the substance of high quality product benefit. This will facilitate us to foray into multiple categories in future.

CORE OF YOUR COMPANY

For family and individual well being, naturalness with science, expertise since 1893.

MAHESH BABU CAMPAIGN IN ANDHRA PRADESH

To further build the equity of your Company in Andhra Pradesh, Mr. Mahesh Babu, a leading film personality was selected as the brand ambassador. The criterion was someone with an image and background that would complement your Company's historical brand. The campaign was a roaring success contributing 30% to overall growth of pain management products in the high priority Andhra Pradesh state and to the company.



SALES AND DISTRIBUTION SYSTEM OPTIMIZATION

The Sales and Distribution system is the life blood of an Indian FMCG company. Unlike most mid-sized companies that falter with excessive focus on advertisements for brand building at the expense of consumer centricity and shareholder value creation, your Company has been very judicious in communication spends. In fact meticulous attention has been paid to collecting various stakeholder and consumer insights so that they benefit from investment in and purchase of Your Company products.

Your management implemented a robust process of deploying and tracking critical sales assets (feet on the ground) by integrating

daily market tracking with the company's ERP system. Today the company's managers, even by sitting anywhere in the world, can access daily sales report by product and SKU, as well as stockists' sales. This kind of control is usually seen in much larger companies, but was executed here at a minimal cost. The result of this effort is clearly seen in the growth of the company's sales last year, and in this year's first quarter. Sales forecast accuracy and range selling improved tremendously.

2. FORAY INTO BEVERAGES

Your Company diversified into the fast growing non carbonated beverages industry with the acquisition of Siva's Soft Drink Private Ltd. The company owns the Fruitnik brand founded in 1958. Fruitnik in mango, apple and grape flavors enjoys a position of being among Tamil Nadu's top 3 in market share.

NON CARBONATED BEVERAGE INDUSTRY

The Rs 2,400 crores Non-Carbonated beverage industry (NCSD) is an INR 2400 crore market. This market is widely classified into fruit drinks, nectars, 100% juice (from concentrate), 100% juice (not from concentrate) & still vegetable juices. Its taxonomy is based on the pulp content.

The Fruit Drink category with less than 20% pulp content is where we are present. It forms almost 80% of the Rs 1,900 crores market, and is growing at a healthy 15% at an all India level, with major players accounting to about 80%. Mango still tops the flavor list. Yet new flavors have started to chip in, in the last three years. The major players in this category are Coca-Cola, Pepsi, Parle & Dabur. Tamilnadu remains to be the major one State contributor, with about 12% though West & North (31% & 34% respectively) contribute more as regions. Tamilnadu market has witnessed a 24% GOLY with room for new entrants and flavors. This category is being served in around seventeen lakh outlets across our country, with two lakh outlets in Tamilnadu alone.

3. R&D HERBAL

Your Company's R&D department, the backbone of your Company, has been recognized by the DSIR, New Delhi. The R&D team's tireless efforts to improve existing products and develop new, innovative products is instrumental in your Company's strive for excellence.

4. PHARMAESSENCE CHEMISTRY SERVICES

INDUSTRY STRUCTURES AND CURRENT DEVELOPMENTS

2010 was a mixed year of fortunes for the Global Pharmaceutical industry, while the number of drugs going off patent had increased, there were no signs of revival of R&D with most Global Pharma giants cutting down outsourcing and R&D budgets, with the after effects of recession still evident.

2011, however is a different story, the market values of drugs going off patent in the next 5 years is estimated to be at USD 97 billion as against only USD 73 billion for 2006-2010. Some

of the top brands to go off patent in coming five years include Lipitor (Pfizer) USD 10.70 billion, Plavix (Sunnofi-Aventis) USD 6.7 billion and Adavir (GSK) USD 8.4 billion. This coupled with the increase in budgetary cuts, in healthcare spending by most developed countries are shifting focus to cheaper generic variants from developing countries such as India.

GROWTH TRENDS

In 2010 64% of the CRAMS market was dominated by the Contract Manufacturing which includes manufacturing of intermediates for NCE's and existing APIs. The contract research market was at USD 25 billion globally with an estimated growth of 15%. This trend is going to be maintained for the next five years.

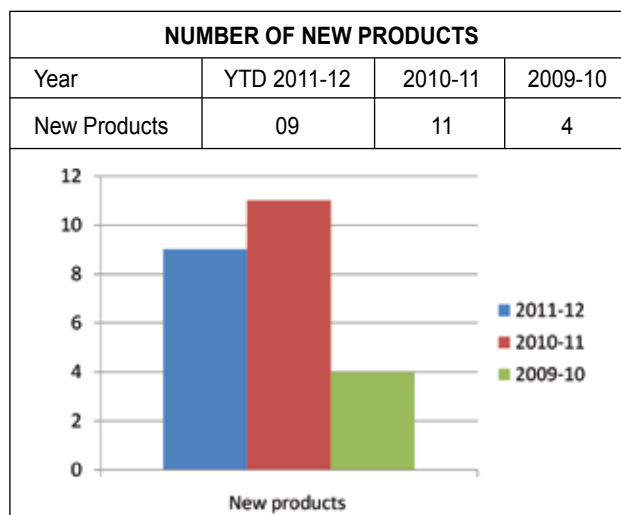
The Indian CRAMS market has grown from USD 2.4 billion in 2009 to USD 3.8 billion in 2010 a growth of 34%, the number of players has also gone up five times from 2005, when there existed only 20 players to 100 in 2010. The major growth driver for Indian CRAMS market has still been its low cost advantage and quality infrastructure but off late the pressures from the Chinese manufacturers are posing a threat to India's position. One favorable aspect of Indian CRAMS market has been the growth of FDA approved sites which are the highest outside of the US and three times more than the closest rival, Italy.

PHARMAESSENCE R&D.

Our R&D has been a pillar of strength in our business and has also been one of our selling point to our customers. The Sigma Aldrich MOU solely hinges on the performance of our R&D and their ability to develop and deliver new products, in this year's purchase orders, out of the Rs.505 Laks order that has been awarded to Pharmaessence, R&D is responsible for generating Rs.440 Laks. With a lot more molecules being developed the role and growth of the R&D would be crucial to the growth of Pharmaessence.

PERFORMANCE OF R&D

Pharmaessence R&D has been developing new products year on year, the performance over the past three years is indicated in the chart below:-



II OPPORTUNITIES AND THREATS

1. OTC

India's 1.2 billion population represents one of the largest emerging economies of the world in terms of purchasing power. The percentage of households with monthly disposable income of US\$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 upgrading from home-made remedies to OTC within the rural, and urban lower SEC segments, driving an increasing relevance of lower price points, marginal distribution. 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 and stressful lifestyles among Indians would drive OTC categories such as Analgesics (stress, sedentary lifestyles), CCA (pollution, AC offices), Medicated Skin Care (Pollution, Poor dietary habits).

These trends indicate this to be a right time for your Company, Your Company, to enhance its brand portfolio and capitalize on the growth potential within this market. The relaunch and focus on Cold Rub would prove to be a very beneficial entry into a new segment that has only one significant competitor. Your Company's vision of focusing more on youth is driving specific modern product formats such as Joint-Muscular Pain Spray and Faster Relaxation Roll On Liquid Balm. Within the rubeficient category, Body Pain being the largest and fastest growing segment remains a big opportunity for your Company to tap with suitable offerings in the future. The challenge is that MNCs and other large domestic competitors are also beginning to focus in these OTC segments with strong promotional efforts, established distribution and brand building.

2. NON CARBONATED BEVERAGES (FRUITNIK)

India - the youngest nation in the world & being the second most populous country with a huge working mass is a feast to any marketer and so is it to the Fruit drink category. Also it is inspiring to know that our country is urbanizing at a rate of 2.4% which is the highest in emerging nations. Positive ciphers have already been waved out with respect to consumers in terms of increasing disposable income, shift in share of wallet from basic necessities to discretionary items, raising MHIs, curiosity to explore & increasing in-home consumption. The self pick store trend has been developing exponentially facilitating the movement of larger packs & in-home consumption. It is encouraging to ascertain a category which is ready for experimenting, growing & leaving room for innovation as ready-to-drink picks only 4% of the 120 billion litres of beverage that is consumed every year in

our country. In short our per capita consumption is only less than a litre per annum. This category has evolved from the traditional fresh juice street vendor to fortified juices in the last 20 years & has been revolutionized beyond imagination in the past 5 years. Opportunities are humungous as our consumers are still thirsty.

Geographically our national is blessed with rich fruit cultivation (existing major flavours) which attracts manufacturers. Threats to this category can range from the street corner juice vendor to the imported fortified juices from developed countries. Like all, urbanization has its own hitch – Increasing private labels, increasing price sensitivity & curiosity to experiment burdens the manufacturer. As India has got the lowest per capita consumption among the BASIC countries it attracts lot of brands from developed markets which might hinder the existing offerings. There is a fundamental shift in buying behavior from fruit drinks to 100% juices which has to be noted keenly. Increasing bargaining power of the consumers coupled with high intensity competition, threat of new entrants, substitutes & increasing distribution costs leaves this as a challenging rostrum.

3. PHARMAESSENCE CHEMISTRY SERVICES

While the reasons for growth still remain the low cost advantage and quality of workforce, the other drivers for growth include

- Respect for IPR
- Sufficient proven track record in filing of DMFs and ANDAs

In fact India continues to dominate in the filing of DMF's with 36% of all DMF's filed by Indian companies.

III. RISKS AND CONCERNS

1. OTC

The biggest risk facing the company today is price inflation of key raw materials. This is a broader trend that is affecting all FMCG companies resulting in margin pressure. While your management has taken a proactive approach of expenditure control and price increases there would be a limit to price elasticity.

2. NON-CARBONATED BEVERAGES

Raising & fluctuating input costs and distribution costs are a lurid to beverage industry like any other. Water, one of the major ingredients is a peril for this industry as its reasons of contamination is out of the manufacturer's purview along with the availability. Change in consumer behavior from Fruit drink to Juices is a potential risk. Escalating concerns on obesity & calculated calorie intakes are bigger menaces to the category.

3. PHARMAESSENCE CHEMISTRY SERVICES

The biggest threat going into FY 2011 is the intensive competition, the growth in the number of Indian companies pursuing CRAMS

related work is pegged around 50 % for the period between 2010-2013.

The other major risk factor is the increasing inflation which is escalating manpower costs and increasing attrition rates within the industry. This had a cyclic effect and is affecting the bottom line of many top companies.

The threat from China, which is fast rising as a global hub for outsourcing activities cannot be denied. China has an advantage of a cheaper workforce and with its inflation well reigned in it presents itself as a low cost and stable economic platform for international pharmaceutical companies to invest in.

IV. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

| | (Rs. in lakhs) | |
|---|----------------|----------|
| | 2010-11 | 2009-10 |
| OTC | | |
| Sales | 9423.30 | 8525.21 |
| Segment Result | 1836.83 | 2082.95 |
| Capital Employed | 2674.34 | 2447.27 |
| Pharmaessense Chemistry Services | | |
| Sales | 915.50 | 451.77 |
| Segment Result | (281.15) | (345.59) |
| Capital Employed | 1576.87 | 1113.83 |

V. OUTLOOK

1. 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.202, 100 crores by 2013 and Rs.423, 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.

2. NON-CARBONATED BEVERAGES

As a beverage brand the attitude would be to position itself with distinguished brand imagery in the mind space of the consumer. Our brands would lead the upheaval of the category by continuously updating itself with varied offerings. Our brands will always have a lucrative market in terms of demographics & psychographics. We will be launching products that will cater to major occasions of consumption.

To achieve our aspirations we are building unique competencies which will help us to produce unique & quality products. We will surprise our consumer with pioneering brand imagery & communication. Our strengths that we will accustom from our sibling brand – Consumer oriented products & team work with purveyors will help us accomplish our objectives.

3. PHARMAESSENCE CHEMISTRY SERVICES

Pharmaessense has adapted to the current market trends with products and services catering to APIs, Generic intermediates, Fine Chemicals and Custom Synthesis molecules.

The MOU signed with Sigma Aldrich has also grown in size with Pharmaessense booking a sale of Rs.168 Laks for the financial year 2010-11. For this financial year Pharmaessense has orders worth Rs.505 Laks and have already booked a sale of Rs. 35 Laks. There are plans to achieve Rs.1000 Laks business with Sigma Aldrich by the end of this financial year.

In a recently concluded audit by the global pharma giant GlaxoSmithKline (GSK), Pharmaessense has been approved as a global supplier for raw materials for GSK and would have the opportunity to supply raw materials to any of GSK's plants across the world.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Proper and adequate internal control systems have been put in place by your Company to safeguard and protect all its assets against loss from unauthorized use or disposition. This further ensures that transactions are authorized, recorded and reported correctly. Your 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.

Your Company has a number of internal control systems to monitor performance from the procurement of raw-materials to processing and conforming to standards. Production Review meetings, Sales & Marketing Review meetings and General Review meetings are held regularly. Your Company has conducted "Risk Audit" by leading auditors and implemented additional 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.

| | (Rs. in lakhs) | |
|--|----------------|----------|
| | 2010-11 | 2009-10 |
| Sales from Operations | 10,338.80 | 8,976.97 |
| Other Income | 483.22 | 605.19 |
| Total Income | 10822.02 | 9582.16 |
| Total Expenditure | 9006.90 | 7720.17 |
| PBDIT & Exceptional Item | 1815.12 | 1861.99 |
| Depreciation | 176.74 | 125.68 |
| PBIT & Exceptional Item | 1638.38 | 1736.31 |
| Interest | 30.16 | 3.45 |
| PBT & Exceptional Item | 1608.22 | 1732.86 |
| Exceptional Item (Income) / Expense | — | (193.62) |
| PBT | 1608.22 | 1926.48 |
| Current Tax / earlier year I.T. adjustments | 416.42 | 750.37 |
| Deferred Tax | 101.97 | 39.21 |
| PAT (before Extraordinary Item) | 1089.83 | 1215.32 |
| Extraordinary Item | (21.91) | (34.33) |
| PAT (after Extraordinary Item) | 1067.92 | 1180.99 |
| Key Financial Ratios (expressed as%) | | |
| PBDIT / Net Sales | 17.56 | 20.74 |
| PBIT / Sales | 15.85 | 19.34 |
| PBT/Total Income | 14.86 | 20.10 |
| PAT/Total Income (before Extraordinary Item) | 10.07 | 12.68 |
| PAT/Total Income (after Extraordinary Item) | 9.87 | 12.32 |

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

Your Company is a value based company with a culture that promotes empowerment and freedom. In a challenging and competitive environment, your Company believes that people are

the key to success. The Human Resources function proactively develops innovative & business focused methods to attract, develop, motivate, and retain company's talented competitive resources – our people. Your Company had total employee strength of 453 as on 31st March, 2011.

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 rewards & recognition.

TALENT MANAGEMENT

The company values both experience and fresh talent. The Company has inducted experienced talent for its existing and sunrises 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 Six Sigma, 5S, Safety etc., besides focusing on helping workforce/executives to improve productivity of individual and team. The senior Management team has taken the project based approach to get Six Sigma Green belt certification.

The company believes in Leadership development for the key positions. AGILE (Your Company Group Initiative for Leadership Excellence) has been launched to develop the capabilities of Senior Leaders in the company to prepare themselves to face the challenges in the external environment.

EMPLOYEE COMMUNICATION

Majority of the employees of the company are working in the field meeting customers and it is very important to keep them abreast of what is happening in the company in different areas. Taking advantage of the IT revolution, the company had launched an Intranet to share information with all the employees on a real time basis. Any news, new developments or important information and essential documents are posted in the intranet which can be accessed from within Your Company network across the country. Some of the events and new developments are captured through the "Your Company Times", an half yearly news letter for employees.

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 to motivate other employees to stay and build a career within the company. Innovative Sales Incentive scheme was implemented during the year to reward employees who meet the set targets. Variable pay has been introduced as part of compensation to employees to encourage them to perform and earn a part of their compensation in line with their performance. Top performers of the year are being rewarded with a certificate of appreciation.

INTEGRATION:

This year has been a fruitful year for Your Company. First time in our history the company has acquired another company. Along with it we have inherited 50 employees. Care has been taken to induct them into Your Company culture and make them feel part of this great team. Efforts are being made to develop these employees to rise up to the expectation of the Management and develop their career to handle bigger role in the future.

RELATIONSHIP WITH UNION:

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

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

ATTRITION RISK

What is it: key personal leaves and takes the business along with them.

What does it mean for the Company: Risk 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.

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.

Chennai
08.08.2011

S. Sambhu Prasad
Managing Director

CORPORATE GOVERNANCE REPORT

I. Philosophy on Corporate Governance

The Company firmly believes in the highest ethos and principles of Corporate Governance, which include adherence to best practices and compliance with laws. The Company ensures transparency, professionalism and accountability in all its dealings, including interaction with shareholders, other stakeholders, employees and the government.

II. Board of Directors

1. Composition

The present strength of the Board is 5. It is a combination of both promoter and independent directors in conformity with the requirements of the Listing Agreement entered into with the Madras Stock Exchange Limited.

| Name | Category Status / Designation |
|--|--|
| 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 |

2. Attendance of each Director at the Board Meetings & last Annual General Meeting & their Membership details in other Committees / other Companies

| Name of the Director | Attendance particulars | | No. of other Directorships and Committee Memberships / Chairmanships | | |
|----------------------------|------------------------|----------|--|----------------------------|------------------------------|
| | Board Meetings | Last AGM | Other Directorships excluding Private Companies | Other Committee Membership | Other Committee Chairmanship |
| Mr. S. Sambhu Prasad | 5 | Yes | 1 | - | - |
| Mr. D. Seetharama Rao | 7 | Yes | - | - | - |
| Dr. Pasumarthi S.N. Murthi | 7 | Yes | 1 | - | - |
| Dr. H.B.N. Shetty | 7 | Yes | 1 | - | - |
| Mr. A. Satish Kumar | 7 | 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, 2011 have been made by the Directors.

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

During the financial year 2010-11, seven Board Meetings were held as against the requirement of four meetings. The meetings were held on (i) 13th May, 2010, (ii) 14th July, 2010, (iii) 9th August, 2010, (iv) 25th August, 2010, (v) 13th November, 2010 (vi) 19th January, 2011 and (vii) 10th February 2011. The maximum time gap between any two meetings was not more than four months.

4. Information supplied to the Board

The Board has complete access to all information pertaining to and available with the Company.

III. Committees of the Board

a. Audit Committee

The Audit Committee reviews the quarterly, half yearly and annual financial results and comprises 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.

CORPORATE GOVERNANCE REPORT (CONTINUED)

During the year under review, the Committee met five times on 13th May, 2010; 14th July, 2010; 9th August 2010, 13th November 2010 and 10th February, 2011. 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 terms of reference and powers and functions of the Audit Committee is as mentioned in Clause 49 of the Listing Agreement entered into with Madras Stock Exchange and shall include, reviewing the financial statements and results, annual, half-yearly and quarterly; 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 and approval of payments for other services rendered by them; Reviewing the Management Discussion and Analysis of financial condition and results of operations; Reviewing, with the management, the annual financial statements before submission to the Board for approval, over-seeing compliance with listing and other legal requirements relating to financial statements, Disclosure of related party transactions, qualifications in the draft audit report; Reviewing the appointment, removal and terms of remuneration of the Internal Auditor; 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; 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.

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, there was no change in the remuneration paid to the Managing Director and therefore there was no meeting of the said Committee.

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.

However, the Non-executive directors are eligible for 1% commission per annum on the net profits of the Company w.e.f. 1st April 2010, which was approved by the shareholders at the AGM held last year. This is yet to be paid and is payable in the ensuing financial year.

The sitting fees paid for the year ended 31st March, 2011 to the Directors are as follows:

| Name of the Director | Amount (in Rs.) |
|---------------------------|-----------------|
| Mr. D. Seetharama Rao | 2,10,000 |
| Dr Pasumarthi S.N. Murthi | 1,42,500 |
| Dr. H.B.N. Shetty | 2,10,000 |
| Mr. A. Satish Kumar | 1,42,500 |

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 | 84 |
| 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 13th May, 2010, 9th August, 2010, 13th November 2010 and 10th February 2011. 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 | Promoter / 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 recommends measures for overall improvement in the quality of investors' services.

Compliance Officer: Mrs. Hema Pasupatheeswaran, Company Secretary.

The total number of complaints received and resolved to the satisfaction of the shareholders during the year under review was 14. No request for transfer is pending as on 31st March, 2011, 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 five times viz., on 13th May, 2010; 14th July, 2010; 9th August, 2010; 13th November 2010 and 10th February, 2011. 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 | Promoter / Non-Executive Director | 5 |
| Mr. Pasumarthi S.N. Murthi. | Promoter / Non-Executive Director | 5 |
| Mr. S. Sambhu Prasad | Managing Director | 3 |

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 matters.

IV. 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:

2007-2008

| | |
|--------------------|--|
| Date | : 18th September, 2008 |
| Time | : 10.30 a.m. |
| Venue | : Rani Seethai Hall, Anna Salai, Chennai - 6 |
| Special Resolution | : Nil |

CORPORATE GOVERNANCE REPORT (CONTINUED)

2008-2009

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

2009-2010

Date : 25th August, 2010
Time : 10.30 a.m.
Venue : Narada Gana Sabha, T.T.K. Road, Chennai - 18
Special Resolution : A special resolution was passed pursuant to the provisions of Section 309(4) of the Companies Act 1956, for payment of commission to non-executive directors of the Company

b) Resolutions passed through postal ballot during the year from 1st April, 2010 to 31st March, 2011:

- (i) Special Resolutions were passed on 5th January, 2011 by means of Postal Ballot for dividing the objects clause and for commencement of new business activities by the Company. The notice of the Postal Ballot dated 13th November, 2010 as approved by the Board of Directors of the Company containing the Special Resolutions 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 5th January, 2011. The results of the Postal Ballot were announced by the Chairman at the Registered Office of the Company on 5th January, 2011, published in the newspaper and displayed on the website of the Company.

| Sl.No. | Description | No. of Valid Ballots | In favour of the Resolution | | In favour of the Resolution | |
|--------|---|----------------------|-----------------------------|-------|-----------------------------|------|
| | | | Number of Votes Cast | % | Number of Votes Cast | % |
| 1. | Dividing the Objects Clause of the Memorandum of Association of the Company | 523 | 14,89,714 | 99.99 | 186 | 0.01 |
| 2. | Commencement of New Business Activities by the Company | 523 | 14,89,622 | 99.98 | 278 | 0.02 |

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

The Special Resolutions were passed with the requisite majority.

- (ii) Ordinary Resolution was passed on 23rd March, 2011 by means of Postal Ballot for transfer / sale of the Pharmaessense Chemistry Services Division of the Company to a Wholly Owned Subsidiary of the Company. The notice of the Postal Ballot dated 19th January, 2011 as approved by the Board of Directors of the Company containing the Ordinary 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 23rd March, 2011. The results of the Postal Ballot were announced by the Chairman at the Registered Office of the Company on 23rd March, 2011, published in the newspaper and displayed on the website of the Company.

CORPORATE GOVERNANCE REPORT (CONTINUED)

| Sl.No. | Description | No. of Valid Ballots | In favour of the Resolution | | In favour of the Resolution | |
|--------|---|----------------------|-----------------------------|-------|-----------------------------|------|
| | | | Number of Votes Cast | % | Number of Votes Cast | % |
| 1. | Transfer / Sale of the Pharmaessense Chemistry Services Division of the Company to a Wholly Owned Subsidiary of the Company | 631 | 15,13,573 | 99.70 | 4,426 | 0.29 |

One Ballot was invalid for the reason as certified by the Scrutinizer.

The Ordinary 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 processes conducted during the year for passing of the resolutions 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.

V. 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 Standard 18 issued by the Institute of Chartered Accountants of India have been reported in the notes on accounts.

- b. Details of non-compliance by the company, penalties, and 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 or the Audit Committee on any issue.

- d. Details of compliance with **Mandatory Requirements:**

- 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.
- 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.

VI. 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

CORPORATE GOVERNANCE REPORT (CONTINUED)

VII. General Shareholder Information

a. Annual General Meeting:

Date : 19/09/2011
Time : 11.00 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, 2011 to 31st March, 2012, 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 dates

The dates of Book Closure are from 14th – 19th September 2011 (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 10th February, 2011 and paid on 28th February, 2011. 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 19th September, 2011 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 2010-2011 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, 2010 | 1,345.00 | 755.00 | 1340.00 | 752.35 |
| May, 2010 | 798.55 | 560.00 | 798.90 | 591.30 |
| June, 2010 | 831.00 | 737.00 | 830.00 | 735.15 |
| July, 2010 | 872.00 | 742.00 | 871.90 | 748.00 |
| August, 2010 | 785.00 | 681.00 | 784.00 | 682.05 |
| September, 2010 | 862.00 | 687.00 | 862.85 | 686.00 |
| October, 2010 | 820.95 | 731.00 | 823.40 | 700.25 |
| November, 2010 | 823.40 | 628.00 | 823.40 | 626.10 |
| December, 2010 | 780.00 | 553.60 | 777.00 | 518.00 |
| January, 2011 | 764.00 | 586.10 | 763.35 | 588.90 |
| February, 2011 | 664.00 | 557.80 | 663.95 | 551.20 |
| March, 2011 | 720.00 | 571.60 | 716.90 | 572.60 |

CORPORATE GOVERNANCE REPORT (CONTINUED)

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

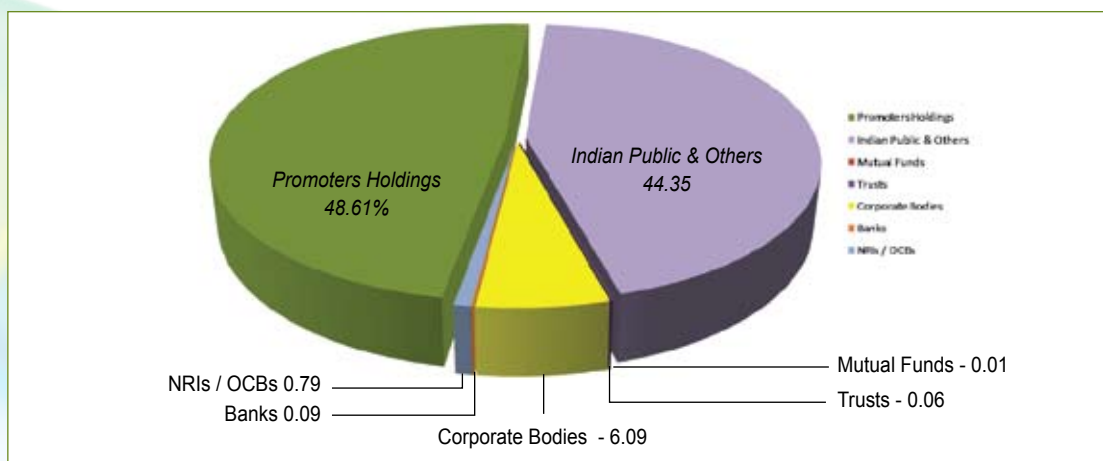
Presently, the share transfers which are received in physical form are processed and the share certificates are returned within the stipulated period from the date of receipt, if the documents are clear in all respects.

j. (i) Distribution of Shareholding as on 31st March, 2011:

| Shareholding | | | Shareholders | | Share Amount | |
|--------------|---|-----------|--------------|---------------|--------------------|---------------|
| Rs. | | Rs. | Numbers | % to Total | Rs. | % to Total |
| 10 | – | 5000 | 14565 | 96.90 | 76,66,490 | 25.30 |
| 5001 | – | 10000 | 263 | 1.75 | 19,59,810 | 6.47 |
| 10001 | – | 20000 | 103 | 0.69 | 14,84,880 | 4.90 |
| 20001 | – | 30000 | 31 | 0.20 | 8,01,970 | 2.65 |
| 30001 | – | 40000 | 14 | 0.10 | 4,88,590 | 1.61 |
| 40001 | – | 50000 | 15 | 0.10 | 6,93,030 | 2.29 |
| 50001 | – | 100000 | 20 | 0.13 | 13,46,460 | 4.44 |
| 100001 | | and above | 20 | 0.13 | 1,58,58,770 | 52.34 |
| Total | | | 15031 | 100.00 | 3,03,00,000 | 100.00 |

(ii) Distribution of shares by category as on 31st March, 2011:

| Category | No. of share Held | Percentage (%) |
|------------------------|-------------------|----------------|
| Promoters Holdings | 14,72,792 | 48.61 |
| Indian Public & Others | 13,43,819 | 44.35 |
| Mutual Funds | 400 | 0.01 |
| Trusts | 1,859 | 0.06 |
| Corporate Bodies | 1,84,553 | 6.09 |
| Banks | 2586 | 0.09 |
| NRIs / OCBs | 23,991 | 0.79 |
| Grand Total | 30,30,000 | 100 |



CORPORATE GOVERNANCE REPORT (CONTINUED)

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, 2011, 16,44,400 shares representing 54.27% of the total number of shares are in dematerialized form.

l. Plant Locations

| OTC Divisions | | Pharmaessense Chemistry Services Division |
|--|--|---|
| No.103 (Old No.42-45), Luz Church Road, Mylapore, Chennai 600 004. Tamil Nadu | Plot No.14, Industrial Development Area, Uppal, Hyderabad 500 039. Andhra Pradesh | Plot No.37-39, SIDCO Industrial Estate, Alathur, Kancheepuram District. Tamil Nadu. 603 110. |

m. 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 08.08.2011.

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, 2011 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
08.08.2011

We, S.Sambhu Prasad, Managing Director and K.Kannan, General Manager – Finance of the Company, do hereby confirm and certify that

- 1) We have reviewed financial results for the year ended March 31, 2011 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - b) 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.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violative of the Company's Code of Conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken to propose to take to rectify these deficiencies. In our opinion there are adequate internal controls over financial reporting.
- 4) We have indicated to the Auditors and the Audit Committee
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statements; and
 - c) That there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Chennai
08.08.2011

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, 2010 to 31st March, 2011.

Chennai
08.08.2011

S.Sambhu Prasad
Managing Director







Auditor's Report

To the Members of Amrutanjan Health Care Limited

1. We have audited the attached Balance Sheet of Amrutanjan Health Care Limited as at 31.03.2011, 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 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 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, 2011;
 - 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
 Membership No : 200330

Place : Chennai
 Date : 08.08.2011

Auditor's Report

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, 2011

- 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) In our opinion and according to the information and explanations given to us 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, 2011 is Rs. 1,35,88,209/-
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 |
| Income Tax | 64,53,470 | 2007 - 2008 | CIT (Appeals) |

- 10) The Company does not have any accumulated losses at the end of financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately proceeding 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) In our opinion and according to the information and explanations given to us and on an overall examination, the term loans have been applied for the purpose which they were obtained.

- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has used funds raised on short term basis of Rs. 19.20 Crores for long term investments in shares of a subsidiary company.

- 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) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of the fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **P.S. SUBRAMANIA IYER & CO.,**
Firm Registration No : 004104S
Chartered Accountants
N. SRINIVASAN
Partner
Membership No : 200330

Place : Chennai
Date : 08.08.2011

Balance Sheet As At 31st March 2011

| | Schedule No. | 31st March 2011 Rs. | 31st March, 2010 Rs. |
|--|-----------------|------------------------|-------------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 3,03,00,000 | 3,03,00,000 |
| Reserves and Surplus | 2 | 99,89,29,112 | 94,38,34,116 |
| | | 1,02,92,29,112 | 97,41,34,116 |
| Loan Funds | | | |
| Secured Loans | 3 | 23,62,68,568 | 1,25,85,368 |
| Unsecured Loans | 4 | 3,00,00,000 | — |
| | | 26,62,68,568 | 1,25,85,368 |
| Deferred Tax Liability (net) | | 3,84,37,476 | 2,82,40,737 |
| Total | | 1,33,39,35,156 | 1,01,49,60,221 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | | | |
| Gross Block | 5 | 40,25,61,595 | 24,15,24,236 |
| Less: Depreciation | | 10,34,12,801 | 8,58,48,416 |
| Net Block | | 29,91,48,794 | 15,56,75,820 |
| Capital Work-in-Progress | | 2,36,93,380 | 6,74,97,583 |
| | | 32,28,42,174 | 22,31,73,403 |
| Investments | 6 | 68,40,88,368 | 45,91,47,486 |
| Current Assets, Loans and Advances | | | |
| Inventories | 7 | 8,54,06,090 | 7,30,94,525 |
| Sundry Debtors | 8 | 11,62,78,814 | 10,22,77,208 |
| Cash & Bank Balances | 9 | 19,87,62,689 | 24,03,95,551 |
| Interest Accrued | | 1,53,05,406 | 1,07,95,764 |
| Loans & Advances | 10 | 10,81,87,690 | 8,11,18,439 |
| | | 52,39,40,689 | 50,76,81,487 |
| Less: Current Liabilities and Provisions | | | |
| Current Liabilities | 11 | 15,56,87,008 | 13,25,72,771 |
| Provisions | 12 | 4,12,49,067 | 4,24,69,384 |
| | | 19,69,36,075 | 17,50,42,155 |
| Net Current Assets | | 32,70,04,614 | 33,26,39,332 |
| Total | | 1,33,39,35,156 | 1,01,49,60,221 |
| Notes on Accounts | 20 | | |

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

As per our Report of even date

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

Chartered Accountants

N. Srinivasan

Partner

Membership No. 200330

Place : Chennai

Date : 08.08.2011

S. Sambhu Prasad

Managing Director

Hema Pasupatheeswaran

Company Secretary

K. Kannan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

A. Satishkumar

Directors

Profit and Loss Account for the Year Ended 31st March 2011

| | Schedule No. | 31st March 2011 Rs. | 31st March 2010 Rs. |
|---|--------------|------------------------|------------------------|
| INCOME | | | |
| Sales | 13 | 1,07,75,39,607 | 93,74,55,365 |
| Less : Excise Duty | | 4,36,59,134 | 3,97,57,885 |
| | | 1,03,38,80,473 | 89,76,97,480 |
| Other Income | 14 | 4,83,22,161 | 6,05,18,554 |
| | | 1,08,22,02,634 | 95,82,16,034 |
| EXPENDITURE | | | |
| Cost of Materials Consumed | 15 | 41,72,43,245 | 31,94,12,991 |
| Employee's Remuneration and Benefits | 16 | 15,92,11,304 | 14,19,78,306 |
| Interest | 17 | 30,15,993 | 3,44,632 |
| Other Expenses | 18 | 32,42,35,424 | 31,00,57,892 |
| Depreciation | | 1,76,74,382 | 1,25,67,607 |
| | | 92,13,80,348 | 78,43,61,428 |
| Profit before exceptional and extraordinary items | | 16,08,22,286 | 17,38,54,606 |
| Exceptional Items | | - | 1,93,61,883 |
| Prior Year Adjustments (net) | | - | (5,67,971) |
| Profit before tax | | 16,08,22,286 | 19,26,48,518 |
| Provision for Tax | | | |
| Income Tax | | (4,15,00,000) | (7,50,00,000) |
| Deferred Tax | | (1,01,96,739) | 39,20,515 |
| Short Provision for Income Tax of earlier years | | (1,42,658) | (36,936) |
| Profit after tax and before extraordinary items | | 10,89,82,889 | 12,15,32,097 |
| Extraordinary Items (net of tax) | 19 | (21,90,580) | (34,32,731) |
| Net Profit | | 10,67,92,309 | 11,80,99,366 |
| Surplus from Previous year brought forward | | 25,64,09,950 | 25,14,84,812 |
| Profits available for appropriation | | 36,32,02,259 | 36,95,84,178 |
| APPROPRIATIONS | | | |
| General Reserve | | 5,00,00,000 | 5,00,00,000 |
| Transfer to Contingency Reserve | | 25,00,000 | 1,00,00,000 |
| Interim Dividend - Paid | | 1,51,50,000 | 1,51,50,000 |
| Tax on Interim Dividend | | 25,74,743 | 25,74,743 |
| Final Dividend - Proposed | | 2,92,30,630 | 3,03,00,000 |
| Tax on Proposed Dividend | | 47,41,940 | 51,49,485 |
| | | 10,41,97,313 | 11,31,74,228 |
| Balance Profit carried to Balance Sheet | | 25,90,04,946 | 25,64,09,950 |
| | | 36,32,02,259 | 36,95,84,178 |
| Basic and Diluted Earning per share | | | |
| Before exceptional items | | 35.97 | 40.03 |
| After exceptional items | | 35.24 | 38.90 |
| Notes on Accounts | 20 | | |

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

As per our Report of even date

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

Chartered Accountants

N. Srinivasan

Partner

Membership No. 200330

Place : Chennai

Date : 08.08.2011

S. Sambhu Prasad

Managing Director

Hema Pasupatheeswaran

Company Secretary

K. Kannan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

A. Satishkumar

Directors

SCHEDULES TO BALANCE SHEET

SCHEDULE - 1

SHARE CAPITAL

Authorised

50,00,000 Equity Shares of Rs.10/- each

Issued, Subscribed & Paid-up

32,00,000 Equity Shares of Rs.10/- each fully paid-up

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

31st March 2011
Rs.

31st March, 2010
Rs.

5,00,00,000

5,00,00,000

3,20,00,000

3,20,00,000

(17,00,000)

(17,00,000)

3,03,00,000

3,03,00,000

SCHEDULE - 2

RESERVES AND SURPLUS

| | As at 31/03/2010 Rs. | Additions during the year Rs. | (Deductions) Rs. | As at 31st March 2011 Rs. |
|----------------------------|----------------------------|-------------------------------------|---------------------|---------------------------------|
| General Reserve | 67,57,24,166 | 5,00,00,000 | — | 72,57,24,166 |
| Contingency Reserve * | 1,00,00,000 | 25,00,000 | — | 1,25,00,000 |
| Capital Redemption Reserve | 17,00,000 | — | — | 17,00,000 |
| Profit & Loss Account | 25,64,09,950 | 5,50,94,996 | 5,25,00,000 | 25,90,04,946 |
| | 94,38,34,116 | 10,75,94,996 | 5,25,00,000 | 99,89,29,112 |

*(refer note 17 of schedule 20)

31st March 2011
Rs.

31st March, 2010
Rs.

SCHEDULE - 3

SECURED LOANS

Term Loan - Bank *

4,17,76,000

—

Working Capital Demand Loan - Bank *

10,00,00,000

—

*(secured by lien on specific Mutual Funds and Fixed Deposit)

Cash Credit from Banks

24,92,568

1,25,85,368

(secured by hypothecation of raw & packing materials, finished goods, book debts of the Company)

Loan against Fixed Deposits

9,20,00,000

—

(secured by lien on Fixed Deposits)

23,62,68,568**

1,25,85,368

**includes Rs.19,44,92,568 /- (Rs. 1,25,85,368/-) due for repayment within one year

SCHEDULE - 4

UNSECURED LOANS

Short Term Loan - Bank

3,00,00,000

—

3,00,00,000*

—

* due for repayment within one year Rs. 3,00,00,000 (Rs. Nil)

SCHEDULES TO BALANCE SHEET

SCHEDULE - 5

FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|---|----------------------------|---------------------|--------------------|----------------------------|----------------------------|--------------------|--------------------|----------------------------|----------------------------|----------------------------|
| | As on 01-04-2010 Rs. | Addition Rs. | Deletion Rs. | As on 31-03-2011 Rs. | As on 01-04-2010 Rs. | Addition Rs. | Deletion Rs. | As on 31-03-2011 Rs. | As on 31-03-2011 Rs. | As on 31-03-2010 Rs. |
| Goodwill | 25,000 | | | 25,000 | | | | - | 25,000 | 25,000 |
| Land * | 2,48,89,502 | 3,27,300 | 6,04,996 | 2,46,11,806 | | | | - | 2,46,11,806 | 2,48,89,502 |
| Building | 3,63,60,640 | 1,09,18,415 | - | 4,72,79,055 | 1,37,92,449 | 15,81,364 | - | 1,53,73,813 | 3,19,05,242 | 2,25,68,191 |
| Lease Hold Property | 4,50,000 | - | - | 4,50,000 | 1,75,829 | 13,709 | - | 1,89,538 | 2,60,462 | 2,74,171 |
| Plant And Machinery | 4,16,57,251 | 8,02,25,742 | 1,09,998 | 12,17,72,995 | 2,09,13,822 | 65,99,444 | 1,09,997 | 2,74,03,269 | 9,43,69,726 | 2,07,43,429 |
| Computers | 1,96,03,787 | 13,73,520 | - | 2,09,77,307 | 1,58,35,452 | 17,69,418 | - | 1,76,04,870 | 33,72,437 | 37,68,335 |
| Furniture, Fittings & Lab Equipments | 1,89,48,145 | 27,33,639 | - | 2,16,81,784 | 1,22,15,360 | 11,13,628 | - | 1,33,28,988 | 83,52,796 | 67,32,785 |
| Vehicle | 95,07,614 | 10,15,377 | - | 1,05,22,991 | 54,24,537 | 12,18,569 | - | 66,43,106 | 38,79,885 | 40,83,077 |
| | 15,14,41,939 | 9,65,93,993 | 7,14,994 | 24,73,20,938 | 6,83,57,449 | 1,22,96,132 | 1,09,997 | 8,05,43,584 | 16,67,77,354 | 8,30,84,490 |
| Pharmaessense Chemistry Services | | | | | | | | | | |
| Building | 19,13,519 | 2,24,93,237 | - | 2,44,06,756 | 1,19,014 | 3,70,489 | - | 4,89,503 | 2,39,17,253 | 17,94,505 |
| Plant And Machinery | 51,40,817 | 4,19,55,864 | - | 4,70,96,681 | 16,17,374 | 5,71,133 | - | 21,88,507 | 4,49,08,174 | 35,23,443 |
| Computers | 6,99,845 | 2,37,400 | - | 9,37,245 | 2,05,979 | 2,70,436 | - | 4,76,415 | 4,60,830 | 4,93,866 |
| Furniture, Fittings & Lab Equipments | 8,16,263 | 37,009 | - | 8,53,272 | 2,99,227 | 74,200 | - | 3,73,427 | 4,79,845 | 5,17,036 |
| | 85,70,444 | 6,47,23,510 | - | 7,32,93,954 | 22,41,594 | 12,86,258 | - | 35,27,852 | 6,97,66,102 | 63,28,850 |
| Research & Development | | | | | | | | | | |
| Building | 2,49,39,334 | - | - | 2,49,39,334 | 25,82,097 | 11,26,096 | - | 37,08,193 | 2,12,31,141 | 2,23,57,237 |
| Plant And Machinery | 4,90,84,456 | 2,38,082 | - | 4,93,22,538 | 89,87,510 | 23,37,890 | - | 1,13,25,400 | 3,79,97,138 | 4,00,96,946 |
| Pilot Plant | 26,23,199 | - | - | 26,23,199 | 19,47,221 | 62,914 | - | 20,10,135 | 6,13,064 | 6,75,978 |
| Computers | 3,57,171 | - | - | 3,57,171 | 2,22,362 | 53,923 | - | 2,76,285 | 80,886 | 1,34,809 |
| Furniture, Fittings & Lab Equipments | 45,07,693 | 1,96,768 | - | 47,04,461 | 15,10,183 | 5,11,169 | - | 20,21,352 | 26,83,109 | 29,97,510 |
| | 8,15,11,853 | 4,34,850 | - | 8,19,46,703 | 1,52,49,373 | 40,91,992 | - | 1,93,41,365 | 6,26,05,338 | 6,62,62,480 |
| Grand Total | 24,15,24,236 | 16,17,52,353 | 7,14,994 | 40,25,61,595 | 8,58,48,416 | 1,76,74,382 | 1,09,997 | 10,34,12,801 | 29,91,48,794 | 15,56,75,820 |
| As per Last Balance Sheet | 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 | 8,58,48,416 | 15,56,75,820 | 15,90,39,887 |

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.97,79,239/-)

2,36,93,380

6,74,97,583



SCHEDULES TO BALANCE SHEET

SCHEDULE - 6

INVESTMENTS (AT COST)

LONG TERM INVESTMENTS

Non-Trade Investments (Unquoted):

National Savings Certificates

(Deposited with the Collector of Central Excise, Chennai)

5,500

5,500

5,500

5 Equity Shares in Capexil (Agencies) Ltd. of Rs.1,000/- each fully paid

5,000

5,000

5,000

60,800 Equity Shares of Re.1/- each in Madras Stock Exchange Ltd.

60,800

1,60,000

1,60,000

1950 Equity Shares in Marg Securities of Rs.10/- each fully paid
(purchased during the year)

19,500

65,325

—

Non-Trade Investments (Quoted) :

21,450 Equity Shares in Saha Keil Ltd. of Rs.10/- each fully paid

2,14,500

2,14,500

2,14,500

1,006 Equity Shares in NTPC Ltd of Rs. 10/- each fully paid

10,060

62,372

62,372

38 Equity Shares in Punjab National Bank of Rs. 10/- each fully paid

380

14,820

14,820

450 Equity Shares in Periakaramalai Tea & Produce Co. Ltd of
Rs.10/- each fully paid (purchased during the year)

4,500

54,000

—

2,120 (6.85%) Tax Free Bonds of Indian Infrastructure
Finance Company Limited of Rs.1,00,000/- each

21,20,00,000

21,61,07,836

21,75,51,776

2,100 (Zero Coupon) Bonds of NABARD of Rs.20,000 each

4,20,00,000

2,24,70,000

2,24,70,000

16,800 (10.24%) Debentures of L&T Finance Limited
of Rs.1,000/- each

1,68,00,000

1,76,91,898

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 Ltd
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 nominees

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

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

9,00,000 Equity Shares in Siva's Soft Drink Private Limited
of Rs.10/- each fully paid, out of which 4 fully paid-up
equity shares are held in the name of nominees
(purchased during the year) (refer note 22 of schedule 20)

90,00,000

25,70,00,000

-

SCHEDULES TO BALANCE SHEET

| | Face Value Rs. | 31st March 2011 Rs. | 31st March, 2010 Rs. |
|---|-------------------|------------------------|-------------------------|
| Investment in Mutual Funds (Unquoted): | | | |
| ** marked as lien against secured loans availed during the year | | | |
| 27,602.004 (previous year 18,063.922) units of Rs.10 each of Templeton India Short Term Income Retail Plan - Monthly Dividend Reinvestment ** | | 3,08,28,703 | 2,01,17,257 |
| Nil (previous year 1,90,112.775) units of Rs. 10 each of ICICI Prudential Flexible Income Plan Premium - Daily Dividend - redeemed during the year | | - | 2,01,01,574 |
| Nil (previous year 8,81,842.711) units of Rs. 10 each of Reliance Medium Term Fund - Daily Dividend Plan - redeemed during the year | | - | 1,50,75,542 |
| Nil (previous year 14,26,610.595) units of Rs.10 each of HDFC High Interest Fund - Short Term Plan - Dividend Reinvestment - redeemed during the year | | - | 1,51,10,794 |
| Nil (previous year 14,97,901.466) units of Rs.10 each of Kotak Bond (Short Bond) - Monthly Dividend - redeemed during the year | | - | 1,51,01,045 |
| Nil (previous year 14,95,508.106) units of Rs.10 each of Kotak Floater Long Term - Daily Dividend - redeemed during the year | | - | 1,50,74,423 |
| 20,52,309.258 (previous year 20,52,309.258) units of Rs.10 each of Reliance Regular Savings Fund - Debt Plan - Institutional Dividend ** | | 2,50,00,000 | 2,50,00,000 |
| 24,56,036.939 (previous year 24,56,036.939) units of Rs.10 each of Templeton India Income Opportunities Fund - Dividend Payout ** | | 2,50,00,000 | 2,50,00,000 |
| Nil (previous year 26,99,028.351) units of Rs.10 each of Reliance Monthly Interval Fund - Series II - Retail Dividend Plan - redeemed during the year | | - | 2,70,00,000 |
| 10,00,000.000 (previous year 10,00,000.000) units of Rs.10 each of Canara Robeco - FMP - Growth ** | | 1,00,00,000 | 1,00,00,000 |
| 15,60,103.115 (previous year 7,86,887.310) units of Rs.10 each of Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan ** | | 2,00,00,000 | 1,00,00,000 |
| 8,59,874.800 (previous year Nil) units of Rs.10 each of Birla Sun Life Govt Securities Long Term Dividend - Payout | | 1,00,00,000 | - |
| 9,95,371.520 (previous year Nil) units of Rs.10 each of Kotak Credit Opp Fund Monthly Dividend ** | | 1,00,00,000 | - |
| 9,48,973.685 (previous year Nil) units of Rs.10 each of Templeton India Income Opportunities Fund - Dividend Reinvestment ** | | 1,00,66,349 | - |
| 15,35,575.000 (previous year Nil) units of Rs.10 each of Kotak FMP 370 Days Series Dividend ** | | 1,53,55,750 | - |
| 4,66,962.303 (previous year Nil) units of Rs.10 each of Reliance Monthly Income Plan - Monthly Dividend Plan | | 50,50,874 | - |
| 5,74,759.394 (previous year Nil) units of Rs.10 each of ICICI Prudential Interval Fund | | 56,49,941 | - |
| | | 71,43,25,980 | 49,98,97,098 |
| Less : Provision for Investments | | 3,02,37,612 | 4,07,49,612 |
| | | 68,40,88,368 | 45,91,47,486 |
| Quoted Investments - Cost | | 25,64,00,926 | 25,78,96,351 |
| - Market Value | | 25,20,89,773 | 25,34,99,378 |
| Unquoted Investments - Cost | | 42,76,87,442 | 20,12,51,135 |

SCHEDULES TO BALANCE SHEET

Investments purchased and sold during the year :

| Name of the scheme | Units (Nos.) | Value |
|--|--------------|--------------|
| Bench Mark Gold ETF | 2,750 | 50,19,652 |
| Kotak Gold ETF | 2,750 | 50,15,786 |
| GMTM IDFC - SSIF - Medium Term - Plan A Monthly Dividend | 9,84,184 | 1,00,00,000 |
| HDFC Gold Exchange Traded Fund | 5,554 | 99,99,026 |
| IDBI Liquid Term - Daily Dividend | 74,50,000 | 7,45,00,000 |
| IDBI Ultra Short Term Fund | 1,30,00,605 | 13,00,06,052 |
| IDFC Cash Fund - Inst Plan B - Daily Dividend | 9,44,528 | 1,00,00,000 |
| IDFC Money Manager Fund - Treasury Plan - Inst Plan B - Daily Dividend | 9,93,152 | 1,00,01,336 |
| IDFC - FMP Quarterly Series 61 - Dividend | 10,01,857 | 1,00,18,573 |
| ICICI Prudential Flexible Income Plan Premium - Daily Dividend | 47,288 | 50,00,000 |

SCHEDULE - 7

INVENTORIES

Stock on hand (as per Inventories taken, valued as per accounting policy and certified by the Area Managers and Managing Director)

| | 31st March 2011 Rs. | 31st March, 2010 Rs. |
|-------------------|------------------------|-------------------------|
| Raw Materials | 2,52,74,021 | 1,75,22,937 |
| Packing Materials | 91,60,604 | 92,24,066 |
| Process Stock | 31,73,790 | 11,76,594 |
| Finished Stock | 4,77,97,675 | 4,51,70,928 |
| | 8,54,06,090 | 7,30,94,525 |

SCHEDULE - 8

SUNDRY DEBTORS (Unsecured, considered good)

Exceeding Six months:

| | | |
|-------------------------------------|---------------------|---------------------|
| Considered good | 75,39,136 | 1,38,30,695 |
| Considered doubtful | 3,09,25,437 | 2,67,32,146 |
| Less : Provision for doubtful debts | (3,09,25,437) | (2,67,32,146) |
| Others - considered good | 10,87,39,678 | 8,84,46,513 |
| | 11,62,78,814 | 10,22,77,208 |

SCHEDULE - 9

CASH AND BANK BALANCES

| | | |
|---|---------------------|---------------------|
| Cash in hand | 10,29,308 | 3,14,059 |
| Cheques in hand and in transit | 3,34,61,563 | 3,17,47,238 |
| Balance with Scheduled Banks: | | |
| In Current Accounts | 51,25,802 | 4,67,77,462 |
| In Unclaimed Dividend Accounts | 59,28,251 | 49,77,353 |
| In Deposit Accounts [including Rs. 14,05,32,857/- (Rs.2,58,14,558/-) under lien with banks for credit facilities availed from banks] | 15,32,17,765 | 15,65,79,439 |
| | 19,87,62,689 | 24,03,95,551 |

SCHEDULES TO BALANCE SHEET

SCHEDULE - 10

LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Loan to subsidiary companies :

| | 31st March 2011 Rs. | 31st March, 2010 Rs. |
|--|------------------------|-------------------------|
| Considered good | 1,35,88,209 | 80,01,838 |
| Considered doubtful | 17,05,36,396 | 22,63,26,219 |
| Less : Provision made | (17,05,36,396) | (22,63,26,219) |
| Advance Tax / TDS (net off provisions) | 29,72,710 | — |
| Advances recoverable in cash or in kind for value to be received | 4,42,97,091 | 4,41,71,603 |
| Deposits and Balances with excise authorities | 2,16,19,046 | 1,50,92,497 |
| Sundry Deposits (refer note 5 of schedule 20) | 2,00,00,000 | 1,00,00,000 |
| Deposits - Others | 57,10,634 | 38,52,501 |
| | 10,81,87,690 | 8,11,18,439 |

SCHEDULE - 11

CURRENT LIABILITIES

Creditors for Purchases:

| | | |
|--|---------------------|---------------------|
| Due to Micro Small and Medium Enterprises (refer note 24 of schedule 20) | 28,11,311 | 26,25,837 |
| Due to Others | 6,07,60,313 | 4,75,46,577 |
| Creditors for Expenses | 3,56,46,325 | 4,97,79,877 |
| Due to Directors | 48,63,176 | 60,13,781 |
| Creditors for Capital Goods | 2,52,56,967 | 1,00,69,582 |
| Unclaimed Dividend | 59,28,251 | 49,77,353 |
| Interest accrued but not due | 20,18,518 | — |
| Other Liabilities (refer note 22 of schedule 20) | 1,84,02,147 | 1,15,59,764 |
| | 15,56,87,008 | 13,25,72,771 |

SCHEDULE - 12

PROVISIONS

| | | |
|--|--------------------|--------------------|
| Provision for Taxation (net off Advance Tax / TDS) | — | 2,11,702 |
| Proposed Dividend | 2,92,30,630 | 3,03,00,000 |
| Tax on Dividend | 47,41,940 | 51,49,485 |
| Provision for Employee Retirement Benefits | 72,76,497 | 68,08,197 |
| | 4,12,49,067 | 4,24,69,384 |

SCHEDULES TO PROFIT & LOSS ACCOUNT

| | Year Ended 31st March 2011 | | Year Ended 31st March 2010 | |
|----------------------|----------------------------|------------------------------|----------------------------|----------------------------|
| | Rs. | Rs. | Rs. | Rs. |
| SCHEDULE - 13 | | | | |
| SALES | | | | |
| OTC Products | 98,00,79,895 | | 88,98,34,113 | |
| Less : Excise Duty | <u>3,77,49,093</u> | | <u>3,73,13,567</u> | |
| | | 94,23,30,802 | | 85,25,20,546 |
| Chemicals | 9,74,59,712 | | 4,76,21,252 | |
| Less : Excise Duty | <u>59,10,041</u> | | <u>24,44,318</u> | |
| | | 9,15,49,671 | | 4,51,76,934 |
| | | <u>1,03,38,80,473</u> | | <u>89,76,97,480</u> |

SCHEDULE - 14

OTHER INCOME

| | Year Ended 31st March 2011 Rs. | Year Ended 31st March, 2010 Rs. |
|--|--------------------------------------|---------------------------------------|
| Dividend receipts | 69,17,975 | 8,54,896 |
| Interest - Bank Deposits - TDS Rs. 11,76,911/- (Rs. 43,62,725/-) | 1,09,42,343 | 3,96,39,926 |
| Interest - Others - TDS Rs. 1,77,062/- (Rs. 1,04,717/-) | 35,20,449 | 13,78,954 |
| Income from Investments - TDS - nil/- | 1,70,39,108 | 80,62,708 |
| Insurance Claims | — | 28,43,867 |
| Rent receipts - TDS Rs. 17,480/- (Rs.83,032/-) | 5,51,700 | 6,49,050 |
| Scrap sales | 19,22,761 | 12,32,787 |
| Profit on sale of Investments (net) | 22,11,266 | 34,76,939 |
| Profit on sale of assets | 1,30,003 | — |
| Bad Debts Recovered | — | 2,30,000 |
| Sundry balances written back (net) | 30,87,658 | 4,15,829 |
| Excess provision written back | 79,853 | 16,96,513 |
| Miscellaneous Receipts | <u>19,19,045</u> | <u>37,085</u> |
| | <u>4,83,22,161</u> | <u>6,05,18,554</u> |

SCHEDULES TO PROFIT & LOSS ACCOUNT

SCHEDULE - 15

COST OF MATERIALS CONSUMED

| | Year Ended 31st March 2011 Rs. | Year Ended 31st March, 2010 Rs. |
|-------------------|--------------------------------------|---------------------------------------|
| Opening Stock | | |
| Raw Materials | 1,75,22,937 | 1,72,57,895 |
| Packing Materials | 92,24,066 | 81,69,661 |
| TOTAL | 2,67,47,003 | 2,54,27,556 |

Add : Purchases

| | | |
|-------------------|---------------------|---------------------|
| Raw Materials | 25,49,18,444 | 16,16,10,637 |
| Packing Materials | 14,62,66,174 | 15,82,25,399 |
| TOTAL | 40,11,84,618 | 31,98,36,036 |
| | 42,79,31,621 | 34,52,63,592 |

Less : Closing Stock

| | | |
|-------------------|--------------------|--------------------|
| Raw Materials | 2,52,74,021 | 1,75,22,937 |
| Packing Materials | 91,60,604 | 92,24,066 |
| TOTAL | 3,44,34,625 | 2,67,47,003 |

Consumption of Raw & Packing Materials

| | | |
|--------------------------|---------------------|---------------------|
| | 39,34,96,996 | 31,85,16,589 |
| Add : Processing Charges | 75,72,261 | 42,75,887 |
| Add : Products Purchased | 2,10,01,050 | 1,51,53,693 |
| Stock Adjustments | (48,27,062) | (1,85,33,178) |
| TOTAL | 41,72,43,245 | 31,94,12,991 |

(INCREASE) / DECREASE IN STOCK

| | | |
|----------------|--------------------|--------------------|
| Opening Stock | | |
| Finished Goods | 4,51,70,929 | 2,50,26,923 |
| Process Stock | 11,76,594 | 26,58,210 |
| | 4,63,47,523 | 2,76,85,133 |

Closing Stock

| | | |
|----------------|--------------------|--------------------|
| Finished Goods | 4,77,97,675 | 4,51,70,928 |
| Process Stock | 31,73,790 | 11,76,594 |
| | 5,09,71,465 | 4,63,47,522 |

(INCREASE) / DECREASE IN STOCK

| | | |
|--|-------------|---------------|
| | (46,23,942) | (1,86,62,389) |
| Excise Duty on Increase / (Decrease) of Finished Goods | (2,03,120) | 1,29,211 |

SCHEDULE - 16

EMPLOYEE'S REMUNERATION AND BENEFITS

| | | |
|---|---------------------|---------------------|
| Salaries, Wages and Bonus | 12,46,62,097 | 11,11,05,089 |
| Managing Director's Remuneration | 88,08,807 | 1,13,85,044 |
| Contribution to Employees Provident, Gratuity and Other Funds | 1,73,61,263 | 1,01,42,448 |
| Welfare Expenditure | 83,79,137 | 93,45,725 |
| | 15,92,11,304 | 14,19,78,306 |

SCHEDULES TO PROFIT & LOSS ACCOUNT

SCHEDULE - 17

INTEREST

| | Year Ended 31st March 2011 Rs. | Year Ended 31st March, 2010 Rs. |
|---------------|--------------------------------------|---------------------------------------|
| – Fixed Loans | 22,40,131 | - |
| – Others | 7,75,862 | 3,44,632 |
| | 30,15,993 | 3,44,632 |

SCHEDULE - 18

OTHER EXPENSES

| | | |
|--|---------------------|---------------------|
| Power & Fuel | 1,21,92,338 | 87,86,778 |
| Repairs & Maintenance : | | |
| – Building | 12,70,684 | 15,58,690 |
| – Machinery | 32,68,005 | 29,59,486 |
| – Others | 72,30,505 | 51,43,713 |
| Freight and Transport Charges | 1,75,02,633 | 1,69,23,928 |
| Advertisement | 9,79,03,451 | 7,00,46,139 |
| Sales Promotion | 5,56,62,021 | 6,04,79,914 |
| Commission on Sales | 19,18,268 | 12,69,790 |
| Sales Tax | 4,35,91,642 | 3,72,16,552 |
| Rates and Taxes | 24,79,937 | 27,55,941 |
| Insurance | 23,57,874 | 24,69,810 |
| Travelling Expenses | 2,55,21,638 | 2,58,30,741 |
| Conveyance | 24,64,594 | 20,35,046 |
| Retainer & Consultancy | 51,86,821 | 1,27,83,612 |
| Security Charges | 43,13,676 | 23,28,904 |
| Rent | 14,53,395 | 15,43,899 |
| Printing & Stationery | 31,22,198 | 21,08,391 |
| Postage & Telegrams | 16,11,529 | 9,32,294 |
| Communication Expenses | 74,83,172 | 57,61,743 |
| Legal Expenses | 19,80,197 | 7,76,174 |
| Research & Development Expenses | 60,07,259 | 77,35,673 |
| Bank Charges | 22,39,871 | 23,05,022 |
| Donations | 9,43,751 | 19,20,562 |
| Auditor's Remuneration : | | |
| – Audit Fees | 6,00,000 | 5,00,000 |
| – Tax Audit | 75,000 | 60,000 |
| – Tax Representation | 40,000 | |
| – Other services (including limited review fees) | 1,95,000 | 1,50,000 |
| – Out of Pocket expenses | 12,450 | 12,350 |
| Cost Audit Fees | 1,20,000 | 1,20,000 |
| Directors Sitting Fees | 7,05,000 | 6,30,000 |
| Commission to Non-Executive Directors | 17,61,761 | |
| Lease Rent | 10,65,480 | 15,28,374 |
| Loss on fixed assets sold / discarded | - | 2,95,293 |
| Exchange difference (net) | 1,03,567 | 15,21,683 |
| EDP Expenses | 32,71,502 | 24,43,563 |
| Provision for doubtful debts | 41,93,292 | 2,30,37,324 |
| Miscellaneous Expenses | 43,86,913 | 40,86,503 |
| | 32,42,35,424 | 31,00,57,892 |

SCHEDULES TO PROFIT & LOSS ACCOUNT

SCHEDULE - 19

EXTRAORDINARY ITEMS

| | | Year Ended 31st March 2011 Rs. | Year Ended 31st March, 2010 Rs. |
|--|---------------|--------------------------------------|---------------------------------------|
| Cost in relation to Buy-back of Equity Shares | | — | (6,53,495) |
| Investments / Advances of subsidiary companies written off | 6,84,92,403 | | 29,75,310 |
| Less : | | | |
| Provision for Investments / Advances of subsidiary companies | (6,84,92,403) | — | (29,75,310) |
| Provision for Advances / Investments - subsidiary company | | (21,90,580) | (27,79,236) |
| TOTAL | | (21,90,580) | (34,32,731) |
| Income Tax on above | | - | - |
| EXTRAORDINARY ITEMS | | (21,90,580) | (34,32,731) |

Notes on Accounts for the year ended 31st March 2011

20 NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

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. 2,25,34,291/- (Rs. 1,18,25,000/-)
- c Contingent liability in respect of Income Tax Rs. 20,43,194/- (Rs. 20,43,194/-). However, the said amount has been paid under protest.

| | | 2010 - 2011 | 2009 - 2010 |
|---|-----|-------------|-------------|
| d Appeals filed in respect of disputed demands: | | | |
| Excise Duty | Rs. | 8,89,155 | 8,89,155 |
| E S I | Rs. | 3,96,545 | 3,96,545 |
| Service Tax | Rs. | 12,94,186 | 3,95,290 |
| Income Tax | Rs. | 64,53,470 | — |

- e Claims against the company not acknowledged as debts - Rs.1,33,03,607/- (nil)
- 3 Lease rent in respect of leasehold land has been revised by the Government of Tamilnadu with retrospective effect from November 2001 and the arrears on this account upto 31st March 2011 is Rs. 3,72,31,466. Since the enhancement of the rent is exorbitant, 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.
- 4 Estimated amount of capital expenditure commitments Rs. 4,00,00,000/- (Rs. 9,79,00,000/-)
- 5 Sundry Deposits represent Fixed Deposit with Shriram Transport Finance Company Limited and Dewan Housing Finance Corporation Limited made during the year for a period of 12 months.
- 6 a The Company has transferred Rs. 2,55,014 /- (Rs.83,034/-) of unclaimed dividends to Investor Education and Protection Fund during the year.
- b Unclaimed Dividend amounting to Rs.9,549/- (Rs.9,549/-) is pending on account on litigation among claimants.

Notes on Accounts for the year ended 31st March 2011

7. MANAGING DIRECTOR'S REMUNERATION

| | 2010-2011 | 2009-2010 |
|---|------------------|--------------------|
| | Rs. | Rs. |
| Salary | 31,66,935 | 33,44,355 |
| House Rent Allowance | 5,06,710 | 6,17,419 |
| Other Perquisites | 9,13,579 | 7,93,702 |
| Contribution to Employees Provident and Other Funds | 11,20,168 | 6,15,787 |
| Commission as per computation below | 31,01,415 | 60,13,781 |
| | 88,08,807 | 1,13,85,044 |

| Computation of Net Profit under Section 349 of the Companies Act, 1956 | Rs. | Rs. |
|--|-------------|---------------------|
| Profit before extraordinary items and before tax as per P & L a/c | | 16,08,22,286 |
| Add: | | |
| Depreciation as per P & L a/c | 1,76,74,382 | |
| Provision for bad and doubtful debts | 41,93,292 | |
| Directors Sitting Fees | 7,05,000 | |
| Commission to Non-Executive Directors | 17,61,761 | |
| Remuneration to Managing Director | 88,08,807 | 3,31,43,242 |
| | | 19,39,65,528 |
| Less: | | |
| Profit on sale of assets | 1,15,004 | |
| Depreciation as per Section 350 of Companies Act, 1956 | 1,76,74,382 | 1,77,89,386 |
| Net Profit in terms of Section 349 of the Companies Act, 1956 | | 17,61,76,142 |
| Commission to Managing Director @ 3% restricted to overall ceiling of 5% | | 31,01,415 |
| Commission to Non-Executive Directors @ 1% | | 17,61,761 |

8 Details of Raw Materials Consumed

| Particulars | UOM | 2010-2011 | | 2009-2010 | |
|-------------------|------|-----------|---------------------|-----------|---------------------|
| | | Quantity | Value (Rs.) | Quantity | Value (Rs.) |
| Karpoor Powder | Tons | 35.351 | 1,12,36,380 | 36.538 | 94,27,587 |
| Pudina Ka Phool | Tons | 69.427 | 6,39,98,567 | 66.258 | 4,39,89,386 |
| Nilgiri Ka Tel | Tons | 42.281 | 2,25,39,788 | 46.101 | 1,94,81,797 |
| Winter Green Tel | Tons | — | — | 28.536 | 35,85,952 |
| Chaha Ka Tel | Tons | 14.520 | 73,60,575 | 15.834 | 73,55,278 |
| Hard Paraffin (N) | Tons | 90.768 | 98,01,355 | 96.808 | 82,23,534 |
| Soft Paraffin | Tons | 173.962 | 1,45,70,909 | 189.525 | 1,33,74,112 |
| Gandhapura Tel | Tons | 71.595 | 90,00,443 | 57.854 | 72,70,195 |
| Chemicals | Tons | 276.466 | 8,10,05,750 | 182.785 | 2,78,43,927 |
| Others | | | 2,76,53,593 | | 2,07,93,827 |
| Total | | | 24,71,67,360 | | 16,13,45,595 |

9 Raw Materials Consumed

| | 2010-2011 | | 2009-2010 | |
|------------|-----------|---------------------|-----------|---------------------|
| | % | Value (Rs.) | % | Value (Rs.) |
| Imported | 10.81 | 2,67,22,762 | 10.10 | 1,62,95,043 |
| Indigenous | 89.19 | 22,04,44,598 | 89.90 | 14,50,50,552 |
| | | 24,71,67,360 | | 16,13,45,595 |

Notes on Accounts for the year ended 31st March 2011

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 01-04-2010 | | As at 01-04-2009 | | As at 31-03-2011 | | As at 31-03-2010 | | 2010-2011 | | 2009-2010 | | 2010-11 | 2009-10 |
| | | Qty | Value (Rs.) | Qty | Value (Rs.) | Qty | Value (Rs.) | Qty | Value (Rs.) | Qty | Value (Rs.) | Qty | Value (Rs.) | Qty | Qty |
| AMRUTANJAN PAIN BALM | (Tons) | 56.313 | 3,12,71,677 | 14.517 | 90,19,463 | 31.519 | 2,44,90,824 | 56.313 | 3,12,71,677 | 590.678 | 89,24,47,907 | 562.566 | 82,69,93,683 | 565.884 | 604.362 |
| INHALER & OTHERS | (Tons) | 12.598 | 45,94,431 | 1.855 | 14,86,750 | 8.803 | 42,29,046 | 12.598 | 45,94,431 | 61.558 | 4,90,83,026 | 52.357 | 3,58,83,428 | 57.763 | 63.100 |
| AGENCY PRODUCTS | (Tons) | 22.927 | 67,56,921 | 39.301 | 1,01,31,303 | 11.708 | 49,66,536 | 22.927 | 67,56,921 | 45.239 | 3,85,48,962 | 54.089 | 2,69,57,003 | 34.020 | 37.715 |
| CHEMICALS | (Tons) | 2.084 | 25,47,899 | 3.616 | 43,89,407 | 10.290 | 1,41,11,270 | 2.084 | 25,47,899 | 50.200 | 9,74,59,712 | 10.948 | 4,76,21,252 | 41.994 | 9.416 |
| | | 93.923 | 4,51,70,929 | 59.289 | 2,50,26,923 | 62.320 | 4,77,97,675 | 93.923 | 4,51,70,929 | 747.674 | 1,07,75,39,607 | 679.961 | 93,74,55,365 | 699.661 | 714.594 |

Notes on Accounts for the year ended 31st March 2011

| | | | | |
|----|--|------------------|--------------------------|---------------------------------|
| 11 | Research & Development Expenses include : | 2010-2011 | 2009-2010 | |
| | | Rs. | Rs. | |
| | Salaries, Bonus etc., | 55,04,569 | 60,50,259 | |
| | Materials & Consumables | 36,198 | 10,78,347 | |
| | Power & Fuel | 3,41,360 | 1,02,343 | |
| | Other Expenses | 1,25,132 | 5,04,724 | |
| | | 60,07,259 | 77,35,673 | |
| 12 | Products Purchased | 2,10,01,050 | 1,51,53,693 | |
| 13 | Earnings in Foreign Exchange | | | |
| | Export Sales (F.O.B. Value) | 2,50,11,640 | 3,80,59,556 | |
| 14 | Value of Imports on C.I.F. basis | | | |
| a | Raw & Other Materials | 2,74,30,826 | 1,84,29,615 | |
| b | Capital Goods | — | — | |
| 15 | Expenditure in Foreign Currency | | | |
| a | Travelling Expenses | 1,45,970 | 5,47,958 | |
| b | Others | 30,87,089 | 39,31,417 | |
| 16 | Loans and Advances in the nature of loans given to subsidiaries: | | | |
| | Name of Company | Rate of Interest | Balance as on 31-03-2011 | Maximum balance during the year |
| | Data Quest Infotech and Enterprises Limited (fully provided) | — | 17,05,36,396 | 17,05,36,396 |
| | Holistic Beauty Care Limited | 7% | 1,11,29,026 | 1,11,29,026 |
| | Siva's Soft Drink Pvt Ltd | — | 24,59,183 | 24,59,183 |

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.1,46,29,026/-.
- The Company has incurred significant setup cost leading to losses and exploring new business alternatives. However, as a matter of prudence contingency reserve of Rs.1,25,00,000/- 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.

Notes on Accounts for the year ended 31st March 2011

19. Segment Information

Rs.

| Primary Business | OTC Products | | Pharmaessense | | Net Total | |
|--|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|
| Segments | 2010-2011 | 2009-2010 | 2010-2011 | 2009-2010 | 2010-2011 | 2009-2010 |
| a) Revenue : | | | | | | |
| External Sales | 94,23,30,802 | 85,25,20,546 | 9,15,49,671 | 4,51,76,934 | 1,03,38,80,473 | 89,76,97,480 |
| Inter Segment Sales | — | — | — | — | — | — |
| Total Revenue | 94,23,30,802 | 85,25,20,546 | 9,15,49,671 | 4,51,76,934 | 1,03,38,80,473 | 89,76,97,480 |
| b) Result | 18,36,83,224 | 20,82,95,530 | (2,81,15,742) | (3,45,58,686) | 15,55,67,482 | 17,37,36,844 |
| Less : Unallocated expenditure net of unallocated income | | | | | (3,23,60,344) | (3,01,12,207) |
| Operating Profit | | | | | 12,32,07,138 | 14,36,24,637 |
| Interest expense | | | | | (30,15,993) | (3,44,632) |
| Interest Income and Income from Investments | | | | | 4,06,31,141 | 4,99,36,484 |
| Prior Year Adjustments (net) | | | | | — | (5,67,971) |
| Profit before Tax | | | | | 16,08,22,286 | 19,26,48,518 |
| Provision for taxation : | | | | | | |
| – Income Tax | | | | | (4,15,00,000) | (7,50,00,000) |
| – Fringe Benefit Tax | | | | | — | — |
| – Deferred Tax | | | | | (1,01,96,739) | 39,20,515 |
| – Short Provision of I.T of earlier years | | | | | (1,42,658) | (36,936) |
| Extraordinary Items (net of tax) | | | | | (21,90,580) | (34,32,731) |
| Profit after Tax | | | | | 10,67,92,309 | 11,80,99,366 |
| c) Segment Assets | 39,32,79,491 | 35,61,16,444 | 17,95,86,874 | 12,21,81,932 | 57,28,66,365 | 47,82,98,376 |
| Unallocated Assets | — | — | — | — | 95,80,04,866 | 71,17,04,000 |
| Total Assets | 39,32,79,491 | 35,61,16,444 | 17,95,86,874 | 12,21,81,932 | 1,53,08,71,231 | 1,19,00,02,376 |
| d) Segment Liabilities | 12,58,45,401 | 11,13,88,692 | 2,18,99,625 | 1,07,99,378 | 14,77,45,026 | 12,21,88,070 |
| Unallocated Liabilities | — | — | — | — | 35,38,97,093 | 9,36,80,190 |
| Total Liabilities | 12,58,45,401 | 11,13,88,692 | 2,18,99,625 | 1,07,99,378 | 50,16,42,119 | 21,58,68,260 |
| e) Capital expenditure | 9,65,93,993 | 75,56,114 | 6,47,23,510 | 50,99,469 | 16,13,17,503 | 1,26,55,583 |
| Unallocated expenditure | — | — | — | — | 4,34,850 | 12,45,310 |
| f) Depreciation | 1,22,96,132 | 73,89,382 | 12,86,258 | 8,36,043 | 1,35,82,390 | 82,25,425 |
| Unallocated Depreciation | — | — | — | — | 40,91,992 | 43,42,182 |
| 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.

Notes on Accounts for the year ended 31st March 2011

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
Siva's Soft Drink Pvt Ltd

b) Key Management Personnel :

Sri. S.Sambhu Prasad, Managing Director

(c) Relatives of Key Management Personnel:

Mrs. Rajeswari.S – Mother

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

| Nature of Transaction | 2010-2011 (Rs.) | 2009-2010 (Rs.) |
|---|--------------------|--------------------|
| Loans/Advances granted (net) | 77,76,951 | 38,06,055 |
| Interest Received | 6,42,022 | 4,97,999 |
| Rent Received | 96,000 | 40,000 |
| Provision for Advances / Investments | 21,90,580 | 27,79,236 |
| Outstanding as on 31.03.2011 : | | |
| Loans/Advances Receivable (net of provisions) | 1,35,88,209 | 80,01,838 |
| Investments (net of provisions) | 26,05,00,000 | 35,00,000 |

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

| | | |
|---------------------------------|-----------|-------------|
| Remuneration | 88,08,807 | 1,13,85,044 |
| Dividend paid | 23,10,345 | 26,18,391 |
| Amount payable as on 31.03.2011 | 31,01,415 | 60,13,781 |

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

| | | |
|---------------|-----------|-----------|
| Dividend Paid | 45,28,845 | 49,29,354 |
|---------------|-----------|-----------|

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

| | As at 2010-2011 (Rs.) | As at 2009-2010 (Rs.) |
|--------------------------------------|-----------------------------|-----------------------------|
| Deferred Tax (Liability) | | |
| – Depreciation | (3,79,50,140) | (2,90,36,013) |
| | (3,79,50,140) | (2,90,36,013) |
| Deferred Tax Asset | | |
| – Expenses / Provisions allowable | (4,87,336) | 7,95,276 |
| Net Deferred Tax Asset / (Liability) | (3,84,37,476) | (2,82,40,737) |

22 The company has made investment in 100% of Equity Shares in Siva's Soft Drink Private Limited in February - 2011 for a consideration of Rs.25,70,00,000/-, out of which amount of Rs.96,20,000/-payable as on 31st March 2011 to the erstwhile share holders is included under Other Liabilities in Schedule -11.

Notes on Accounts for the year ended 31st March 2011

23 Earnings per share

| | 2010-2011 | 2009-2010 |
|---|--------------|--------------|
| | (Rs.) | (Rs.) |
| (a) Numerator-Profit as per P & L a/c before extraordinary item (in Rs.) | 10,89,82,889 | 12,15,32,097 |
| (b) Numerator-Profit as per P & L a/c after extraordinary item (in Rs.) | 10,67,92,309 | 11,80,99,366 |
| (c) Denominator- Weighted average number of Equity shares outstanding | 30,30,000 | 30,35,972 |
| (d) Earnings per share (Basic and Diluted) before extraordinary item (in Rs.) | 35.97 | 40.03 |
| (e) Earnings per share (Basic and Diluted) after extraordinary item (in Rs.) | 35.24 | 38.90 |
| (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 :

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.

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.

The amount of Interest accrued and remaining unpaid at the end of the accounting year.

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 and has been relied upon by the auditors.

| | 31st March 2011 | 31st March 2010 |
|-------------------------|-----------------|------------------------|
| | Rs. | Rs. |
| Principal Rs.21,05,984 | | Principal Rs.25,21,656 |
| Interest - Rs. 7,05,327 | | Interest - Rs.1,04,181 |
| | — | — |
| | Rs.5,93,458 | Rs. 94,918 |
| | Rs.7,688 | Rs.9,263 |

25 Disclosure as per Accounting Standard 19 - Operating Leases :

| | 2010-2011 | 2009-2010 |
|---|-----------|-----------|
| Future lease payments not later than one year | 3,10,765 | 8,73,480 |
| Future lease payments later than one year and not later than five years | — | 3,10,765 |

Notes on Accounts for the year ended 31st March 2011

| | 2010-2011 (Rs.) | 2009-2010 (Rs.) |
|--|--------------------|--------------------|
| 26 Employee Benefits | | |
| a) Defined Benefit Plans - As per Actuarial valuation on March 31 2011 | | |
| Gratuity | | |
| A Expense recognised in the statement of Profit & Loss Account for the year ended March 31 2011 | | |
| 1 Current service cost | 34,49,322 | 15,60,985 |
| 2 Interest Cost | 12,71,216 | 11,73,315 |
| 3 Past Service Cost | 13,97,444 | |
| 4 Expected return on plan assets | 12,21,079 | 13,30,843 |
| 5 Net actuarial (gain) / loss recognised during the year | (2,09,589) | 18,17,888 |
| 6 Total Expense | 46,87,314 | 32,21,345 |
| B Actual return on plan assets | | |
| 1 Expected return on plan assets | 12,21,079 | 13,30,843 |
| 2 Actuarial gain / (loss) on plan assets | (12,21,079) | (7,04,208) |
| 3 Actual return on plan assets | | 6,26,635 |
| C Net Asset/ Liability recognised in the Balance Sheet | | |
| 1 Present value of obligation | 1,95,10,341 | 1,69,57,368 |
| 2 Fair value of plan assets | 1,48,47,559 | 1,45,50,331 |
| 3 Funded status [surplus/(deficit)] | (46,62,782) | 24,07,037 |
| 4 Net Assets / (Liability) recognised in the Balance Sheet | (46,62,782) | 24,07,037 |
| D Change in Present value of the Obligation during the year ended March 31 2011 | | |
| 1 Present value of obligation as at April 1, 2010 | 1,69,57,368 | 1,56,44,203 |
| 2 Current service cost | 34,49,322 | 15,60,985 |
| 3 Interest Cost | 12,71,216 | 11,73,315 |
| 4 Past Service Cost | 13,97,444 | |
| 5 Benefits paid | (21,34,341) | 25,34,615 |
| 6 Actuarial (gain) / loss on obligation | (14,30,668) | 11,13,480 |
| 7 Present value of obligation as at March 31, 2011 | 1,95,10,341 | 1,69,57,368 |
| E Charge in Assets during the year ended March 31,2011 | | |
| 1 Fair Value of plan assets as at April 1, 2010 | 1,45,50,331 | 1,57,17,783 |
| 2 Expected return on plan assets | 12,21,079 | 13,30,843 |
| 3 Contributions made | 24,31,569 | 7,40,728 |
| 4 Benefits paid | (21,34,341) | 25,34,615 |
| 5 Actuarial gain / (loss) on plan assets | (12,21,079) | (7,04,408) |
| 6 Fair Value of plan assets as at March 31,2011 | 1,48,47,559 | 1,45,50,331 |
| F Major categories of plan assets as a percentage of total plan - 100% Qualifying Insurance Policy | | |
| G Actuarial Assumptions | | |
| 1 Discount rate | 8.00% | 7.50% |
| 2 Expected rate of return on plan assets | 8.50% | 8.00% |
| 3 Salary Escalation | 8.00% | 6.00% |
| b) Gratuity is administered through Group gratuity scheme with Life Insurance Corporation of India. The expected return on plan assets is based on market expectation at the beginning of the year, for the returns over the entire life of the related obligation | | |
| Leave Salary | | |
| The defined benefit obligations which are provided for but not funded as on 31-3-2011 is Rs. 26,13,715/- (Rs. 27,68,901/-) | | |

Notes on Accounts for the year ended 31st March 2011

27 Installed & Licensed capacity

A CHENNAI

Product Name

Amrutanjan Pain Balm (Ayurvedic)

Hero Super Balm and Dragon Liquid Balm

403 Metric Tons

Amrutanjan Inhaler (Ayurvedic)

20 Lakhs Units

Amrutanjan Cold Rub (Ayurvedic)

5 gms Tins

50 Lakhs Nos

20 gms Bottles

30 Lakhs Nos

a) Vincristine Bulk Drug

3.5 Kgs

b) Vinblastine Bulk Drug

0.5 Kgs

Drug Formulations

c) Vincristine Vials (1 mg)

2 Lakhs Nos.*

d) Vinblastine Vials (10 mg)

20 Lakhs Nos.**

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

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

Dermal Ointment 16 gms

180000 Nos

Cetomix Cough Mixture 60 ml

20000 Nos

Jiffy Tablets

12800000 Nos.

B HYDERABAD

Amrutanjan Pain Balm (Ayurvedic)

2.4 Crore Units (240 Tons)

Amrutanjan Strong Balm (Ayurvedic)

40 Lakhs Units

C PHARMAESSENCE CHEMISTRY SERVICE DIVISION

1 TON

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

As per our Report of even date

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

Chartered Accountants

N. Srinivasan

Partner

Membership No. 200330

Place : Chennai

Date : 08.08.2011

S. Sambhu Prasad

Managing Director

Hema Pasupatheeswaran

Company Secretary

K. Kannan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

A. Satishkumar

Directors

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

I. Registration Details

Registration No.

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

State Code

| | | | | | | | |
|--|--|--|--|--|--|---|---|
| | | | | | | 1 | 8 |
|--|--|--|--|--|--|---|---|

Balance Sheet Date

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

Date Month Year

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

Public Issue

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

Rights Issue

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

Bonus Issue

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

Private Placement

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

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

Total Liabilities

| | | | | | | | | |
|--|--|---|---|---|---|---|---|---|
| | | 1 | 5 | 3 | 0 | 8 | 7 | 1 |
|--|--|---|---|---|---|---|---|---|

Total Assets

| | | | | | | | | |
|--|--|---|---|---|---|---|---|---|
| | | 1 | 5 | 3 | 0 | 8 | 7 | 1 |
|--|--|---|---|---|---|---|---|---|

Sources of Funds

Paid-up Capital

| | | | | | | | | |
|--|--|--|--|---|---|---|---|---|
| | | | | 3 | 0 | 3 | 0 | 0 |
|--|--|--|--|---|---|---|---|---|

Reserves & Surplus

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | 9 | 9 | 8 | 9 | 2 | 9 |
|--|--|--|---|---|---|---|---|---|

Secured Loans

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | 2 | 3 | 6 | 2 | 6 | 9 |
|--|--|--|---|---|---|---|---|---|

Unsecured Loans

| | | | | | | | | |
|--|--|--|--|---|---|---|---|---|
| | | | | 3 | 0 | 0 | 0 | 0 |
|--|--|--|--|---|---|---|---|---|

Deferred Tax Liability

| | | | | | | | | |
|--|--|--|--|---|---|---|---|---|
| | | | | 3 | 8 | 4 | 3 | 7 |
|--|--|--|--|---|---|---|---|---|

Application of Funds

Net Fixed Assets

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | 3 | 2 | 2 | 8 | 4 | 2 |
|--|--|--|---|---|---|---|---|---|

Investments

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | 6 | 8 | 4 | 0 | 8 | 8 |
|--|--|--|---|---|---|---|---|---|

Net Current Assets

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | 3 | 2 | 7 | 0 | 0 | 5 |
|--|--|--|---|---|---|---|---|---|

Misc. Expenditure

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

Accumulated Losses

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

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

Total Turnover / Income

| | | | | | | | | |
|--|--|---|---|---|---|---|---|---|
| | | 1 | 0 | 8 | 2 | 2 | 0 | 3 |
|--|--|---|---|---|---|---|---|---|

Total Expenditure

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | 9 | 2 | 1 | 3 | 8 | 0 |
|--|--|--|---|---|---|---|---|---|

+ -

+ -

Profit/Loss Before Tax

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | 1 | 6 | 0 | 8 | 2 | 2 |
|--|--|--|---|---|---|---|---|---|

Profit/Loss After Tax

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | 1 | 0 | 6 | 7 | 9 | 2 |
|--|--|--|---|---|---|---|---|---|

Earning per share

| | | | | | | | | |
|--|--|--|--|---|---|---|---|---|
| | | | | 3 | 5 | . | 2 | 4 |
|--|--|--|--|---|---|---|---|---|

Dividend %

| | | | | | | | | |
|--|--|--|--|--|--|---|---|---|
| | | | | | | 1 | 5 | 0 |
|--|--|--|--|--|--|---|---|---|

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

Item Code (ITC Code)

| | | | | | | | | |
|--|--|--|---|---|---|---|---|---|
| | | | 3 | 0 | 0 | 4 | 9 | 0 |
|--|--|--|---|---|---|---|---|---|

Product Description

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| A | Y | U | R | V | E | D | I | C |
|---|---|---|---|---|---|---|---|---|

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| M | E | D | I | C | I | N | E |
|---|---|---|---|---|---|---|---|

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

S. Sambhu Prasad
Managing Director

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

Partner
Membership No. 200330
Place : Chennai
Date : 08.08.2011

Hema Pasupatheeswaran
Company Secretary

K. Kannan
General Manager (Finance)

Cash Flow Statement for the Year Ended March 31, 2011

| | Year ended March 31, 2011 Rs. | Year ended March 31, 2010 Rs. |
|---|-------------------------------------|-------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax and extraordinary items | 16,08,22,286 | 19,26,48,518 |
| Adjustments for: | | |
| Depreciation | 1,76,74,382 | 1,25,67,607 |
| Interest received | (1,44,62,792) | (4,10,18,880) |
| Income from Investments | (1,70,39,108) | (80,62,708) |
| Amortisation of Premium on Investments | 15,49,425 | 6,65,941 |
| Dividend received | (69,17,975) | (8,54,896) |
| Rent receipts | (5,51,700) | (6,49,050) |
| Sundry balances written back (net) | — | (4,15,829) |
| Excess provision written back | — | (16,96,513) |
| Provision for Bad and Doubtful Debts | 41,93,292 | 2,30,37,324 |
| Profit on sale of Fixed Assets | (1,30,003) | (34,76,939) |
| Profit on sale of Investments | (22,11,266) | — |
| Interest paid | 30,15,993 | 3,44,632 |
| Loss on sale of fixed assets | — | 2,95,293 |
| Operating Profit before Working Capital Changes | 14,59,42,534 | 17,33,84,500 |
| Adjustments for: | | |
| Trade & other receivables | (2,66,96,166) | (68,93,823) |
| Inventories | (1,23,11,565) | (1,99,81,836) |
| Trade payables | (32,43,366) | 5,42,29,327 |
| Cash generated from operations | 10,36,91,437 | 20,07,38,168 |
| Direct Taxes Paid | (4,48,27,070) | (8,27,51,390) |
| Net Cash from operating activities | 5,88,64,367 | 11,79,86,778 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets including Capital Work-in-Progress | (10,27,60,765) | (5,85,35,923) |
| Sale of fixed assets | 7,35,000 | 78,79,000 |
| (Purchase) / Sale of investments | 3,56,86,349 | (45,60,65,735) |
| Purchase of investments in Subsidiary Company | (24,73,80,000) | — |
| Sundry Deposits | (1,00,00,000) | (1,00,00,000) |
| Loans to subsidiary companies | (77,76,951) | (37,86,947) |
| Interest received | 2,69,92,257 | 4,62,38,863 |
| Dividend received | 39,52,584 | 5,94,718 |
| Rent received | 5,42,800 | 6,54,200 |
| Cash Flow before extraordinary items | (30,00,08,726) | (47,30,21,824) |
| Extra ordinary items: | — | — |
| Net Cash (used in) / generated from Investing Activities | (30,00,08,726) | (47,30,21,824) |

Cash Flow Statement for the Year Ended March 31,2011

| | Year ended March 31, 2011 Rs. | Year ended March 31, 2010 Rs. |
|---|-------------------------------------|-------------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase / (Decrease) in Long Term Loan | 4,17,76,000 | — |
| Increase / (Decrease) in Short Term Loans | 21,19,07,200 | 1,05,20,943 |
| Dividend paid (including interim Dividend & Dividend Tax) | (5,31,74,228) | (6,02,64,125) |
| Interest paid | (9,97,475) | (2,40,451) |
| Buyback of equity shares | — | (2,90,35,920) |
| Cost in relation to buyback of equity shares | — | (6,53,495) |
| Net Cash (used in) / generated from financing Activities | 19,95,11,497 | (7,96,73,048) |
| Net Increase / (Decrease) in cash & cash equivalents | (4,16,32,862) | (43,47,08,094) |
| Cash and cash equivalents opening balance | 24,03,95,551 | 67,51,03,645 |
| Cash and cash equivalents closing balance | 19,87,62,689 | 24,03,95,551 |
| Previous year's figures have been re-grouped wherever necessary to conform to this year's classification. | | |

S. Sambhu Prasad
Managing Director

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

Place : Chennai
Date : 08.08.2011

Hema Pasupatheeswaran
Company Secretary

K. Kannan
General Manager (Finance)

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 2011 and the year ended 31st March 2010 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.

As per our Report of even date
For **P.S.Subramania Iyer & Co.**
Chartered Accountants

N. Srinivasan
Partner
Membership No. 200330

Place : Chennai
Date : 08.08.2011

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 profit/(losses) of the subsidiary so far as it concerns the members of the Holding Company and is not dealt with in the accounts of the holding company | | Net aggregate amount of profit/(losses) of the subsidiary so far as it concerns the members of the Holding Company and is dealt with in the accounts of the 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 previous Financial years since it became the Holding Company's Subsidiary (Rs.) |
| Holistic Beauty Care Limited | 31-03-2011 | 3,50,000 Equity Shares of Rs. 10/- each | 83.32 | (34,61,135) | - | - |
| Siva's Soft Drink Private Limited | 31-03-2011 | 9,00,000 Equity Shares of Rs. 10/- each | 100.00 | (12,11,700) | - | - |

S. Sambhu Prasad
Managing Director

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

Hema Pasupatheeswaran
Company Secretary

K. Kannan
General Manager (Finance)

Place : Chennai
Date : 08.08.2011



Details of Subsidiary Companies pursuant to the General Exemption granted by the Ministry of Corporate Affairs with respect to Section 212(8) of the Companies Act, 1956

Rs. in lakhs

| Sl No. | PARTICULARS | HOLISTIC BEAUTY CARE LIMITED | SIVA'S SOFT DRINK PRIVATE LIMITED |
|--------|------------------------|------------------------------|-----------------------------------|
| 1 | Capital | 42.01 | 90.00 |
| 2 | Reserves | – | 548.09 |
| 3 | Total Assets | 153.47 | 1,082.91 |
| 4 | Total Liabilities | 153.47 | 1,082.91 |
| 5 | Details of Investments | – | – |
| 6 | Turnover | 0.49 | 203.58 |
| 7 | Profit before Taxation | (35.68) | (12.49) |
| 8 | Provision for Taxation | 1.07 | 0.37 |
| 9 | Profit after Taxation | (34.61) | (12.12) |
| 10 | Proposed Dividend | – | – |

S. Sambhu Prasad
Managing Director

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

Place : Chennai
Date : 08.08.2011

Hema Pasupatheeswaran
Company Secretary

K. Kannan
General Manager (Finance)

Consolidated Financial Statements



Auditor's Report

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 the Amrutanjan Health Care Limited and its subsidiaries as at 31st March 2011, the Consolidated Profit & Loss Account and also the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibilities of the management of the Amrutanjan Health Care Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with the 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 aspects, in accordance with and identified financial reporting frame work 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 accounting estimates made by the management, as well as evaluating the overall financial statements. We believe our audit provides a reasonable basis for our opinion.

We report that the Consolidated Financial Statements have been prepared by the management of Amrutanjan Health Care Limited in accordance with the requirements of the Accounting standards (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 on the consideration of the 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 the Consolidated Balance Sheet, of the state of affairs of Amrutanjan Health Care Limited and its Subsidiaries as at 31st March, 2011;
- b. In the case of Consolidated Profit and Loss Account, of the consolidated results of operations of Amrutanjan Health Care Limited and its Subsidiaries for the year ended;
- c. In the case of 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 : 08.08.2011

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2011

| | Schedule No. | 31st March 2011 Rs. | 31st March, 2010 Rs. |
|--|-----------------|------------------------|-------------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 3,03,00,000 | 3,03,00,000 |
| Reserves and Surplus | 2 | 98,35,97,150 | 93,52,11,110 |
| | | 1,01,38,97,150 | 96,55,11,110 |
| Loan Funds | | | |
| Secured Loans | 3 | 27,79,73,513 | 1,25,85,368 |
| Unsecured Loans | 4 | 3,00,00,000 | 12,18,739 |
| | | 30,79,73,513 | 1,38,04,107 |
| Deferred Tax Liability (net) | | 3,87,72,786 | 2,83,65,168 |
| Total | | 1,36,06,43,449 | 1,00,76,80,385 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | | | |
| Gross Block | 5 | 63,53,96,311 | 24,56,22,859 |
| Less: Depreciation | | 11,70,59,500 | 8,62,75,673 |
| Net Block | | 51,83,36,811 | 15,93,47,186 |
| Capital Work-in-Progress | | 2,36,93,380 | 6,74,97,583 |
| | | 54,20,30,191 | 22,68,44,769 |
| Investments | 6 | 42,35,88,368 | 45,56,47,486 |
| Current Assets, Loans and Advances | | | |
| Inventories | 7 | 10,32,37,472 | 7,30,94,525 |
| Sundry Debtors | 8 | 11,88,37,528 | 10,22,77,208 |
| Cash & Bank Balances | 9 | 24,42,96,952 | 24,10,34,091 |
| Interest Accrued | | 1,54,57,171 | 1,07,95,764 |
| Loans & Advances | 10 | 12,23,97,122 | 7,36,71,502 |
| | | 60,42,26,245 | 50,08,73,090 |
| Less: Current Liabilities and Provisions | | | |
| Current Liabilities | 11 | 16,47,65,045 | 13,29,68,306 |
| Provisions | 12 | 4,44,36,310 | 4,27,16,654 |
| | | 20,92,01,355 | 17,56,84,960 |
| Net Current Assets | | 39,50,24,890 | 32,51,88,130 |
| Total | | 1,36,06,43,449 | 1,00,76,80,385 |
| Notes on Accounts | 20 | | |

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

As per our Report of even date

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

Chartered Accountants

N. Srinivasan

Partner

Membership No. 200330

Place : Chennai

Date : 08.08.2011

S. Sambhu Prasad

Managing Director

Hema Pasupatheeswaran

Company Secretary

K. Kannan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

A. Satishkumar

Directors

Consolidated Profit and Loss Account for the Year Ended 31st March 2011

| | Schedule No. | 31st March 2011 Rs. | 31st March 2010 Rs. |
|---|--------------|------------------------|------------------------|
| INCOME | | | |
| Sales | 13 | 1,09,78,97,910 | 93,74,55,365 |
| Less : Excise Duty | | 4,38,59,013 | 3,97,57,885 |
| Net Sales | | 1,05,40,38,897 | 89,76,97,480 |
| Other Income | 14 | 4,80,75,351 | 6,00,71,855 |
| | | 1,10,21,14,248 | 95,77,69,335 |
| EXPENDITURE | | | |
| Cost of Materials Consumed | 15 | 43,25,54,467 | 31,94,12,991 |
| Employee's Remuneration and Benefits | 16 | 16,32,65,715 | 14,29,37,326 |
| Interest | 17 | 33,74,000 | 3,44,632 |
| Other Expenses | 18 | 32,87,65,062 | 31,36,85,966 |
| Depreciation | | 1,81,49,758 | 1,28,41,815 |
| | | 94,61,09,002 | 78,92,22,730 |
| Profit before exceptional and extraordinary items | | 15,60,05,246 | 16,85,46,605 |
| Exceptional Items | | - | 1,93,61,883 |
| Prior Year Adjustments (net) | | - | (5,67,971) |
| Profit before tax | | 15,60,05,246 | 18,73,40,517 |
| Provision for Tax | | | |
| – Income Tax | | (4,15,00,000) | (7,50,00,000) |
| – Deferred Tax | | (1,00,52,534) | 35,90,467 |
| Short Provision for I.T of earlier years | | (1,42,658) | (36,289) |
| Profit after tax and before extraordinary items | | 10,43,10,054 | 11,58,94,695 |
| Extraordinary Items (net of tax) | 19 | (21,90,580) | (11,77,495) |
| Net Profit | | 10,21,19,474 | 11,47,17,200 |
| Surplus from Previous year brought forward | | 24,77,86,944 | 24,62,43,972 |
| Profits available for appropriation | | 34,99,06,418 | 36,09,61,172 |
| APPROPRIATIONS | | | |
| Transfer to General Reserve | | 5,00,00,000 | 5,00,00,000 |
| Transfer to Contingency Reserve | | 25,00,000 | 1,00,00,000 |
| Interim Dividend - Paid | | 1,51,50,000 | 1,51,50,000 |
| Tax on Interim Dividend | | 25,74,743 | 25,74,743 |
| Final Dividend - Proposed | | 2,92,30,630 | 3,03,00,000 |
| Tax on Proposed Dividend | | 47,41,940 | 51,49,485 |
| | | 10,41,97,313 | 11,31,74,228 |
| Balance Profit carried to Balance Sheet | | 24,57,09,105 | 24,77,86,944 |
| | | 34,99,06,418 | 36,09,61,172 |
| Basic and Diluted Earning per share | | | |
| Before extraordinary items | | 34.43 | 38.17 |
| After extraorndinary items | | 33.70 | 37.79 |
| Notes on Accounts | 20 | | |

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

As per our Report of even date

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

Chartered Accountants

N. Srinivasan

Partner

Membership No. 200330

Place : Chennai

Date : 08.08.2011

S. Sambhu Prasad

Managing Director

Hema Pasupatheeswaran

Company Secretary

K. Kannan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

A. Satishkumar

Directors

SCHEDULES TO CONSOLIDATED BALANCE SHEET

SCHEDULE - 1

SHARE CAPITAL

Authorised

50,00,000 Equity Shares of Rs.10/- each

Issued, Subscribed & Paid-up

32,00,000 Equity Shares of Rs.10/- each fully paid-up

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

31st March 2011
Rs.

31st March, 2010
Rs.

5,00,00,000

5,00,00,000

3,20,00,000

3,20,00,000

(17,00,000)

(9,83,400)

3,03,00,000

3,10,16,600

SCHEDULE - 2

RESERVES AND SURPLUS

| | As at 31/03/2010 Rs. | Additions during the year Rs. | (Deductions) Rs. | As at 31st March 2011 Rs. |
|----------------------------|----------------------------|-------------------------------------|---------------------|---------------------------------|
| General Reserve | 67,57,24,166 | 5,00,00,000 | 20,36,121 | 72,36,88,045 |
| Contingency Reserve | 1,00,00,000 | 25,00,000 | | 1,25,00,000 |
| Capital Redemption Reserve | 17,00,000 | — | | 17,00,000 |
| Profit & Loss Account | 24,77,86,944 | 5,04,22,161 | 5,25,00,000 | 24,57,09,105 |
| | 93,52,11,110 | 10,29,22,161 | 5,45,36,121 | 98,35,97,150 |

SCHEDULE - 3

SECURED LOANS

Term Loan - Bank*

TIIC Loan

Working Capital Demand Loan - Bank*

*(secured by lien on specific Mutual Funds and Fixed Deposit)

Cash Credit from Banks

(secured by hypothecation of raw & packing materials, finished goods, book debts of the Company)

Loan against Fixed Deposits

(secured by lien on Fixed Deposits)

31st March 2011
Rs.

31st March, 2010
Rs.

4,17,76,000

—

57,93,000

—

10,00,00,000

—

24,92,568

1,25,85,368

12,79,11,945

—

27,79,73,513*

1,25,85,368

* includes Rs.23,61,97,513/-(Rs.1,25,85,368/-) due for repayment within one year

SCHEDULE - 4

UNSECURED LOANS

Short Term Loan - Bank

3,00,00,000

—

3,00,00,000

—

* due for repayment within one year Rs. 3,00,00,000 (Rs. Nil)

SCHEDULES TO CONSOLIDATED BALANCE SHEET

SCHEDULE - 5 FIXED ASSETS

| PARTICULARS | | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|--|----------------------------|---------------------------------|----------------------------------|----------------------------|----------------------------|--------------------------------|---------------------------------|----------------------------|----------------------------|----------------------------|--|
| | As on 01-04-2010 Rs. | Addition / Adjustment Rs. | Deletion / Elimination Rs. | As on 31-03-2011 Rs. | As on 01-04-2010 Rs. | Addition/ Adjustment Rs. | Deletion/ Elimination Rs. | As on 31-03-2011 Rs. | As on 31-03-2011 Rs. | As on 31-03-2010 Rs. | |
| Goodwill | 25,000 | - | - | 25,000 | - | - | - | - | 25,000 | 25,000 | |
| Goodwill on Consolidation | - | 19,19,79,284 | - | 19,19,79,284 | - | - | - | - | 19,19,79,284 | - | |
| Technical Know How | 8,75,000 | - | - | 8,75,000 | 3,93,750 | 1,75,000 | - | 5,68,750 | 3,06,250 | 4,81,250 | |
| Land * | 2,78,95,948 | 14,35,083 | 36,11,442 | 2,57,19,589 | - | - | - | - | 2,57,19,589 | 2,78,95,948 | |
| Building | 3,63,60,640 | 3,02,19,659 | - | 6,65,80,299 | 1,37,92,449 | 53,40,662 | - | 1,91,33,111 | 4,74,47,188 | 2,25,68,191 | |
| Lease Hold Property | 4,50,000 | - | - | 4,50,000 | 1,75,829 | 13,709 | - | 1,89,538 | 2,60,462 | 2,74,171 | |
| Plant And Machinery | 4,16,77,701 | 9,94,14,623 | 1,09,998 | 14,09,82,326 | 2,09,16,035 | 1,57,97,606 | 1,09,997 | 3,66,03,644 | 10,43,78,682 | 2,07,61,666 | |
| Computers | 1,96,40,809 | 13,73,520 | - | 2,10,14,329 | 1,58,48,820 | 17,75,419 | - | 1,76,24,239 | 33,90,090 | 37,91,989 | |
| Office Equipments | 1,04,745 | - | - | 1,04,745 | 10,466 | 4,975 | - | 15,441 | 89,304 | 94,279 | |
| Furniture,Fittings & Lab Equipments | 1,90,03,105 | 28,98,986 | - | 2,19,02,091 | 1,22,22,820 | 11,89,634 | - | 1,34,12,454 | 84,89,637 | 67,80,285 | |
| Vehicle | 95,07,614 | 10,15,377 | - | 1,05,22,991 | 54,24,537 | 12,18,569 | - | 66,43,106 | 38,79,885 | 40,83,077 | |
| | 15,55,40,562 | 32,83,36,532 | 37,21,440 | 48,01,55,654 | 6,87,84,706 | 2,55,15,574 | 1,09,997 | 9,41,90,283 | 38,59,65,371 | 8,67,55,856 | |
| Pharmaessense Chemistry Services | | | | | | | | | | | |
| Building | 19,13,519 | 2,24,93,237 | - | 2,44,06,756 | 1,19,014 | 3,70,489 | - | 4,89,503 | 2,39,17,253 | 17,94,505 | |
| Plant And Machinery | 51,40,817 | 4,19,55,864 | - | 4,70,96,681 | 16,17,374 | 5,71,133 | - | 21,88,507 | 4,49,08,174 | 35,23,443 | |
| Computers | 6,99,845 | 2,37,400 | - | 9,37,245 | 2,05,979 | 2,70,436 | - | 4,76,415 | 4,60,830 | 4,93,866 | |
| Furniture,Fittings & Lab Equipments | 8,16,263 | 37,009 | - | 8,53,272 | 2,99,227 | 74,200 | - | 3,73,427 | 4,79,845 | 5,17,036 | |
| | 85,70,444 | 6,47,23,510 | - | 7,32,93,954 | 22,41,594 | 12,86,258 | - | 35,27,852 | 6,97,66,102 | 63,28,850 | |
| Research & Development | | | | | | | | | | | |
| Building | 2,49,39,334 | - | - | 2,49,39,334 | 25,82,097 | 11,26,096 | - | 37,08,193 | 2,12,31,141 | 2,23,57,237 | |
| Plant And Machinery | 4,90,84,456 | 2,38,082 | - | 4,93,22,538 | 89,87,510 | 23,37,890 | - | 1,13,25,400 | 3,79,97,138 | 4,00,96,946 | |
| Pilot Plant | 26,23,199 | - | - | 26,23,199 | 19,47,221 | 62,914 | - | 20,10,135 | 6,13,064 | 6,75,978 | |
| Computers | 3,57,171 | - | - | 3,57,171 | 2,22,362 | 53,923 | - | 2,76,285 | 80,886 | 1,34,809 | |
| Furniture,Fittings & Lab Equipments | 45,07,693 | 1,96,768 | - | 47,04,461 | 15,10,183 | 5,11,169 | - | 20,21,352 | 26,83,109 | 29,97,510 | |
| | 8,15,11,853 | 4,34,850 | - | 8,19,46,703 | 1,52,49,373 | 40,91,992 | - | 1,93,41,365 | 6,26,05,338 | 6,62,62,480 | |
| Grand Total | 24,56,22,859 | 39,34,94,892 | 37,21,440 | 63,53,96,311 | 8,62,75,673 | 3,08,93,824 | 1,09,997 | 11,70,59,500 | 51,83,36,811 | 15,93,47,186 | |
| As per Last Balance Sheet | 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 | |
| Capital Work-in-Progress including Capital Advances of Rs.1,88,11,104/- (Rs.1,88,11,104/-) | | | | | | | | | | | |

SCHEDULES TO CONSOLIDATED BALANCE SHEET

| | Face Value Rs. | 31st March 2011 Rs. | 31st March, 2010 Rs. |
|---|-------------------|------------------------|-------------------------|
| SCHEDULE - 6 | | | |
| INVESTMENTS (AT COST) | | | |
| LONG TERM INVESTMENTS | | | |
| Non-Trade Investments (Unquoted): | | | |
| National Savings Certificates (Deposited with the Collector of Central Excise, Chennai) | 5,500 | 5,500 | 5,500 |
| 5 Equity Shares in Capexil (Agencies) Ltd. of Rs.1,000/- each fully paid | 5,000 | 5,000 | 5,000 |
| 60,800 Equity Shares of Re.1/- each in Madras Stock Exchange Ltd. | 60,800 | 1,60,000 | 1,60,000 |
| 1950 Equity Shares in Marg Securities of Rs.10/- each fully paid (purchased during the year) | 19,500 | 65,325 | 43,750 |
| Non-Trade Investments (Quoted) : | | | |
| 21,450 Equity Shares in Saha Keil Ltd. of Rs.10/- each fully paid | 2,14,500 | 2,14,500 | 2,14,500 |
| 1,006 Equity Shares in NTPC Ltd of Rs. 10/- each fully paid | 10,060 | 62,372 | 62,372 |
| 38 Equity Shares in Punjab National Bank of Rs. 10/- each fully paid | 380 | 14,820 | 14,820 |
| 450 Equity Shares in Periakaramalai Tea & Produce Co. Ltd of Rs.10/- each fully paid (purchased during the year) | 4,500 | 54,000 | 50,750 |
| 700 Shares of Kareem Spun Silk Limited at Rs.10 each | | | 17,395 |
| 2,120 (6.85%) Tax Free Bonds of Indian Infrastructure Finance Company Limited of Rs.1,00,000/- each | 21,20,00,000 | 21,61,07,836 | 21,75,51,776 |
| 2,100 (Zero Coupon) Bonds of NABARD of Rs.20,000 each | 4,20,00,000 | 2,24,70,000 | 2,24,70,000 |
| 16,800 (10.24%) Debentures of L & T Finance Limited of Rs.1,000/- each | 1,68,00,000 | 1,76,91,898 | 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 Ltd of Rs.10/- each fully paid | 2,90,44,070 | 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 nominees | 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 |

SCHEDULES TO CONSOLIDATED BALANCE SHEET

| | Face Value Rs. | 31st March 2011 Rs. | 31st March, 2010 Rs. |
|---|-------------------|------------------------|-------------------------|
| Investment in Mutual Funds (Unquoted): | | | |
| **marked as lien against secured loans availed during the year | | | |
| 27,602.004 (previous year 18,063.922) units of Rs.10 each of Templeton India Short Term Income Retail Plan - Monthly Dividend Reinvestment ** | | 3,08,28,703 | 2,01,17,257 |
| Nil (previous year 1,90,112.775) units of Rs. 10 each of ICICI Prudential Flexible Income Plan Premium - Daily Dividend - redeemed during the year | | — | 2,01,01,574 |
| Nil (previous year 8,81,842.711) units of Rs. 10 each of Reliance Medium Term Fund - Daily Dividend Plan - redeemed during the year | | — | 1,50,75,542 |
| Nil (previous year 14,26,610.595) units of Rs.10 each of HDFC High Interest Fund - Short Term Plan - Dividend Reinvestment - redeemed during the year | | — | 1,51,10,794 |
| Nil (previous year 14,97,901.466) units of Rs.10 each of Kotak Bond (Short Bond) - Monthly Dividend - redeemed during the year | | — | 1,51,01,045 |
| Nil (previous year 14,95,508.106) units of Rs.10 each of Kotak Floater Long Term - Daily Dividend - redeemed during the year | | — | 1,50,74,423 |
| 20,52,309.258 (previous year 20,52,309.258) units of Rs.10 each of Reliance Regular Savings Fund - Debt Plan - Institutional Dividend ** | | 2,50,00,000 | 2,50,00,000 |
| 24,56,036.939 (previous year 24,56,036.939) units of Rs.10 each of Templeton India Income Opportunities Fund - Dividend Payout ** | | 2,50,00,000 | 2,50,00,000 |
| Nil (previous year 26,99,028.351) units of Rs.10 each of Reliance Monthly Interval Fund - Series II - Retail Dividend Plan - redeemed during the year | | — | 2,70,00,000 |
| 10,00,000.000 (previous year 10,00,000.000) units of Rs.10 each of Canara Robeco - FMP - Growth ** | | 1,00,00,000 | 1,00,00,000 |
| 15,60,103.115 (previous year 7,86,887.310) units of Rs.10 each of Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan ** | | 2,00,00,000 | 1,00,00,000 |
| 8,59,874.800 (previous year Nil) units of Rs.10 each of Birla Sun Life Govt Securities Long Term Dividend - Payout | | 1,00,00,000 | — |
| 9,95,371.520 (previous year Nil) units of Rs.10 each of Kotak Credit Opp Fund Monthly Dividend ** | | 1,00,00,000 | — |
| 9,48,973.685 (previous year Nil) units of Rs.10 each of Templeton India Income Opportunities Fund - Dividend Reinvestment ** | | 1,00,66,349 | — |
| 15,35,575.000 (previous year Nil) units of Rs.10 each of Kotak FMP 370 Days Series Dividend ** | | 1,53,55,750 | — |
| 4,66,962.303 (previous year Nil) units of Rs.10 each of Reliance Monthly Income Plan - Monthly Dividend Plan | | 50,50,874 | — |
| 5,74,759.394 (previous year Nil) units of Rs.10 each of ICICI Prudential Interval Fund | | 56,49,941 | — |
| | | <u>45,38,25,980</u> | <u>46,64,97,565</u> |
| Less : Provision for Investments | | <u>3,02,37,612</u> | <u>1,08,50,079</u> |
| | | <u>42,35,88,368</u> | <u>45,56,47,486</u> |
| Quoted Investments – Cost | | 25,64,00,926 | 25,78,96,351 |
| – Market Value | | 25,20,89,773 | 25,37,11,128 |
| Unquoted Investments – Cost | | 16,71,87,442 | 19,77,51,135 |

SCHEDULES TO CONSOLIDATED BALANCE SHEET

Investments purchased and sold during the year :

| Name of the scheme | Units (Nos.) | Value |
|--|--------------|--------------|
| Bench Mark Gold ETF | 2,7500 | 50,19,652 |
| Kotak Gold ETF | 2,750 | 50,15,786 |
| GMTM IDFC - SSIF - Medium Term - Plan A Monthly Dividend | 9,84,184 | 1,00,00,000 |
| HDFC Gold Exchange Traded Fund | 5,554 | 99,99,026 |
| IDBI Liquid Term - Daily Dividend | 74,50,000 | 7,45,00,000 |
| IDBI Ultra Short Term Fund | 1,30,00,605 | 13,00,06,052 |
| IDFC Cash Fund - Inst Plan B - Daily Dividend | 9,44,528 | 1,00,00,000 |
| IDFC Money Manager Fund - Treasury Plan - Inst Plan B - Daily Dividend | 9,93,152 | 1,00,01,336 |
| IDFC - FMP Quarterly Series 61 - Dividend | 10,01,857 | 1,00,18,573 |
| ICICI Prudential Flexible Income Plan Premium - Daily Dividend | 47,288 | 50,00,000 |

SCHEDULE - 7

INVENTORIES

Stock on hand (as per Inventories taken, valued as per accounting policy and certified by the Area Managers and Managing Director)

| | 31st March 2011 Rs. | 31st March, 2010 Rs. |
|-------------------|------------------------|-------------------------|
| Raw Materials | 2,68,00,546 | 1,75,22,937 |
| Packing Materials | 1,68,46,451 | 92,24,066 |
| Process Stock | 31,73,790 | 11,76,594 |
| Finished Stock | 5,64,16,685 | 4,51,70,928 |
| | 10,32,37,472 | 7,30,94,525 |

SCHEDULE - 8

SUNDRY DEBTORS (Unsecured, considered good)

Exceeding Six months :

| | | |
|-------------------------------------|---------------------|---------------------|
| Considered good | 75,39,136 | 1,38,30,695 |
| Considered doubtful | 3,09,25,437 | 2,67,32,146 |
| Less : Provision for doubtful debts | (3,09,25,437) | (2,67,32,146) |
| Others - considered good | 11,12,98,392 | 8,84,46,513 |
| | 11,88,37,528 | 10,22,77,208 |

SCHEDULE - 9

CASH AND BANK BALANCES

| | | |
|--|---------------------|---------------------|
| Cash in hand | 10,57,394 | 3,23,100 |
| Cheques in hand and in transit | 3,34,61,563 | 3,17,47,238 |
| Balance with Scheduled Banks: | | |
| In Current Accounts | 1,12,31,979 | 4,74,06,961 |
| In Unclaimed Dividend Accounts | 59,28,251 | 49,77,353 |
| In Deposit Accounts [including Rs.14,44,72,857/- (Rs.2,58,14,558/-) under lien with banks] | 19,26,17,765 | 15,65,79,439 |
| | 24,42,96,952 | 24,10,34,091 |

SCHEDULES TO CONSOLIDATED BALANCE SHEET

| | 31st March 2011 Rs. | 31st March, 2010 Rs. |
|--|------------------------|-------------------------|
| SCHEDULE - 10 | | |
| LOANS AND ADVANCES | | |
| (Unsecured, considered good unless otherwise stated) | | |
| Loan to subsidiary companies : | | |
| – Considered good | – | – |
| – Considered doubtful | 17,05,36,396 | 5,87,13,312 |
| Less : Provision made | (17,05,36,396) | (5,87,13,312) |
| Advance Tax / TDS (net off provisions) | 29,72,710 | – |
| Advances recoverable in cash or in kind for value to be received | 7,15,21,221 | 4,46,06,211 |
| Deposits and Balances with excise authorities | 2,17,44,113 | 1,50,92,497 |
| Sundry Deposits (refer note 5 of schedule 20) | 2,00,00,000 | 1,00,00,000 |
| Deposits - Others | 61,59,078 | 39,72,794 |
| | 12,23,97,122 | 7,36,71,502 |
| SCHEDULE - 11 | | |
| CURRENT LIABILITIES | | |
| Creditors for Purchases: | | |
| Due to Micro Small and Medium Enterprises (refer note 13 of schedule 20) | 28,11,311 | 26,25,837 |
| Due to Others | 6,67,86,843 | 4,75,46,577 |
| Creditors for Expenses | 3,74,26,257 | 5,02,03,345 |
| Due to Directors | 48,63,176 | 60,13,781 |
| Creditors for Capital Goods | 2,52,56,967 | 1,00,69,582 |
| Unclaimed Dividend | 59,28,251 | 49,77,353 |
| Interest accrued but not due | 20,18,518 | – |
| Other Liabilities | 1,96,73,722 | 1,15,31,831 |
| | 16,47,65,045 | 13,29,68,306 |
| SCHEDULE - 12 | | |
| PROVISIONS | | |
| Provision for Taxation (net off Advance Tax / TDS) | 31,87,243 | 4,58,972 |
| Proposed Dividend | 2,92,30,630 | 3,03,00,000 |
| Tax on Dividend | 47,41,940 | 51,49,485 |
| Provision for Employee Retirement Benefits | 72,76,497 | 68,08,197 |
| | 4,44,36,310 | 4,27,16,654 |

SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

| | Year Ended 31st March 2011 | | Year Ended 31st March 2010 | |
|----------------------|----------------------------|-----------------------|----------------------------|---------------------|
| | Rs. | Rs. | Rs. | Rs. |
| SCHEDULE - 13 | | | | |
| SALES | | | | |
| OTC Products | 98,00,79,895 | | 88,98,34,113 | |
| Less : Excise Duty | <u>3,77,49,093</u> | | <u>3,73,13,567</u> | |
| | | 94,23,30,802 | | 85,25,20,546 |
| Chemicals | 9,74,59,712 | | 4,76,21,252 | |
| Less : Excise Duty | <u>59,10,041</u> | | <u>24,44,318</u> | |
| | | 9,15,49,671 | | 4,51,76,934 |
| Beverages | 2,03,58,303 | | — | |
| Less : Excise Duty | <u>1,99,879</u> | | <u>—</u> | |
| | | 2,01,58,424 | | — |
| | | <u>1,05,40,38,897</u> | | <u>89,76,97,480</u> |

SCHEDULE - 14

OTHER INCOME

| | Year Ended 31st March 2011 Rs. | Year Ended 31st March, 2010 Rs. |
|---|--------------------------------------|---------------------------------------|
| Service Charges | 48,950 | 91,300 |
| Dividend receipts | 69,17,975 | 8,54,896 |
| Interest - Bank Deposits - TDS Rs. 12,79,961 /- (Rs. 43,62,725/-) | 1,12,45,565 | 3,96,39,926 |
| Interest - Others - TDS Rs.1,12,860/- (Rs. 5,117/-) | 28,78,427 | 8,80,955 |
| Income from Investments | 1,70,39,108 | 80,62,708 |
| Insurance Claims | — | 28,43,867 |
| Rent receipts - TDS Rs. 17,480 /- (Rs.83,032/-) | 4,55,700 | 6,09,050 |
| Scrap sales | 20,54,456 | 12,32,787 |
| Profit on sale of Investments (net) | 22,11,266 | 34,76,939 |
| Profit on sale of assets | 1,30,003 | — |
| Bad Debts Recovered | — | 2,30,000 |
| Sundry balances written back (net) | 30,87,658 | 4,15,829 |
| Excess provision written back | 79,853 | 16,96,513 |
| Miscellaneous Receipts | 19,26,390 | 37,085 |
| | <u>4,80,75,351</u> | <u>6,00,71,855</u> |

SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

SCHEDULE - 15

COST OF MATERIALS CONSUMED

| | Year Ended 31st March 2011 Rs. | Year Ended 31st March, 2010 Rs. |
|--|--------------------------------------|---------------------------------------|
| Opening Stock | | |
| Raw Materials | 2,10,72,631 | 1,72,57,895 |
| Packing Materials | 1,63,17,773 | 81,69,661 |
| TOTAL | 3,73,90,404 | 2,54,27,556 |
| Add : Purchases | | |
| Raw Materials | 25,75,21,241 | 16,16,10,637 |
| Packing Materials | 15,53,00,787 | 15,82,25,399 |
| TOTAL | 41,28,22,028 | 31,98,36,036 |
| | 45,02,12,432 | 34,52,63,592 |
| Less : Closing Stock | | |
| Raw Materials | 2,68,00,546 | 1,75,22,937 |
| Packing Materials | 1,68,46,451 | 92,24,066 |
| TOTAL | 4,36,46,997 | 2,67,47,003 |
| Consumption of Raw & Packing Materials | 40,65,65,435 | 31,85,16,589 |
| Add : Processing Charges | 1,03,88,981 | 42,75,887 |
| Add : Products Purchased | 2,10,01,050 | 1,51,53,693 |
| Stock Adjustments | (54,00,999) | (1,85,33,178) |
| TOTAL | 43,25,54,467 | 31,94,12,991 |
| (INCREASE) / DECREASE IN STOCK | | |
| Opening Stock | | |
| Finished Goods | 5,31,20,934 | 2,50,26,923 |
| Process Stock | 11,76,594 | 26,58,210 |
| | 5,42,97,528 | 2,76,85,133 |
| Closing Stock | | |
| Finished Goods | 5,64,16,685 | 4,51,70,928 |
| Process Stock | 31,73,790 | 11,76,594 |
| | 5,95,90,475 | 4,63,47,522 |
| (INCREASE) / DECREASE IN STOCK | (52,92,947) | (1,86,62,389) |
| Excise Duty on Increase / (Decrease) of Finished Goods | (1,08,052) | 1,29,211 |

SCHEDULE - 16

EMPLOYEE'S REMUNERATION AND BENEFITS

| | | |
|---|---------------------|---------------------|
| Salaries, Wages and Bonus | 12,83,96,302 | 11,19,79,433 |
| Managing Director's Remuneration | 88,08,807 | 1,13,85,044 |
| Contribution to Employees Provident, Gratuity and Other Funds | 1,75,83,418 | 1,02,14,119 |
| Welfare Expenditure | 84,77,188 | 93,58,730 |
| | 16,32,65,715 | 14,29,37,326 |

SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

SCHEDULE - 17

INTEREST

| | Year Ended 31st March 2011 Rs. | Year Ended 31st March, 2010 Rs. |
|---------------|--------------------------------------|---------------------------------------|
| – Fixed Loans | 22,40,131 | - |
| – Others | 11,33,869 | 3,44,632 |
| | 33,74,000 | 3,44,632 |

SCHEDULE - 18

OTHER EXPENSES

| | | |
|---------------------------------------|---------------------|---------------------|
| Power & Fuel | 1,28,31,926 | 90,17,658 |
| Repairs & Maintenance: | | |
| – Building | 13,13,678 | 22,92,207 |
| – Machinery | 33,20,889 | 29,59,486 |
| – Others | 74,03,873 | 51,46,800 |
| Freight and Transport Charges | 1,90,58,874 | 1,69,28,016 |
| Advertisement | 9,80,02,913 | 7,00,91,521 |
| Selling Expenses | 5,58,61,437 | 6,04,79,914 |
| Commission on Sales | 19,19,618 | 12,69,790 |
| Sales Tax | 4,43,61,352 | 3,72,16,552 |
| Rates and Taxes | 25,34,271 | 28,11,006 |
| Insurance | 22,67,154 | 24,86,143 |
| Travelling Expenses | 2,59,14,727 | 2,58,41,956 |
| Conveyance | 24,64,594 | 20,35,791 |
| Retainer & Consultancy | 55,55,220 | 1,28,03,612 |
| Security Charges | 43,13,676 | 23,57,582 |
| Rent | 14,77,395 | 29,20,521 |
| Printing & Stationery | 31,31,549 | 21,84,347 |
| Postage & Telegrams | 16,12,836 | 9,32,294 |
| Communication Expenses | 75,30,312 | 58,02,255 |
| Legal Expenses | 19,80,197 | 7,76,174 |
| Research & Development Expenses | 60,07,259 | 77,35,673 |
| Bank Charges | 22,69,201 | 23,05,463 |
| Donations | 9,45,051 | 19,20,562 |
| Auditor's Remuneration: | | |
| – Audit Fees | 7,37,875 | 5,66,180 |
| – Tax Audit | 80,515 | 65,515 |
| – Tax Representation | 40,000 | - |
| – Other services | 1,95,000 | 1,50,000 |
| – Out of Pocket expenses | 12,450 | 12,350 |
| Cost Audit Fees | 1,20,000 | 1,20,000 |
| Directors Sitting Fees | 7,05,000 | 6,30,000 |
| Commission to Non-Executive Directors | 17,61,761 | - |
| Lease Rent | 10,65,480 | 15,28,374 |
| Loss on fixed assets sold / discarded | - | 10,38,897 |
| Exchange difference (net) | 1,03,567 | 15,21,683 |
| EDP Expenses | 32,71,502 | 24,43,563 |
| Provision for doubtful debts | 41,93,292 | 2,30,37,324 |
| Miscellaneous Expenses | 44,00,618 | 42,56,757 |
| | 32,87,65,062 | 31,36,85,966 |

SCHEDULES TO CONSOLIDATED PROFIT & LOSS ACCOUNT

SCHEDULE - 19

EXTRAORDINARY ITEMS

| | Year Ended 31st March 2011 Rs. | Year Ended 31st March, 2010 Rs. |
|---|--------------------------------------|---------------------------------------|
| Cost in relation to Buy-back of Equity Shares | — | (6,53,495) |
| Investments / Advances relating to subsidiary companies written off | 6,84,92,403 | 29,75,310 |
| Less: | | |
| Provision made in earlier years | (6,84,92,403) | (29,75,310) |
| Provision for Advances / Investments - subsidiary company | (21,90,580) | (5,24,000) |
| TOTAL | (21,90,580) | (11,77,495) |
| Income Tax on above | — | — |
| EXTRAORDINARY ITEMS (NET OF TAX) | (21,90,580) | (11,77,495) |

Notes on Consolidated Accounts for the Year Ended 31st March 2011

20. NOTES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

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. The goodwill arising on consolidation is not amortised but instead evaluated for impairment.
- 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.

Notes on Consolidated Accounts for the Year Ended 31st March 2011

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. 2,25,34,291/- (Rs. 1,18,25,000/-)
- c Contingent liability in respect of Income Tax Rs. 20,43,194/- (Rs. 20,43,194/-). However, the said amount has been paid under protest.
- d Appeals filed in respect of disputed demands:

| | 2010-2011 | 2009 - 2010 |
|-------------|-----------|-------------|
| | Rs. | Rs. |
| Excise Duty | 8,89,155 | 8,89,155 |
| E S I | 3,96,545 | 3,96,545 |
| Service Tax | 12,94,186 | 3,95,290 |
| Income Tax | 64,53,470 | — |

- 3 Lease rent in respect of leasehold land has been revised by the Government of Tamilnadu with retrospective effect from November 2001 and the arrears on this account upto 31st March 2011 is Rs. 3,72,31,466. Since the enhancement of the rent is exorbitant, 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.
- 4 Estimated amount of capital expenditure commitments Rs. 4,00,00,000/- (Rs. 9,79,00,000/-)
- 5 Sundry Deposits represent Fixed Deposit with Shriram Transport Finance Company Limited and Dewan Housing Finance Corporation Limited made during the year for a period of 12 months.
- 6 a The Company has transferred Rs. 2,55,014 /- (Rs.83,034/-) of unclaimed dividends to Investor Education and Protection Fund during the year.
- b Unclaimed Dividend amounting to Rs.9,549/- (Rs.9,549/-) is pending on account on litigation among claimants.
- 7 The following subsidiary companies i.e Siva's Soft Drink Pvt Ltd and Holistic Beauty Care Limited are considered in the consolidated financial statements. The other subsidiary company i.e Data Quest Infotech & Enterprises Limited has not been considered for consolidation since the said company has applied under section 560 of The Companies Act, 1956 for strike off register.
- 8 Provision for Taxation includes Rs.50,000/- (Rs. 50,000/-) towards Wealth Tax.

| | As at 2010-2011 | As at 2009-2010 |
|--------------------------------------|--------------------|--------------------|
| | (Rs.) | (Rs.) |
| Deferred Tax (Liability) | | |
| – Depreciation | (3,82,85,450) | (2,91,60,444) |
| | (3,82,85,450) | (2,91,60,444) |
| Deferred Tax Asset | | |
| – Expenses / Provisions allowable | (4,87,336) | 7,95,276 |
| Net Deferred Tax Asset / (Liability) | (3,87,72,786) | (2,83,65,168) |

Notes on Consolidated Accounts for the Year Ended 31st March 2011

10. Segment Information

Rs.

| Primary Business Segments | OTC Products | | Pharmaessense | | Others | | Net Total | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|------------------|-----------------------|-----------------------|
| | 2010-2011 | 2009-2010 | 2010-2011 | 2009-2010 | 2010-2011 | 2009-2010 | 2010-2011 | 2009-2010 |
| a) Revenue: | | | | | | | | |
| External Sales | 94,23,30,802 | 85,25,20,546 | 9,15,49,671 | 4,51,76,934 | 2,02,07,374 | 91,300 | 1,05,40,87,847 | 89,77,88,780 |
| Inter Segment Sales | | | | | | | | – |
| Total Revenue | 94,23,30,802 | 85,25,20,546 | 9,15,49,671 | 4,51,76,934 | 2,02,07,374 | 91,300 | 1,05,40,87,847 | 89,77,88,780 |
| b) Result | 18,35,87,224 | 20,82,55,530 | (2,81,15,742) | (3,45,58,686) | (40,24,233) | (47,70,002) | 15,14,47,249 | 16,89,26,842 |
| Less: Unallocated expenditure net of unallocated income | | | | | | | (3,23,60,344) | (3,01,12,207) |
| Operating Profit | | | | | | | 11,90,86,905 | 13,88,14,635 |
| Interest expense | | | | | | | (33,74,000) | (3,44,632) |
| Interest Income and Income from Investments | | | | | | | 4,02,92,341 | 4,94,38,485 |
| Prior Year Adjustments | | | | | | | | (5,67,971) |
| Profit before Tax | | | | | | | 15,60,05,246 | 18,73,40,517 |
| Provision for taxation : | | | | | | | | |
| – Income Tax | | | | | | | (4,15,00,000) | (7,50,00,000) |
| – Deferred Tax | | | | | | | (1,00,52,534) | 35,90,467 |
| – Short Provision of I.T of earlier years | | | | | | | (1,42,658) | (36,289) |
| Extraordinary Items (net of tax) | | | | | | | (21,90,580) | (11,77,495) |
| Profit after Tax | | | | | | | 10,21,19,474 | 11,47,17,200 |
| c) Segment Assets | 39,32,79,491 | 35,61,16,444 | 17,95,86,874 | 12,21,81,932 | 31,30,61,782 | 48,64,807 | 88,59,28,147 | 48,31,63,183 |
| Unallocated Assets | | | | | | | 68,39,16,657 | 70,02,02,162 |
| Total Assets | 39,32,79,491 | 35,61,16,444 | 17,95,86,874 | 12,21,81,932 | 31,30,61,782 | 48,64,807 | 1,56,98,44,804 | 1,18,33,65,345 |
| d) Segment Liabilities | 12,57,96,201 | 11,13,48,692 | 2,18,99,625 | 1,07,99,378 | 5,43,54,735 | 20,25,975 | 20,20,50,561 | 12,41,74,045 |
| Unallocated Liabilities | | | | | | | 35,38,97,093 | 9,36,80,190 |
| Total Liabilities | 12,57,96,201 | 11,13,48,692 | 2,18,99,625 | 1,07,99,378 | 5,43,54,735 | 20,25,975 | 55,59,47,654 | 21,78,54,235 |
| e) Capital expenditure | 9,65,93,993 | 75,56,114 | 6,47,23,510 | 50,99,469.00 | 14,812 | 12,242 | 16,13,32,315 | 1,26,67,825 |
| Unallocated expenditure | | | | | | | 4,34,850 | 12,45,310 |
| f) Depreciation | 1,22,96,132 | 73,89,382 | 12,86,258 | 8,36,043 | 4,75,376 | 2,74,208 | 1,40,57,766 | 84,99,633 |
| Unallocated Depreciation | | | | | | | 40,91,992 | 43,42,182 |
| 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.

Notes on Consolidated Accounts for the Year Ended 31st March 2011

11 Disclosure of Related Parties

(I) List of related parties and relationships :

a) **Parties where control exists - Subsidiaries :**

Data Quest Infotech and Enterprises Limited

b) Key Management Personnel :

Sri. S.Sambhu Prasad, Managing Director

c) Relatives of Key Management Personnel :

Mrs. Rajeswari. S – Mother

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

Nature of Transaction

2010-2011

2009-2010

(Rs.)

(Rs.)

Loans/Advances granted (net)

21,90,580

–

Provision for Advances / Investments

21,90,580

–

Outstanding as on 31.03.2011:

–

–

Investments (net of Provisions)

–

5,24,000

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

Remuneration

88,08,807

1,13,85,044

Dividend paid

23,10,345

26,18,391

Amount payable as on 31.03.2011

31,01,415

60,13,781

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

Dividend Paid

45,28,845

49,29,354

12 Earnings per share

a) Numerator-Profit as per P & L a/c before extraordinary item (in Rs.)

10,43,10,054

11,58,94,695

b) Numerator-Profit as per P & L a/c after extraordinary item (in Rs.)

10,21,19,474

11,47,17,200

c) Denominator- Weighted average number of Equity shares outstanding

30,30,000

30,35,972

d) Earnings per share (Basic and Diluted) before extraordinary item (in Rs.)

34.43

38.17

e) Earnings per share (Basic and Diluted) after extraordinary item (in Rs.)

33.70

37.79

f) Nominal value of shares (in Rs.)

10.00

10.00

13 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 2011

31st March 2010

Rs.

Rs.

The principal amount and the interest due thereon remaining unpaid to any
supplier as at the end of each accounting year.

Principal

Principal

Rs.21,05,984

Rs.25,21,656

Interest

Interest

Rs.7,05,327

Rs.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.

Rs. 5,93,458

Rs. 94,918

The amount of Interest accrued and remaining unpaid at the end
of the accounting year.

Rs.7,688

Rs.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.

14 Disclosure as per Accounting Standard 19 - Operating Leases :

2010-2011

2009-2010

(Rs.)

(Rs.)

Future lease payments not later than one year

3,10,765

8,73,480

Future lease payments later than one year and not later than five years

-

3,10,765

Notes on Consolidated Accounts for the Year Ended 31st March 2011

15 Employee Benefits

a) Defined Benefit Plans - As per Actuarial valuation on March 31 2011

| | 2010-2011 (Rs.) | 2009-2010 (Rs.) |
|---|--------------------|--------------------|
| Gratuity | | |
| A. Expense recognised in the statement of Profit & Loss Account for the year ended March 31 2011 | | |
| 1 Current service cost | 34,49,322 | 15,60,985 |
| 2 Interest Cost | 12,71,216 | 11,73,315 |
| 3 Past Service Cost | 13,97,444 | |
| 4 Expected return on plan assets | 12,21,079 | 13,30,843 |
| 5 Net actuarial (gain) / loss recognised during the year | (2,09,589) | 18,17,888 |
| 6 Total Expense | 46,87,314 | 32,21,345 |
| B. Actual return on plan assets | | |
| 1 Expected return on plan assets | 12,21,079 | 13,30,843 |
| 2 Actuarial gain / (loss) on plan assets | (12,21,079) | -7,04,208 |
| 3 Actual return on plan assets | | 6,26,635 |
| C. Net Asset/ Liability recognised in the Balance Sheet | | |
| 1 Present value of obligation | 1,95,10,341 | 1,69,57,368 |
| 2 Fair value of plan assets | 1,48,47,559 | 1,45,50,331 |
| 3 Funded status [surplus/(deficit)] | (46,62,782) | 24,07,037 |
| 4 Net Assets / (Liability) recognised in the Balance Sheet | (46,62,782) | 24,07,037 |
| D. Change in Present value of the Obligation during the year ended March 31 2011 | | |
| 1 Present value of obligation as at April 1, 2010 | 1,69,57,368 | 1,56,44,203 |
| 2 Current service cost | 34,49,322 | 15,60,985 |
| 3 Interest Cost | 12,71,216 | 11,73,315 |
| 4 Past Service Cost | 13,97,444 | |
| 5 Benefits paid | (21,34,341) | 25,34,615 |
| 6 Actuarial (gain) / loss on obligation | (14,30,668) | 11,13,480 |
| 7 Present value of obligation as at March 31, 2011 | 1,95,10,341 | 1,69,57,368 |
| E. Charge in Assets during the year ended March 31, 2011 | | |
| 1 Fair Value of plan assets as at April 1, 2010 | 1,45,50,331 | 1,57,17,783 |
| 2 Expected return on plan assets | 12,21,079 | 13,30,843 |
| 3 Contributions made | 24,31,569 | 7,40,728 |
| 4 Benefits paid | (21,34,341) | 25,34,615 |
| 5 Actuarial gain / (loss) on plan assets | (12,21,079) | (7,04,408) |
| 6 Fair Value of plan assets as at March 31, 2011 | 1,48,47,559 | 1,45,50,331 |
| F. Major categories of plan assets as a percentage of total plan - 100% Qualifying Insurance Policy | | |
| G. Actuarial Assumptions | | |
| 1 Discount rate | 8.00% | 7.50% |
| 2 Expected rate of return on plan assets | 8.50% | 8.00% |
| 3 Salary Escalation | 8.00% | 6.00% |

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

Leave Salary

The defined benefit obligations which are provided for but not funded as on 31-3-2011 is Rs. 26,13,715/- (Rs. 27,68,901/-)

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

As per our Report of even date

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

N. Srinivasan

Partner

Membership No. 200330

Place : Chennai

Date : 08.08.2011

S. Sambhu Prasad

Managing Director

Hema Pasupatheeswaran

Company Secretary

K. Kannan

General Manager (Finance)

Dr. H.B.N. Shetty

Dr. Pasumarthi S.N. Murthi

D. Seetharama Rao

A. Satishkumar

Directors

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

| | Year ended March 31, 2011 Rs. | Year ended March 31, 2010 Rs. |
|---|-------------------------------------|-------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax and extraordinary items | 15,60,05,246 | 18,73,40,517 |
| Adjustments for: | - | |
| Depreciation | 1,81,49,758 | 1,28,41,815 |
| Interest received | (1,41,23,992) | (4,05,20,881) |
| Income from Investments | (1,70,39,108) | (80,62,708) |
| Amortisation of Premium on Investments | 15,49,425 | 6,65,941 |
| Dividend received | (69,17,975) | (8,54,896) |
| Rent receipts | (4,55,700) | (6,09,050) |
| Sundry balances written back (net) | - | (4,15,829) |
| Excess provision written back | - | (16,96,513) |
| Provision for Bad and Doubtful Debts | 41,93,292 | 2,30,37,324 |
| Profit on sale of Fixed Assets | (1,30,003) | (34,76,939) |
| Profit on sale of Investments | (22,11,266) | - |
| Interest paid | 33,74,000 | 3,44,632 |
| Loss on sale of fixed assets | - | 10,38,897 |
| Operating Profit before Working Capital Changes | 14,23,93,677 | 16,96,32,310 |
| Adjustments for: | | |
| Trade & other receivables | (2,99,37,343) | (60,29,318) |
| Inventories | (1,15,49,541) | (1,99,81,836) |
| Trade payables | 9,21,522 | 5,40,47,767 |
| Cash generated from operations | 10,18,28,315 | 19,76,68,923 |
| Direct Taxes Paid | (4,48,27,070) | (8,27,67,743) |
| Net Cash from operating activities | 5,70,01,245 | 11,49,01,180 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets including Capital Work-in-Progress | (10,27,75,577) | (5,85,48,165) |
| Sale of fixed assets | 7,35,000 | 79,29,000 |
| (Purchase) / Sale of investments | 3,56,86,349 | (45,60,65,735) |
| Purchase of investments others | (24,73,80,000) | - |
| Sundry Deposits | (1,00,00,000) | (1,00,00,000) |
| Loans to subsidiary companies | (21,90,580) | - |
| Interest received | 2,72,28,973 | 4,57,40,864 |
| Dividend received | 39,52,584 | 5,94,718 |
| Rent received | 4,46,800 | 6,14,200 |
| Cash Flow before extraordinary items | (29,42,96,451) | (46,97,35,118) |
| Extra ordinary items : | - | - |
| Net Cash (used in) / generated from Investing Activities | (29,42,96,451) | (46,97,35,118) |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

| | Year ended March 31, 2011 Rs. | Year ended March 31, 2010 Rs. |
|--|-------------------------------------|-------------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase / (Decrease) in Long Term Loan | 4,17,76,000 | - |
| Increase / (Decrease) in Short Term Loans | 21,05,59,688 | 1,05,20,943 |
| Dividend paid (including interim Dividend & Dividend Tax) | (5,31,74,228) | (6,02,64,125) |
| Interest paid | (13,55,482) | (2,40,451) |
| Buyback of equity shares | - | (2,90,35,920) |
| Cost in relation to buyback of equity shares | - | (6,53,495) |
| Net Cash (used in) / generated from financing Activities | 19,78,05,978 | (7,96,73,048) |
| Net Increase / (Decrease) in cash & cash equivalents | (3,94,89,228) | (43,45,06,986) |
| Cash and cash equivalents opening balance | 28,37,86,180 | 67,55,41,077 |
| Cash and cash equivalents closing balance | 24,42,96,952 | 24,10,34,091 |
| Previous year's figures have been re-grouped wherever necessary to conform to this year's classification | | |

S. Sambhu Prasad
Managing Director

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

Place : Chennai
Date : 08.08.2011

Hema Pasupatheeswaran
Company Secretary

K. Kannan
General Manager (Finance)

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 2011 and the year ended 31st March 2010 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.

As per our Report of even date
For **P.S.Subramania Iyer & Co.**
Chartered Accountants

N. Srinivasan
Partner
Membership No. 200330

Place : Chennai
Date : 08.08.2011